

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

August 10, 2015

PLEDGE OF ALLEGIANCE

CALL TO ORDER

5:00 p.m., Board Room, District Office
15600 Sand Canyon Avenue, Irvine, California

ROLL CALL

Directors Matheis, Reinhart, Swan, Withers and President LaMar

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:

2. ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Recommendation: Determine the need to discuss and/or take immediate action on item(s).

PRESENTATIONS

3. EXTRAORDINARY SUPPLY PROGRAM PRESENTATION

Staff will provide a presentation explaining the successful conclusion of recharging, recovering, and conveying 1,000 acre-feet of water from IRWD Strand Ranch to the IRWD service area. The presentation will also highlight the critical roles of each of IRWD's partners in the Extraordinary Supply Program.

PRESENTATIONS - Continued

4. CSUF LEADERSHIP DEVELOPMENT FOR PUBLIC AGENCIES
PRESENTATION AND RECOGNITION OF DISTRICT GRADUATES

Lauren Henderson, Program Developer, and Shelly Wang, Manager of Program Development with the University Extended Education, California State University, Fullerton, will give a brief presentation about their series entitled "Leadership Development for Public Agencies" and honor IRWD's most recent graduates of the program: Marta Ramos, Sr. HR Analyst; Jennifer Davis, Treasury Analyst; Shana Llewellyn, Customer Service Specialist III; Colt Martin, Mechanical Services Manager; and Shavonne Mays, Water Use Efficiency Specialist.

CONSENT CALENDAR

Resolution No. 2015-23

Items 5-16

5. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the July 27, 2015 Regular Board meeting be approved as presented.

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

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

7. FISCAL YEAR 2015-16 GENERAL COUNSEL SERVICES FOR BOWIE,
ARNESON, WILES & GIANNONE

Recommendation: That the Board approve and authorize the General Manager to execute the Engagement Agreement with Bowie, Arneson, Wiles & Giannone effective July 1, 2015 for general counsel services in the amount not to exceed \$400,000.

8. 2016 MEDICAL INSURANCE COVERAGE RENEWAL

Recommendation: That the Board authorize the continuance of the District's health care coverage with CalPERS for calendar year 2016 with changes in employee and District contribution levels as listed in Table A.

CONSENT CALENDAR – Continued

Items 5-16

9. DENTAL INSURANCE COVERAGE FOR CALENDAR YEAR 2016

Recommendation: That the Board authorize the General Manager to extend the District's contract with the Association of California Water Agencies' Joint Power Insurance Authority for Delta Preferred Option Plan A with child and adult orthodontic coverage for calendar year 2016.

10. 2015 LEGISLATIVE UPDATE

Recommendation: That the Board take a "SEEK AMENDMENTS" position on the Santa Ana Mountains to Sea National Monument proposal.

11. AMENDMENTS TO REMARKETING AGREEMENTS FOR FEE REDUCTIONS

Recommendation: That the Board approve the amendments to the Remarketing Agreements with Merrill Lynch and Goldman Sachs for the Series 1993, Refunding Series 2008A, and Series 2009B bonds and authorize the President to execute the amended Remarketing Agreements.

12. HIDDEN CANYON ZONE 3 TO 4 DOMESTIC WATER AND ZONE B TO C RECYCLED WATER BOOSTER PUMP STATIONS FINAL ACCEPTANCE

Recommendation: That the Board authorize the General Manager to accept construction of Hidden Canyon Zone 3 to 4 Domestic Water and Zone B to C Recycled Water Booster Pump Stations, projects 10446 (1648) and 30446 (1063); authorize the General Manager to file a Notice of Completion; and authorize the release of retention 35 days after filing of the Notice of Completion.

13. WELLS ET-1 AND ET-2 REHABILITATION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of Wells ET-1 and ET-2 Rehabilitation, project 30402 (4328); authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

CONSENT CALENDAR – Continued

Items 5-16

14. GREEN ACRES PROJECT PIPELINE SEGMENT CATHODIC PROTECTION SYSTEM UPGRADES FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Green Acres Project Pipeline Segment Cathodic Protection System Upgrades, project 30415 (4396); authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

15. AMENDMENT NO. 2 TO SANTA ANA WATERSHED TASK FORCE AGREEMENT

Recommendation: That the Board authorize the General Manager to execute Amendment No. 2 to the Agreement to Form a Task Force to Conduct a Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed.

16. FISERV ELECTRONIC COMMERCE SERVICES AGREEMENT EXTENSION

Recommendation: That the Board authorize the General Manager to execute a five-year agreement with Fiserv Solutions, LLC for electronic commerce services effective August 1, 2015 for a total cost of \$900,000.

ACTION CALENDAR

17. BUSINESS INTELLIGENCE SOFTWARE UPGRADE CONSULTANT SELECTION

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with DiLytics, Inc. in the amount of \$417,600 and approve a capital budget increase of \$119,900 each for projects 6181 and 6184 for a total budget increase of \$239,800.

18. CHANGES TO EXISTING RULES AND REGULATIONS AND RATES AND CHARGES - FIRST READING AND INTRODUCTION

Recommendation: That the resolution rescinding Resolution No. 2014-50 and establishing revised Rules and Regulation of the Irvine Ranch Water District for water, sewer, recycled water, and Natural treatment system service be read by title only, waive further reading of the resolutions, and that the Secretary be authorized to place the resolutions on the agenda for the August 24, 2015 meeting of the Board of Directors for a second reading, hearing and adoption.

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.

19. A. General Manager's Report

B. Directors' Comments

C. Closed Session - Conference with Legal Counsel relative to existing litigation - Government Code Section 54956.9(d)(1) –Williams vs. Irvine Ranch Water District and Metropolitan Water District of Southern California, and related consolidated cases (30-2011-00519887; 30-2012-00586258; 30-2012-00616648; 30-2012-00619294; 30-2013-00666627; 30-2013-00666636);

Closed Session - Conference with Labor Negotiators - Government Code Section 54957.6:

Agency Designated Representatives: Paul Cook and Jenny Roney

Employees Organization: Irvine Ranch Water District Employees Association; and

Closed Session - Conference with legal counsel relative to anticipated litigation pursuant to Government Code Section 54956.9(d)(4) - initiation of litigation (two potential cases).

D. Open Session

E. 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.

August 10, 2015

Prepared and

Submitted by: L. Bonkowski

Approved by: P. Cook



CONSENT CALENDAR

MINUTES OF BOARD MEETING

SUMMARY:

Provided are the minutes of the July 27, 2015 Regular Board Meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE JULY 27, 2015 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – Minutes of July 22, 2015

EXHIBIT "A"

MINUTES OF REGULAR MEETING – JULY 27, 2015

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 LaMar on July 27, 2015 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Withers, Reinhart, LaMar and Swan.

Directors Absent: Matheis.

Also Present: General Manager Cook, Executive Director of Engineering and Water Quality Burton, Executive Director of Finance and Administration Clary, Executive Director of Water Policy Weghorst, Director of Human Resources Roney, Assistant Director of Recycling Operations Lee, Assistant Director of Water Operations Roberts, Director of Administration Services Mossbarger, Director of Treasury and Risk Management Jacobson, Director of Public Affairs Beeman, Legal Counsel Arneson (via conference call), Secretary Bonkowski, Mr. Christopher Smithson, Mr. Ray Bennett, Ms. Amy McNulty, Mr. Mark Tettermer, Ms. Dorien McElroy, Mr. Bruce Newell, Mr. Jim Reed, and other members of the public and staff.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

PRESENTATION

ASSOCIATION OF CALIFORNIA CITIES – ORANGE COUNTY AWARD

President LaMar recognized General Manager Cook for receiving the Association of California Cities Orange County Innovator of the Year Award.

PUBLIC HEARING

SEWER TAXES IN THE NEWPORT NORTH SERVICE AREA

General Manager Cook reported that on June 22, 2015, the Board adopted Rates and Charges for Fiscal Year 2015-16 which included monthly sewer charges of \$24.05 for a residential single family home and \$18.55 per unit for multiple family dwelling units. The Newport North customers will be billed the same rate, but the method of collection differs in that they will pay their sewer fees on an annual basis through the County tax rolls.

Mr. Cook said that by adoption of Resolution No. 1987-45, the Board of Directors elected to have sewer charges for certain parcels of land located in the Newport North area collected on the tax roll together with the District's general taxes. That resolution directs the filing of a report containing a description of such parcels and the corresponding charges for each fiscal year. Pursuant to the requirements of the Health and Safety Code of the State of California, a public hearing on the report is required.

President LaMar said this was the time and place for a hearing on the sewer taxes in the Newport North area, and declared the hearing open. He asked the Secretary how the hearing was noticed.

Secretary Bonkowski reported that the report was filed with her on July 9, 2015 and the notice of the filing of the report and the time and place of this hearing was published in the Newport Beach-Costa Mesa Daily Pilot on July 11, 2015 and July 18, 2015. She said that a notice was also posted in the District office on July 9, 2015.

On MOTION by Swan, seconded and unanimously carried, THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

President LaMar requested Legal Counsel Arneson to describe the nature of the proceedings.

Legal Counsel Arneson described the nature of the proceedings, saying that the purpose of the hearing was to provide an opportunity for all persons interested or the owner of any parcel within the area to present objections or protests to the report.

President LaMar asked Secretary Bonkowski whether she had received any written communications concerning this matter, and she stated that she had not. President LaMar asked if there was anyone present who wished to address the Board concerning the report and the proposed collection of sewer charges on the tax roll. There was no one present who wished to be heard. President LaMar further inquired if there were any comments or questions from members of the Board of Directors. There were no comments from the Board.

On MOTION by Withers, seconded and unanimously carried, THE HEARING WAS CLOSED, AND RESOLUTION NO. 2015-19 WAS ADOPTED BY TITLE AS FOLLOWS:

RESOLUTION NO. 2015-19

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE
RANCH WATER DISTRICT ADOPTING REPORT OF SEWER
CHARGES TO BE COLLECTED ON THE TAX ROLL
(NEWPORT NORTH SERVICE AREA)

CONSENT CALENDAR

On MOTION by Withers, seconded and unanimously carried (4-0), CONSENT CALENDAR ITEMS 5 THROUGH 9 WERE APPROVED AS FOLLOWS:

5. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the July 13, 2015 Regular Board Meeting be approved as presented.

CONSENT CALENDAR (CONTINUED)

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

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

7. JUNE 2015 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the monthly Interest Rate SWAP Summary for June 2015, and disclosure report of reimbursements to Board members and staff; approve the June 2015 summary of payroll ACH payments in the total amount of \$1,506,824 and approve the June 2015 Accounts Payable Disbursement Summary of warrants 358856 through 359850, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$24,230,013.

8. LOS ALISOS WATER RECYCLING PLANT PONDS BIOSOLIDS REMOVAL AND DISPOSAL FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Los Alisos Water Recycling Plant Ponds Biosolids Removal and Disposal, project 21209 (5521); authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

9. IRVINE RANCH WATER DISTRICT STRATEGIC MEASURES

Recommendation: That the Board received and file the report.

ACTION CALENDAR

SETTING CONNECTION FEES AND PROPERTY TAXES FOR FISCAL YEAR 2015-16

General Manager Cook reported that staff recommends changes to the existing connection fees and tax rates based on updated data within the IRWD's Improvement Districts (ID). Mr. Cook said that the long-term capital funding plan, completed in November 2013, established connection fees and formed new IDs for funding capital requirements and setting tax rates, and were last updated in July 2014. He said that the District's financial model had been updated in July 2015 to include adjustments to the capital improvement program; additional unit approvals (awaiting updates); and updated assessed valuations. He further said that that the proposed connection fees assume an increase within each of the IDs based on the Engineering News Records estimated capital cost increase of 2.25%.

Director Swan reported that this item was reviewed and approved by the Finance and Personnel Committee on July 20, 2015. On MOTION by Swan, seconded and unanimously carried ((4-0), **THE BOARD APPROVED IDENTIFIED INCREASES IN CONNECTION FEES AND ADOPT THE FOLLOWING RESOLUTIONS BY TITLE:**

RESOLUTION NO. 2015-20

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

RESOLUTION NO. 2015-21

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA ESTABLISHING AD VALOREM TAX REVENUES FOR FISCAL YEAR 2015-16

RESOLUTION NO. 2015-22

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT AMENDING ALLOCATION OF AD VALOREM PROPERTY TAXES TO DEBT SERVICE, SUBJECT TO PLEDGE

REQUEST TO REVISE TERMS OF JOINT COMMUNITY FACILITIES AGREEMENT FOR THE CENTRAL PARK WEST/IRVINE BUSINESS CENTER DEVELOPMENT

General Manager Cook reported that in September 2004, a Joint Community Facilities Agreement (JCFA) was executed by the Irvine Ranch Water District, Santa Ana Unified School District and developer KFPLB Michelson Jamboree, LLC (Lennar) which allowed for a portion of the proceeds from a Community Facilities District (CFD) financing to be used toward water and sewer infrastructure costs at the Central Park West development in the Irvine Business Center. Mr. Cook said that based on residual CFD funds currently remaining, Lennar is requesting an increase in the JCFA's limit towards water and sewer facility infrastructure costs from \$2.5 million to a maximum of \$3.0 million. He further said staff recommends that the Board approve the increase subject to a previous requirement that the CFD proceeds shall not be applied toward developer connection fees.

Director Swan reported that this item was reviewed and approved by the Finance and Personnel Committee on July 20, 2015. On MOTION by Swan, seconded and unanimously carried (4-0), THE BOARD APPROVED ONE OR MORE AMENDMENTS TO THE 2004 JOINT COMMUNITIES FACILITIES AGREEMENT INCREASING THE LIMIT FOR WATER, RECYCLED WATER AND SEWER RELATED INFRASTRUCTURE COSTS FROM \$2.5 MILLION TO A MAXIMUM OF \$3.0 MILLION SUBJECT TO PREVIOUS REQUIREMENTS THAT CFD PROCEEDS SHALL NOT BE APPLIED TOWARD DEVELOPER CONNECTION FEES, AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE THE AMENDMENT(S) SUBJECT TO ANY NON-SUBSTANTIVE CHANGES.

EASEMENT AGREEMENT WITH TUSTIN UNIFIED SCHOOL DISTRICT FOR TUSTIN LEGACY WELL SITE

Executive Director of Engineering and Water Quality Burton reported that the Tustin Legacy Well site was identified in the District's 2014 Groundwater Work Plan. Mr. Burton said that staff has prepared an easement agreement for additional land, and as part of the agreement, the existing 80 feet by 80 feet site will become an 180 feet by 50 feet of usable area which is large enough to drill and equip a new well. He said that staff anticipates that the new well will be drilled on the existing well site and the new easements will be used primarily for construction, equipping, and maintenance of the new well. He further said that Tustin Unified School District (TUSD) currently uses the property as a school site named Heritage School. As part of the preparation, the Department of Education has reviewed the easement agreement and issued a letter of consent that indicates upon execution of the agreement, a portion of the \$180,000 shall be paid to the Department as outlined in the 2003 deed to TUSD.

Director Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on July 21, 2015. On MOTION by Reinhart, seconded and unanimously carried (4-0), THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$143,000, FROM \$269,500 TO \$412,500, FOR PROJECT 11881 (6215); APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT \$412,500 FOR PROJECT 11881 (6215); AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE THE AGREEMENT FOR ACQUISITION OF EASEMENT WITH TUSTIN UNIFIED SCHOOL DISTRICT FOR THE TUSTIN LEGACY WELL SITE SUBJECT TO COMPLETING THE DOMESTIC WATER SOURCE ASSESSMENT AND PROTECTION PROGRAM WITH MINIMAL WATER QUALITY CONCERNS.

BUDGET INCREASE FOR CONVERTING SITES TO RECYCLED WATER

General Manager Cook reported that the ongoing drought and the statewide mandate to reduce use of potable water have resulted in a significant increase in customer requests to convert sites from the use of potable water to recycled water. Mr. Cook said that staff is currently evaluating and prioritizing requests for conversion of nearly 100 sites to recycled water. Additionally, the University of California, Irvine has expressed its desire to proceed with the conversion of its central plant cooling towers to the use of recycled water.

On MOTION by Swan, seconded and unanimously carried (4-0), THE BOARD APPROVED AN INCREASE IN THE CAPITAL BUDGET FOR FY 2015-16 FOR PROJECT 30560 (6242) FOR OFFSITE RECYCLED WATER IMPROVEMENTS IN THE AMOUNT OF \$1,650,000 AND THAT THE ENTIRE PROJECT AMOUNT BE PAID FROM THE CONSERVATION FUND.

EMBEDDED ENERGY PLAN CAPITAL BUDGET INCREASE

General Manager Cook reported that on April 28, 2014, the Board approved the development of an Embedded Energy Plan to quantify energy use associated with each District facility involved in the production, treatment, distribution, collection, reuse and disposal of water and biosolids. Mr. Cook said that the plan will include the development of an analytical tool that can be used to identify portions of the District where future water conservation and energy reduction

measures should be focused and where pumping surcharges could be assessed. He said that staff has determined that additional analyses are required to enhance the embedded energy plan and associated tool which were not included in the original scope of work and a budget increase is needed to complete the work.

Using a PowerPoint presentation, Ms. Amy McNulty reviewed the benefits of an embedded energy plan showing a component analysis; a historic embedded energy and energy use profile; the District's top 12 energy consuming facilities; conservation measures showing annual water and energy savings; and a pumping surcharge analysis; and noted the additional tasks required for the budget increase.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on July 21, 2015. Following discussion, on MOTION by Reinhart, seconded and unanimously carried (4-0), THE BOARD AUTHORIZED A BUDGET INCREASE TO THE FY 2015-16 CAPITAL BUDGET IN THE AMOUNT OF \$42,175.50 FOR PROJECT 11792 (5343) AND \$42,175.50 FOR PROJECT 30499 (5344).

APPROVAL OF ROSEDALE DROUGHT RELIEF PROJECT CHANGE ORDERS

Executive Director of Water Policy Weghorst reported that the drilling and construction of wells for the Drought Relief Project is ongoing in the Rosedale-Rio Bravo Water Storage District service area. Mr. Weghorst said that this project will allow IRWD, Rosedale and Castaic Lake Water Agency (CLWA) to benefit from additional groundwater recovery and conveyance capacities that will supplement banking and exchange programs. He said that the Cost Sharing Agreement for the project requires Rosedale to contract for the construction of the facilities and specifies that IRWD and CLWA are provided seven days to approve significant change orders. He further said that a need has been identified to drill pilot holes deeper than anticipated and to perform additional water quality zone testing as part the well drilling and construction project. The total estimated cost for these project changes is \$499,000 of which IRWD's share is \$249,500. On MOTION by Reinhart, seconded and unanimously carried (4-0), THE BOARD APPROVED IRWD'S SHARE OF THE CHANGE ORDER WORK FOR THE DRILLING AND CONSTRUCTION OF DROUGHT RELIEF PROJECT WELLS IN THE AMOUNT OF \$249,500 AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE ROSEDALE'S CHANGE ORDER AUTHORIZATION REQUESTS DATED JULY 15, 2015.

MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES CONTRACT CHANGE ORDER

General Manager Cook reported that Filanc/Balfour Beatty (FBB) is constructing the Michelson Water Recycling Plant Biosolids and Energy Recovery Facilities (Biosolids Project). Mr. Cook said that Contract Change Order (CCO) No. 30 includes several additions and credits. This CCO includes the installation of additional anchorage for the methane digesters, electrical and gas service lines modifications, acid phase piping modifications and canisters addition, pickling and passivating sludge mixers, and SCADA modifications along with credits for deletion of SCADA hardware and interior protective coating of the methane digesters, partnering costs, foundation piles repair costs, and other smaller items.

Director Reinhart reported that this item was reviewed by the Engineering and Operations Committee on July 21, 2015. Since the Committee meeting, \$10,963.38 was added to the item *Pickling and Passivation of Sludge Mixers* and a credit of <\$38,102.85> pertaining to the installation of the piles was added. On MOTION by Reinhart, seconded and unanimously carried (4-0), THE BOARD APPROVED CONTRACT CHANGE ORDER NO. 30 IN THE CREDIT AMOUNT OF <\$47,976.59> FOR THE INSTALLATION OF ADDITIONAL ANCHORAGE FOR THE METHANE DIGESTERS, ELECTRICAL AND GAS SERVICE LINES MODIFICATIONS, ACID PHASE PIPING MODIFICATIONS AND CANISTERS ADDITION, PICKLE AND PASSIVATING SLUDGE MIXERS, AND SCADA MODIFICATIONS ALONG WITH CREDITS FOR DELETION OF SCADA HARDWARE AND INTERIOR PROTECTIVE COATING OF THE METHANE DIGESTERS, PARTNERING COSTS, FOUNDATION PILE REPAIR COSTS, AND OTHER SMALLER ITEMS WITH FILANC/BALFOUR-BEATTY FOR THE MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES, PROJECT 21146 (4286).

GENERAL MANAGER'S REPORT

General Manager Cook reported that customer calls and communications have been higher than normal due to two bills being sent in a short time frame due to the fiscal year rate changes. He said that the District is in the process of adding 48 more phone lines to handle the calls. He recognized the Customer Service Department for all of their additional efforts and noted that staff was working overtime to meet the demand.

General Manager Cook reported that the Santa Ana Regional Water Quality Control Board held its Board meeting at the District last Friday and one of the items was a \$500,000 fine against the Costa Mesa Sanitary District which he said staff will be monitoring.

General Manager Cook introduced the new District's Collections Systems Manager Ms. Dorien McElroy.

DIRECTORS' COMMENTS

Director Withers commented on the fine imposed by Santa Ana Regional Water Quality Control Board as it relates to a similar violation with one of his clients.

Mr. Withers also thanked Customer Service staff for their quick response to a customer's problem which was relayed to him from an Orange County Supervisor.

Director Swan reported on his attendance at the Orange County Coastal Coalition workshop, a Southern California Dialogue meeting, a WACO Planning Committee meeting, a Newport Chamber of Commerce meeting, and an OCWA monthly meeting. He noted that the City of Garden Grove may be formally opposing the Poseidon project which would be the first city to state its objections to the proposed desalination project. He further noted that he, President LaMar and staff are working on a policy paper on desalination which he is hopeful will be made available in the near future.

President LaMar reported on his attendance at an ACWA Headwaters Working Group meeting in Placerville, a Southern California Water Committee quarterly meeting relative to fracking, and that today he attended a Water Quality Task Force meeting relative to storm water capture.

IRWD's consultant, Mr. Bruce Newell, reported on his attendance along with District staff at an Inter-canyon League meeting and also noted a recent fire around Irvine Lake.

IRWD's consultant, Mr. Jim Reed, reported on meetings he attended on behalf of the District including a WACO Planning Meeting, an OCWA monthly meeting, and a South Orange County Economic Coalition meeting.

ADJOURNMENT

President LaMar adjourned the meeting at 6:28 p.m.

APPROVED and SIGNED this 10th day of August, 2015.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

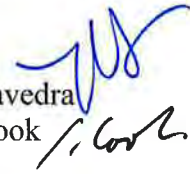
Legal Counsel - Bowie, Arneson,
Wiles & Giannone

August 10, 2015

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

8/03/15 OCLAFCO Meeting w/Commissioner Cheryl Brothers
8/07/15 IRWD Tour w/OCLAFCO Commissioners Allan Bernstein & Kathryn Freshley
8/11/15 ISDOC Elected Officials Emergency Response Training
8/14/15 ACWA Region 10 - Desalination Today for Water Tomorrow Program
8/21/15 San Bernardino County Water Conference
8/26-28/15 Urban Water Institute's Annual Conference, San Diego, CA

Mary Aileen Matheis

7/08/15 Tour of El Toro Base Sites w/El Toro Restoration Advisory Board
8/04/15 OCLAFCO Meeting with Alternate Delegate Wendy Bucknun
8/11/15 ISDOC Elected Officials Emergency Response Training

Douglas Reinhart

8/21/15 San Bernardino County Water Conference
8/26-28/15 Urban Water Institute's Annual Conference, San Diego, CA

Peer Swan

7/14/15 OCBC Infrastructure Committee Meeting
8/03/15 OCLAFCO Meeting w/Commissioner Cheryl Brothers
8/07/15 IRWD Tour w/OCLAFCO Commissioners Allan Bernstein & Kathryn Freshley

John Withers

8/13/15 Pre-Grand Opening Celebration of Beacon Park Great Park Neighborhood
8/19/15 OCWA Meeting

RECOMMENDATION:

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

LIST OF EXHIBITS:

None

August 10, 2015

Prepared and

submitted by: N. Savedra

Approved by: Paul Cook



CONSENT CALENDAR

FISCAL YEAR 2015-16 GENERAL COUNSEL SERVICES FOR BOWIE, ARNESON, WILES & GIANNONE

SUMMARY:

Bowie, Arneson, Wiles & Giannone (BAWG) has provided a proposed letter of engagement for the purpose of providing legal services to the District for Fiscal Year (FY) 2015-16, effective July 1, 2015. BAWG's services shall not exceed \$400,000 without additional authorization from the District.

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

Partner:	\$220/hour
Senior Associate:	\$195/hour
Associate:	\$185/hour
Paralegal:	\$ 85/hour

As per the terms of the Legal Services Agreement, billing for miscellaneous general legal services will be on a fixed-fee basis, and all other services will be billed on an hourly basis. BAWG's hourly rates are based upon a number of factors, including the level of experience of its attorneys.

FISCAL IMPACTS:

BAWG's services shall not exceed a total of \$400,000 for FY 2015-16 without additional authorization from the District.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on August 4, 2015.

Consent Calendar: FY 2015-16 General Counsel Services for Bowie, Arneson,
Wiles & Giannone
August 10, 2015
Page 2

RECOMMENDATION:

THAT THE BOARD APPROVE AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE ENGAGEMENT AGREEMENT WITH BOWIE, ARNESON, WILES & GIANNONE EFFECTIVE JULY 1, 2015 FOR GENERAL COUNSEL SERVICES IN THE AMOUNT NOT-TO-EXCEED \$400,000.

LIST OF EXHIBITS:

Exhibit "A" – Terms of Legal Services Agreement from Bowie, Arneson, Wiles, and Giannone

EXHIBIT "A"

BOWIE, ARNESON, WILES & GIANNONE

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
ATTORNEYS AT LAW

ALEXANDER BOWIE*
JOAN C. ARNESON
WENDY H. WILES*
PATRICIA B. GIANNONE
ROBERT E. ANSLOW
BRIAN W. SMITH
JEFFREY A. HOSKINSON
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4920 CAMPUS DRIVE
NEWPORT BEACH, CALIFORNIA 92660
(949) 851-1300

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

REF. OUR FILE
8001A20

*A PROFESSIONAL CORPORATION

July 17, 2015

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

Dear Paul:

This letter sets forth our firm's engagement to provide general counsel services to Irvine Ranch Water District. Our services shall not exceed \$400,000.00 for the District's fiscal year 2015-16 without additional authorization from the District. As described in the attached Terms of Legal Services Agreement, billing for miscellaneous general legal services will be on a fixed-fee basis, and all other services will be billed on an hourly basis.

Our firm's hourly rates are based upon a number of factors, including the level of experience of the attorneys. The 2015-16 hourly rates (effective July 1, 2015 but in no event before our next invoicing period commencing after this letter) will be as follows:

Partner	\$220
Senior Associate	\$195
Associate	\$185
Paralegal	\$85

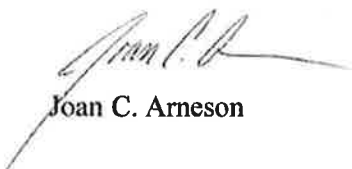
This letter, together with the attached Terms of Legal Services Agreement, sets forth the terms of our engagement.

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

Very truly yours,

BOWIE, ARNESON,
WILES & GIANNONE

By


Joan C. Arneson

JCA:
Encl.
38688

BOWIE, ARNESON, WILES & GIANNONE

Mr. Paul Cook

July 17, 2015

Approval of Engagement

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

Date: _____, 2015

IRVINE RANCH WATER DISTRICT

By: _____

BOWIE, ARNESON, WILES & GIANNONE

Mr. Paul Cook

July 17, 2015

TERMS OF LEGAL SERVICES AGREEMENT

I. Legal Services Provided

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

II. Fees

A. Fixed Fee for Miscellaneous General Legal Services

The Miscellaneous General Legal Services ("General Services") provided by Bowie, Arneson, Wiles & Giannone to Irvine Ranch Water District will be charged on a fixed fee basis. The fixed fee for General Services will be paid on the basis of \$55,000.00 for the services billed during the 2015-16 District fiscal year. One-twelfth of said amount will be billed as a monthly installment at the same time as each monthly statement prepared and sent for our hourly-basis services. Proration of the monthly amount will be made as necessary to adjust for any partial billing periods used to match our June and July cycles to the District fiscal year.

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

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

B. Scope of Services Included in Fixed Fee

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

C. Services Excluded from the Fixed Fee

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

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

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

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

III. Expenses

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

IV. District's Obligations

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

V. Termination of Representation


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

VII. Miscellaneous

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

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

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

August 10, 2015
Prepared by: Gretchen Ronin
Submitted by: Jenny Roney
Approved by: Paul Cook 

CONSENT CALENDAR

2016 MEDICAL INSURANCE COVERAGE RENEWAL

SUMMARY:

CalPERS Health Benefits Services has notified participating agencies of premiums for the 2016 contract year. Staff recommends that the Board authorize staff to continue the District's medical care coverage with CalPERS for calendar year 2016 with changes in employee and District contribution levels as listed in Table A.

BACKGROUND:

The District currently utilizes the CalPERS medical insurance program and receives premium rates each year in advance of open enrollment in September. For the 2016 calendar year, CalPERS has notified the District of premium rate changes for each of the specific plans from which IRWD employees can choose.

Medical Insurance Premium Changes:

The District has been notified that for the 2016 contract year, premiums for the District's plans will change as follows:

	<u>2016 Premiums</u>	<u>2015 Premiums</u>
PERS Care	15.85% increase	2.99% increase
PERS Choice	15.03% increase	-2.92% decrease
PERS Select	6.77% increase	-0.13% decrease
Blue Shield Access+ HMO	9.39% increase	10.21% increase
Blue Shield Net Value HMO	18.76% increase	22.73% increase
Kaiser Permanente	4.35% increase	-3.81% decrease
Anthem Traditional HMO	-4.35% decrease	25.48% increase
Anthem Select HMO	-2.94% decrease	21.78% increase
Health Net Salud y Mas	2.96% increase	6.28% increase
Health Net SmartCare HMO	2.95% increase	2.00% increase
United HealthCare HMO	10.00% increase	-13.8% decrease
Sharp Health Plan HMO	-0.57% decrease	4.82% increase

Plan Design Changes:

Staff has not been notified of any substantive changes to the plan designs or benefits available to employees under the current CalPERS health plan offerings. Employees will be notified of any changes that may affect their health plan choices prior to open enrollment. The CalPERS open enrollment period is September 14, 2015 through October 9, 2015. Information about CalPERS health plans will be mailed to employees at home in August. Open enrollment meetings to review plan design changes, new plan offerings, and make open enrollment elections are

scheduled for the week of September 14, 2015. Healthcare providers have been invited to attend the District’s Health Fair scheduled for September 22, 2015 at the Operations Center and September 24, 2015 at the Sand Canyon facility.

Proposed Changes to Employee and Employer Contributions:

Staff recommends that changes be made to employee contributions for calendar year 2016 based on the District’s past practice of using the high enrollment PPO plan (PERS Choice) to set employee and employer contributions, and setting the employee and employer contributions for the other plans by using the calculated employer contribution for the PERS Choice plan. This also aligns with the negotiated terms of the IRWD Employee Association Memorandum of Understanding. Because the premiums for the PERS Choice plan will increase by 15.03% for 2016, District contributions will also increase from 2015 levels. Attached is Exhibit “A” which outlines the proposed employee and employer costs for this recommendation by plan and in the aggregate.

Employee and employer contributions for 2015 and proposed contributions for 2016 are shown in Exhibit “A” and summarized in the tables below.

2015 and Proposed 2016 Monthly Contributions and Premiums

Plan Providers	2016 Premium Change	2015 Employee Contribution (Emp/E+1/Fam)	2015 District Contribution (Emp/E+1/Fam)	Proposed 2016 Employee Contribution (Emp/E+1/Fam)	Proposed 2016 District Contribution (Emp/E+1/Fam)	Total 2016 Premium (Emp/E+1/Fam)
PERS Care PPO	15.85%	\$122/\$245/\$319	\$535/\$1069/\$1390	\$146/\$292/\$380	\$615/\$1231/\$1599	\$761/\$1523/\$1979
PERS Choice PPO	15.03%	\$59/\$119/\$155	\$535/\$1069/\$1390	\$68/\$136/\$178	\$615/\$1231/\$1599	\$683/\$1367/\$1777
PERS Select PPO	6.77%	\$50/\$101/\$132	\$535/\$1069/\$1390	\$10/\$20/\$26	\$615/\$1231/\$1599	\$625/\$1251/\$1625
Blue Shield Access +	9.39%	\$63/\$128/\$166	\$535/\$1069/\$1390	\$39/\$78/\$103	\$615/\$1231/\$1599	\$654/\$1309/\$1702
Blue Shield NetValue	18.76%	\$26/\$53/\$68	\$535/\$1069/\$1390	\$51/\$102/\$133	\$615/\$1231/\$1599	\$666/\$1333/\$1732
Kaiser Permanente	4.35%	\$44/\$90/\$117	\$535/\$1069/\$1390	\$0/\$0/\$0	\$605/\$1210/\$1573	\$605/\$1210/\$1573
Anthem Traditional HMO	-4.35%	\$208/\$417/\$542	\$535/\$1069/\$1390	\$95/\$190/\$249	\$615/\$1231/\$1599	\$710/\$1421/\$1848
Anthem HMO Select	-2.94%	\$118/\$238/\$310	\$535/\$1069/\$1390	\$19/\$38/\$51	\$615/\$1231/\$1599	\$634/\$1269/\$1650
Health Net Salud y Mas	2.96%	\$0/\$0/\$0	\$521/\$1041/\$1353	\$0/\$0/\$0	\$536/\$1072/\$1394	\$536/\$1072/\$1394
Health Net SmartCare	2.95%	\$44/\$90/\$117	\$535/\$1069/\$1390	\$0/\$0/\$0	\$596/\$1194/\$1552	\$596/\$1194/\$1552
United HealthCare	10.00%	\$0/\$0/\$0	\$449/\$898/\$1167	\$0/\$0/\$0	\$494/\$988/\$1284	\$494/\$988/\$1284
Sharp Health Plan	-0.57%	\$29/\$60/\$77	\$535/\$1069/\$1390	\$0/\$0/\$0	\$561/\$1123/\$1459	\$561/\$1123/\$1459

CalPERS Administrative Fees and Reserves:

On July 1, 2015, the CalPERS administrative fee was set at 0.32%. The administrative fee is calculated on total active and total retired health premiums each month. CalPERS can also charge up to 4% for a contingency reserve fund but has not charged once since 1985. There was no contingency reserve fee charged for the 2015 calendar year, and to date staff has not been notified of any contingency reserve fees for 2016.

FISCAL IMPACTS:

Renewal of the District’s current medical insurance coverage with CalPERS, as represented in Table A, will result in total projected expenses for FY 2015-16 of \$4,457,000. The District’s

budget for this coverage for FY 2015-16 is \$4,447,000. Projected annual medical insurance premiums for FY 2015-16 will be approximately \$10,000 (0.22%) over budget.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on August 4, 2015.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE STAFF TO CONTINUE THE DISTRICT'S HEALTH CARE COVERAGE WITH CALPERS FOR CALENDAR YEAR 2016 WITH CHANGES IN EMPLOYEE AND DISTRICT CONTRIBUTION LEVELS AS LISTED IN TABLE A.

LIST OF EXHIBITS:

Exhibit "A" – Medical Premium Comparison with Recommended Payroll Deductions

EXHIBIT "A"

Irvine Ranch Water District 2016 CalPERS Monthly Medical Insurance Premiums Comparison and Proposed IRWD Payroll Deductions

	Current 2015 Enrollment	2015 Medical Premiums	2016 Medical Premiums	2016 Premium Increases		2015 P/R Deductions	Proposed 2016 P/R Deductions	Proposed 2016 IRWD Contribution
				\$	%			
<u>PERS Care PPO</u>								
Single	7	\$657.32	\$761.50	\$104.18	15.85%	\$122.00	\$146.00	\$615.50
Two Party	2	\$1,314.64	\$1,523.00	\$208.36	15.85%	\$245.00	\$292.00	\$1,231.00
Family	6	\$1,709.03	\$1,979.90	\$270.87	15.85%	\$319.00	\$380.00	\$1,599.90
	15	\$17,484.70	\$20,255.90			\$3,258.00	\$3,886.00	\$16,369.90
<u>PERS Choice PPO</u>								
Single	12	\$594.40	\$683.71	\$89.31	15.03%	\$59.00	\$68.00	\$615.71
Two Party	20	\$1,188.80	\$1,367.42	\$178.62	15.03%	\$119.00	\$136.00	\$1,231.42
Family	26	\$1,545.44	\$1,777.65	\$232.21	15.03%	\$155.00	\$178.00	\$1,599.65
	58	\$71,090.24	\$81,771.82			\$7,118.00	\$8,164.00	\$73,607.82
<u>PERS Select PPO</u>								
Single	3	\$585.58	\$625.20	\$39.62	6.77%	\$50.00	\$10.00	\$615.20
Two Party	2	\$1,171.16	\$1,250.40	\$79.24	6.77%	\$101.00	\$20.00	\$1,230.40
Family	4	\$1,522.51	\$1,625.52	\$103.01	6.77%	\$132.00	\$26.00	\$1,599.52
	9	\$10,189.10	\$10,878.48			\$880.00	\$174.00	\$10,704.48
<u>Blue Shield Access+</u>								
Single	17	\$598.66	\$654.87	\$56.21	9.39%	\$63.00	\$39.00	\$615.87
Two Party	14	\$1,197.32	\$1,309.74	\$112.42	9.39%	\$128.00	\$78.00	\$1,231.74
Family	30	\$1,556.52	\$1,702.66	\$146.14	9.39%	\$166.00	\$103.00	\$1,599.66
	61	\$73,635.30	\$80,548.95			\$7,843.00	\$4,845.00	\$75,703.95
<u>Blue Shield NetValue</u>								
Single	8	\$561.09	\$666.35	\$105.26	18.76%	\$26.00	\$51.00	\$615.35
Two Party	5	\$1,122.18	\$1,332.70	\$210.52	18.76%	\$53.00	\$102.00	\$1,230.70
Family	17	\$1,458.83	\$1,732.51	\$273.68	18.76%	\$68.00	\$133.00	\$1,599.51
	30	\$34,899.73	\$41,446.97			\$68.00	\$68.00	\$38,267.97
<u>Kaiser Permanente</u>								
Single	16	\$579.80	\$605.05	\$25.25	4.35%	\$44.00	\$0.00	\$605.05
Two Party	17	\$1,159.60	\$1,210.10	\$50.50	4.35%	\$90.00	\$0.00	\$1,210.10
Family	49	\$1,507.48	\$1,573.13	\$65.65	4.35%	\$117.00	\$0.00	\$1,573.13
	82	\$102,856.52	\$107,335.87			\$7,967.00	\$0.00	\$107,335.87
<u>Anthem Traditional HMO</u>								
Single	0	\$743.12	\$710.79	(\$32.33)	-4.35%	\$208.00	\$95.00	\$615.79
Two Party	0	\$1,486.24	\$1,421.58	(\$64.66)	-4.35%	\$417.00	\$190.00	\$1,231.58
Family	0	\$1,932.11	\$1,848.05	(\$84.06)	-4.35%	\$542.00	\$249.00	\$1,599.05
	0	\$0.00	\$0.00			\$0.00	\$0.00	\$0.00
<u>Anthem Select HMO</u>								
Single	1	\$653.97	\$634.75	(\$19.22)	-2.94%	\$118.00	\$19.00	\$615.75
Two Party	0	\$1,307.94	\$1,269.50	(\$38.44)	-2.94%	\$238.00	\$38.00	\$1,231.50
Family	0	\$1,700.32	\$1,650.35	(\$49.97)	-2.94%	\$310.00	\$51.00	\$1,599.35
	1	\$653.97	\$634.75			\$118.00	\$19.00	\$615.75
<u>Health Net Salud y Mas</u>								
Single	1	\$520.59	\$535.98	\$15.39	2.96%	\$0.00	\$0.00	\$535.98
Two Party	0	\$1,041.18	\$1,071.96	\$30.78	2.96%	\$0.00	\$0.00	\$1,071.96
Family	0	\$1,353.53	\$1,393.55	\$40.02	2.96%	\$0.00	\$0.00	\$1,393.55
	1	\$520.59	\$535.98			\$0.00	\$0.00	\$535.98


	Current 2015 Enrollment	2015 Medical Premiums	2016 Medical Premiums	2016 Premium Increases		2015 P/R Deductions	Proposed 2016 P/R Deductions	Proposed 2016 IRWD Contribution
				\$	%			
Health Net SmartCare								
Single	0	\$579.88	\$596.98	\$17.10	2.95%	\$44.00	\$0.00	\$596.98
Two Party	0	\$1,159.76	\$1,193.96	\$34.20	2.95%	\$90.00	\$0.00	\$1,193.96
Family	1	<u>\$1,507.69</u>	<u>\$1,552.15</u>	\$44.46	2.95%	<u>\$117.00</u>	<u>\$0.00</u>	<u>\$1,552.15</u>
	1	\$1,507.69	\$1,552.15			\$117.00	\$0.00	\$1,552.15
United HealthCare								
Single	4	\$449.10	\$493.99	\$44.89	10.00%	\$0.00	\$0.00	\$493.99
Two Party	3	\$898.20	\$987.98	\$89.78	10.00%	\$0.00	\$0.00	\$987.98
Family	6	<u>\$1,167.66</u>	<u>\$1,284.37</u>	\$116.71	10.00%	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$1,284.37</u>
	13	\$11,496.96	\$12,646.12			\$0.00	\$0.00	\$12,646.12
Sharp Health Plan								
Single	1	\$564.57	\$561.34	(\$3.23)	-0.57%	\$29.00	\$0.00	\$561.34
Two Party	0	\$1,129.14	\$1,122.68	(\$6.46)	-0.57%	\$60.00	\$0.00	\$1,122.68
Family	0	<u>\$1,467.88</u>	<u>\$1,459.48</u>	(\$8.40)	-0.57%	<u>\$77.00</u>	<u>\$0.00</u>	<u>\$1,459.48</u>
	1	\$564.57	\$561.34			\$29.00	\$0.00	\$561.34
Waive coverage								
Single	1	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
Two Party	6	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
Family	15	<u>\$0.00</u>	<u>\$0.00</u>	\$0.00		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
	22	\$0.00	\$0.00			\$0.00	\$0.00	\$0.00
Monthly Premium		\$360,716.70	\$395,703.79					
Less: Employee Contributions		31,177.00	19,394.00					
Net Monthly Premium		329,539.70	376,309.79					
Net Annual Premium		3,954,476.40	4,515,717.48	561,241.08	14.19%			

Note: Costs for FY2015-16 will consist of 6 months at current 2015 premiums (\$329,540/month) and 6 months at new 2016 premium levels (\$376,310/month) plus additional premiums as 29 vacant positions are filled over the next several months. Estimated premiums for FY2015-16 of \$4,457,000 are \$10,000 (0.22%) over the budgeted amount of \$4,447,000.

August 10, 2015

Prepared by: Gretchen Ronin

Submitted by: Jenny Roney

Approved by: Paul Cook 

CONSENT CALENDAR

DENTAL INSURANCE COVERAGE FOR CALENDAR YEAR 2016

SUMMARY:

ACWA/JPIA (ACWA) has negotiated rates with Delta Dental for the plan year beginning January 1, 2016 which resulted in a decrease in the premiums for IRWD's current dental plan, Plan A. Staff recommends that the Board authorize the General Manager to extend the District's contract with the Association of California Water Agencies' Joint Power Insurance Authority for Delta Preferred Option Plan A with child and adult orthodontic coverage for calendar year 2016.

BACKGROUND:

IRWD's current dental coverage is provided by Delta Dental Plan of California through ACWA/JPIA. Delta Dental offers two different Delta Preferred Option (DPO) plans which are summarized in Exhibit "A". The major coverage differences between Plan A and Plan B include a higher level of diagnostic and preventive benefits and a higher annual maximum benefit under Plan B. IRWD currently contracts through ACWA for DPO Plan A with child and adult orthodontic coverage added.

ACWA has negotiated rates with Delta Dental for calendar year 2016. Premiums for Plan A with child and adult orthodontic coverage, in which the District is currently enrolled, will decrease by an average of 5% from 2015 rates. Premiums also decreased in January 2015 by 5%.

The District's current monthly rates are \$35.97 for employee only, \$72.48 for employee plus one, and \$136.06 for family coverage. ACWA will renew coverage for the District's current plan at the monthly rates of \$35.36 for employee only (1.69% decrease), \$69.99 for employee plus one (3.44% decrease), and \$128.10 for family coverage (5.85% decrease). Monthly rates for the upgraded DPO Plan B are \$47.86 for employee only, \$94.96 for employee plus one, and \$169.30 for family coverage. These rates are 32% higher than the rates for the current coverage. Exhibit "B" details the estimated costs for the two dental plan options available to the District.

ACWA's administration fee is included in the premiums shown above and in Exhibit "B" and is \$2.24 per enrollee per month. Staff recommends that the Board authorize the General Manager to extend the District's existing contracts with ACWA for Dental Plan A.

FISCAL IMPACTS:

Staff budgeted \$406,500 for FY 2015-16 dental premiums. Renewal of the District's current dental insurance coverage with the 5% decrease in premiums based on current and projected enrollment would result in total projected expenses for FY 2015-16 of \$387,422 or \$19,078

(4.7%) under budget. Renewal of the District's dental insurance coverage with an upgrade to Plan B based on current enrollment would result in total projected expenses for FY 2015-16 of \$468,596 or \$62,096 (15.3%) over budget.

ENVIRONMENTAL IMPACTS:

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

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on August 4, 2015.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXTEND THE DISTRICT'S CONTRACT WITH THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' JOINT POWER INSURANCE AUTHORITY FOR DELTA PREFERRED OPTION PLAN A WITH CHILD AND ADULT ORTHODONTIC COVERAGE FOR CALENDAR YEAR 2016.

LIST OF EXHIBITS:

Exhibit "A" – Dental Plan Benefits Comparison
Exhibit "B" – Dental Plan Premiums Comparison

EXHIBIT "A"

**IRVINE RANCH WATER DISTRICT
JANUARY 2016
DENTAL PLAN RENEWAL COMPARISON**

IRVINE RANCH WATER DISTRICT DENTAL PLAN BENEFITS	ACWA DELTA PREFERRED PLAN A		ACWA DELTA PREFERRED PLAN B	
	In Network	Out of Network	In Network	Out of Network
Individual Deductible	\$25		\$25	
Family Deductible	\$50		\$50	
Dependent Coverage Maximum Age	26 years		26 years	
Calendar Year Maximum	\$1,500		\$2,000	
Diagnostic & Preventive Treatments	85% Deductible waived	80% Deductible waived	100% Deductible waived	100% Deductible waived
Basic Treatments	80% after deductible	80% after deductible	85% after deductible	80% after deductible
Crowns, Jackets, & Casts	50% after deductible	50% after deductible	50% after deductible	50% after deductible
Prosthodontic Treatments*	50% after deductible	50% after deductible	50% after deductible	50% after deductible
Orthodontic Treatments*	50%	50%	50%	50%
Orthodontia Lifetime Maximum	\$2,000	\$2,000	\$2,000	\$2,000

* 12 month waiting period from date of eligibility

EXHIBIT "B"

**IRVINE RANCH WATER DISTRICT
2016 DENTAL RENEWAL – FINANCIAL COMPARISON
CURRENT AND RENEWAL OPTION RATES**

	<i>Current Plan A w/ Child & Adult Ortho</i>		<i>Option 1 Calendar Year 2014 Plan A w/ Child & Adult Ortho</i>			<i>Option 2 Calendar Year 2014 Plan B w/ Child & Adult Ortho</i>		
	<i>Enrollment</i>	<i>Premium</i>	<i>Enrollment</i>	<i>Premiums</i>	<i>% Increase</i>	<i>Enrollment</i>	<i>Premiums</i>	<i>% Increase</i>
ACWA Delta Dental								
Single	78	\$35.97	78	\$35.36	-1.70%	78	\$48.52	34.89%
Two Party	75	\$72.48	75	\$69.99	-3.44%	75	\$98.17	35.44%
Family	172	<u>\$136.06</u>	172	<u>\$128.10</u>	-5.85%	172	<u>\$183.20</u>	34.65%
Monthly Dental Premium		\$31,644		\$30,041			\$42,658	
% Change to Current Monthly Premium					-5.07%			34.81%
NET ANNUAL PREMIUM		\$379,728		\$360,486			\$511,893	
% Change to Current Annual Premium					-5.07%			34.81%

Note: Costs for FY2015-16 for Plan A consist of 6 months at current premiums (\$31,644/month) and 6 months at new premium levels (\$30,041/month) plus additional premiums as 29 vacant position are filled for a total projected expense of \$387,422.

Note: Costs for FY2014-15 for Plan B consist of 6 months at current premiums (\$31,644/month) and 6 months at new premium levels (\$42,658/month) plus additional premiums as 29 vacant positions are filled for a total projected expense of \$468,596.

August 10, 2015

Prepared and

Submitted by C. Compton 

Approved by: Paul Cook 

CONSENT CALENDAR

2015 LEGISLATIVE UPDATE

SUMMARY:

This report provides an update on the 2015-2016 legislative session and IRWD priorities. As legislation develops, staff will provide updates and recommendations to the Water Resources Policy and Communications Committee and the Board, as appropriate. Staff recommends that the Board consider the following actions/positions:

- *Santa Ana Mountains to Sea National Monument Proposal: "SEEK AMENDMENTS"*.

BACKGROUND:

The California State Assembly and Senate will return from summer recess on August 17, 2015. With approximately one month left in the first year of the 2015-2016 Regular Legislative Session, fiscal committees have until August 28 to meet and report bills to the floor. The last day for each house to pass bills in this year is September 11, which is the day the interim legislative recess begins. The Governor has until October 11 to sign or veto legislation passed by the Legislature this session. The 2015-2016 Regular Legislative Session will resume on January 4, 2016.

A copy of the 2015 State Legislative Matrix is attached as Exhibit "A".

State Budget Update:

June Revenue Numbers:

On July 14, 2015, State Controller Betty Yee released her monthly report on the State's finances. She announced that, with June's revenue receipts, the State ended the fiscal year with \$859.4 million more in General Fund revenues than the Governor's May estimates and \$6.8 billion more than anticipated in the Fiscal Year 2014-2015 budget. Compared to the previous fiscal year, the State's revenues were \$12.7 billion, or 12.5 percent, higher.

The Controller summarized the year's revenues by stating:

"For the entire 2014-15 fiscal year that ended June 30, personal income tax...led the surge, accounting for \$5.8 billion of the \$6.8 billion windfall, compared to 2014-15 budget estimates. Corporation taxes beat projections by \$1.6 billion, while retail sales and use taxes for the year came in \$395.9 million lower than expected.

Of the \$12.7 billion revenue increase over the previous year, \$10.1 billion, or 80 percent, consisted of personal income taxes. California's high revenue volatility is tied to swings in personal income tax, especially on capital gains."

IRWD 2015 Legislative Priorities:

Legislative Clarification on Tiered Water Rates:

Since staff's April 27 presentation to the Board on the *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano* and the Board's discussion regarding the need for legislative clarification on tiered water rates, staff has been working with the District's industry and association partners on seeking legislative clarification. Staff continues discussions with interested stakeholders. As these discussions will continue throughout the fall, staff will provide the Committee and the Board with updates, as appropriate.

Common Interest Developments and Drought Response:

The Davis-Stirling Common Interest Development Act provides for the creation and regulation of common interest developments (HOAs). That Act provides that any provision of an HOA's governing documents is void and unenforceable if it prohibits, or has the effect of prohibiting, the use of low water-using plants as a group or compliance with a local water-efficient landscape ordinance or water conservation measure. The Act also deals with an HOA's ability to fine homeowners who reduce or eliminate watering of vegetation or lawns during a declared drought emergency. Specifically, it prohibits an HOA from fining a homeowner for eliminating outdoor watering during a declared drought emergency except where the HOA uses recycled water for landscape irrigation. Staff has continued to work to mitigate the impact of this provision on homeowners who take steps to substantially reduce outdoor water use during the drought through communication with HOAs and by advocating for a legislative solution. Staff continues to work on this issue and will provide the Board with an oral update on any new developments.

Recycled Water Use in Decorative Lakes and Storm-induced Overflow Restrictions:

As California enters the fourth year of drought facing increasing demands on its freshwater resources, regulatory challenges related to storm-induced overflow restrictions on recycled water impoundments continue to limit water suppliers' abilities to expand recycled water use. One such use is the use of recycled water in decorative lakes. While the use is permitted, storm-induced overflow restrictions discourage the use of recycled water in these decorative bodies of water.

The State Water Resources Control Board's (SWRCB) *Recycled Water Policy* requires certain practices related to recycled water impoundments including the "Management of any ponds containing recycled water such that no discharge occurs unless the discharge is a result of a 25-year, 24-hour storm event or greater, and there is notification of the appropriate Regional Water Board Executive Officer of the discharge." In order to avoid a discharge of recycled water during the wet weather season and to ensure compliance with SWRCB policies, some Regional Water Quality Control Boards require the drawdown of water levels stored in these impoundments to reduce the likelihood of a storm-induced overflow. These storm-induced overflow restrictions affect small recycled water impoundments (e.g., frost protection ponds, decorative lakes, golf course ponds) in addition to large recycled water storage facilities. In the case of very small impoundments, storm-induced overflow restrictions often limit use of the impoundment during winter months and discourage customers from using recycled water.

Given the severity of the drought, IRWD has had increased interest from HOAs which would like to use recycled water to refill their decorative lakes. The District has explained the regulatory challenges to these HOAs and IRWD's efforts to work with the SWRCB to find a solution to mitigate the impact of storm-induced overflow restrictions. Over the past month, staff has continued conversations with the SWRCB on the use of recycled water in decorative lakes to replace evaporative water losses. These conversations are promising and may result in a positive solution for the District and HOAs. As these conversations are ongoing, staff will provide the Board with updates.

Updates on 2015 State Legislation of Interest to IRWD:

Public Goods Charge for Water:

Discussions surrounding the implementation of a public goods charge for water have resurfaced. While it is not clear that an effort to implement such a charge will be pursued this year, the Administration has indicated its interest in such a fee and has released a draft framework entitled "Resilient, Affordable, Safe Drinking Water for Disadvantaged Communities Framework" discussing the water reliability needs of California's disadvantaged communities. While the draft framework does not call for a public goods charge, it seeks to begin the discussion on many of the issues raised by advocates attempting to justify the need for a public goods charge. A copy of this draft framework is attached as Exhibit "B".

If legislation related to a public goods charge for water moves forward during the current legislative year, staff will advocate on behalf of the District using the following Board-adopted policy, which was included in the August 1, 2013, Water Resources Funding Policy Principles:

"A statewide user fee should not be imposed. A "user fee" or "beneficiary pays" program should never be a statewide program. If such a fee is necessary, it should only be regionally administered, collected and distributed. Any such fee should be equitably and proportionally based on the project benefits derived by those who are subject to the fee, and "beneficiary" must be clearly defined to ensure a clear legal nexus between financial responsibility and benefits.

- If a statewide water fee or public goods charge is established, it should include an exemption for water providers that have implemented a rate structure that provides a method for collecting revenue dedicated to water conservation projects such as IRWD's allocation-based conservation rate structure.
- If a statewide fee is established, the challenges local water providers face in setting rates, including Proposition 218 requirements, should be taken into account."

Staff will provide the Board with an oral update on any developments related to a public goods charge for water.

Proposals on Groundwater Adjudications:

After the adoption of sustainable groundwater management legislation last year, the Administration and the Legislature indicated their interest in pursuing legislation related to groundwater adjudications this year. As reported previously, there are two legislative proposals related to groundwater adjudications before the Legislature— AB 1390 (Alejo, D-Salinas) and SB 226 (Pavley, D-Calabasas). On July 22, 2015, the Administration released its proposal.

The Administration's proposal attempts to "provide a modern, comprehensive adjudication process for all groundwater basins that are regulated under the Sustainable Groundwater Management Act (SGMA)." The proposal seeks to make the adjudication process more cost-effective, ensure that the process is fair, and harmonize the process with SGMA to ensure that parties have a forum to determine their water rights but do not use it to obstruct or delay SGMA.

Specifically, the proposal would:

- Establish a comprehensive process for all basin-wide groundwater adjudications in high and medium priority basins;
- Empower the court to determine the priority of unexercised water rights;
- Require that the SGMA basin boundaries be used in the adjudication;
- Require the use of a neutral judge in all adjudication;
- Reform the notice and service process to allow notice and service of water rights holders through a variety of forms while requiring that all known pumpers be served according to the procedures in the Code of Civil Procedure;
- Allow interested parties to intervene in the adjudication action;
- Allow the State to intervene in any adjudication;
- Provide for an expedited discovery process;
- If the basin is in overdraft, the court may issue a preliminary injunction to limit pumping during the litigation; and
- Allow the court to enter a stipulated judgment that is supported by 50% of water right holders or 75% of groundwater production if it makes certain findings, including consistency with SGMA and equal treatment of dissenting parties and of small pumpers who are not present in the lawsuit. Allows dissenting parties may continue to litigate, but the court may impose the plan on them if they fail to demonstrate that it is illegal or treats them unfairly.

A detailed summary of the Administration's proposal is attached as Exhibit "C".

Staff has reviewed AB 1390, SB 226 and the Administration's proposal. As currently drafted, these proposals may affect IRWD's groundwater interests and ability to engage in an adjudication related to those interests. Staff has begun to engage with stakeholders and decision makers regarding these proposals to protect IRWD's interests related to groundwater adjudications and advocate for changes consistent with the District Groundwater Management Policy Principles. Staff will provide an oral update on any new developments.

2015 Federal Legislation and Actions:

Santa Ana Mountains to Sea National Monument Proposal:

The Antiquities Act of 1906 created the federal land designation of "national monument" when it authorized the President to create national monuments on federal lands that contain "historic landmarks, historic or prehistoric structures, or other objects of historic or scientific interest." (16 U.S.C. § 431) While most national monuments have been established by Executive Order under the Antiquities Act, Congress has also enacted legislation establishing national monuments. Over the last 109 years, more than 140 monuments have been established and are currently being managed by the U.S. Forest Service, U.S. Fish and Wildlife Service, National Parks Service or the Bureau of Land Management based on management plans established for each monument.

Like many types of land use designation, national monument designations have been controversial. According to the Congressional Budget Office, the "primary objection to national monuments is that the declaration changes the property from being federal land available for multiple uses to being a national monument with possible restricted uses." (www.fas.org/sgp/crs/misc/R41330.pdf) Since the goal of a national monument designation is to protect the resources on the land, a monument designation often restricts use of and activities on the land. Since 1996, monument designations "typically have had protections for valid existing rights for land uses, but the extent to which designations may affect existing rights is not always clear." (www.fas.org/sgp/crs/misc/R41330.pdf) Additionally, there is often concern that the designation will result in new constraints on development and limitations on the use of motorized vehicles. Supporters of national monument designations often cite environmental protection and stewardship, increased tourism, recreation and economic benefits as reasons to move forward with the designation. Each one of these concerns or benefits is impacted by the Executive Order or legislation establishing the national monument, which includes permissive and prohibited land uses within the monument, and by the management plan established to govern the management of the monument.

Over the past few years, there has been an interest in creating a national monument in Orange County encompassing large portions of the historic Irvine Ranch. Representative Ed Royce (R-Fullerton) has agreed to sponsor legislation designating nearly 100,000 acres in Orange County as the Santa Ana Mountains to Sea National Monument. Some of the land currently proposed for designation is of great interest to IRWD as a national monuments designation may impact District-owned facilities or its ability to construct needed infrastructure improvements in the future.

Representative Royce's office has provided the District with a draft of his proposed legislation, which is expected to be introduced within the next few weeks, and a map of the proposed

boundary of the Santa Ana Mountains to Sea National Monument. A map of the proposed boundary of the Santa Ana Mountains to Sea National Monument is attached as Exhibit “D”. A copy of the proposed bill language is attached as Exhibit “E”.

As currently drafted, the proposal creates the national monument; establishes an advisory board of local stakeholders of which IRWD is a member to help the National Forest Service manage; contains language defining utility facilities as an electric and communications infrastructure; and permits only those uses and activities that are consistent with the terms and conditions of the management plan to be developed and the Orange County Central Coastal Natural Community Conservation Plan. The proposal, among other things, provides that:

- Nothing in the Act shall affect existing uses, operations, construction, reconstruction, alteration of utility facilities that are lawful;
- All other uses not specifically authorized shall be prohibited;
- Mining, drilling and hunting, trapping, and fishing are prohibited;
- Maintenance of existing permitted infrastructure facilities; and
- The use of motorized vehicles on roads and trails for the performance of activities related to the operation, maintenance, expansion and/or construction of any utility facilities, including liens, and/or right of way are allowed.

Given the vast amount of water and wastewater infrastructure within the proposed boundaries of the Santa Ana Mountains to Sea National Monument, IRWD would likely be negatively impacted by the designation without any amendments to the proposal. Staff recommends that the Board adopt a “Seek Amendments” position on the proposal. The amendments sought by the District would be language providing water and wastewater utilities and infrastructure the same protections and authorities given to electric and communications utilities and infrastructure, and modifications to the monument’s boundaries to limit potential impacts on IRWD operations.

2015 Legislative Planning

ACWA’s Call for Legislative Proposals: Each year the Association of California Water Agencies’ (ACWA) State Legislative Committee solicits legislative proposals from ACWA members, which it considers at its Annual Planning Meeting in the fall. The State Legislative Committee evaluates the proposals and determines whether to sponsor or support legislation based on ACWA’s Strategic Business Plan, policy principles and priorities. In order to have a proposal considered, ACWA requires the proposal to be submitted by September 4, 2015.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on August 6, 2015.

RECOMMENDATION:

THAT THE BOARD TAKE A "SEEK AMENDMENTS" POSITION ON THE SANTA ANA MOUNTAINS TO SEA NATIONAL MONUMENT PROPOSAL.

LIST OF EXHIBITS:

- Exhibit "A" – 2015 IRWD Legislative Matrix
- Exhibit "B" – Resilient, Affordable, Safe Drinking Water for Disadvantaged Communities Framework
- Exhibit "C" – The Administration's Groundwater Adjudication Proposal Summary
- Exhibit "D" – Map of the proposed boundary of the Santa Ana Mountains to Sea National Monument
- Exhibit "E" – Santa Ana Mountains to Sea National Monument Proposed Bill Language

EXHIBIT A
IRWD 2015 LEGISLATIVE MATRIX
Updated 07/22/2015

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 1 Brown (D)	Drought: Local Governments: Fines		Prohibits a city, county, or city and county from imposing a fine under any ordinance for a failure to water a lawn or having a brown lawn during a period for which the Governor has issued a proclamation of a state of emergency based on drought conditions.	07/13/2015 - Chaptered by Secretary of State. Chapter No. 62
AB 2 Alejo (D)	Community Revitalization Authority		Authorizes certain local agencies to form a community revitalization authority with a community revitalization and investment area to carry out provisions of the Community Redevelopment Law in that area for infrastructure, affordable housing, and economic revitalization and to provide for the issuance of bonds serviced by tax increment revenues. Requires the authority to adopt a community revitalization and investment plan. Provides for audits. Requires funds in a specified fund to be for housing needs.	07/14/2015 - From SENATE Committee on TRANSPORTATION AND HOUSING: Do pass to Committee on APPROPRIATIONS.
AB 10 Gatto (D)	Political Reform Act of 1974: Disclosures		Requires the disclosure of certain behested payments. Increases the thresholds at which a public official has a disqualifying financial interest in sources of income in investments in business entities and in interests in real property. Revises the dollar amounts associated with the value ranges for reporting the value of economic interests. Requires certain public officials to disclose information relating to governmental decisions for which the public official had a disqualifying financial interest.	07/14/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 12 Cooley (D)	State Government: Administrative Regulations: Review		Requires each state agency after a noticed public hearing, to review the agency's regulations, identify any regulations that are duplicative, overlapping, inconsistent, or out of date, to revise those identified regulations, and report to the Legislature and Governor.	07/14/2015 - From SENATE Committee on GOVERNMENTAL ORGANIZATION: Do pass to Committee on APPROPRIATIONS.
AB 14 Waldron (R)	Unmanned Aircraft Systems: Task Force		Creates the Unmanned Aircraft Systems Task Force to research, develop, and formulate a comprehensive policy for unmanned aircraft systems. Requires the task force to submit a policy draft and suggested legislation pertaining to unmanned aircraft systems.	04/13/2015 - In ASSEMBLY Committee on TRANSPORTATION: Failed passage.;04/13/2015 - In ASSEMBLY Committee on TRANSPORTATION: Reconsideration granted.
AB 21	Global Warming Solutions		Requires the State Air Resources Board in preparing its scoping plan for	06/30/2015 - In SENATE.

IRWD 2015 LEGISLATIVE MATRIX
Updated 07/22/2015

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
Perea (D)	Act of 2006: Scoping Plan		achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas reduction, to consult with specified State agencies regarding matters involving energy efficiency and the facilitation of the electrification of the transportation sector.	Read second time. To third reading.
AB 23 Patterson (R)	Global Warming Solutions Act of 2006: Compliance		Exempts categories of persons or entities that did not have a compliance obligation under a market-based compliance mechanism from being subject to that market-based compliance mechanism.	03/23/2015 - In ASSEMBLY Committee on NATURAL RESOURCES: Failed passage.;03/23/2015 - In ASSEMBLY Committee on NATURAL RESOURCES: Reconsideration granted.
AB 33 Quirk (D)	Global Warming Solutions Act: Energy Council		Establishes the Energy Sector Emissions Reduction Advisory Council to recommend strategies for the electricity sector for incorporation into the scoping plan prepared by the State Air Resources Board, based on specified analysis including various strategies that could be implemented to reduce emissions of greenhouse gases from the electricity sector and integrate increasing amounts of renewable energy into the grid.	07/15/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass as amended to Committee on APPROPRIATIONS.
AB 45 Mullin (D)	Household Hazardous Waste		Requires each jurisdiction providing for the residential collection and disposal of solid waste to increase the collection and diversion of household hazardous waste in its service area over the baseline. Provides the increase is to be determined in accordance with Department of Resources Recycling and Recovery regulations. Authorizes the adoption of a model ordinance for a comprehensive program for the collection of waste. Requires an annual report to the Department on progress in achieving compliance.	05/20/2015 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.
AB 56 Quirk (D)	Unmanned Aircraft Systems		Prohibits law enforcement agencies from using unmanned aircraft system or obtaining same from another public agency. Provides exceptions. Provides the requirements that must be met in order to utilize such systems. Relates to data and images subject to disclosure and provides for the destruction of such materials. Prohibits the equipping of such systems with any weapon or related device. Requires information safeguards. Provides surveillance restrictions. Pertains to all such agencies and their contractors.	07/16/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 78 Mathis (R)	Groundwater Basins		Makes technical nonsubstantive changes to existing law that requires the Department of Water Resources to categorize each basin or subbasin as high-, medium-, low-, or very low priority and to establish ground water the	01/05/2015 - INTRODUCED.

IRWD 2015 LEGISLATIVE MATRIX
Updated 07/22/2015

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			initial priority for each basin.	
AB 88 Gomez (D)	Sales and Use Taxes: Exemption: Home Appliances		Exempts from the sales and use tax laws the gross receipts from the sale of, and the storage, use, or other consumption in the State of, an energy or water efficient home appliance purchased by a public utility that is provided at no cost to a low-income participant in a federal, state, or ratepayer-funded energy or water efficiency program for use by that low-income participant in the energy efficiency program.	07/15/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 149 Chavez (R)	Urban Water Management Plans	Support	Requires each urban water supplier to update and submit a urban water management plan for a specified year to the State Department of Water Resources by a specified date. Requires the Department to submit its urban water management plan report for that same specified year to the Legislature by a specified date.	07/06/2015 - Signed by GOVERNOR.;07/06/2015 - Chaptered by Secretary of State. Chapter No. 49
AB 156 Perea (D)	Global Warming Solutions Act: Disadvantaged Communities		Requires the State Air Resources Board, pursuant to the Global Warming Solutions Act of 2006, to post on its Internet Web site a specified report on the projects funded to benefit disadvantaged communities. Requires the Board to establish and accomplish a comprehensive technical assistance program, upon appropriation from the Greenhouse Gas Reduction Fund, for eligible applicants assisting defined disadvantaged communities. Requires an allocation to the Board for the program.	07/15/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass as amended to Committee on APPROPRIATIONS.
AB 219 Daly (D)	Public Works: Concrete Delivery		Expands the definition of public works for purposes of requirements regarding the payment of prevailing wages for public works projects to include the hauling and delivery of ready-mixed concrete to carry out a public works contract, with respect to contracts involving any State agency or any political subdivision of the State. Requires the applicable prevailing wage rate to be the rate for the geographic area in which the concrete factory or batching plant is located.	07/06/2015 - In SENATE Committee on APPROPRIATIONS: To Suspend File.
AB 243 Wood (D)	Medical Marijuana Cultivation		Establishes the Division of Medical Cannabis Cultivation. Requires an applicant to obtain a city or county conditional permit and a state medical marijuana cultivation license prior to cultivation occurring. Implements an identification program. Authorizes a fee to issue an identifier, and to cover the costs of monitoring, tracking, and inspecting each plant. Imposes a tax on each plant with an identifier. Requires distributors to collect and remit the tax. Establishes a related fund for tax moneys.	07/15/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS.
AB 259	Personal Information Privacy		Requires an agency, if the agency was the source of the breach and the	07/14/2015 - From SENATE

IRWD 2015 LEGISLATIVE MATRIX
Updated 07/22/2015

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
Dababneh (D)			breach compromised a person's social security number, driver's license number, or California identification card number, to offer to provide the person with identity theft prevention and mitigation services at no cost for not less than 12 months.	Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
AB 291 Medina (D)	Environmental Quality Act: Local Agencies: Water		Authorizes a local agency, for certain water projects, to file a specified notice with the county clerk of the county in which the local agency's principal office is located, along with any required payment to the Department of Fish and Wildlife, and with the Office of Planning and Research and to transmit a copy of the notice to the county clerk of the counties in which the project is located. Requires the notice and the copies of the notice to be available to for public inspection. Relates to challenges.	06/10/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;06/10/2015 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.
AB 307 Mathis (R)	Graywater: Groundwater Recharge		States the intent of the Legislature to enact legislation to explicitly permit the usage of residential, commercial, and industrial graywater for the recharge of a groundwater basin or aquifer.	02/12/2015 - INTRODUCED.
AB 308 Mathis (R)	Graywater: Agricultural Use		States the intent of the Legislature to enact legislation to explicitly permit incorporated and unincorporated communities to sell graywater for agricultural purposes and agriculture to use graywater for agricultural purposes.	02/12/2015 - INTRODUCED.
AB 311 Gallagher (R)	Environmental Quality: Water Quality and Supply		Requires the public agency, in certifying the environmental impact report and in granting approvals for specified water storage projects funded, in whole or in part, by Proposition 1, to comply with specified procedures. Requires the Judicial Council to adopt a rule of court to establish procedures applicable to actions or proceedings seeking judicial review of an agency's action in certifying the environmental impact report and in granting project approval. Relates to court staying of the projects.	04/29/2015 - From ASSEMBLY Committee on NATURAL RESOURCES without further action pursuant to JR 62(a).
AB 327 Gordon (D)	Public Works: Volunteers		Extends the provisions of existing law that provides governing public works does not apply to specified work performed by a volunteer, a volunteer coordinator, or a member of the California Conservation corps or a community conservation corps.	07/06/2015 - Signed by GOVERNOR.;07/06/2015 - Chaptered by Secretary of State. Chapter No. 53
AB 335 Patterson (R)	Air Quality: Minor Violations		Requires the State Air Resources Board and air pollution control and air quality management districts to adopt regulations classifying minor	05/19/2015 - From ASSEMBLY Committee on

IRWD 2015 LEGISLATIVE MATRIX
Updated 07/22/2015

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			violations. Requires a representative of those agencies to issue a notice to comply. Requires the State Air Resources Board to report to the Legislature regarding implementation of these provisions. Exempts such districts from these provisions if the districts have a similar program in effect as of a specified date.	NATURAL RESOURCES without further action pursuant to JR 62(a).
AB 341 Achadjian (R)	Financial Affairs: Reports		Amends existing law requiring the officer of each local agency, who has charge of the financial records of the local agency, to furnish to the Controller a report of all such transactions of the local agency during the preceding fiscal year. Requires the report to contain underlying data from audited financial statements, if this data is available, and extends time to furnish the report. Provides a due date for reporting of the annual compensation for a local agency's elected officials and employees.	07/02/2015 - Signed by GOVERNOR.;07/02/2015 - Chaptered by Secretary of State. Chapter No. 37
AB 349 Gonzalez (D)	Common Interest Developments: Property Use		Amends the Davis-Stirling Common Interest Development Act. Makes void and unenforceable any provision of the governing documents or architectural or landscaping guidelines or policies that prohibits the use of artificial turf or any other synthetic surface that resembles grass. Prohibits a requirement that an owner of a separate interest remove or reverse water-efficient landscaping measures, installed in response to a declaration of a state of emergency, upon the conclusion of the state of emergency.	07/14/2015 - From SENATE Committee on JUDICIARY: Do pass as amended.
AB 356 Williams (D)	Oil and Gas: Groundwater Monitoring		Authorizes the State Oil and Gas Supervisor to require a well operator to implement a monitoring program for below ground oil production tanks and facilities, and disposal and injection wells. Requires the annual review of underground injection or disposal projects that use Class II wells. Requires the submission of a related groundwater monitoring plan. Requires submission of certain data for the State's geotracker database. Provides procedures for an aquifer exemption. Relates to plan modification.	06/11/2015 - In ASSEMBLY, Reconsideration granted.;06/11/2015 - In ASSEMBLY. From third reading. To Inactive File.
AB 401 Dodd (D)	Low-Income Water Rate Assistance Program		Requires the Department of Community Services and Development to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program, which would include specified elements. Requires the Department to report to the Legislature on its findings regarding the feasibility, financial stability, and desired structure of the program, including any recommendation for legislative action that may need to be taken.	07/09/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 402	Local Agency Services:		Revises the circumstances under which a local agency formation	06/30/2015 - In SENATE.

IRWD 2015 LEGISLATIVE MATRIX
Updated 07/22/2015

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
Dodd (D)	Contracts		commission may authorize a city or district to provide new or extended services. Establishes a pilot program for the Napa, and San Bernardino commissions that would the commissions to authority a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances.	Read second time and amended. To third reading.
<u>AB 434</u> Garcia E (D)	Drinking Water: Point-of-Entry: Point-of-Use Treatment		Requires the State Water Resources Control Board to adopt regulations governing the use of point-of-entry and point-of-use treatment by a public water system in lieu of centralized treatment where it can be demonstrated that centralized treatment is not immediately economically feasible. Provides limitations. Prohibits the use of point-of-entry treatment absent a Board determination of no community opposition.	06/25/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 452</u> Bigelow (R)	Water Rights Fund: Groundwater Regulation		Amends existing law that establishes groundwater reporting requirements for a person extracting groundwater in an area within a basin that is not within the management area of a groundwater sustainability agency or that is a probationary basin. Prohibits water rights fees from being available for expenditure by the Water Resources Control Board for the purposes of Board enforcement of the provisions of the Sustainable Groundwater Management Act and the groundwater reporting requirements.	04/28/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.
<u>AB 453</u> Bigelow (R)	Groundwater Management		Provides moneys in the Water Rights Fund from certain fees incurred in administering the Sustainable Groundwater Management Act are available for expenditure for the purposes of the Act and certain groundwater reporting requirements. Provides if the expenditures for the Act and groundwater reporting exceed the moneys from the fees, that other money in the Fund can be expended for these purposes if the Fund will be replenished.	07/16/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 454</u> Bigelow (R)	Sustainable Groundwater Management		Relates to groundwater basins. Requires a high- or medium-priority basin that is not subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plan. Provides for the designation of basins as probationary basins.	04/14/2015 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
<u>AB 455</u> Bigelow (R)	Groundwater Sustainability Plans		Amends the California Environmental Quality Act. Requires the Judicial Council to adopt a rule of court to establish procedures applicable to actions or proceedings brought to attack, review, set aside, void, or annul the certification of an environmental impact report for certain projects covered	04/14/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.

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			by a groundwater sustainability plan. Prohibits the court from staying or enjoying the construction or operation of the project unless the court makes a certain finding.	
AB 472 Harper (R)	Public Works: Prevailing Wage: Volunteers		Makes a nonsubstantive, technical change by deleting an obsolete provision in existing law that generally requires the payment of not less than the prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed by workers employed on public works projects, except work performed by a volunteer, a volunteer coordinator, or member of the State Conservation Corps, or a community conservation corps.	02/23/2015 - INTRODUCED.
AB 478 Harper (R)	Desalination		Makes a nonsubstantive change to the Cobey-Porter Saline Water Conversion Law that states the policy of this state that desalination projects developed by or for public water entities be given the same opportunities for state assistance and funding as other water supply and reliability projects, and that desalination be consistent with all applicable environmental protection policies in the state.	02/23/2015 - INTRODUCED.
AB 501 Levine (D)	Resources: Delta Research		Relates to the Sacramento-San Joaquin Delta Reform Act of 2009. Requires a person conducting State-funded Delta Research 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. Relates to ineligibility. Authorizes the Delta Independent Science Board to adopt guidelines. Suspends State funding for improper reporting. Provides research property rights remain with the researcher.	04/29/2015 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspend File.
AB 537 Allen T (R)	Public Employees' Benefits		Prohibits a public agency, state employer, employee organization, or public employee from entering into a memorandum of understanding that provides postemployment health care benefits without a strategy for permanently prefunding members' postemployment healthcare benefits.	03/05/2015 - To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.
AB 577 Bonilla (D)	Biomethane: Grant Program		Requires the development and implementation of a grant program to award grants for projects that produce biomethane, that build or develop collection and purification technology or infrastructure, or that upgrade or expand existing biomethane facilities. Authorizes moneys in the Greenhouse Gas Reduction Fund to be used to fund grants awarded under the program.	07/15/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS.

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AB 585 Melendez (R)	Outdoor Water Efficiency: Personal Income Tax Credits	Support	Relates to the Outdoor Water Efficiency Act. Allows a credit, under the Personal Income Tax Law, for a specified percentage of the amount paid or incurred by a qualified taxpayer for water-efficiency improvements on qualified real property. Limits the cumulative amount of the credit. Requires a taxpayer to obtain and retain a improvements certification from a regional or local water agency, and to provide a copy to the Franchise Tax Board upon request.	07/15/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 590 Dahle (R)	Greenhouse Gas Reduction Fund		Provides that moneys in the Greenhouse Gas Reduction Fund account may be made available for expenditure by the State Energy Resources Conservation and Development Commission for maintaining the current level of biomass power generation or geothermal energy generation in the State and revitalizing currently idle facilities in strategically located regions. Establishes requirements for an applicant to receive available funding for a facility's eligible electrical generation.	07/15/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS.
AB 603 Salas (D)	Income Taxes: Every Drop Counts Tax Credit	Support	Allows a credit under the Personal Income Tax and the Corporation Tax laws to a taxpayer participating in a lawn replacement rebate program.	05/28/2015 - In ASSEMBLY. Joint Rule 62(a) suspended.;05/28/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
AB 606 Levine (D)	Water Conservation	Support and Seek Amendments	Requires the Department of General Services, when the Department replaces landscaping and irrigation on public property or when new property is added to the Department's inventory, to reduce water consumption and increase water efficiencies for that property through replacement of landscaping, irrigation timers, or spray sprinkler heads, implementation of recycled water irrigation, or any combination thereof. Imposes similar water conservation requirements of the Department of Transportation.	07/06/2015 - In SENATE Committee on APPROPRIATIONS: Not heard.
AB 617 Perea (D)	Groundwater		Defines in-lieu use. Provides that measures addressing such use shall be included in a groundwater sustainability plan. Relates to certain powers of a groundwater sustainability agency, if the agency adopts and submits such plan or alternative documentation. Authorizes an agency to enter into agreements and funding with private parties to assist in plan or plan elements implementation. Provides procedures governing state agency cooperation in regards to the plan. Relates to regional water management	07/16/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

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AB 639 Dahle (R)	Water Quality: Membership of Regional Boards		plans. Makes nonsubstantive changes to provisions of existing law which requires the State Water Resources Control Board and the regional water quality control boards to prescribe waste discharge requirements in accordance with the federal national pollutant discharge elimination system permit program established by the federal Clean Water Act and the Porter-Cologne Water Quality Control Act.	02/24/2015 - INTRODUCED.
AB 647 Eggman (D)	Beneficial Use: Storing of Water Underground		Declares that the diversion of water to underground storage constitutes a beneficial use of water if the water so stored is thereafter applied to the beneficial purposes for which the appropriation for storage was made, or if the water is so stored consistent with a sustainable groundwater management plan, statutory authority to conduct groundwater recharge, or a judicial degree and is for specified purposes. Requires applying for a permit or petition for a change. Requires including specified conditions.	06/30/2015 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;06/30/2015 - In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.
AB 723 Rendon (D)	Rental Property: Plumbing Fixtures: Replacement		Requires the lease or rental agreement of a single-family residential real property or any portion of a multifamily residential real property or commercial real property that is entered into, renewed, or amended, be accompanied by a disclosure stating the property owner's responsibility to replace all noncompliant plumbing fixtures with water-conserving plumbing fixtures.	07/16/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 725 Wagner (R)	Water Quality: Recycled Water: Storm-Induced Overflow	Sponsor	Requires the State Water Resources Control Board to adopt a policy to address the potential for a storm-induced overflow from an impoundment in which recycled water is stored for subsequent beneficial use or aesthetic purposes.	03/26/2015 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.;03/26/2015 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/26/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on

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				WATER, PARKS AND WILDLIFE.
<u>AB 852</u> Burke (D)	Public Works: Prevailing Wages		Expands the definition of public works for the purposes of provisions relating to the prevailing rate of per diem wages, to also include any construction, alteration, demolition, installation, or repair work done under private contract on a project for a general acute care hospital, when the project is paid for, in whole or in part, with the proceeds of conduit revenue bonds. Provides an exception for a specified hospital.	07/06/2015 - In SENATE Committee on APPROPRIATIONS: To Suspense File.
<u>AB 856</u> Calderon I (D)	Invasion of Privacy		Expands liability for physical invasion of privacy to additionally include a person knowingly entering into the airspace above the land of another person without permission.	07/16/2015 - In SENATE. Read second time. To third reading.
<u>AB 876</u> McCarty (D)	Compostable Organics		Requires a county or regional agency to include in its annual report to the Department for Resources Recycling and Recovery an estimate of the amount of organic waste in cubic yards that will be generated in the county of region over a specified time period, an estimate of the additional organic waste recycling facility capacity needed to process that amount of waste, and areas identified as locations for new and expended organic waste recycling facilities capable of safely meeting that additional need.	07/14/2015 - In SENATE. Read second time. To third reading.
<u>AB 888</u> Bloom (D)	Waste Management: Plastic Microbeads		Prohibits a person from selling or offering for promotional purposes in this state a personal care product containing plastic microbeads that are used to exfoliate or cleanse in a rinse-off product. Provides an exception. Makes a violator liable for a civil penalty to be assessed and recovered in a civil action brought in any court of competent jurisdiction by the Attorney General or local officials. Requires the civil penalties collected to be retained by the office that brought the action.	07/14/2015 - In SENATE. Read second time. To third reading.
<u>AB 935</u> Salas (D)	Water Projects		Amends existing law which establishes in the Natural Resources Agency the Department of Water Resources, which managed and undertakes planning with regard to water resources in the State. Requires the Department to provide funding for certain projects.	07/16/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 936</u> Salas (D)	Groundwater Monitoring		Amends existing law which provides that certain entities with authority to assume groundwater monitoring functions with regard to a basin or subbasin for which the Department of Water Resources has assumed those functions are not eligible for a water grant or loan awarded or administered by the	05/28/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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			state. Authorizes an exemption for the eligibility restriction if the entity submits specified documentation that provides that there are special circumstances justifying noncompliance.	
<u>AB 937</u> Salas (D)	Groundwater Plan/Assistance: Disadvantaged Communities		Requires the Department of Water Resources to provide technical assistance to disadvantaged communities so that they may participate in groundwater planning, including planning for regional groundwater banking, with any county or other local agency.	07/16/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 938</u> Salas (D)	Groundwater: Basin Reprioritization		Imposes the requirement to establish a groundwater sustainability agency on a local agency or combination of local agencies overlying a groundwater basin.	05/07/2015 - To SENATE Committee on NATURAL RESOURCES AND WATER.
<u>AB 939</u> Salas (D)	Groundwater Sustainability Agencies		Amends existing law which requires a local agency to either establish a groundwater sustainability agency within a specified number of years of reprioritization and adopt a groundwater sustainability plan within a specified number of years of reprioritization, or to submit an alternative to the Department of Water Resources that the local agency believes satisfies the objectives the objectives within a specified number of years of reprioritization. Regards fees imposed to fund the program.	07/16/2015 - In SENATE. Read second time. To third reading.
<u>AB 952</u> Garcia (D)	Local Government: Vacancies		Provides updated procedures for the filling of a vacancy in an elective office by a city council for a vacancy that occurs in the first half or the second half of the term of office and at least a specified number of days prior to the next general municipal election, the person appointed to fill the vacancy holds office until the next general municipal election at which a person is elected to fill that vacancy, and thereafter, until the person elected is qualified.	07/15/2015 - Enrolled.
<u>AB 954</u> Mathis (R)	Water and Wastewater Loan and Grant Pilot Program		Creates the Water and Wastewater Loan and Grant Program. Require the State Water Resources Control Board to establish a pilot program to provide low-interest loans and grants to local agencies for grants to eligible individual homeowners for purposes relating to drinking water and wastewater treatment. Creates a related fund for use under the program. Transfers a specified amount of funds from the General Fund to the fund.	07/15/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS.
<u>AB 957</u> Mathis (R)	Water Quality, Supply, Infrastructure Improvement		Relates to grants under the Water Quality, Supply, and Infrastructure Improvement Act of 2014 for water supply reliability improvement to include in that improvement criterion whether the project is proposed by a community that is dependent on groundwater from a basin in overdraft, and	04/28/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.

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			would include in the public health benefits criterion whether the project is proposed by a community that has extended, or is in the process of extending, its water service deliveries to specified groundwater entities.	
AB 977 Mayes (R)	State Water Pollution Control Revolving Fund		Amends existing law that requires loans under the State Water Pollution Control Revolving Fund to meet specified criteria, including requiring full amortization not later than a specified number of years after project completion. Requires full amortization not later than another specified number of years after project completion.	03/26/2015 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS with author's amendments.;03/26/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
AB 1019 Garcia E (D)	Metal Theft and Related Recycling Crimes		Requires the Department of Justice to establish a Metal Theft Task Force Program designed to enhance the capacity of the department to serve as the lead law enforcement agency in the investigation and prosecution of illegal recycling operations, and metal theft and related recycling crimes. Authorizes the department to enter into partnerships with local law enforcement agencies.	05/28/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
AB 1030 Ridley-Thomas S (D)	Global Warming Solutions Act of 2006: Greenhouse Gas		Amends existing law that relates to the Greenhouse Gas Reduction Fund. Requires priority be given to projects involving hiring that support the targeted training and hiring of workers from disadvantaged communities for career-track jobs.	07/07/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 1068 Allen T (R)	California Environmental Quality Act: Priority Projects		Authorizes each Member of the Legislature to nominate one project within his or her respective district each year, and the Governor to designate those projects as priority projects if the projects meet specified requirements. Requires the Governor to provide a notice of the designation to the appropriate lead agency and to the Office of Planning and Research. Requires an environmental impact report for each project. Authorizes tiering from previously prepared reports. Relates to court stays of projects.	03/19/2015 - To ASSEMBLY Committees on NATURAL RESOURCES and JUDICIARY.
AB 1095	Salton Sea: Restoration		Requires the Natural Resources Agency to submit to the Legislature a list of	07/14/2015 - From SENATE

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Garcia E (D)	Projects		defined shovel-ready Salton Sea restoration projects, including information regarding project costs and project completion timelines.	Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on APPROPRIATIONS.
AB 1128 Jones-Sawyer (D)	Water Conservation		Makes nonsubstantive changes to existing law that declares the intent of the Legislature to, among other things, promote urban water conservation standards that are consistent with the California Urban Water Conservation Council's adopted best management practices and specified requirements for demand management.	02/27/2015 - INTRODUCED.
AB 1139 Campos (D)	Personal Income Tax: Credit: Turf Removal		Allows a taxpayer, under the Personal Income Tax Law, a credit for participation in a lawn replacement program.	03/26/2015 - To ASSEMBLY Committee on REVENUE AND TAXATION.;03/26/2015 - From ASSEMBLY Committee on REVENUE AND TAXATION with author's amendments.;03/26/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on REVENUE AND TAXATION.
AB 1144 Rendon (D)	Renewables Portfolio Standard Program: Credits		Provides that unbundled renewable energy credits may be used to meet the first category of the portfolio content requirements if the credits are earned by electricity that is generated by an entity that, if it were a person or corporation, would be excluded from the definition of an electrical corporation by operation of the exclusions for a corporation or person employing landfill gas technology or digester gas technology, and the entity has specified first points of interconnection.	07/07/2015 - From SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS: Do pass to Committee on APPROPRIATIONS.
AB 1201 Salas (D)	Delta: Predation by Nonnative Species	Support	Requires the State Department of Fish and Wildlife to develop a science-based approach that addresses predation by nonnative species upon species of fish listed pursuant to the State Endangered Species Act that reside all or a portion of their lives in the Sacramento-San Joaquin Delta and that	07/16/2015 - In SENATE. Read second time and amended. Re-referred to Committee on

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			considers predation reduction for all Chinook salmon and other native species not listed pursuant to the Act.	APPROPRIATIONS.
AB 1242 Gray (D)	Water Quality: Groundwater Impacts		Requires the State Water Resources Control Board, in formulating State policy for water quality control and adopting or approving a water quality control plan, to take into consideration any applicable groundwater sustainability plan or alternative and available information regarding the impacts of groundwater use and management on beneficial uses of surface waters.	07/16/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 1243 Gray (D)	Groundwater Recharge: Grants		Establishes the Groundwater Recharge Grant Fund. Provides that moneys in the fund are available to the State Water Resources Control Board to provide grants to local governments and water districts for groundwater recharge infrastructure projects.	04/14/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.
AB 1315 Alejo (D)	Public Contracts Water Pollution Prevention Plans		Prohibits a public entity, charter city, or charter county from delegating to a contractor the development of a plan used to prevent or reduce water pollution or runoff on a public works contract. Provides exceptions. Prohibits those same entities from requiring a contractor on a public works contract that includes compliance with a plan to assume responsibility for the completeness and accuracy of a plan developed by that entity.	05/28/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
AB 1325 Salas (D)	Delta Smelt		Enacts the Delta Smelt Preservation and Restoration Act of 2016. Requires the development of a deltas smelt hatchery program to preserve and restore the delta smelt. Requires entering into mitigation banking agreements with banking partners of the Department of Fish and Wildlife for the purpose of providing take authorizations to those partners and to obtain funding from banking agreements. Appropriates an unspecified amount of money from an unspecified source to implement these provisions.	04/28/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Failed passage.;04/28/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Reconsideration granted.
AB 1362 Gordon (D)	Local Government Assessments Fees and Charges		Defines stormwater for purposes of the Proposition 218 Omnibus Implementation Act to mean any system of public improvements or service intended to provide for the quality, conservation, control, or conveyance of waters that land on or drain across the natural or man-made landscape.	03/23/2015 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
AB 1390 Alejo (D)	Groundwater: Adjudication		Establishes special comprehensive adjudication procedures for an action to determine the rights to extract groundwater in a basin. Authorizes determining all rights to groundwater in a basin whether based on appropriation, overlying right, or other basis. Requires a complaint filed in	07/14/2015 - From SENATE Committee on JUDICIARY: Do pass as amended to Committee on

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			an action to name certain defendants, including all general and special districts managing or replenishing resources in the basin, and to be serve and published in a specified manner. Relates to property tax collection.	APPROPRIATIONS.
AB 1454 Wagner (R)	Water Quality: Trash: Single-Use Carryout Bags		Suspends the operation of certain amendments to water quality control plans relating to the total maximum daily load for trash unless and until specified provisions inoperative due to a pending referendum election become effective. Requires the State Water Resources Control Board to revisit and revise the water quality control plans to address impaired water quality due to trash if the law pending referendum is defeated.	04/23/2015 - Re-referred to ASSEMBLY Committee on RULES.
AB 1463 Gatto (D)	Onsite Recycled Water		Requires the State Water Resources Control Board to establish water quality standards and reporting requirements for onsite water recycling systems using blackwater. Authorizes the Department of Housing and Community Development and the State Building Standards Commission to authorize the use of blackwater in onsite water recycling systems only if prescribed conditions are met. Requires the Department to adopt building standards for all categories of residential and commercial onsite recycled water.	06/18/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;06/18/2015 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.
AB 1532 Local Government Cmt	Local Government: Omnibus		Amends provisions regarding local governments to include the revision of existing law regarding local agency formation commissions. Revises provisions regarding hospital districts, conflict of interest rules for a commission appointed legal counsel, the annexation of inhabited territory, and the issuance of a certificate of completion or termination regarding the consolidation of cities or districts.	07/15/2015 - Signed by GOVERNOR.;07/15/2015 - Chaptered by Secretary of State. Chapter No. 114
AB 1534 Ting (D)	Assessment Analyst: Certification		Prohibits an assessor or any person employed by the Office of the County Assessor from making decisions with regard to change in ownership, or with regard to property tax exemptions, except a homeowners' exemption claim, unless he or she is the holder of a valid assessment analyst certificate issued by the State Board of Equalization. Requires prescribed annual training for certification. Provides for advanced certification. Provide failure to complete training would be grounds for revocation.	07/06/2015 - In SENATE Committee on APPROPRIATIONS: To Suspense File.
SB 7 Wolk (D)	Housing: Water Meters: Multi-unit Structures		Requires landlord to make submeter disclosures to a tenant prior to executing a rental agreement. Relates to tenant billing procedures and	07/16/2015 - In ASSEMBLY. Read second time and

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			requirements. Authorizes building standards that require the installation of water submeters in multiunit residential buildings. Provides structure exemptions. Relates to landlord requirements. Relates to the use of meters or submeters in new mixed-use residential and commercial structures as a condition for service. Requires plumbing contractors do the installation.	amended. Re-referred to Committee on APPROPRIATIONS.
SB 13 Pavley (D)	Groundwater		Authorizes the State Water Resource Control Board to designate a basin as a probationary basin and to develop an interim plan. Relates to deficiency remedies by a local agency or groundwater sustainability agency, and to the designation of a basin as probationary. Relates to establishing a groundwater sustainability plan. Authorizes a mutual water company to participate in such agency. Provides a water corporation or mutual water company may participate. Requires an agreement for agency designation.	07/16/2015 - In ASSEMBLY. Read second time. To Consent Calendar.
SB 20 Pavley (D)	Wells: Reports: Public Availability		Amends an existing law which requires a person who digs, bores, or drills a water well, cathodic protection well, or a monitoring well to file a report of completion with the Department of Water Resources. Requires the Department to make reports available to the public. Requires the Department to redact from the report specified information pertaining to the well owner.	06/15/2015 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
SB 32 Pavley (D)	Global Warming Solutions Act of 2006: Emissions Limit		Requires the State Air Resources Board to approve a specified statewide greenhouse gas emission limits that are the equivalent to a specified percentage below the 1990 level to be achieved by 2030 and another percentage below the 1990 level by 2050. Authorizes the Board to adopt an interim emissions level target to be achieve by 2040. Makes conforming changes.	07/13/2015 - From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS.
SB 47 Hill (D)	Environmental Health: Synthetic Turf		Requires the Office of Environmental Health Hazard Assessment, in consultation with the Department of Resources Recycling and Recovery, the State Department of Public Health, and the Department of Toxic Substances Control, to prepare and provide to the Legislature and post on the office's Internet Web site a study analyzing synthetic turf, for potential adverse health impacts. Provides the information to be included in the study. Authorizes grant to crumb rubber businesses to find alternative markets.	05/28/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
SB 113 Galgiani (D)	Disaster Preparedness and Flood Prevention Bond Act		Specifies that the Disaster Preparedness and Flood Prevention Bond Act of 2006 funds provided by the act are only available for appropriation until a specified date and at that time the amount of indebtedness authorized by the act is reduced by the amount of funds that have not been appropriated.	07/02/2015 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's

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			Makes available a specified amount of funding for the upgrade of the levee system of a specified reclamation district to provide urban level of flood protection.	amendments.;07/02/2015 - In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.
SB 119 Hill (D)	Protection of Subsurface Installations		Relates to excavation. Makes changes relating to a regional notification center and subsurface installations. Provides for delineation of areas to be excavated, preservation of certain plans, excavator damages for improperly inaccurate field mark, pipeline safety, an exemption for certain residential property owners using hand tools, the creation of an advisory committee, and the use of moneys collected as a result of the issuance of citations. Creates a complaint authority.	07/14/2015 - From ASSEMBLY Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
SB 122 Jackson (D)	Environmental Quality Act: Record of Proceedings		Amends the Environmental Quality Act. Relates to a database for the collection, storage, retrieval, and dissemination of environmental documents, notices of exemption, notices of preparation, notices of determination, and notices of completion provided to the office that shall be available online to the public through the internet. Provides for the phase-in of electronic documents. Requires the lead agency to submit to the State Clearinghouse a sufficient number of environmental documents for review.	07/15/2015 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.
SB 127 Vidak (R)	Water Quality, Supply, and Infrastructure Improvement		Relates to the Water Quality, Supply, and Infrastructure Improvement Act of 2014. Requires the public agency, in certifying the environmental impact report and in granting approvals for projects funded, in whole or in part, by Proposition 1, including the concurrent preparation of the record of proceedings and the certification of the record of proceeding within 5 days of the filing of a specified notice, to comply with specified procedures.	02/05/2015 - To SENATE Committees on ENVIRONMENTAL QUALITY and JUDICIARY.
SB 142 Jackson (D)	Civil law: Unmanned Aerial Vehicles		Extends liability for wrongful occupation of real property and damages to a person who operates an unmanned aircraft or unmanned aircraft system less than a specified distance above ground level within the airspace overlaying the real property, without the express permission of the person or entity with the legal authority to grant access or without legal authority.	07/15/2015 - In ASSEMBLY. Read second time. To third reading.
SB 143 Stone (R)	Diamond Valley Reservoir: Recreational Use	Oppose	Amends existing law that prohibits recreational use in which there is bodily contact with water, in a reservoir in which water is stored for domestic use.	02/05/2015 - To SENATE Committee on ENVIRONMENTAL QUALITY.

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SB 173 Nielsen (R)	Groundwater: De Minimis Extractors		Amends existing law that generally excepts a de minimis extractor from the requirement that a person who extracts groundwater from a probational basin or extracts groundwater on or after July 1, 2017, in an area within a basin that is not within the management area of a groundwater sustainability agency and where the county does not assume responsibility to be the groundwater sustainability agency has to file a report of groundwater extraction. Defines a de minimis extractor.	03/24/2015 - In SENATE Committee on NATURAL RESOURCES AND WATER: Failed passage.;03/24/2015 - In SENATE Committee on NATURAL RESOURCES AND WATER: Reconsideration granted.
SB 179 Berryhill (R)	Secondhand Goods: Junk Dealers		Makes nonsubstantive changes to existing law that prohibits a junk dealer or recycler from possessing a reasonably recognizable, disassembled, or inoperative fire hydrant or fire department connection, a manhole cover or lid, or a backflow device, that was owned by an agency, without a written certification on the agency's letterhead that the agency either has sold the material described or is offering the material for sale.	02/19/2015 - To SENATE Committee on RULES.
SB 184 Hertzberg (D)	Local Government: Omnibus Bill		Clarifies that provisions in existing law relating to the authority of the duties of the auditor apply only to the county auditor. Authorizes marginal notations on recorded records. Repeals keeping an index of separate property of married women. Authorizes general grantor-grantee index in computerized of electronic format. Deletes certain endorsement requirements. Deletes certain name and address posting on records requirement. Updates government contract cost accounting. Relates to local contract bidding.	07/16/2015 - In ASSEMBLY, Read third time. Passed ASSEMBLY. *****To SENATE for concurrence.
SB 185 De Leon (D)	Public Retirement Systems: Divestiture of Thermal Coal		Prohibits the boards of the Public Employees' Retirement System and the State Teachers' Retirement System from making new investments or renewing existing investments of funds in a thermal coal company. Requires the boards to liquidate investments and to engage with such companies to ascertain if they are transitioning to clean energy generation business models. Requires the boards to file a report including a list of companies of which they have liquidated their investments.	07/15/2015 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.
SB 208 Lara (D)	Integrated Regional Water Management Plans: Grants		Requires a regional water management group to provide the Department of Water Resources with a list of projects to be funded by the grant funds where the project proponent is a nonprofit organization or a disadvantaged community, or the project benefits a disadvantaged community. Requires the Department to provide advanced payment of a percentage of the grant from	07/15/2015 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			those projects that satisfy specified criteria. Authorizes the Department to adopt additional requirements to assure payment is used properly.	
SB 216 Pan (D)	Public Employees Retirement System		Amends the Public Employees Retirement System. Repeals the provisions regarding investing in residential realty on the system's investment portfolio. Changes the frequency of a specified report to eliminate the requirement to report on the investments on a cost basis. Makes other changes to the content of the report. Specifies that the option to purchase service credit shall be elected prior to retirement, that the member be returning to State service. Requires supplying retirement eligibility information.	07/16/2015 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE for concurrence.
SB 223 Galgiani (D)	Division of Boating and Waterways: Oversight Committee		Requires the Division of Boating and Waterways to establish an advisory and oversight committee to evaluate and monitor the activities of the Division relating to the management and control or eradication of invasive aquatic plants. Provides the expertise of members of the committee. Requires the committee to meet a specified amount of times per year and to communicate any findings or recommendations to the Division.	07/14/2015 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
SB 226 Pavley (D)	Sustainable Groundwater Management Act		Provides for a comprehensive method for determining groundwater rights. Provides that a court shall use the Code of Civil Procedure for determining rights to groundwater. Requires the rights determination process to be available to specified courts. Provides for applicability to Indian tribes and the federal government. Requires the boundaries of a basin to be identified in Bulletin 118. Authorizes certain departments to intervene in specified actions. Provides for expert witness disclosures.	07/07/2015 - From ASSEMBLY Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
SB 228 Cannella (R)	Groundwater Storage: Beneficial Use		Declares that the recharging of a groundwater basin by a local groundwater management agency or a local groundwater sustainability agency for the purposes of repelling saline intrusion and recovering basin groundwater levels constitutes a beneficial use of water if the recharge is consistent with the local agency's groundwater management plan or groundwater sustainability plan.	02/26/2015 - To SENATE Committee on NATURAL RESOURCES AND WATER.
SB 248 Pavley (D)	Oil and Gas		Provides for an inspection program for all activities regulated pursuant to provisions concerning drilling, operation, maintenance, and abandonment of oil and gas wells and certain tanks and facilities. Requires inspections to be reported and posted, and the recording of information in a well history, including fluid injection, chemical composition, and waste disposal injection. Provides for shutdown. Requires the updating of related	07/16/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			regulations. Requires projects to be brought into regulatory compliance.	
SB 258 Bates (R)	Local Government		States the intent of the Legislature to enact legislation that would protect the right of the public to participate in open deliberations of the legislative bodies of local agencies by clarifying the appropriate use of special meetings.	02/26/2015 - To SENATE Committee on RULES.
SB 272 Hertzberg (D)	State Public Records Act: Local Agencies: Inventory		Requires each local agency, in implementing the State Public Records Act, to create a catalog of enterprise systems, to make the catalog publicly available upon request in the office of the person or officer designated by the agency's legislative body, and to post the catalog on the local agency's Internet Web site. Requires the catalog to disclose a list of the systems utilized by the agency and, among other things, the current system vendor and product.	07/15/2015 - From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass to Committee on APPROPRIATIONS.
SB 317 De Leon (D)	Safe Neighborhood Parks, Rivers, and Coastal Protection		Enacts the Safe Neighborhood Parks, Rivers, and Coastal Protection Bond Act of 2016, 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 neighborhood parks, rivers, and coastal protection program.	05/28/2015 - From SENATE Committee on APPROPRIATIONS: Do pass.;05/28/2015 - In SENATE. Read second time. To third reading.
SB 350 De Leon (D)	Clean Energy and Pollution Reduction Act of 2015		Require the quantity of electricity products from eligible renewable energy resources be procured by each retail seller for specified periods. Requires local publicly owned electric utilities to ensure specified quantities of such products be procured. Excludes combustion from municipal waste as eligible energy sources. Requires submission of renewable energy procurement plans. Relates to regulatory disincentives regarding greenhouse emissions reduction. Relates to alternative fuel vehicles.	07/16/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 360 Cannella (R)	Biomethane		Authorizes the Public Utilities Commission to consider providing the option to all corporations to engage in competitive bidding and direct investment in ratepayer financed biomethane collection equipment.	03/05/2015 - To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.
SB 385 Hueso (D)	Primary Drinking Water Standards: Hexavalent Chromium		Authorizes the State Water Resources Control Board to grant a period of time to achieve compliance with the primary drinking water standard for hexavalent chromium by approving the compliance plan. Requires a public water system to provide specified notice regarding the plan to the persons served and to send status reports to the Board. Authorizes the Board to direct	07/16/2015 - In ASSEMBLY. Read second time. To Consent Calendar.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			revisions to the plan and to implement, interpret, or make specific provisions by means of criteria, published on its Internet Web site.	
SB 454 Allen (D)	Water Quality: Oil and Gas: Exempted Aquifer		Relates to water quality, oil and gas wells and exempt aquifers. Prohibits the Division of Oil, Gas, and Geothermal Resources from submitting a proposal for an aquifer exemption to the United States Environmental Protection Agency unless the Division and the State Water Resources Control Board concur in writing that the aquifer meets specified conditions.	06/08/2015 - In SENATE. From third reading. To Inactive File.
SB 471 Pavley (D)	Water, Energy, Reduction of Greenhouse Gas Emissions		Includes reduction of greenhouse emissions associated with water treatment among the investments that are eligible for funding from the Greenhouse Gas Reduction Fund. Requires the State Water Resources Control Board to establish a grant and loan program for water projects that result in the net reduction of water-related greenhouse gas emissions.	07/13/2015 - From ASSEMBLY Committee on NATURAL RESOURCES: Do pass as amended to Committee on APPROPRIATIONS.
SB 485 Hernandez (D)	County of Los Angeles: Sanitation Districts		Authorizes specified sanitation districts in the County of Los Angeles, to acquire, construct, operate, maintain, and furnish facilities for the diversion, management, and treatment of stormwater and dry weather runoff, the discharge of the water to the stormwater drainage system, and the beneficial use of the water. Requires a district to consult with the specified entities prior to initiating a stormwater or dry weather runoff program within the boundaries of an adjudicated groundwater basin.	07/15/2015 - From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass.
SB 487 Nielsen (R)	Sustainable Groundwater Management Act: Exemptions		Relates to the California Environmental Act (CEQA). Exempts from the requirements of CEQA the formation of a groundwater sustainability agency, the amendment of a groundwater sustainability plan or coordinated groundwater sustainability plan, and the implementation of those plans, except to the extent that the implementation requires the construction or installation of a new facility.	03/12/2015 - To SENATE Committee on ENVIRONMENTAL QUALITY.
SB 551 Wolk (D)	State Water Policy: Water and Energy Efficiency	Seek Amendments	Declares the policy of the state that water use and water treatment shall operate in a manner that is as energy efficient as is feasible and energy use and generation shall operate in a manner that is as water efficient as is feasible. Requires all relevant state agencies to consider this state policy when revising, or establishing policies, regulations, and grant criteria when pertinent to these uses of water and energy.	07/14/2015 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
SB 552 Wolk (D)	Public Water Systems: Disadvantaged Communities		Requires the State Water Resources Control Board to hold at least one initial public meeting prior to ordering the consolidate or extension of public water	07/09/2015 - Re-referred to ASSEMBLY Committee on

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			system service and to obtain the consent of any domestic well owner. Provides any affected resident and domestic well owner within the service area who does not consent is ineligible for any future water-related grant funding. Requires the Board to compensate certain water systems. Prohibits a charge increase for certain customers.	RULES.
SB 553 Wolk (D)	Water Conservation		Requires the Department of General Services to identify each public property in the department's state property inventory where it is feasible for water consumption to be reduced and water efficiencies to be achieved through implementation of the relevant recommendations made in the model water efficient landscape ordinance and would require the department to implement the relevant recommendation where feasible.	05/28/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
SB 554 Wolk (D)	Water Commission Disqualifying Financial Interest		Removes a member of the California Water Commission from office if after trial a court finds that the commission member has knowingly participated in any commission decision in which the member has a disqualifying financial interest in the decision.	04/21/2015 - In SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS: Not heard.
SB 555 Wolk (D)	Urban Retail Water Suppliers: Water Loss Management		Require each urban retail water supplier to submit a completed and validated water loss audit report for the previous calendar year. Requires the Department of Water Resources to post reports on its Internet Web site and develop metrics for reporting progress on water loss reduction. Requires rules requiring urban retail water suppliers to meet performance standards for the volume of water losses. Requires the Water Resources Control Board to contribute funds for water loss audit validation assistance.	07/16/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 556 De Leon (D)	Victims of Crime: Indemnification: Applications		Relates to indemnification of victims of crime. Defines the time of processing applications. Requires the Victim Compensation and Government Claims Board to post on its Internet Web site its progress and current average time of processing applications, the number of applications approved and denied, and incomplete applications received. Relates to the period of time, including all calendar days, that begins when the board first receives an application and ends when a check is mailed to an eligible victim.	07/13/2015 - In ASSEMBLY. From Consent Calendar. To third reading.
SB 568 Fuller (R)	Groundwater Management		Relates to the Sustainable Groundwater Management Act. Authorizes the State Water Resources Control Board to designate a basin as a probationary basin if the state board makes a certain determination and authorizes the state board to develop an interim plan for the probationary basin.	03/12/2015 - To SENATE Committee on RULES.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
SB 615 Berryhill (R)	Waste Discharge: Waivers: Managed Wetlands		Relates to waste discharge requirements, waivers and managed wetlands. Requires each regional board to prescribe waste discharge requirements that implement relevant water quality control plans. Provides for waivers. Amends monitoring of wetlands unless results of downstream monitoring demonstrate a violation of water quality discharge standards.	04/29/2015 - In SENATE Committee on ENVIRONMENTAL QUALITY: Not heard.
SB 625 Galgiani (D)	Water Management: Synthetic Plastic Microbeads		Prohibits the selling, or offering for promotional purposes a person care product containing synthetic plastic microbeads. Exempts from this prohibition the sale or promotional offer of a product containing a specified amount of such microbeads. Makes a violator liable for a civil penalty for each violation. Authorizes the penalty to be recovered in a civil action brought by the Attorney General. Prohibits any local ordinance, resolution, or rule relating to the sale of such microbeads.	04/22/2015 - Re-referred to SENATE Committees on ENVIRONMENTAL QUALITY and JUDICIARY.
SB 687 Allen (D)	Renewable Gas Standard		Requires the State Air Resources Board to adopt a carbon-based renewable gas standard that requires all gas sellers to provide specified percentages of renewable gas meeting certain deliverability requirements, to retail end-use customers for use in the state that increases over specified compliance periods, and to issue an analysis of the lifecycle emissions of greenhouse gases and reductions for different biogas types and end uses. Requires a renewable gas assessment.	05/28/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
SB 704 Gaines T (R)	Public Officers and Employees: Conflicts of Interest		Relates to conflicts of interest of public officers and employees. Provides for an updated definition of remote interest. Includes in the definition the interest of a planner employed by a consulting engineering, architectural, or planning firm.	07/15/2015 - From ASSEMBLY Committee on ELECTIONS AND REDISTRICTING: Do pass to Committee on APPROPRIATIONS.
SB 758 Block (D)	Atmospheric Rivers Research and Mitigation Program		Establishes the Atmospheric Rivers Research and Mitigation Program in the State Department of Water Resources to research the causes and effects of such rivers, and to take actions to capture water generated by such rivers to increase the water supply and reliability of water resources in the State and to operate reservoirs in a manner that improves flood protection in the State. Establishes a related fund for funding the program.	07/14/2015 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
SB 768 Wieckowski (D)	Water-Conserving Plumbing Fixtures		Makes technical, nonsubstantive changes to existing law that requires the replacement of plumbing fixtures that are not water conserving in residential and commercial real property built and available for use on or before a	03/19/2015 - To SENATE Committee on RULES.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			specified date.	
<u>SB 772</u> Stone (R)	Bay Delta Conservation Plan: Judicial Review		States the intent of the Legislature to enact legislation establishing judicial review procedures for the Bay Delta Conservation Plan.	03/19/2015 - To SENATE Committee on RULES.
<u>SB 798</u> Pavley (D)	Natural Resources		Provides provisions regarding natural resources to include sport fishing regulations, the automated fishing and hunting license data system, the retrocession of jurisdiction by the United States over land within the State, the conveyance of certain State lands to the United States for a lighthouse, membership of the Range Management Advisory Committee, membership on the Coastal Commission, violations of water use and diversion provisions, temporary water diversion permits, and small irrigation water usage.	07/08/2015 - From ASSEMBLY Committee on APPROPRIATIONS with author's amendments.;07/08/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>SJR 1</u> Beall (D)	Social Security: Retirement Benefits: Public Employees		Requests the President and the Congress of the United States to pass legislation repealing the Government Pension Offset and the Windfall Elimination Provisions from the Social Security Act.	07/06/2015 - Chaptered by Secretary of State.;07/06/2015 - Resolution Chapter No. 92



EXHIBIT "B" Resilient, Affordable, Safe Drinking Water for Disadvantaged Communities Framework



All Californians have a right to safe, clean, affordable and accessible water adequate for human consumption, cooking, and sanitary purposes. Yet some Californians are still unable to turn on their tap and enjoy this basic human right. Drought has exacerbated existing conditions and left new communities entirely without water. State, Federal, and local agencies, non-profits, and community groups continue to work to remedy this public health and safety problem, but existing tools are not sufficient to reach a solution in every case. For the most part, existing state and federal funding programs are available to cover the costs of rehabilitating or installing new infrastructure. The greatest challenge lies in the daily system operations when a system's service area is entirely disadvantaged and lacks the economy of scale and ratepayer base to cover the ongoing costs of operations and maintenance (O&M) without making the water rates unaffordable for the customers. Often these systems do not have sufficient technical, managerial, and financial capacity. And although there may be economies of scale developed through regionalization, no one is responsible for building the necessary economies of scale within a region and the lack of scale has continued to persist. This framework provides a responsible agency and pathway to ensuring that everyone in California has adequate, safe water for basic human needs.

Goal

Ensure that every Californian has access to an adequate supply of safe water for daily human needs. This goal will be achieved by:

- Making more strategic use of existing funding resources
- Improving technical, managerial, and financial capacity where possible, consolidating as a second option, and if neither of those work, contracting with a third party to manage the system with a commitment to transitioning the system to a sustainable condition
- Easing the burden on local governments by limiting the proliferation of new, unsustainable systems

Use Existing Funding Sources More Strategically

Existing funding comes from many sources, some listed below. Some of these funding streams can be used exclusively for infrastructure and a few can be used to cover the cost of O&M. There are opportunities to expand the use of some of these funding sources, particularly those that may be used to cover O&M, and there are opportunities to better leverage the infrastructure funds.

Use existing funding more strategically, including:

- State Grants and Loans: Proposition 1, Drinking Water State Revolving Fund, Cleanup and Abatement Account, Drought Funding, Housing and Community Development Funding Programs;
- Federal Grants: USDA Rural Development, US Bureau of Reclamation, CDBG (state and federal), and others;
- Polluter Funds: Discharge penalties, settlement amounts for groundwater cleanup, mitigation fees, alternative means of compliance fees (ie. UST);
- Local property tax assessments;
- Ratepayer dollars;
- Responsible Parties [Clean-up and Abatement Orders, settlements, etc.].

Address the Needs of Public and State Small Water Systems

This initiative will enhance the State Water Board's existing ability to provide technical assistance and add a management contract option tool. The State Water Board will work to bring a system into compliance through technical assistance first. If technical assistance fails the State Water Board will consider opportunities to consolidate the system, if appropriate. If consolidation is infeasible or impossible the State Water Board will include the system in a group management contract committed to moving the systems toward a sustainable outcome within ten years.



The State Water Board may opt for one or more of the following options:

Build Physical, Financial and Technical Capacity

In Option 1, the Board will use existing authority to seek to maintain existing systems whenever feasible and effective in providing adequate, safe drinking water. In these cases, the State Water Board would:

- Move unsustainable systems to sustainability through technical and financial assistance including funding for capital infrastructure needed to connect or improve system(s).
- Incentivize consolidation (physical or managerial) of systems that are not independently sustainable as described below under "Consolidation."

1

Consolidation, if Appropriate

In Option 2, the Board will use its new authority to require consolidation of water systems within disadvantaged communities, as defined, if voluntary measures do not result in assurance of adequate, safe drinking water and it is appropriate and feasible to consolidate the system with a public water system.

- The Board will first consult with the local agency formation commission, and with the California Public Utilities Commission, if appropriate.
- The Board will make various findings, hold a hearing, and provide adequate financial assistance for the needed infrastructure.
- Liability relief will be provided to the receiving system.

2

Grouped Management Contract Administrative Receivership for Sustainable Systems

In Option 3, the Board would be given new authority to provide management assistance via contracted services that would ensure delivery of adequate, affordable, safe drinking water. Contracted entities could be non-profit organizations, counties, special districts, investor-owned utilities, or others. Use of a contracted entity would provide technical and managerial capacity, economies of scale, and other efficiencies such as web-based operating systems. Financial capacity would be addressed through:

- Providing funding for capital infrastructure needed to provide adequate, safe water;
- Setting water rates at an affordable rate for basic needs;
- Providing funding (maximum duration ten years), through the contracted resources, for O&M costs to cover the gap between ratepayer dollars and the costs of O&M in a manner that prevents fraud, waste, and abuse; and
- Working with communities served by the contracted entity to equip them to transition to a sustainable structure by the end of the ten-year funding period.

3

Limit Proliferation of New, Unsustainable Systems

Ease the burden on local governments with new tools to limit the proliferation of new, unsustainable systems by:

- Requiring hookup to existing public water systems if feasible, rather than creation of new systems.
- Adding a requirement that the State Water Board must concur in permits issued by Local Primacy Agencies for the creation of a new water system.
- Reducing the threshold size of proposed residential development subject to Government Code 66473.7 from 500 to 15 dwelling units/service connections, to match the threshold for community public water systems.
- Barring approval of new communities that would rely on hauled water for a permanent water supply.



EXHIBIT "C"

DRAFT

Groundwater Adjudications: Sensible and Cost-Effective Reforms To Ensure a Modern and Fair Process

This proposal would provide a modern, comprehensive adjudication process for all groundwater basins that are regulated under the Sustainable Groundwater Management Act (SGMA), and it would be an option for basins that are not. The proposal has three main objectives: (1) make the adjudication process more cost-effective; (2) ensure that the process is fair; and (3) harmonize the process with SGMA to ensure that parties have a forum to determine their water rights but do not use it to obstruct or delay SGMA. Because the proposal is located within SGMA, it includes the commitment in SGMA not to alter water rights, but instead provides an expedited process for defining and quantifying existing rights.

Scope of the proposal

To ensure a comprehensive process, the proposal applies to all basin-wide groundwater adjudications in high- and medium-priority SGMA basins (section 10738), may include federal agencies and tribes (sections 10722.2 and 10741.2), and may include rights to interconnected surface water when it is necessary for a fair and effective adjudication of the rights to the basin (section 10738.4), as some past adjudications have done. The court may exclude small pumpers up to five acre-feet-per-year (section 10738.4), which would make the case more manageable without compromising its effectiveness.

The court has discretion to use the process in non-SGMA basins when it makes sense to do so (section 10738) and to expansions of existing adjudications into areas currently governed by SGMA. (Section 10720.8) The process does not apply to small disputes, such as well interference actions. (Section 10738)

To provide future certainty for all water right holders, the proposal clarifies that the court is empowered to determine the priority of unexercised water rights, consistent with the principles articulated in *In re Waters of Long Valley Creek System*. (Section 10737)

Basin boundaries

To limit disputes over basin boundaries, the proposal uses the same boundaries—and the same process for adjusting boundaries—as SGMA. The boundaries are identified by the Department of Water Resources in Bulletin 118 and adjusted by the Department when justified. (Section 10738.4)

Selection of Judge

The Judicial Council will select a neutral judge for all purposes. Judges may be challenged for cause only; there are no preemptory challenges. (Section 10739)

Notice and service of complaint

Reforms to the notice and service process are intended to be efficient but fair. Notice and service of water right holders may be through various forms of notice, including personal service, publications, websites, and tax assessments. (Sections 10741, 10741.2, and 10741.5) Notice must be provided to a wide range of interests, including landowners, groundwater sustainability agencies, cities, counties, relevant special districts, tribes, and specified state and federal entities. (Section 10741) All known pumpers must be served according to procedures in the Code of Civil Procedure. (Section 10741.5) Prior to sending notice to landowners, the plaintiff must file a draft notice to the court for approval. (Section 10741.2) The court may require the notice to be translated. (Section 10741.2) If they receive notice, people who claim to hold water rights have a legal duty to step forward and prove their claims. (Section 10741.6)

Intervention

Some parties should have a right to intervene in an adjudication action. The State of California holds all water in trust for the people of California, and the state oversees a statewide regulatory process to ensure sustainable groundwater management. Accordingly, the state may intervene in any adjudication. (Section 105.5) Groundwater sustainability agencies, cities, and counties may intervene in an adjudication that concerns their basin. Landowners in the basin may also intervene. (Section 10741.8)

Discovery

To simplify and expedite discovery, parties are required to disclose their claims, pumping information, and other specified information early in the process, and they are required to update the information when it changes. (Section 10742)

Case management

To manage the case efficiently and help prompt settlement, the court may divide the case into phases, adopt measures to prevent parties from re-litigating issues from a previous phase, limit discovery to corresponding phases, schedule early resolution of issues such as prescriptive rights, and allow the parties to form classes (groups) of persons with similar overlying rights to the groundwater in the basin. (Section 10743)

To avoid interference and redundancy with the SGMA process, and to encourage settlement, the court has discretion to stay the litigation while the parties in the SGMA process develop technical information and management options. (Sections 10744)

Special master

To help the court sort through complex technical and legal issues, the court may appoint a special master. The parties would pay the special master's costs, but the court has discretion to waive this requirement for parties that show good cause. (Section 10745)

Preliminary injunction

One of the primary reasons that adjudications can take decades to resolve is that it is often cheaper for a party to drag out the litigation rather than resolve the case. Meanwhile, the parties continue to overdraft the basin, causing injury to water right holders and long-term damage to the basin. Also, some parties may hope to delay pumping restrictions by disrupting the SGMA process with strategic lawsuits or other tactics.

To discourage delay, minimize ongoing damage, and encourage settlement, if the basin is in overdraft, the court may issue a preliminary injunction to limit pumping during the litigation. In more rare circumstances, if the SGMA process has been delayed or completely broken down, the court would be required to issue a preliminary injunction. (Section 10746)

Witness testimony

To make the process more efficient, expert witness discovery is similar to the federal rules of civil procedure, including written reports. (Section 10747) To expedite trial, the court may require witnesses at trial to submit their testimony in writing. (Section 10747.5)

Stipulated judgments

Historically, adjudications have ended with a negotiated settlement. But settlements are rarely unanimous, and the process of negotiating a settlement for hundreds or thousands of parties can take years and cost millions of dollars in attorney fees.

To provide an expedited process for negotiated settlements, while also allowing dissenters to fully litigate their issues, the court may enter a stipulated judgment that is supported by 50% of water right holders or 75% of groundwater production if it makes certain findings, including consistency with SGMA and equal treatment of dissenting parties and of small pumpers who are not present in the lawsuit. Dissenting parties may continue to litigate, but the court may impose the plan on them if they fail to demonstrate that it is illegal or treats them unfairly. (Section 10749) Dissenters would not be subject to the stipulated judgment during the

litigation, but, to discourage them from dissenting merely to keep pumping at unsustainable levels, they would remain subject to a preliminary injunction. (Section 10749) After a judgment is entered, the court has continuing jurisdiction to correct problems. (Section 10749.6)

Adjudications will be more efficient in the future if they leverage the SGMA process, in which the parties will be developing the same sort of management plans that historically have been developed in adjudications. To incentivize the parties to focus on the SGMA process, and to provide certainty for SGMA plans, the parties may ask the court to enter a SGMA plan as a stipulated judgment. In that case, SGMA would still apply, but the court would step into the shoes of the water board for enforcement purposes. Thus, DWR would conduct its regular five-year assessments, as SGMA requires, and report the results and any recommended changes to the court, rather than the water board. (Sections 10749 and 10749.6)

In short, the parties have two options for stipulated judgments. They can negotiate their own stipulation so long as it does not interfere with SGMA. Or they can adopt the SGMA plan as their stipulation. In either case, the stipulating parties can obtain the certainty of a negotiated settlement without being held hostage by a small group of dissenters. Dissenters, however, must have a forum to fully resolve their legal claims. Accordingly, they may continue to litigate rather than accept the stipulation. (Section 10749)

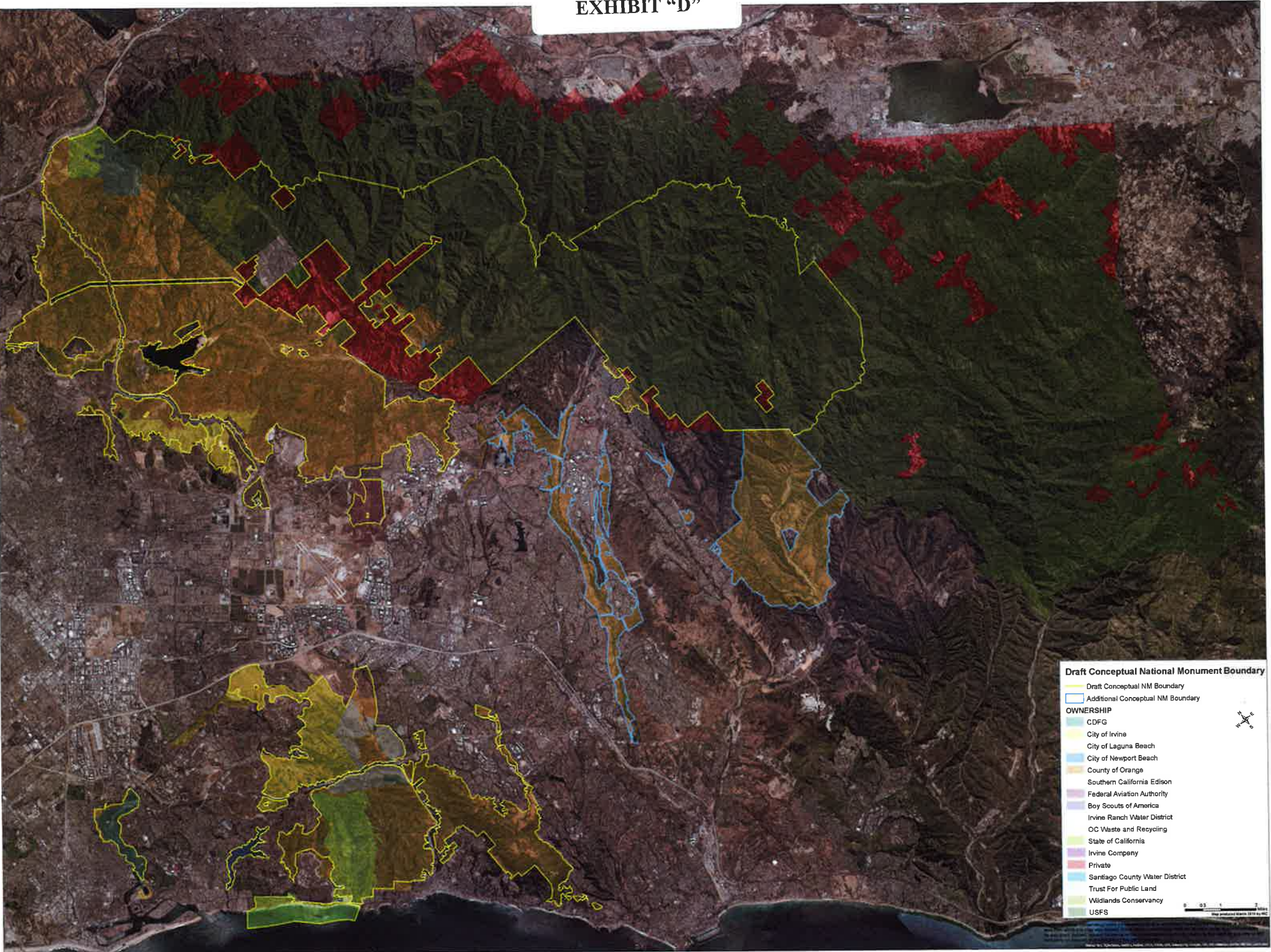
Consistency with SGMA

The proposal is located in Chapter 12 of SGMA, but it does not force adjudications to comply with the substantive terms of SGMA. Rather, it entrusts judges with the task of managing the process to avoid conflicts and redundancies. (Sections 10737, 10737.2, 10749, and 10749.6) The court may stay an action, one year at a time, to allow the timely development of a SGMA plan. (Section 10744) As noted, local agencies and the state have a right to intervene in an adjudication process to ensure that broader public interests are protected. (Section 105.5 and 10741.8) The court and the parties have flexibility to adopt a physical solution, by stipulated judgment or otherwise, so long as it would not obstruct SGMA. (Sections 10748 and 10749)

If the parties choose to use their SGMA plan as a stipulated judgment, they must continue to meet all SGMA requirements, and the court would enforce the terms of SGMA thereafter (see discussion above). (Sections 10749 and 10749.6)

If there are separate lawsuits relating to the SGMA process, the lawsuits may be coordinated or consolidated with a pending adjudication to prevent conflicts. (Section 10739)

EXHIBIT "D"



[DISCUSSION DRAFT]113TH CONGRESS
2D SESSION**H. R.** _____

To establish the Santa Ana Mountains to Sea National Monument consisting of nationally-significant natural and cultural resources of the historic Santa Ana, Cleveland National Forest, and other lands in Orange County, California, to provide for conservation, collaborative stewardship, and public use and enjoyment of these resources, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. ROYCE introduced the following bill; which was referred to the Committee on _____

A BILL

To establish the Santa Ana Mountains to Sea National Monument consisting of nationally-significant natural and cultural resources of the historic Santa Ana, Cleveland National Forest, and other lands in Orange County, California, to provide for conservation, collaborative stewardship, and public use and enjoyment of these resources, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Santa Ana Mountains to Sea National Monument Estab-
4 lishment Act”.

5 (b) **TABLE OF CONTENTS.**—The table of contents of
6 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Definitions.
- Sec. 4. Establishment of Santa Ana Mountains to Sea National Monument.
- Sec. 5. Management of the Monument.
- Sec. 6. Management plan.
- Sec. 7. Permitted and prohibited uses of the Monument.
- Sec. 8. Acquisition of land.
- Sec. 9. Advisory Committee for the Monument.

7 **SEC. 2. FINDINGS.**

8 The Congress makes the following findings:

9 (1) In the heart of densely populated Southern
10 California lies a magnificent over 100,000 acre net-
11 work of permanently preserved public land and open
12 space, 38,000 acres of which were designated in
13 2006 as a National Natural Landmark by the De-
14 partment of the Interior and as California’s first
15 Natural Landmark in 2008 for the land’s excep-
16 tional biological and geological attributes.

17 (2) The Cleveland National Forest, established
18 in 1908 by President Theodore Roosevelt and named
19 for President Grover Cleveland, is the southernmost
20 national forest in California. The west-facing slope
21 of the northern and central Santa Ana Mountains

1 are dominant features within this landscape, includ-
2 ing elevations ranging from approximately 1,200 feet
3 at the mouth of Silverado Canyon to over 5,600 feet
4 at Santiago Peak.

5 (3) The National Forest is an important habi-
6 tat link to surrounding regional wildlife preserves.
7 Chaparral and coastal sage scrub habitats are char-
8 acteristic of the local landscape. The area contains
9 a number of oak woodlands and grassy meadows.
10 The local creeks have been designated as critical
11 habitat for one or more threatened or endangered
12 species, including southern steelhead (*Oncorhynchus*
13 *mykiss*), speckled dace (*Rhinichthys osculus*) the
14 southwestern pond turtle (*Clemmys marmorata*
15 *pallida*), and southwestern arroyo toad (*Bufo*
16 *californicus*). Other endangered, threatened and sen-
17 sitive species in this habitat include California
18 gnatcatcher (*Polioptila californica*), California spot-
19 ted owl (*Strix occidentalis*), least Bell's vireo (*Vireo*
20 *bellii pusillus*). Chiquito Basin, a Special Interest
21 Area in the upland portion of the Santa Ana Moun-
22 tains, has a number of endemic and rare plants, in-
23 cluding San Miguel savory (*Satureja chandleri*) and
24 Fish's milkwort (*Polygala cornuta var. fishiae*).

1 (4) Historic and prehistoric sites can be found
2 in several of the canyons. Plant materials tradition-
3 ally used by Native Americans thrive in several loca-
4 tions.

5 (5) The Cleveland National Forest is the
6 wildland backdrop for millions of Orange County
7 residents, whose communities are minutes away
8 from this part of the National Forest System. The
9 Santa Ana Mountains are an important day-use area
10 for Orange County, offering open-space links to sur-
11 rounding communities, and providing opportunities
12 for challenge, solitude, and contemplation close to
13 urban populations, as well as exceptional trail-based
14 and riparian recreation.

15 (6) Since 1866, when the Rancho San Joaquin,
16 Rancho Lomas de Santiago, and Rancho Santiago
17 Santa Ana were combined by James Irvine and his
18 partners to establish the Irvine Ranch, its history
19 has reflected the rich tradition of California agri-
20 culture, and the bounty made possible by industrious
21 settlers, fertile land, and abundant sunshine.

22 (7) Owing to the continuing stewardship of The
23 Irvine Company since its founding in 1864, along
24 with the extraordinary efforts of a wide variety of
25 government, private, non-profit and other partners,

1 more than half of the original Irvine Ranch has been
2 permanently protected and shall remain undeveloped
3 in perpetuity.

4 (8) The Irvine Ranch, taken together with other
5 public lands, including portions of the Trabuco
6 Ranger District of the Cleveland National Forest
7 and wilderness parks and preserves owned by the
8 County of Orange and other local governments, com-
9 prise a 156-square mile swath of preserved land and
10 natural open space extending from the crest of the
11 coastal mountains to the Pacific Ocean.

12 (9) The open space of the historic Irvine Ranch
13 and adjacent areas of the California Floristic Prov-
14 ince are home to a wide array of threatened and en-
15 dangered plant and animal species found nowhere
16 else, and many of these lands were the setting of the
17 first Natural Community Conservation Planning
18 Agreement in 1996, which protected the California
19 gnatcatcher and a large list of protected species
20 while allowing responsible, well-considered develop-
21 ment.

22 (10) Designation of open space within the
23 boundary of the historic Irvine Ranch and a sur-
24 rounding landscape of other connected protected
25 open space as a National Monument would perma-

1 nently protect the unique biological, cultural, geo-
2 logical, and historic values of the area for present
3 and future generations, while enhancing opportuni-
4 ties for collaborative stewardship, scientific research,
5 public education, and continued recreation on,
6 among other things, the 22-mile Mountains to Sea
7 National Recreational Trail.

8 (11) There is a great need nationwide to estab-
9 lish, facilitate, and support new institutional models
10 of collaborative management and stewardship of na-
11 tionally-significant landscapes that do not rely en-
12 tirely on Federal land ownership or funding.

13 (12) The Secretary will manage the Federal
14 lands within the Cleveland National Forest and the
15 other lands within the Monument will be managed
16 by their respective owner, under a common Manage-
17 ment Plan.

18 **SEC. 3. DEFINITIONS.**

19 In this Act:

20 (1) ADMINISTRATOR.—The term “Adminis-
21 trator” means the person appointed by the Secretary
22 under section 7 who serves as Chair of the Advisory
23 Committee.

1 (2) ADVISORY COMMITTEE.—The term “Advi-
2 sory Committee” means the committee established
3 under section 9.

4 (3) COUNTY.—The term “County” means the
5 County of Orange, California.

6 (4) LOCAL GOVERNMENT.—The term “local
7 government” or “City” means any of the following:

8 (A) The City of Irvine, California.

9 (B) The City of Newport Beach, Cali-
10 fornia.

11 (C) The City of Laguna Beach, California.

12 (D) The County.

13 (5) MAP.—The term “map” means the map en-
14 titled “Boundary Map, Santa Ana Mountains to Sea
15 National Monument” and dated _____.

16 (6) MANAGEMENT PLAN.—The term “Manage-
17 ment Plan” means the management plan for the
18 Monument developed under section 6.

19 (7) MONUMENT.—The term “Monument”
20 means the Santa Ana Mountains to Sea National
21 Monument, as shown on the Map and established by
22 section 4.

23 (8) MOTORIZED VEHICLES.—The term “motor-
24 ized vehicles” means motorized or mechanized vehi-
25 cles used by utilities, and includes mechanized equip-

1 ment, helicopters, and other aerial devices necessary
2 to maintain electrical or communications infrastruc-
3 ture.

4 (9) SECRETARY.—The term “Secretary” means
5 the Secretary of Agriculture.

6 (10) STATE.—The term “State” means the
7 State of California.

8 (11) UTILITY FACILITY.—The term “utility fa-
9 cility” means any and all existing and future electric
10 generation facilities, electric storage facilities, over-
11 head and/or underground electrical supply systems
12 and communication systems consisting of electrical
13 substations, electric lines, poles and towers made of
14 various materials, “H” frame structures, guy wires
15 and anchors, crossarms, wires, underground con-
16 duits, cables, vaults, manholes, handholes, above-
17 ground enclosures, markers and concrete pads and
18 other fixtures, appliances and communication cir-
19 cuits, and other fixtures, appliances and appur-
20 tenances connected therewith necessary or conven-
21 ient for the construction, operation, regulation, con-
22 trol, grounding and maintenance of electric genera-
23 tion, storage, lines and communication circuits, for
24 the purpose of transmitting intelligence and gener-
25 ating, storing, distributing, regulating and control-

1 ling electric energy to be used for light, heat, power,
2 communication, and other purposes.

3 **SEC. 4. ESTABLISHMENT OF SANTA ANA MOUNTAINS TO**
4 **SEA NATIONAL MONUMENT.**

5 (a) ESTABLISHMENT.—There is designated in the
6 County and State the Santa Ana Mountains to Sea Na-
7 tional Monument, comprised of the lands identified in sub-
8 section (c).

9 (b) PURPOSES.—The purposes of the Monument
10 are—

11 (1) to preserve and protect the nationally sig-
12 nificant biological, cultural, recreational, geological,
13 educational, historic, scenic, and scientific values of
14 features and lands within its boundaries;

15 (2) to secure the opportunity for present and
16 future generations to experience and enjoy the mag-
17 nificent flora and fauna, wildlife, land forms, and
18 natural and cultural resources of the Monument;

19 (3) to provide access and opportunities for envi-
20 ronmental education, exploration, and scientific re-
21 search;

22 (4) to foster and support collaborative steward-
23 ship across ownership boundaries toward a common
24 vision of the highest standards of conservation and
25 recreation; and

1 (5) to inspire public support for land conserva-
2 tion and stewardship in one of the most densely pop-
3 ulated regions of the United States.

4 (e) BOUNDARIES.—

5 (1) IN GENERAL.—Except as provided in para-
6 graph (2), the Monument shall consist of approxi-
7 mately 100,000 acres owned or controlled by the
8 Federal or local government, including portions of
9 the historic Irvine Ranch and approximately 50,000
10 acres of adjacent portions of the Trabuco District of
11 the Cleveland National Forest, located within the
12 boundaries depicted on the Map.

13 (2) PRIVATE LAND EXCLUSION.—Privately-
14 owned land within the boundaries depicted on the
15 Map shall be excluded from the Monument unless
16 the owner of such land voluntarily and formally
17 agrees to have the land included as part of the
18 Monument.

19 [(3) MINOR BOUNDARY ADJUSTMENTS.—The
20 Secretary may make minor adjustments to the
21 boundary of the Monument to include additional
22 public land near or adjacent to the Monument, if,
23 after the date of enactment of this Act, a Federal
24 agency, State agency, or local government requests
25 that public land owned or administered by that enti-

1 ty near or adjacent to the Monument be included in
2 the Monument to promote consistent management of
3 resources.】

4 (d) MAP; LEGAL DESCRIPTIONS.—

5 (1) LEGAL DESCRIPTION.—As soon as prac-
6 ticable after the date of enactment of this Act, the
7 Secretary shall submit to the Committee on Natural
8 Resources of the House of Representatives and the
9 Committee on Energy and Natural Resources of the
10 Senate legal descriptions of the Monument, as gen-
11 erally depicted on the Map.

12 (2) CORRECTIONS.—The Map and legal descrip-
13 tions of the Monument shall have the same force
14 and effect as if included in this Act, except that the
15 Secretary may correct clerical and typographical er-
16 rors in the Map and legal descriptions.

17 (3) AVAILABILITY OF MAP.—The Map shall be
18 on file and available for public inspection in the ap-
19 propriate offices of the U.S. Forest Service and the
20 Office of the County Clerk of Orange County, Cali-
21 fornia.

22 **SEC. 5. MANAGEMENT OF THE MONUMENT.**

23 (a) IN GENERAL.—The Secretary shall—

24 (1) only allow uses of the Monument that—

1 (A) further the purposes described in sec-
2 tion 4(b);

3 (B) are consistent with existing legal pro-
4 tection instruments on the land including con-
5 servation easements, grant deeds, the National
6 Forest Management Act of 1976, or the Central
7 Coastal Orange County Natural Community
8 Conservation Plan, as applicable; and

9 (C) are included in the Management Plan
10 developed under section 6 or other cooperative
11 agreements entered into with the owners of
12 land within the Monument which, in the judg-
13 ment of the Advisory Committee, are consistent
14 with the Management Plan.

15 (2) not allow or permit uses of the Monument
16 that are specifically prohibited in this Act, the Man-
17 agement Plan, or existing legal protection instru-
18 ments on the land.

19 (3) collaboratively manage, along with non-Fed-
20 eral land owners within the boundary, subject to
21 valid existing rights, the Monument to protect the
22 resources of the Monument, in accordance with—

23 (A) this Act;

24 (B) the National Forest Management Act
25 of 1976 (16 U.S.C. 1600 et seq.), or the Mul-

1 multiple-Used Sustained-Yield Act of 1960 (16
2 U.S.C. 528 et seq.), as appropriate;

3 (C) any other applicable provisions of law.

4 (b) COOPERATIVE AGREEMENTS; GENERAL AUTHOR-
5 ITY.—In furtherance of the Management Plan and exist-
6 ing authorities applicable to the Monument, the Secretary
7 may enter into cooperative agreements and shared man-
8 agement arrangements for the purposes of protecting and
9 administering the Monument.

10 (c) ADMINISTRATION OF SUBSEQUENTLY ACQUIRED
11 LAND.—Any land or interest in land within the bound-
12 aries of the Monument which may be acquired by the Sec-
13 retary after the date of enactment of this Act shall be
14 managed by the Secretary in accordance with this Act.

15 (d) LIMITATIONS.—The establishment of the Monu-
16 ment does not—

17 (1) affect any private property rights within the
18 boundaries of the Monument; or

19 (2) grant to the Secretary any authority on or
20 over non-Federal land or interests in land not al-
21 ready provided by law.

22 (e) ADJACENT LAND.—

23 (1) IN GENERAL.—Nothing in this Act creates
24 any protective perimeter or buffer zone around the
25 Monument, or is intended to do so.

1 (2) ACTIVITIES OUTSIDE MONUMENT.—The
2 fact that an activity or use on land outside the
3 Monument can be seen or heard within the Monu-
4 ment shall not preclude the activity or use outside
5 the boundary of the Monument.

6 (3) NO ADDITIONAL REGULATION.—Nothing in
7 this Act requires additional regulation of activities
8 on land outside the boundary of the Monument.

9 (f) AIR AND WATER QUALITY.—Nothing in this Act
10 affects the standards governing air or water quality out-
11 side the boundary of the Monument, or is intended to do
12 so.

13 (g) WATER RIGHTS.—Nothing in this Act shall—

14 (1) constitute or be construed to constitute ei-
15 ther an express or implied reservation by the United
16 States of any water or water rights with respect to
17 the lands within the Monument; or

18 (2) affect any water rights existing on the date
19 of the enactment of this Act, including any water
20 rights held by the United States.

21 (h) UTILITY FACILITIES AND RIGHTS OF WAY.—
22 Nothing in this Act shall—

23 (1) affect the existence, use, operation, mainte-
24 nance (including but not limited to vegetation con-
25 trol), repair, construction, reconfiguration, expan-

1 sion, inspection, renewal, reconstruction, alteration,
2 addition, relocation, improvement, funding, removal,
3 or replacement of Utility Facilities or appurtenant
4 rights of way within or adjacent to the Monument;

5 (2) affect necessary or efficient access to Utility
6 Facilities or rights of way within or adjacent to the
7 Monument; **【and/or】**

8 (3) preclude the establishment of new Utility
9 Facilities or rights of way (including instream sites,
10 routes, and areas) within the Monument if such fa-
11 cilities are otherwise lawful and necessary for public
12 health and safety, electricity supply, telecommuni-
13 cations, or other utility services.

14 (i) **FEDERAL BUREAU OF INVESTIGATION TRAINING**
15 **ACTIVITIES.**—Nothing in this Act shall—

16 (1) affect the Federal Bureau of Investigation's
17 current use and operation of lands it owns and ad-
18 ministers within the Monument, which includes tac-
19 tical training; or

20 (2) affect any future use or development of the
21 lands owned and administered by the Federal Bu-
22 reau of Investigation within the Monument, provided
23 the future use or development complies with all ap-
24 plicable laws and legal instruments.

25 (j) **PAYMENT OF EXPENSES.**—

1 (1) IN GENERAL.—Except as provided in para-
2 graphs (2), (3), and (4), non-Federal land owners
3 are expected to fund the operation of their owner-
4 ships within the Monument boundary, and no Fed-
5 eral funds may be used to pay such expenses.

6 (2) FEDERAL LAND.—Federal funds may be
7 used to pay for the continued management of Fed-
8 eral land within the Monument, and on management
9 issues, such as invasive species control or fire man-
10 agement, that extend across boundaries between
11 Federal and non-Federal land.

12 (3) CAPITAL IMPROVEMENTS.—The Secretary
13 may expend Federal funds for capital improvements
14 at the Monument, including construction of a visitor
15 center, when such capital improvements have been
16 recommended by the Advisory Committee.

17 (4) COOPERATIVE MANAGEMENT.—Under the
18 Management Plan, the Secretary may acquire from
19 and provide to the State or local government agen-
20 cies goods and services to be used by the Secretary
21 and the State or local government agencies in the
22 cooperative management of the land. The acceptance
23 and use of donated funds, property, in-kind con-
24 tributions, and services will conform to the purposes
25 for which the Monument is established.

1 (k) USE OF NON-FEDERAL FUNDS.—The Secretary
2 is authorized to receive and expend non-Federal funds for
3 the purpose of carrying out this Act.

4 (l) EFFECT OF SECTION.—Nothing in this section di-
5 minishes or modifies existing authority applicable to Fed-
6 eral land within the Monument.

7 **SEC. 6. MANAGEMENT PLAN.**

8 (a) IN GENERAL.—The Secretary, in cooperation
9 with the Advisory Committee shall—

10 (1) not later than three years after the date of
11 enactment of this Act, complete a management plan
12 for the conservation, protection, and administration
13 of the Monument; and

14 (2) on completion of the Management Plan—

15 (A) submit the Management Plan to

16 (i) the Committee on Natural Re-
17 sources of the House of Representatives;
18 and

19 (ii) the Committee on Energy and
20 Natural Resources of the Senate; and

21 (B) make the Management Plan available
22 to the public.

23 (b) INCLUSIONS.—The Management Plan shall in-
24 clude provisions that—

1 (1) provide for the conservation, protection, and
2 administration of the Monument;

3 (2) authorize compatible passive recreational
4 uses of the Monument (including hiking, mountain
5 biking, equestrian access, and other sightseeing on
6 designated routes), if the recreational uses are con-
7 sistent with this section and any other applicable
8 law;

9 (3) address the designation and maintenance of
10 roads, trails, paths, and other appropriate and com-
11 patible visitor facilities in the Monument;

12 (4) address regional fire management planning
13 and coordination between the Chief of the U.S. For-
14 est Service, the State, and other fire management
15 authorities and organizations in the County;

16 (5) assess the need for and eventual establish-
17 ment of a visitor center to serve the Monument, in-
18 cluding identifying opportunities for education and
19 engagement of the public in stewardship of the land
20 and in study and enjoyment of the unique cultural
21 and historical elements of the Monument;

22 (6) provide for continued collaborative steward-
23 ship of the Monument among landowners and man-
24 agers including the County, Cities, State, and pri-
25 vate and not-for-profit organizations;

1 (7) provide for continued active involvement of
2 the non-Federal public land owners within the
3 Monument, respecting their authority as to land use
4 and related matters within their purview; provided,
5 however, that such uses are consistent with the
6 Management Plan; and

7 (8) reflect the necessity of incorporating appli-
8 cable provisions of existing approved management
9 plans, resource plans, conservation easements, or
10 other cooperative agreements pertaining to land
11 within the Monument, and allow additional lands
12 within the Monument boundary to be covered by the
13 Orange County Central Coastal Natural Community
14 Conservation Plan and permit.

15 (c) PREPARATION AND IMPLEMENTATION.—

16 (1) APPLICABLE LAW.—The Secretary shall
17 prepare and implement the Management Plan in ac-
18 cordance with the National Environmental Policy
19 Act of 1969 (42 U.S.C. 4321 et seq.) and any other
20 applicable laws.

21 (2) CONSULTATION.—In preparing and imple-
22 menting the Management Plan, the Secretary shall
23 regularly consult with—

24 (A) the Advisory Committee established
25 under section 9; and

1 (B) interested private property owners and
2 holders of valid existing rights located within
3 the boundaries of the Monument.

4 (d) INTERIM MANAGEMENT.—Except as otherwise
5 provided in this Act, pending completion of the Manage-
6 ment Plan for the Monument, the Secretary shall manage
7 Federal lands within the boundary of the Monument—

8 (1) consistent with the existing permitted uses
9 of the land; and

10 (2) in a manner consistent with—

11 (A) the Cleveland National Forest Land
12 Management Plan (for Federal land owned or
13 administered by the U.S. Forest Service);

14 (B) the purposes described in section 4(b);

15 (C) advice and guidance of the Advisory
16 Committee; and

17 (D) applicable federal law.

18 **SEC. 7. PERMITTED AND PROHIBITED USES OF THE MONU-**
19 **MENT.**

20 (a) IN GENERAL.—All permitted uses of the Monu-
21 ment shall be consistent with the terms and conditions of
22 the Management Plan and existing conservation ease-
23 ments, grant deeds, approved resource plans, and the Or-
24 ange County Central Coastal Natural Community Con-
25 servation Plan and permit. To the maximum extent prac-

1 ticable, current uses of the land shall be allowed and au-
2 thorized under the Management Plan. All other uses not
3 specifically authorized under this section shall be prohib-
4 ited.

5 (b) FOREST SERVICE PLAN.—Nothing herein shall
6 be deemed to modify a duly approved land-use plan of the
7 U.S. Forest Service. Notwithstanding the following sub-
8 sections, all activities on lands owned or administered by
9 the U.S. Forest Service shall be consistent with the Cleve-
10 land National Forest Land Management Plan.

11 (c) USE OF OFF-HIGHWAY VEHICLES.—

12 (1) IN GENERAL.—The use of off-highway vehi-
13 cles (including the use of off-highway vehicles for
14 commercial touring) shall only be permitted on cur-
15 rent, existing designated routes within the Monu-
16 ment, subject to all applicable law and as authorized
17 by the Management Plan.

18 (2) NONDESIGNATED ROUTES.—Off-highway
19 vehicle access shall only be permitted on nondes-
20 ignated routes and trails within the Monument—

21 (A) for identified and established adminis-
22 trative purposes;

23 (B) to respond to an emergency; or

24 (C) as authorized under the Management
25 Plan.

1 (d) HUNTING, TRAPPING, AND FISHING.—Except as
2 authorized under the Management Plan established under
3 section 6, the Secretary shall prohibit hunting, trapping,
4 and fishing within the Monument.

5 (e) GRAZING.—Nothing in this Act terminates any
6 valid existing grazing allotment within the Monument.

7 (f) MINING AND DRILLING.—The Secretary shall
8 prohibit mining and drilling in the Monument except as
9 otherwise permitted under existing conservation ease-
10 ments, grant deeds, or other legal protection instruments
11 on the land.

12 (g) VOLUNTEERS.—The Secretary shall engage the
13 services of citizen volunteers within the Monument, as pre-
14 scribed by the Management Plan.

15 (h) DESIGNATION OF ADMINISTRATOR.—As soon as
16 practicable after the Management Plan is developed under
17 section 6, the Secretary shall appoint an Administrator of
18 the Monument, who shall also serve as Chair of the Advi-
19 sory Committee.

20 (i) ACCESS TO PRIVATE LAND.—The Secretary shall
21 provide reasonable access to each owner of private land
22 within the boundary of the Monument in accordance with
23 the Alaska National Interest Lands Conservation Act of
24 1980 (16 U.S.C. Chapter 51) or other applicable Federal

1 law to ensure the reasonable use and enjoyment of the
2 land by the owner.

3 (j) OVERFLIGHTS.—Nothing in this title or the Man-
4 agement Plan restricts or precludes overflights (including
5 low-level overflights) of military, commercial, and general
6 aviation aircraft, no matter whether said aircraft can be
7 seen or heard within the Monument. Non-emergency and
8 commercial aircraft are prohibited from landing anywhere
9 within the Monument except for the purposes of manage-
10 ment or as otherwise approved or permitted, and con-
11 sistent with the Management Plan.

12 (k) OTHER PERMITTED USES.—The following uses
13 are permitted, consistent with the Management Plan and
14 other applicable laws and protection instruments:

15 (1) Research and monitoring of biological, geo-
16 logical, and cultural/historical features.

17 (2) Maintenance of existing permitted infra-
18 structure facilities.

19 (3) Fences, gates, signs, and other security
20 measures, including maintenance of such.

21 (4) Roads and trails.

22 (5) Educational and recreational use, including
23 regular and substantial use consistent with long
24 term maintenance of natural, cultural, scenic, and
25 historical values.

1 (6) Environmental enhancement, including
2 habitat restoration.

3 (7) Vegetation and animal management, includ-
4 ing removal of feral, invasive, and non-native plants
5 and animals.

6 (8) Fuel modification as necessary to mitigate
7 the effects of wildfire and when required by applica-
8 ble law or provided in the Management Plan.

9 (9) Actions necessary to minimize the risk of
10 wildfire ignition.

11 (10) Use of motorized vehicles on roads and
12 trails designated for use by motorized vehicles as
13 necessary or efficient for the performance of activi-
14 ties related to the operation, maintenance, expans-
15 sion, and/or construction of any utility facilities, in-
16 cluding lines, and/or rights of way.

17 (1) WITHDRAWALS.—

18 (1) IN GENERAL.—Subject to valid existing
19 rights and except as provided in section 7 and para-
20 graph (2), the Federal land and interests included
21 within the Monument are withdrawn from—

22 (A) all forms of entry, appropriation, or
23 disposal under the public land laws;

24 (B) location, entry, and patent under the
25 public land mining laws; and

1 (C) operation of the mineral leasing, geo-
2 thermal leasing, and mineral materials laws.

3 (2) EXCHANGE.—Paragraph (1) does not apply
4 to an exchange that, in the judgment of the Sec-
5 retary, would further the protective purposes of the
6 Monument.

7 **SEC. 8. ACQUISITION OF LAND.**

8 (a) IN GENERAL.—The Secretary may acquire for in-
9 clusion in the Monument any land or interests in land
10 within the boundary of the Monument owned by private
11 individuals or non-Federal public entities only by—

12 (1) donation;

13 (2) exchange with a willing party; or

14 (3) purchase from a willing seller for fair mar-
15 ket value.

16 (b) USE OF EASEMENTS.—To the maximum extent
17 practicable and only with the approval of the landowner,
18 the Secretary may, when appropriate, acquire permanent
19 conservation easements within the Monument in lieu of fee
20 simple title to the land.

21 (c) INCORPORATION OF ACQUIRED LAND AND INTER-
22 ESTS IN LAND.—Any land or interest in land within the
23 boundaries of the Monument that is acquired by the
24 United States or any non-Federal public entity after the
25 date of enactment of this title for Monument purposes

1 shall be added to and administered as part of the Monu-
2 ment.

3 (d) DONATED AND ACQUIRED LAND.—

4 (1) IN GENERAL.—All land within the boundary
5 of the Monument donated to the United States or
6 acquired using amounts from the land and water
7 conservation fund established under section 2 of the
8 Land and Water Conservation Fund Act of 1965
9 (16 U.S.C. 4601-5) before, on, or after the date of
10 enactment of this title—

11 (A) is withdrawn from mineral entry; and

12 (B) shall be managed consistent with the
13 purposes of the Monument described in section
14 4(b).

15 (2) EFFECT ON MONUMENT.—Land within the
16 boundary of the Monument that is contiguous to
17 land donated to the United States or acquired using
18 amounts from the land and water conservation fund
19 established under section 2 of the Land and Water
20 Conservation Fund Act of 1965 (16 U.S.C. 4601-5)
21 shall be managed in a manner consistent with con-
22 servation purposes, subject to applicable law.

23 **SEC. 9. ADVISORY COMMITTEE FOR THE MONUMENT.**

24 (a) ESTABLISHMENT.—The Secretary shall establish
25 a permanent Advisory Committee for the Monument, the

1 purpose of which is to advise the Secretary with respect
2 to the preparation and implementation of the Management
3 Plan required by section 6, to encourage and facilitate on-
4 going, collaborative, multi-owner stewardship of the Monu-
5 ment, and to otherwise represent the public interest and
6 non-Federal owners and managers of public land within
7 the Monument.

8 (b) MEMBERSHIP.—To the extent practicable, the
9 Advisory Committee shall include the following members,
10 to be appointed by the Secretary:

11 (1) A representative with expertise in applied
12 natural science and research nominated by the Uni-
13 versity of California at Irvine.

14 (2) A representative of the California Natural
15 Resources Agency, who shall represent State agen-
16 cies including the California Department of Fish and
17 Wildlife and the California Department of Parks and
18 Recreation.

19 (3) A representative of the County.

20 (4) A representative of each of the Cities (other
21 than the County).

22 (5) A representative of the Cleveland National
23 Forest.

24 (6) A representative of the Irvine Ranch Water
25 District.

1 (7) A representative of the non-profit Irvine
2 Ranch Conservancy representing managers of lands
3 within the Monument.

4 (8) A representative of an investor-owned elec-
5 tric utility.

6 (9) A representative of the Orange County Fire
7 Authority or other fire service agency in the vicinity
8 of the Monument.

9 (10) A representative from an organization
10 dedicated to compatible passive recreation and envi-
11 ronmental conservation.

12 (11) A representative of the Nature Reserve of
13 Orange County” as a member of the Advisory Com-
14 mittee.

15 (e) TERMS.—

16 (1) IN GENERAL.—In appointing members
17 under paragraphs (1) through (11) of subsection
18 (b), the Secretary shall appoint 1 primary member
19 and 1 alternate member who meets the qualifications
20 described in each of those paragraphs.

21 (2) VACANCY.—

22 (A) PRIMARY MEMBER.—A vacancy on the
23 Advisory Committee with respect to a primary
24 member shall be filled by the applicable alter-
25 nate member.

1 (B) ALTERNATE MEMBER.—The Secretary
2 shall appoint new alternate members in the
3 event of a vacancy with respect to an alternate
4 member of the Advisory Committee.

5 (3) TERM OF MEMBERS.—

6 (A) IN GENERAL.—The term of a member
7 of the Advisory Committee shall be 3 years.

8 (B) SUCCESSORS.—Notwithstanding the
9 expiration of a 3-year term of a member of the
10 Advisory Committee, a member may continue to
11 serve on the Advisory Committee until—

12 (i) the member is reappointed by the
13 Secretary; or

14 (ii) a successor is appointed.

15 (4) TERM OF ALTERNATE MEMBER.—An alter-
16 nate member appointed to fill a vacancy of the Advi-
17 sory Committee—

18 (A) shall serve for the remainder of the
19 term for which the predecessor was appointed;
20 and

21 (B) may be nominated for a subsequent
22 term.

23 (d) QUORUM.—A quorum of the Advisory Committee
24 shall consist of a majority of the primary members.

25 (e) CHAIRPERSON AND PROCEDURES.—

1 (1) IN GENERAL.—The Administrator of the
2 Monument shall serve as chairperson of the Advisory
3 Committee for so long as s/he is Administrator and
4 the Advisory Committee shall select a vice chair-
5 person from among the primary members of the Ad-
6 visory Committee.

7 (2) DUTIES.—The chairperson and vice chair-
8 person selected under paragraph (1) shall establish
9 any rules and procedures for the Advisory Com-
10 mittee that the chairperson and vice-chairperson de-
11 termine to be necessary or desirable.

12 (f) SERVICE WITHOUT COMPENSATION.—Members
13 of the Advisory Committee shall serve without pay for
14 their service as Members.

15 (g) TERMINATION.—Members of the Advisory Com-
16 mittee may be terminated by the Secretary for cause.

August 10, 2015

Prepared by: J. Davis / T. Fournier

Submitted by: R. Jacobson / C. Clary

Approved by: Paul A. Cook 

CONSENT CALENDAR

AMENDMENTS TO REMARKETING AGREEMENTS FOR FEE REDUCTIONS

SUMMARY:

Merrill Lynch and Goldman Sachs have agreed to reduce their current remarketing fee levels for the District. As a result, staff recommends that the Board approve the amendments to the District's Remarketing Agreements with Merrill Lynch and Goldman Sachs for the Series 1993, Refunding Series 2008A, and Series 2009B and authorize the President to execute the amended Remarketing Agreements.

BACKGROUND:

On a monthly basis, staff reviews and compares the District's variable rates. During a recent review, staff noted that Merrill Lynch's and Goldman Sachs' remarketing fees were higher than other providers and requested that they consider reducing their current fee levels, to which both remarketing agents agreed.

The proposed reductions are as follows:

Bond Issue	Par Amount Outstanding	Current Fee – Proposed Fee	Reduction	Remarketing Agent
Series 1993	\$34,600,000	0.135% - 0.100%	0.035%	Merrill Lynch
Refunding Series 2008A	\$52,500,000	0.100% - 0.070%	0.030%	Merrill Lynch
Series 2009B	\$67,500,000	0.120% - 0.100%	0.020%	Goldman Sachs

An "Annual Savings by Bond Issue" is attached as Exhibit "A" and shows savings of approximately \$41,000 in the first year and \$512,000 through maturity of the bonds.

FISCAL IMPACTS:

Fiscal impacts are shown above and in the attached exhibits.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on August 4, 2015.

RECOMMENDATION:

THAT THE BOARD APPROVE THE AMENDMENTS TO THE REMARKETING AGREEMENTS WITH MERRILL LYNCH AND GOLDMAN SACHS FOR THE SERIES 1993, REFUNDING SERIES 2008A, AND SERIES 2009B BONDS AND AUTHORIZE THE PRESIDENT TO EXECUTE THE AMENDED REMARKETING AGREEMENTS.

LIST OF EXHIBITS:

Exhibit "A" – Annual Savings by Bond Issue

Exhibit "B" – Series 1993 First Amendment to Remarketing Agreement

Exhibit "C" – Refunding Series 2008A First Amendment to Amended and Restated Remarketing Agreement

Exhibit "D" – Series 2009B Letter to Amend Remarketing Agreement

Exhibit "A"

Annual Savings by Bond Issue

Bond Issue	Reduction	Remarketing Agent	Annual Savings	Savings to Maturity
Consolidated Series 1993	0.035%	Merrill Lynch	12,110	122,465
Refunding Series 2008A	0.030%	Merrill Lynch	15,750	200,550
Consolidated Series 2009B	0.020%	Goldman Sachs	13,500	189,000
Total			41,360	512,015

Year	Consolidated Series 1993 Outstanding Principal	Fee Reduction 1993 Issue	Refunding Series 2008A Outstanding Principal	Fee Reduction 2008A Issue	Consolidated Series 2009B Outstanding Principal	Fee Reduction 2009 B Issue	Annual Savings
2015	34,600,000	12,110	52,500,000	15,750	67,500,000	13,500	41,360
2016	33,100,000	11,585	51,000,000	15,300	65,000,000	13,000	39,885
2017	31,500,000	11,025	49,500,000	14,850	62,500,000	12,500	38,375
2018	29,900,000	10,465	48,000,000	14,400	60,000,000	12,000	36,865
2019	28,300,000	9,905	46,500,000	13,950	57,500,000	11,500	35,355
2020	26,600,000	9,310	45,000,000	13,500	55,000,000	11,000	33,810
2021	24,800,000	8,680	43,000,000	12,900	52,500,000	10,500	32,080
2022	23,000,000	8,050	41,000,000	12,300	50,000,000	10,000	30,350
2023	21,200,000	7,420	39,000,000	11,700	47,500,000	9,500	28,620
2024	19,200,000	6,720	37,000,000	11,100	45,000,000	9,000	26,820
2025	17,300,000	6,055	34,500,000	10,350	42,500,000	8,500	24,905
2026	15,200,000	5,320	32,000,000	9,600	40,000,000	8,000	22,920
2027	13,100,000	4,585	29,500,000	8,850	37,500,000	7,500	20,935
2028	11,000,000	3,850	27,000,000	8,100	35,000,000	7,000	18,950
2029	8,800,000	3,080	24,500,000	7,350	32,500,000	6,500	16,930
2030	6,500,000	2,275	21,000,000	6,300	30,000,000	6,000	14,575
2031	4,100,000	1,435	17,500,000	5,250	27,500,000	5,500	12,185
2032	1,700,000	595	14,000,000	4,200	25,000,000	5,000	9,795
2033	0		10,000,000	3,000	22,500,000	4,500	7,500
2034			6,000,000	1,800	20,000,000	4,000	5,800
2035					17,500,000	3,500	3,500
2036					15,000,000	3,000	3,000
2037					12,500,000	2,500	2,500
2038					10,000,000	2,000	2,000
2039					7,500,000	1,500	1,500
2040					5,000,000	1,000	1,000
2041					2,500,000	500	500
2042					0		
Total Savings		122,465		200,550		189,000	512,015

Exhibit "B"

FIRST AMENDMENT TO REMARKETING AGREEMENT

This FIRST AMENDMENT TO REMARKETING AGREEMENT (this "Amendment") is made and entered into and dated as of July 1, 2015 by and between IRVINE RANCH WATER DISTRICT (the "Issuer") and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (the "Remarketing Agent").

RECITALS

A. The Issuer has issued \$38,300,000 in original aggregate principal amount of its Bonds of Irvine Ranch Water District, Consolidated Series 1993 (the "Bonds") pursuant to the Indenture of Trust, dated as of May 1, 1993 (the "Original Indenture"), by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as amended and supplemented by the First Supplemental Indenture of Trust, dated as of June 1, 2014 (the "First Supplemental Indenture" and, together with the Original Indenture, the "Indenture"), by and between the Issuer and the Trustee.

B. The Remarketing Agent presently acts as remarketing agent under the Indenture in accordance with a Remarketing Agreement, dated as of February 1, 2009 (the "Original Remarketing Agreement"), by and between the Issuer and the Remarketing Agent, as successor remarketing agent.

C. The Issuer and the Remarketing Agent desire to amend the Original Remarketing Agreement pursuant to Section 14(d) thereof in order to reduce fees payable by the Issuer to the Remarketing Agent with respect to the remarketing of the Bonds.

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

SECTION 1. This Amendment hereby incorporates by reference all terms and conditions set forth in the Original Remarketing Agreement unless specifically modified by this Amendment. All of the terms and conditions set forth in the Original Remarketing Agreement which are not specifically modified by this Amendment shall remain in full force and effect.

SECTION 2. The capitalized terms set forth in this Amendment not otherwise defined herein shall have the meanings set forth in the Original Remarketing Agreement.

SECTION 3. The first sentence of Section 7 of the Original Remarketing Agreement is hereby deleted in its entirety and replaced with the following:

"For the Remarketing Agent's services under this Agreement and the Indenture, the Issuer will pay the Remarketing Agent: (i) for any Bonds remarketed in the Weekly Mode, a fee of seven (7) basis points per annum with respect to the aggregate principal amount of the Bonds outstanding at the time of payment; and (ii) for any Bonds remarketed in the Daily Mode, a fee of ten (10) basis points per annum with respect to the aggregate principal amount of the Bonds outstanding at the time of payment."

SECTION 4. THIS AMENDMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 5. This Amendment shall become effective upon its execution and delivery.

SECTION 6. This Amendment may be executed in several counterparts, each of which shall be deemed as an original, all of which shall constitute but one of the same instrument.

[This space intentionally left blank; signature page immediately follows.]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Remarketing Agreement to be duly executed as of the day and year first written above.

IRVINE RANCH WATER DISTRICT

By: _____
President

**MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED**

By: _____
Authorized Signatory

Exhibit "C"

FIRST AMENDMENT TO AMENDED AND RESTATED REMARKETING AGREEMENT

This FIRST AMENDMENT TO AMENDED AND RESTATED REMARKETING AGREEMENT (this "Amendment") is made and entered into and dated as of July 1, 2015 by and between IRVINE RANCH WATER DISTRICT (the "Issuer") and MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (the "Remarketing Agent").

RECITALS

A. The Issuer has issued \$60,215,000 in original aggregate principal amount of its Bonds of Irvine Ranch Water District, Consolidated Refunding Series 2008A (the "Bonds") pursuant to the Indenture of Trust, dated as of April 1, 2008 (the "Indenture"), by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee").

B. The Remarketing Agent presently acts as remarketing agent under the Indenture in accordance with an Amended and Restated Remarketing Agreement, dated as of June 1, 2011 (the "Original Remarketing Agreement"), by and between the Issuer and the Remarketing Agent.

C. The Issuer and the Remarketing Agent desire to amend the Original Remarketing Agreement pursuant to Section 14(d) thereof in order to reduce fees payable by the Issuer to the Remarketing Agent with respect to the remarketing of the Bonds.

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

SECTION 1. This Amendment hereby incorporates by reference all terms and conditions set forth in the Original Remarketing Agreement unless specifically modified by this Amendment. All of the terms and conditions set forth in the Original Remarketing Agreement which are not specifically modified by this Amendment shall remain in full force and effect.

SECTION 2. The capitalized terms set forth in this Amendment not otherwise defined herein shall have the meanings set forth in the Original Remarketing Agreement.

SECTION 3. The first sentence of Section 7 of the Original Remarketing Agreement is hereby deleted in its entirety and replaced with the following:

"For the Remarketing Agent's services under this Agreement and the Indenture, the Issuer will pay the Remarketing Agent: (i) for any Bonds remarketed in the Weekly Mode, a fee of seven (7) basis points per annum with respect to the aggregate principal amount of the Bonds outstanding at the time of payment; and (ii) for any Bonds remarketed in the Daily Mode, a fee of ten (10) basis points per annum with respect to the aggregate principal amount of the Bonds outstanding at the time of payment."

SECTION 4. THIS AMENDMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 5. This Amendment shall become effective upon its execution and delivery.

SECTION 6. This Amendment may be executed in several counterparts, each of which shall be deemed as an original, all of which shall constitute but one of the same instrument.

[This space intentionally left blank; signature page immediately follows.]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Amended and Restated Remarketing Agreement to be duly executed as of the day and year first written above.

IRVINE RANCH WATER DISTRICT

**By: _____
President**

**MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED**

**By: _____
Authorized Signatory**

Exhibit "D"

PERSONAL AND CONFIDENTIAL

July 27, 2015

Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618
Attention: Robert Jacobson, Treasurer

Dear Rob:

We refer to the Remarketing Agreement (the "Remarketing Agreement"), dated June 22, 2013, between Irvine Ranch Water District (the "Issuer") and Goldman, Sachs & Co. ("Goldman Sachs") relating to the \$75,000,000 in aggregate principal amount of its Bonds of Irvine Ranch Water District, Consolidated Series 2009B. The Issuer and Goldman Sachs hereby amend the Remarketing Agreement as set forth herein.

Section 7 of the Remarketing Agreement shall be amended to read in its entirety as follows:

"Section 7. Fees and Expenses. For the Remarketing Agent's services under this Agreement and the Indenture, the Issuer will pay the Remarketing Agent a fee [10/100th of 1.0% (0.0010)] of the average aggregate principal amount of Bonds, including any Bank-Owned Bonds, while bearing interest in the Daily Mode, outstanding for the immediately preceding three month period, and a fee of [08/100th of 1.0% (0.0008)] of the average aggregate principal amount of Bonds, including any Bank-Owned Bonds, while bearing interest in the Weekly Mode, outstanding for the immediately preceding three month period. The Issuer will pay the fee quarterly in arrears commencing October 1, 2013, based on the actual number of days elapsed over 365 or 366, as appropriate. When Bonds are remarketed in connection with the conversion of the interest rate to a Long-Term Mode or Fixed Rate Mode, the Issuer and the Remarketing Agent will agree on a fee. The Issuer will pay all expenses of delivering remarketed Bonds and reimburse the Remarketing Agent for all direct, out-of-pocket expenses incurred by it as Remarketing Agent, including reasonable counsel fees and disbursements."

The Remarketing Agent's contact information in Section 15(a) shall be amended to read as follows:

"The Remarketing Agent:

Goldman, Sachs & Co.

Attn: Municipal Money Market Sales and Trading

200 West Street, 6th Floor

New York, NY 10282-2198

Telephone: (212) 902-6633

Email (notices, demands and formal actions provided pursuant to Section 13): gs-muni-liquidity-docs@gs.com

E-mail (all other notices, demands and formal actions): ficc-vrdn-trading@ny.email.gs.com"

Except as set forth herein, the Issuer and Goldman Sachs confirm that the Remarketing Agreement shall continue in full force and effect. Please confirm that the foregoing is in accordance with your understanding by signing and returning to us the enclosed copy of this letter, which shall become a binding agreement upon our receipt.

Very truly yours,

Confirmed as of the date above:

(GOLDMAN, SACHS & CO.)

IRVINE RANCH WATER DISTRICT

Name:

Title:

By: _____

Name:

Title:

Date: _____

August 10, 2015

Prepared by: J. McGehee/R. Mori

Submitted by: K. Burton *KLB*

Approved by: Paul Cook *P. Cook*

CONSENT CALENDAR

HIDDEN CANYON ZONE 3 TO 4 DOMESTIC WATER AND ZONE B TO C
RECYCLED WATER BOOSTER PUMP STATIONS FINAL ACCEPTANCE

SUMMARY:

Construction of the Hidden Canyon Zone 3 to 4 Domestic Water and Zone B to C Recycled Water Booster Pump Stations project is complete. The Contractor, R.C. Foster, has completed the required work and all punch list items. The project has received final inspection and acceptance of construction is recommended.

BACKGROUND:

The construction contract for the Hidden Canyon Zone 3 to 4 Domestic Water and Zone B to C Recycled Water Booster Pump Stations Project was awarded to R.C. Foster in January 2014. The pump stations were placed into operation on July 28, 2015. The contract schedule was extended by 209 days through August 31, 2015 to accommodate multiple repairs on the back-up fire pump. The planned repairs were successfully completed and the fire pump tested in advance of this date on July 28, 2015. The domestic water and recycled water pump stations will meet the demands of the adjacent Hidden Canyon development currently under construction by the developer, Toll Brothers. The pump station will serve closed loop domestic water and recycled water systems and includes several operational redundancies and fire-resistant design features.

Project Title:	Hidden Canyon Zone 3 to 4 Domestic Water and Zone B to C Recycled Water Booster Pump Stations
Project No.:	10446 (1648) and 30446 (1063)
Design Engineer:	Lee & Ro
Construction Management by:	IRWD Staff
Contractor:	R.C. Foster
Original Contract Cost:	\$3,713,700.00
Final Contract Cost:	\$3,862,126.30
Original Contract Days:	365
Final Contract Days:	574
Total Project Cost (Est.):	\$5,150,000
Final Change Order Approved On:	July 24, 2015

FISCAL IMPACTS:

Project 10446 (1648) and 30446 (1063) is included in the FY 2015-16 Capital Budget. The existing budget is sufficient to fund the final payment for the project.

ENVIRONMENTAL COMPLIANCE:

This project is subject to the California Environmental Quality Act (CEQA). In conformance with the California Code of Regulations Title 14, Chapter 3, Section 15004, as the lead agency, the City of Irvine certified an Environmental Impact Report (SCH #2005051099) on June 15, 2006.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO ACCEPT CONSTRUCTION OF HIDDEN CANYON ZONE 3 TO 4 DOMESTIC WATER AND ZONE B TO C RECYCLED WATER BOOSTER PUMP STATIONS, PROJECTS 10446 (1648) AND 30446 (1063); AUTHORIZE THE GENERAL MANAGER TO FILE A NOTICE OF COMPLETION; AND AUTHORIZE THE RELEASE OF RETENTION 35 DAYS AFTER FILING OF THE NOTICE OF COMPLETION.

LIST OF EXHIBITS:

None.

August 10, 2015

Prepared by: C. Spangenberg/M. Cortez

Submitted by: K. Burton *K.B.*

Approved by: Paul Cook *P. Cook*

CONSENT CALENDAR

WELLS ET-1 AND ET-2 REHABILITATION FINAL ACCEPTANCE

SUMMARY:

The Wells ET-1 and ET-2 Rehabilitation project is complete. The contractor, General Pump Company, Inc., has completed the required work and all punch list items. The project has received final inspection and acceptance of construction is recommended.

BACKGROUND:

Wells ET-1 and ET-2 are part of the El Toro Groundwater Remediation Program, which is designed to remove trichloroethylene (TCE) found in portions of the groundwater basin beneath the former El Toro Marine Corps Air Station and central Irvine. These two wells experienced decreased production over the years due to microbial fouling and chemical encrustations within the screened intervals. The goal was to increase the production capacity of the wells to 1,000 gallons per minute (gpm) for ET-1 and 1,300 gpm for ET-2 in order to meet the pumping obligations of the 2006 Explanation of Significant Differences (ESD).

Rehabilitation included brushing, bailing, air bursting, chemical, and extensive mechanical and pumping development. Well ET-1 was put back into service on May 14, 2015 and is now pumping above the ESD's 1,000 gpm requirement. Well ET-2 was put back into service on June 3, 2015 and although the rehabilitation was successful and the well is now capable of a production rate that exceeds the 1,300 gpm required by the ESD, the well is currently only producing approximately 850 gpm due to limitations with the pump. Staff investigated the reason for the reduced pumping rate, determined that a new pump with a higher discharge pressure is required, and placed an expedited order for a new pump that will meet the ESD required production rate while operating under the hydraulic conditions of the District's current recycled water distribution system. Staff expects to have the new pump installed by the end of November 2015.

Staff is currently preparing the documentation for submittal to the Department of Justice to support the request for Conditional Payment for the rehabilitation of Wells ET-1 and ET-2 from the Contingency Fund Account. Since the costs for the rehabilitation and new pump will exceed the amounts available for Conditional Payment from the Contingency Fund Account, the District will bear the costs that exceed the available funds.

The District awarded the construction contract to General Pump Company, Inc. on December 16, 2014 and construction was completed in June 2015. The additional time required to complete the project was due to delays caused by additional pumping development work for Well ET-2.

Project Title: Wells ET-1 and ET-2 Rehabilitation
Project Number: 30402 (4328)
Design Engineer: Richard C. Slade and Associates, LLC
Construction Management by: IRWD Staff/Richard C. Slade and Associates, LLC
Contractor: General Pump Company, Inc.
Original Contract Cost: \$679,525.00
Final Contract Cost: \$648,847.50
Original Contract Days: 156
Final Contract Days: 197
Final Change Order Approved On: July 22, 2015

FISCAL IMPACTS:

Project 30402 (4328) is included in the FY 2015-16 Capital Budget. The existing budget is sufficient to fund the final payment for the project. Staff is preparing documentation for submittal to the Department of Justice for reimbursement of the costs for rehabilitation of the two wells from the Contingency Fund Account.

ENVIRONMENTAL COMPLIANCE:

This project is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15301 which provides exemption for minor alterations of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. A Notice of Exemption for the project was filed on January 15, 2014.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD ACCEPT CONSTRUCTION OF WELLS ET-1 AND ET-2 REHABILITATION, PROJECT 30402 (4328); AUTHORIZE THE GENERAL MANAGER TO FILE A NOTICE OF COMPLETION; AND AUTHORIZE THE PAYMENT OF THE RETENTION 35 DAYS AFTER THE DATE OF RECORDING THE NOTICE OF COMPLETION.

LIST OF EXHIBITS:

None.

August 10, 2015

Prepared by: A. Murphy/M. Cortez

Submitted by: K. Burton *(KLB)*

Approved by: Paul Cook *(Signature)*

CONSENT CALENDAR

GREEN ACRES PROJECT PIPELINE SEGMENT CATHODIC PROTECTION
SYSTEM UPGRADES FINAL ACCEPTANCE

SUMMARY:

The Green Acres Project (GAP) Pipeline Segment Cathodic Protection System Upgrades project is complete. The contractor, Farwest Corrosion Control Company, has completed the required work and all punch list items. The project has received final inspection and acceptance of construction is recommended.

BACKGROUND:

The GAP Pipeline Segment Cathodic Protection System Upgrades Project constructed a sacrificial anode cathodic protection system to protect the recently acquired 1,310 feet of the existing GAP pipeline on University Drive between the Intertie Metering Vault near the 73 Toll Road and Jamboree Road.

Michael Baker International completed the design in February 2015. Farwest Corrosion Control Company was awarded the construction contract on April 16, 2015 and completed construction and commissioning of the system on July 27, 2015.

Project Title:	Green Acres Project Pipeline Segment Cathodic Protection System Upgrades
Project No.:	30415 (4396)
Design Engineer:	Michael Baker International
Construction Management by:	IRWD Staff/Michael Baker International
Contractor:	Farwest Corrosion Control Company
Original Contract Cost:	\$154,275.00
Final Contract Cost:	\$152,699.70
Original Contract Days:	120
Final Contract Days:	102
Final Change Order Approved On:	July 13, 2015

FISCAL IMPACTS:

Project 30415 (4396) is included in the FY 2015-16 Capital Budget. The existing budget is sufficient to fund the final payment for the project.

ENVIRONMENTAL COMPLIANCE:

This project is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15301 which provides exemption for minor alterations of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. A Notice of Exemption for the project was filed with the County of Orange on May 8, 2015.

COMMITTEE STATUS:


This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD ACCEPT CONSTRUCTION OF THE GREEN ACRES PROJECT PIPELINE SEGMENT CATHODIC PROTECTION SYSTEM UPGRADES, PROJECT 30415 (4396); AUTHORIZE THE GENERAL MANAGER TO FILE A NOTICE OF COMPLETION; AND AUTHORIZE THE PAYMENT OF THE RETENTION 35 DAYS AFTER THE DATE OF RECORDING THE NOTICE OF COMPLETION.

LIST OF EXHIBITS:

None.

August 10, 2015
Prepared by: L. Lewis
Submitted by: F. Sanchez/P. Weghorst
Approved by: Paul Cook 

CONSENT CALENDAR

AMENDMENT NO. 2 TO SANTA ANA WATERSHED TASK FORCE AGREEMENT

SUMMARY:

In December 1995, the Santa Ana River Watershed Nitrogen and Total Dissolved Solids (TDS) Task Force was formed to implement a Basin Monitoring Program and evaluate the impacts of total inorganic nitrogen and TDS on water resources in the Santa Ana River Watershed. The Regional Water Quality Control Board designated the Santa Ana Watershed Project Authority (SAWPA) as the managing agency of the Task Force. The City of Banning, Beaumont Cherry Valley Water District, San Bernardino Valley Municipal Water District and San Geronio Pass Water Agency have asked to become member agencies of the Task Force. To accommodate this request, Amendment No. 2 to the Agreement to Form a Task Force to Conduct a Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed is being circulated for signatures. Staff recommends that the Board authorize the General Manager to execute the amendment.

BACKGROUND:

To evaluate the impacts of total inorganic nitrogen and TDS on water resources in the Santa Ana River watershed, the Regional Board formed the Santa Ana River Watershed Nitrogen and TDS Task Force in December 1995. The Regional Board designated SAWPA as the managing agency of the Task Force. On January 22, 2004, the Regional Board incorporated the results of the Task Force evaluations into a Basin Plan Amendment (Order R8-2004-0001) and expanded its responsibilities to include a number of additional monitoring programs defined in the Basin Plan Amendment. Because the Irvine Groundwater Management Zone was included in the Task Force evaluation along with other sub-basins in the Santa Ana River watershed, individual agencies, including IRWD and joint powers agencies, were required to participate in the Task Force.

In 2004, IRWD was signatory to the Agreement to Form a Task Force to Conduct A Basin Monitoring Program for Nitrogen and TDS in the Santa Ana River Watershed. The agreement was amended in 2010. The City of Banning, Beaumont Cherry Valley Water District, San Bernardino Valley Municipal Water District and San Geronio Pass Water Agency have asked to be added as member agencies of the Task Force through a proposed Amendment No. 2 to the Task Force Agreement. This amendment is provided as Exhibit "A".

The agreement calls for the costs of maintaining the Task Force and its programs to be split equally among the Task Force members, except for agencies such as IRWD which are not required to participate in the Santa Ana River watershed monitoring programs but are still required to participate in the sub-basin monitoring programs. Addendum No. 2 to the agreement will require the four additional agencies to make financial contributions to the monitoring

programs and will subject the agencies to all of the other terms, conditions and provisions of the Task Force Agreement and as amended under Amendment No. 1. Staff recommends that the Board authorize the General Manager to execute Addendum No. 2 to the agreement.

FISCAL IMPACTS:

The execution of Addendum No. 2 will result in an annual cost to IRWD of \$12,159 for Task Force-related activities.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on August 6, 2015.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 2 TO THE AGREEMENT TO FORM A TASK FORCE TO CONDUCT A BASIN MONITORING PROGRAM FOR NITROGEN AND TOTAL DISSOLVED SOLIDS IN THE SANTA ANA RIVER WATERSHED.

LIST OF EXHIBITS:

Exhibit "A" – Amendment No. 2 to Agreement to Form a Task Force to Conduct a Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed

"EXHIBIT A"

AMENDMENT NO. 2
TO
AGREEMENT TO FORM A TASK FORCE
TO CONDUCT A BASIN MONITORING PROGRAM FOR
NITROGEN AND TOTAL DISSOLVED SOLIDS
IN THE SANTA ANA RIVER WATERSHED
(BASIN MONITORING PROGRAM)

Pursuant to Covenants, Paragraph II.3b. of that certain AGREEMENT entitled, "Agreement to Form a Task Force to Conduct a Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed" (Basin Monitoring Program), dated August 10, 2004, the TASK FORCE AGENCIES hereby agree to make the following changes:

- I. Add Additional Agencies to the Task Force as follows, subject to the financial contributions as defined in the Basin Monitoring Program Task Force Agreement:
 - 1. City of Banning
 - 2. Beaumont Cherry Valley Water District
 - 3. San Bernardino Valley Municipal Water District
 - 4. San Geronio Pass Water Agency

Except as otherwise expressly amended herein, all of the terms, conditions, and provisions of the Task Force Agreement and as amended under Amendment No. 1, shall continue in full force and effect, and the Additional Agencies agree to comply with and be bound thereto. **Exhibit A – FY 2015-16** defines the initial contribution of the additional agencies.

This Amendment No. 2 may be executed in original counterparts, which together shall constitute a single agreement document.

IN WITNESS WHEREOF, the parties hereto have executed this *Amendment No. 2 to the Agreement to Form the Basin Monitoring Program Task Force*, on the dates set forth below.

CITY OF BANNING

BY _____
Mayor Date

BY _____
City Clerk Date

BEAUMONT CHERRY VALLEY WATER DISTRICT

BY _____
President Date

BY _____
Secretary-Treasurer Date

IN WITNESS WHEREOF, the parties hereto have executed this *Amendment No. 2 to the Agreement to Form the Basin Monitoring Program Task Force*, on the dates set forth below.

CITY OF BEAUMONT

BY: _____
Mayor Date

BY: _____
City Clerk Date

CHINO BASIN WATERMASTER

BY _____
President Date

BY _____
Secretary Date

COLTON/SAN BERNARDINO REGIONAL TERTIARY TREATMENT AND WATER RECLAMATION AUTHORITY

BY _____
President Date

BY _____
Secretary Date

CITY OF CORONA

BY _____
DWP General Manager Date

BY _____
City Clerk Date

IN WITNESS WHEREOF, the parties hereto have executed this *Amendment No. 2 to the Agreement to Form the Basin Monitoring Program Task Force*, on the dates set forth below.

EASTERN MUNICIPAL WATER DISTRICT

BY _____
President Date

BY _____
Secretary-Treasurer Date

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

BY _____
President Date

BY _____
Clerk of the Board Date

INLAND EMPIRE UTILITIES AGENCY

BY _____
President Date

BY _____
Secretary-Treasurer Date

IRVINE RANCH WATER DISTRICT

BY _____
President Date

BY _____
Secretary-Treasurer Date

IN WITNESS WHEREOF, the parties hereto have executed this *Amendment No. 2 to the Agreement to Form the Basin Monitoring Program Task Force*, on the dates set forth below.

JURUPA COMMUNITY SERVICES DISTRICT

BY _____
President, Board of Directors Date

LEE LAKE WATER DISTRICT

BY _____
President Date

BY _____
General Manager Date

ORANGE COUNTY WATER DISTRICT

BY _____
President Date

BY _____
General Manager Date

CITY OF REDLANDS

BY _____
Mayor Date

By _____
City Clerk Date

IN WITNESS WHEREOF, the parties hereto have executed this *Amendment No. 2 to the Agreement to Form the Basin Monitoring Program Task Force*, on the dates set forth below.

CITY OF RIALTO

BY _____
Mayor Date

BY _____
City Clerk Date

CITY OF RIVERSIDE

BY _____
Mayor Date

BY _____
City Clerk Date

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

BY _____
President Date

BY _____
Secretary-Treasurer Date

SAN GORGONIO PASS WATER AGENCY

BY _____
Commission Chair Date

BY _____
Secretary-Treasurer Date

IN WITNESS WHEREOF, the parties hereto have executed this *Amendment No. 2 to the Agreement to Form the Basin Monitoring Program Task Force*, on the dates set forth below.

SANTA ANA WATERSHED PROJECT AUTHORITY

BY _____
Commission Chair Date

BY _____
Secretary-Treasurer Date

WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER AUTHORITY

BY _____
Chair Date

BY _____
Secretary-Treasurer Date

YUCAIPA VALLEY WATER DISTRICT

BY _____
President, Board of Directors Date

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD, SANTA ANA REGION

BY _____
Executive Officer Date

**Final FY 15-16 Basin Monitoring Program Task Force Budget
(Effective 4-14-15)**

		FY 15-16 Cost
Projected Expenses	SAWPA TF Admin & Contract Adm	\$50,000
	SAR Annual Report	\$30,000
	Risk Sciences Regulatory & Documentation Support	\$74,000
	Ambient Water Quality w/ Interpretive tools (FY 2016-2017) ¹	\$350,000
	SAR Wasteload Allocation (FY 2016-2017) ²	\$250,000
	Special Studies	\$25,000
	Study - SAR salinity influences of POTWs ³	<u>\$10,400</u>
		\$431,067
	TF Carryover funds ⁴	<u>-\$160,510</u>
		\$270,557

Projected Revenue

	SAR								
	SAWPA Admin	SAR Report	Risk Sciences Reg Support	Ambient Water Quality & Tools	Wasteload Allocation	Special Studies	Study - POTW TDS	Carryover Reserve	Total
IEUA	\$2,631.58	\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$13,924
EMWD	\$2,631.58	\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$13,924
OCWD	\$2,631.58	\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$13,924
SBVMWD ⁵	\$2,631.58	\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$13,924
CORONA	\$2,631.58	\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$13,924
EVMWD	\$2,631.58	\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$13,924
REDLANDS	\$2,631.58		\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$12,159
RIALTO	\$2,631.58	\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$13,924
RIVERSIDE	\$2,631.58	\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$13,924
RIX JPA	\$2,631.58	\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$13,924
YVWD	\$2,631.58	\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$13,924
WRCRWA	\$2,631.58	\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$13,924
JCSD	\$2,631.58	\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$13,924
LEE LAKE WD ⁶		\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$11,293
BEAUMONT	\$2,631.58	\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$13,924
CBWM	\$2,631.58		\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$12,159
BANNING ⁵	\$2,631.58	\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$13,924
SGPWA ⁵	\$2,631.58	\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$13,924
BCVWD ⁵	\$2,631.58	\$1,764.71	\$3,700.00	\$5,833.35	\$6,250.00	\$1,250.00	\$520.00	-\$8,025.50	\$13,924
IRWD	<u>\$2,631.58</u>	<u>\$1,764.71</u>	<u>\$3,700.00</u>	<u>\$5,833.35</u>	<u>\$6,250.00</u>	<u>\$1,250.00</u>	<u>\$520.00</u>	<u>-\$8,025.50</u>	<u>\$12,159</u>
	\$50,000	\$30,000	\$74,000	\$116,667	\$125,000	\$25,000	\$10,400	-\$160,510	\$270,557

1. Triennial Ambient Water Quality (AWQ) Update w/Interpretive Tools (FY16-17) - funding collected annually over 3 years
2. SAR Wasteload Allocation (FY 16-17) - funding collected over 2 years
3. *WE Inc. Study - SAR salinity influences of POTWs* - to be conducted in FY 14-15 and funded using carryover reserves
4. Task Force Carryover Reserves resulting from reduced FY 2012-2014 adm costs than originally budgeted
5. SBVMWD, SGPWA, BCVWD and Banning are included as forthcoming new task force agencies and funding partners
6. A discount was provided for POTWs producing under 1 mgd of wastewater flow - No SAWPA Admin cost per TF direction

August 10, 2015

Prepared by: Tony Mossbarger

Submitted by: Cheryl Clary

Approved by: Paul Cook

CONSENT CALENDAR

FISERV ELECTRONIC COMMERCE SERVICES AGREEMENT EXTENSION

SUMMARY:

The District's agreement with Fiserv Solutions, LLC to provide electronic billing services is scheduled to expire on October 1, 2015. The agreement provides for distribution of customer bills in electronic format (eBills) and also provides services for on-line and on-demand electronic payments. Staff has negotiated a new agreement and recommends that the Board authorize the General Manager to execute a five-year agreement with Fiserv effective August 1, 2015 in the amount \$900,000 based on the current number of eBill customers. The earlier contract start date of August 1, 2015 allows the District to take advantage of improved pricing a few months earlier than the previous contract expiration.

BACKGROUND:

The District entered into an agreement with Fiserv in October 2009. The term of the agreement was five years, with a clause that allows for subsequent one-year extensions. In November 2014, the Board approved a one-year extension. The agreement covers electronic commerce services provided by Fiserv that include eBill distribution and archiving, on-line and on-demand payments, and customer use of the Biller Direct Hosted Version (BDHV) web portal. This portal is used by IRWD customers to access e-Bills, as well as schedule and make electronic payments.

Approximately 47,000 District customers currently receive eBills, which is nearly 43% of IRWD's total number of customer accounts. Compared to overall eBill customer participation in the utility industry, IRWD's participation rate is very favorable. The current customer eBill participation rate also contributes to approximately \$96,000 in annual savings on postage.

In the new Fiserv agreement, which is attached as Exhibit "A" and based on a five-year commitment, staff negotiated a lower rate for e-Bills and a lower customer convenience fee for on-demand electronic payments. The changes are summarized below:

Monthly Delivered eBills	Current Rate	New Rate
1 – 49,999	\$0.32	\$0.30
50,000 – 500,000	\$0.30	\$0.28

Payment Type	Convenience Fee – Current	Convenience Fee - Revised
Credit or Debit Card	\$3.25	\$2.95
Electronic Check/ACH	\$3.25	\$2.95

The rates adjust annually with the Consumer Price Index with a maximum increase of 3% per year and are cancellable with a 90-day notification period.

Staff worked with the District's legal counsel to ensure that appropriate terms covering information security were included in the agreement. The Fiserv agreement contains a liability cap of \$1,000,000. The District also has a separate Cyber Liability policy that provides coverage of up to \$2,000,000. Staff believes that the coverage contained in the Fiserv agreement and the District's Cyber Liability policy is sufficient.

Staff does not recommend requesting proposals from alternative service providers for electronic commerce services at this time due to the recent implementation of the Customer Care and Billing System (CC&B) which required extensive integration with Fiserv. As the District's electronic bill provider, Fiserv has performed well and staff recommends execution of a new five-year agreement.

FISCAL IMPACTS:

Based on the current customer e-Bill participation rate, the cost is approximately \$180,000 annually and \$900,000 for the five-year term. The \$180,000 is included in the approved FY 2015-16 operating budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on August 4, 2015.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A FIVE-YEAR AGREEMENT WITH FISERV SOLUTIONS, LLC FOR ELECTRONIC COMMERCE SERVICES EFFECTIVE AUGUST 1, 2015 FOR A TOTAL COST OF \$900,000.

LIST OF EXHIBITS:

Exhibit A – Electronic Commerce Services Agreement

EXHIBIT A

MASTER AGREEMENT

MASTER AGREEMENT ("**Agreement**") dated as of June ____, 2015 ("**Effective Date**") between Fiserv Solutions, LLC, a Wisconsin limited liability company with offices located at 4411 East Jones Bridge Road, Norcross, GA 30092 ("**Fiserv**"), and Irvine Ranch Water District, a California water district organized under Section 34000 and following the California Water Code with offices located at 15600 Sand Canyon Avenue, Irvine, California 92618 ("**Client**").

Fiserv and Client hereby agree as follows:

1. Deliverables.

(a) General. Fiserv, itself and through its Affiliates (as defined herein), agrees to provide to Client, and Client agrees to obtain from Fiserv, the services ("**Services**") and products ("**Products**") (collectively, "**Deliverables**") described in the attached Exhibits, subject to the terms set forth in this Agreement and in the applicable Exhibit. "**Affiliate**" means an entity that controls, is controlled by, or is under common control with a party, where "control" means the direct or indirect ownership of more than 50% of the voting securities of such entity or party. Each Exhibit will be deemed to incorporate all of the terms of this Agreement. Use of the term "Exhibit" throughout this Agreement shall include any Schedules attached to such Exhibit. Exhibits and Schedules attached as of the Effective Date are listed below.

ASP Services Exhibit
eBill Services Schedule
On Demand Payment Services Schedule

(b) Additional Entities and Deliverables. The parties or their Affiliates may add Deliverables to this Agreement by adding an appropriate new Exhibit or Schedule to this Agreement incorporating the added Deliverables and/or Affiliates, as applicable. When Deliverables are received by a Client Affiliate or provided by a Fiserv Affiliate under an Exhibit, then for the purposes of that Exhibit, references to "Client" or "Fiserv" in this Agreement will be deemed to include the applicable Client Affiliate or Fiserv Affiliate. An Affiliate's execution of an amendment to receive or provide Deliverables hereunder shall constitute such Affiliate's agreement to be bound by the terms of this Agreement.

2. Fees for Deliverables.

(a) General. Client agrees to pay Fiserv: (i) fees for Deliverables as specified in the Exhibits, (ii) out-of-pocket and other additional charges pursuant to Section 2(b), and (iii) Taxes as defined in Section 2(c). Fees may be increased as set forth in the Exhibits.

(b) Additional Charges. Client shall pay travel and living expenses and other out-of-pocket expenses reasonably incurred by Fiserv in connection with the Deliverables. As applicable, such out-of-pocket expenses shall be incurred in accordance with Fiserv's then-current corporate travel and expense policy. If an out-of-pocket expense is listed in an Exhibit, such expense may be changed to reflect changes issued by the applicable vendor.

(c) Taxes. Client is responsible for the payment of all sales, use, excise, value added, withholdings and other taxes and duties however designated that are levied by any taxing authority relating to the Deliverables ("**Taxes**"). All fees and other charges under any Exhibit are exclusive of Taxes. Client shall reimburse Fiserv for those Taxes that Fiserv is required to remit on behalf of Client. In no event shall Taxes include taxes based on Fiserv's income.

(d) Payment Terms. Invoices are due and payable upon Client's receipt of such invoice. Client shall pay Fiserv through the Automated Clearing House unless otherwise set forth in the Exhibits. If any invoiced amounts remain unpaid 30 days after Client's receipt of invoice, Client shall pay a monthly late charge based on the unpaid amounts equal to the lesser of 1.5% or the highest amount allowed by law until such invoice amount is paid in full. Client shall neither make nor assert any right of deduction or set-off from amounts invoiced.

3. Confidentiality and Ownership. The provisions of this Section 3 survive any termination or expiration of this Agreement.

(a) Definitions.

- (i) "**Client Information**" means the following types of information of Client and its Affiliates obtained or accessed by Fiserv from or on behalf of Client or its Affiliates in connection with this Agreement or any discussions between the parties regarding new services or products to be added to this Agreement: (A) trade secrets and proprietary information; (B) customer lists, business plans, information security plans, business continuity plans, and proprietary software programs; (C) any personally identifiable information, defined as information that can be identified to a particular person without unreasonable effort, such as the names and social security numbers of Client's individual customers ("**Client PII**") and Client's employees; and (D) any other information received from or on behalf of Client or its Affiliates that Fiserv could reasonably be expected to know is confidential.
- (ii) "**Fiserv Information**" means the following types of information of Fiserv and its Affiliates obtained or accessed by Client from or on behalf of Fiserv or its Affiliates in connection with this Agreement or any discussions between the parties regarding new services or products to be added to this Agreement: (A) trade secrets and proprietary information (including that of any Fiserv client, supplier, or licensor); (B) client lists, information security plans, business continuity plans, all information and documentation regarding the Deliverables, all software Products (including software modifications and documentation, databases, training aids, and all data, code, techniques, algorithms, methods, logic, architecture, and designs embodied or incorporated therein), and the terms and conditions of this Agreement (except that Client may disclose such terms upon request in order to comply with the California Public Records Act); (C) any personally identifiable information, defined as information that can be identified to a particular person without unreasonable effort, such as the names and social security numbers of Fiserv employees; and (D) any other information and data received from or on behalf of Fiserv or its Affiliates that Client could reasonably be expected to know is confidential.
- (iii) "**Information**" means Client Information and/or Fiserv Information, as applicable. No obligation of confidentiality applies to any Information that: (A) the receiving entity ("**Recipient**") already possesses without obligation of confidentiality, develops independently without reference to Information of the disclosing entity ("**Discloser**"), or rightfully receives without obligation of confidentiality from a third party; or (B) is or becomes publicly available without Recipient's breach of this Agreement.

(b) Obligations. Recipient agrees to hold as confidential all Information it receives from the Discloser. All Information shall remain the property of Discloser or its suppliers and licensors. Recipient will use the same care and discretion to avoid disclosure of Information as it uses with its own similar information that it does not wish disclosed, but in no event less than a reasonable standard of care and no less than is required by law. Recipient may only use Information for the lawful purposes contemplated by this Agreement, including in the case of Fiserv use of Client Information for fulfilling its obligations under this Agreement, performing, improving and enhancing the Deliverables, and developing data analytics models to produce analytics-based offerings. Client agrees that prior to providing Fiserv access to any Client PII, Client shall ensure that any necessary consent has been obtained that is required by law or regulation for Fiserv to access the information and to use it pursuant to the terms set forth in this Agreement. Fiserv specifically agrees not to use or disclose any "non-public personal information" about Client's customers in any manner prohibited by Title V of the Gramm-Leach-Bliley Act or the regulations issued thereunder ("**GLB**"), as applicable to Fiserv. Recipient may disclose Information to: (i) its employees and employees of permitted subcontractors and Affiliates who have a need to know; (ii) its attorneys and accountants as necessary in the ordinary course of its business; and (iii) any other person with Discloser's prior written consent. Before disclosure to any of the above persons, Recipient will have a written agreement with (or in the case of clause (ii) a professional obligation of confidentiality from) such person sufficient to require that person to treat Information in accordance with the requirements of this Agreement, and Recipient will remain responsible for any breach of this Section 3 by any of the above persons. Fiserv as Recipient may also disclose Client Information to third party vendors designated by Client. Fiserv acknowledges that Client is a public agency subject to the California Public Records Act. Recipient may disclose Information to the extent required by law or legal process, provided that: (A) Recipient gives Discloser prompt notice, if legally permissible, so that Discloser may seek a protective order; (B) Recipient reasonably cooperates with Discloser (at Discloser's

expense) in seeking such protective order; and (C) all Information shall remain subject to the terms of this Agreement in the event of such disclosure. At Recipient's option, Information will be returned to Discloser or destroyed (except as may be contained in back-up files created in the ordinary course of business that are recycled in the ordinary course of business over an approximate 30- to 90-day period or such longer period as required by applicable law) at the termination or expiration of this Agreement or the applicable Exhibit and, upon Discloser's request, Recipient will certify to Discloser in writing that it has complied with the requirements of this sentence. Recipient acknowledges that any breach of this Section 3 may cause irreparable harm to Discloser for which monetary damages alone may be insufficient, and Recipient therefore acknowledges that Discloser shall have the right to seek injunctive or other equitable relief against such breach or threatened breach, in addition to all other remedies available to it at law or otherwise.

(c) Ownership. With the exception of Client Information, all information, reports, studies, object and source code (including without limitation the Products and all modifications, enhancements, additions, upgrades, or other works based thereon or related thereto), flow charts, diagrams, specifications, and other tangible or intangible material of any nature whatsoever produced by Fiserv or jointly with Client or by any of Fiserv's or Client's employees or agents, through or as a result of or related to any of the Deliverables provided hereunder or development of any data analytics models hereunder, and all patents, copyrights, and other proprietary rights related to each of the foregoing, shall be the sole and exclusive property of Fiserv or its Affiliates. Client hereby irrevocably assigns and transfers to Fiserv all rights, title, and interest in any such works referenced in the foregoing sentence, including without limitation copyrights, patent rights, trade secrets, industrial property rights, and moral rights, and shall execute all documents reasonably requested by Fiserv to perfect such rights. Client shall be entitled to use all such work product in accordance with the applicable terms and conditions of this Agreement.

(d) Restrictions. Without limiting any other obligation set forth in this Section 3, Client shall not use, transfer, distribute, interface, integrate, or dispose of any information or content contained in Deliverables in any manner that competes with the business of Fiserv. Except as expressly authorized in an Exhibit, Client shall not: (i) use the Deliverables to provide services to third parties; or (ii) reproduce, republish or offer any part of the Deliverables (or compilations based on any part of the Deliverables) for sale or distribution in any form over or through any medium.

4. Information Security.

(a) General. Fiserv has implemented and shall maintain an information security program that is designed to meet the following objectives: (i) protect the security and confidentiality of customer information (as defined in GLB); (ii) protect against any anticipated threats or hazards to the security or integrity of such information; (iii) protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer; (iv) ensure the proper disposal of "consumer information" (information obtained from "consumer reports" as defined in the Fair Credit Reporting Act); and ensure that access to Client's computerized files and records are available only to Fiserv and Fiserv's agents, contractors and affiliates, and to Client and Client's Customers. Such information security program shall include, without limitation, data security, maintenance, updating and reasonably frequent periodic testing of physical, electronic, and procedural safeguards against unauthorized access to Client customers' personal Information. Fiserv agrees to use security safeguards for all personal information pertaining to Massachusetts residents in accordance with Massachusetts Regulation 201 CMR 17.00. Upon Client's written request, Fiserv shall allow Client to review any associated audit reports, summaries of test results or equivalent measures taken by Fiserv to assess whether its information security program meets the foregoing objectives, to the extent and on the same terms such information is made generally available to Fiserv's other clients; provided, Client's review and assessment or right to review and assess shall not limit Fiserv's responsibility. Fiserv shall also take appropriate actions to address incidents of unauthorized access to Client's "sensitive customer information" (as defined in GLB), including notification to Client as soon as possible of any such incident. As required by an applicable industry security organization (e.g. PCI-SSC) or the applicable regulatory agency having jurisdiction over Client, Fiserv may disclose information regarding any such incident to such organization and such agency.

(b) Fiserv Plan. Within 30 days of Client's written request, Fiserv shall provide to Client a summary of Fiserv's written information security plan for the applicable Services received by Client, and thereafter upon Client's request will provide updates on the status of such information security plan.

(c) Data Encryption. As applicable to the Deliverables received by Client, Client agrees to comply with Fiserv's then-current data encryption policies and controls regarding transmission to and from Fiserv of tapes, images, and records maintained and produced by Fiserv for Client in connection with the Deliverables ("Client Files"), or other data transmitted to and from Fiserv in connection with the Deliverables (collectively with Client Files, "Data"). If Client requests or requires Fiserv to send, transmit, or otherwise deliver Data to Client or any third party in a non-compliant format or manner, or Client (or third party on Client's behalf) sends, transmits or otherwise delivers Data to Fiserv in a non-compliant format or manner, then, notwithstanding any other provision of this Agreement: (i) Client understands and accepts all risk of transmitting Data in an unencrypted or otherwise noncompliant format; and (ii) Client releases, discharges, and shall indemnify and hold harmless Fiserv and its employees, officers, directors, agents, and Affiliates from any and all liability, damage, or other loss under this Agreement or otherwise suffered by or through Client or suffered by any of the indemnified entities arising out of the transmission, destruction, or loss of such Data, including without limitation any information security or privacy breach related to such Data.

(d) Examination of Client Files. Client Files may be subject to examination by such federal, state, or other governmental regulatory agencies as may have jurisdiction over Client's business to the same extent as such records would be subject if maintained by Client on its own premises. Subject to paragraph (b) of Section 3, Client agrees that Fiserv may give all reports, summaries, or information contained in or derived from the data or information in Fiserv's possession relating to Client when formally requested to do so by a regulatory or government agency. Fiserv reserves the right to charge Client at Fiserv's then-current rates for any assistance provided in response to regulatory requests, government agency requests, and legal process requests such as subpoena or search warrant, in each case to the extent related to Client, Client Files and/or Client Information, whether issued during or after the term of this Agreement.

5. Hiring and Employment.

(a) Background Checks. Neither party shall knowingly permit any of its employees to have access to the premises, records or data of the other party when such employee: (i) uses drugs illegally; or (ii) has been convicted of a crime in connection with a dishonest act or a breach of trust, as set forth in Section 19 of the Federal Deposit Insurance Act, 12 U.S.C. 1829(a) (a "Conviction"). Consistent with Fiserv's employment practices, newly hired Fiserv employees are required to pass both a pre-employment criminal background check and are required to pass a pre-employment drug screening, as permitted by law, and Fiserv periodically confirms that employees have not acquired any Convictions subsequent to hiring. Upon Client's reasonable request and at Client's expense, Fiserv may perform more frequent confirmation checks or utilize additional reasonable background checking criteria for those of Fiserv's employees who will have access to Client facilities or Client's networks and computer systems located at Client facilities. The results of all such background checks shall be retained solely by Fiserv or the third party performing such screening on behalf of Fiserv.

(b) Equal Employment. Fiserv agrees that it shall abide by the requirements of Presidential Executive Order 11246, appearing at 41 CFR §§60-1.4(a), 60-300.5(a), 60-741.5(a), and as amended by the Executive Order dated July 21, 2014. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment qualified individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.

6. Warranties.

(a) By Fiserv. Fiserv warrants that: (i) no contractual obligations exist that would prevent Fiserv from entering into this Agreement; (ii) it has the requisite authority to execute, deliver, and perform its obligations under this Agreement; (iii) it will comply with all regulatory requirements applicable to Fiserv's operations used in the performance of its obligations under this Agreement; it will exercise reasonable care in the performance of its obligations under this Agreement.

(b) By Client. Client represents and warrants that: (i) no contractual obligations exist that would prevent Client from entering into this Agreement; (ii) it has the requisite authority to execute, deliver, and

perform its obligations under this Agreement; and (iii) it will comply with all regulatory requirements applicable to its receipt and use of Deliverables under this Agreement.

(c) THE WARRANTIES STATED ABOVE AND IN THE EXHIBITS, IF ANY, ARE LIMITED WARRANTIES AND ARE THE ONLY WARRANTIES MADE BY THE PARTIES. FISERV DOES NOT REPRESENT THAT THE DELIVERABLES MEET CLIENT'S REQUIREMENTS OR THAT THE OPERATION OF THE DELIVERABLES WILL BE UNINTERRUPTED OR ERROR-FREE. CLIENT ACKNOWLEDGES THAT IT HAS INDEPENDENTLY EVALUATED THE DELIVERABLES AND THEIR APPLICATION TO CLIENT'S NEEDS. FISERV DISCLAIMS, AND CLIENT HEREBY EXPRESSLY WAIVES, ALL OTHER REPRESENTATIONS, CONDITIONS, OR WARRANTIES, EXPRESS AND IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, AND ANY ARISING FROM A COURSE OF DEALING OR USAGE OR TRADE. CLIENT MAY NOT MAKE ANY WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, ON BEHALF OF FISERV, ITS AFFILIATES OR THEIR RESPECTIVE THIRD PARTY PROVIDERS OR LICENSORS TO ANY AUTHORIZED USER OR ANY OTHER PARTY IN CONNECTION WITH THE DELIVERABLES WITHOUT FISERV'S EXPRESS PRIOR WRITTEN CONSENT.

7. Indemnification; Limitation of Liability

(a) Fiserv agrees to indemnify Client, its officers, directors and employees from and against any and all loss, liability, cost and expense, including reasonable attorneys' fees, incurred by any one or more of them by reason of any and all claims, demands, suits or proceedings made or brought by a third party against any one or more of them arising from any negligent act or omission of Fiserv or of the Services or Products or the breach of any obligation, warranty or representation of Fiserv to Client set forth in this Agreement.

(b) Client agrees to indemnify Fiserv, its officers, directors and employees from and against any and all loss, liability, cost and expense, including reasonable attorneys' fees, incurred by any one or more of them by reason of any and all claims, demands, suits or proceedings made or brought by a third party against any one or more of them arising from any negligent act or omission of Client or the breach of any obligation, warranty or representation of the Client to Fiserv set forth in this Agreement.

(c) IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR LOSS OF GOODWILL, OR FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, OR TORT DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF WHETHER SUCH CLAIM ARISES IN TORT, CONTRACT, OR OTHERWISE. FISERV'S AGGREGATE LIABILITY TO CLIENT AND ANY THIRD PARTY FOR ANY AND ALL CLAIMS OR OBLIGATIONS RELATING TO THIS AGREEMENT SHALL BE LIMITED TO THE TOTAL FEES PAID BY CLIENT AND USERS (AS APPLICABLE) TO FISERV UNDER THE SCHEDULE RESULTING IN SUCH LIABILITY IN THE 12 MONTH PERIOD PRECEDING THE DATE THE CLAIM ACCRUED (THE "BASE CAP"); PROVIDED HOWEVER THAT THE FOREGOING LIMITATIONS OF LIABILITY SHALL NOT APPLY TO FISERV'S LIABILITY ARISING IN CONNECTION WITH FISERV'S FAILURE TO COMPLY WITH ITS OBLIGATIONS UNDER THIS AGREEMENT OR ANY EXHIBIT OR SCHEDULE TO EXERCISE REASONABLE CARE IN PROVIDING DATA SECURITY, MAINTENANCE, UPDATING AND PERIODIC TESTING OF PHYSICAL, ELECTRONIC, AND PROCEDURAL SAFEGUARDS AGAINST UNAUTHORIZED ACCESS TO CLIENT CUSTOMERS' PERSONAL INFORMATION WHILE UNDER FISERV'S CONTROL, WHERE FISERV'S LIABILITY SHALL BE LIMITED TO THE GREATER OF FIVE TIMES THE BASE CAP OR \$1,000,000 (THE "ESCALATED CAP"). WITHOUT LIMITING THE APPLICABILITY OF THE BASE CAP OR THE ESCALATED CAP, FISERV'S AGGREGATE LIABILITY FOR ANY AND ALL CLAIMS OR OBLIGATIONS ARISING UNDER THIS AGREEMENT SHALL NOT EXCEED AN AMOUNT EQUAL TO THE ESCALATED CAP.

8. Term and Termination

(a) Term. This Agreement shall be effective on the Effective Date and shall remain in effect until the term of all outstanding Exhibits has expired or such Exhibits have terminated, unless otherwise terminated as provided herein. The term for Deliverables may be set forth in the applicable Exhibit. An Exhibit that does not state a term will be effective from its last date of execution until terminated in accordance with this Agreement or the Exhibit.

(b) Termination. In addition to termination rights set forth in any Exhibit:

- (i) Either party may, upon written notice to the other, terminate: (A) any Schedule if the other party materially breaches its obligations under that Schedule or under this Agreement with respect to that Schedule; or (B) this Agreement if the other party materially breaches its obligations with respect to the non-breaching party's Information or other intellectual property; and the breaching party fails to cure such material breach within 90 days following its receipt of written notice stating, with particularity and in reasonable detail, the nature of the claimed breach.
- (ii) If any invoice remains unpaid by Client 30 days after due, Fiserv may, upon 30 days' written notice to Client, terminate: (A) the Schedule and/or Client's access to and use of Deliverables to which the payment failure relates; or (B) this Agreement if the unpaid amounts constitute a material portion of annual charges due under this Agreement.

(c) Remedies. Remedies contained in this Section 8 are cumulative and are in addition to the other rights and remedies available to either party under this Agreement, by law or otherwise.

9. Dispute Resolution. Before initiating legal action against the other party relating to a dispute herein, the parties agree to work in good faith to resolve disputes and claims arising out of this Agreement. To this end, either party may request that each party designate an officer or other management employee with authority to bind such party to meet to resolve the dispute or claim. If the dispute is not resolved within 30 days of the commencement of informal efforts under this paragraph, either party may pursue formal legal action. This paragraph will not apply if expiration of the applicable time for bringing an action is imminent and will not prohibit a party from pursuing injunctive or other equitable relief to which it may be entitled.

10. Audit.

(a) Fiserv Operations and Security. Client acknowledges and agrees that Fiserv is subject to certain examinations by the Federal Financial Institutions Examination Council ("**FFIEC**") regulators and agencies. Client acknowledges and agrees that reports of such examination of Fiserv business units are available to Client directly from the relevant FFIEC agencies. Fiserv employs an internal auditor responsible for reviewing the integrity of its processing environments and internal controls.

(b) Billing Records. Upon Client's reasonable request in writing no more frequently than once every 12 months, Fiserv shall provide Client with documentation supporting the amounts invoiced by Fiserv hereunder for the 12-month period preceding such Client request. If such documentation reveals the amounts paid to Fiserv exceed the amounts to which Fiserv is entitled and such amounts are independently verified, Fiserv shall promptly remit or otherwise credit to Client the amount of such overpayment. Conversely, if such documentation reveals the amounts paid to Fiserv are less than the amounts owed, Client shall promptly remit the amount of such underpayment to Fiserv. Invoices dated prior to the 12-month review period hereunder shall be deemed correct. Fiserv reserves the right to charge Client for any assistance required in connection with an audit at Fiserv's then-current rates.

11. General.

(a) Binding Agreement; Assignment. This Agreement is binding upon the parties, their participating Affiliates, and their respective successors and permitted assigns. Neither this Agreement nor any part thereof or interest therein may be sold, assigned, transferred, pledged, or otherwise disposed of by either party, whether pursuant to change of control, by operation of law or otherwise, without the other party's prior written consent. Notwithstanding the foregoing, a party may assign all or part of this Agreement without the other party's consent to an Affiliate or any successor in interest by merger, operation of law, or purchase of the entire or substantially all of the business or assets, provided such successor is subject to all obligations hereunder. Client agrees that Fiserv may subcontract any obligations to be performed hereunder; provided that any such subcontractors shall be required to comply with all applicable terms and conditions of this Agreement, and Fiserv shall remain primarily liable for the performance of any such subcontractors.

(b) Entire Agreement; Amendments. This Agreement shall be binding upon and shall inure to the benefit of Client and Fiserv and their respective successors and permitted assigns. This Agreement,

including its Exhibits and Schedules, which are expressly incorporated herein by reference, constitutes the complete and exclusive statement of the agreement between the parties as to the subject matter hereof and supersedes all previous agreements with respect thereto and the terms of all existing or future purchase orders and acknowledgments. CheckFree Services Corporation (a wholly owned indirect subsidiary of Fiserv) and Client are parties to the CheckFree Services Corporation Electronic Commerce Service Agreement, as amended, effective May 13, 2005 (the "ECSA"), and Fiserv and Client are parties to the Payment Processing Services Agreement effective November 4, 2009 (the "PPSA"). As of the Effective Date of the Agreement, the ECSA and the PPSA are hereby terminated and superseded and replaced by this Agreement. Each party hereby acknowledges that it has not been induced to enter into this Agreement by virtue of, and is not relying on, any representation made by the other party not embodied herein, any term sheets or other correspondence preceding the execution of this Agreement, or any prior course of dealing between the parties, including without limitation any statements concerning product or service usage or the financial condition of the parties. The protections of this Agreement shall apply to actions of the parties performed in preparation for and anticipation of the execution of this Agreement. Modifications of this Agreement must be in writing and signed by duly authorized representatives of the parties. If the terms of any Exhibit or Schedule conflict with the terms of this Agreement, this Agreement shall control unless the applicable Exhibit or Schedule expressly states that its terms control. If the terms of any Schedule conflict with the terms of the Exhibit to which such Schedule is attached, the terms of the Schedule shall control.

(c) Severability. If any provision of this Agreement is held to be unenforceable or invalid, the other provisions shall continue in full force and effect.

(d) Governing Law; Jury Trial Waiver. This Agreement will be governed by the substantive laws of the State of California, without reference to provisions relating to conflict of laws. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. Both parties agree to waive any right to have a jury participate in the resolution of any dispute or claim between the parties or any of their respective Affiliates arising under this Agreement.

(e) Force Majeure. With the exception of Client's payment obligations, neither party shall be responsible for delays or failures in performance resulting from acts of God, acts of civil or military authority, fire, flood, strikes, war, epidemics, pandemics, shortage of power, telecommunications or Internet service interruptions or other acts or causes reasonably beyond the control of that party. The party experiencing the force majeure event agrees to give the other party notice promptly following the occurrence of a force majeure event, and to use diligent efforts to re-commence performance as promptly as commercially practicable.

(f) Notices. Any written notice required or permitted to be given hereunder shall be given by: (i) Registered or Certified Mail, Return Receipt Requested, postage prepaid; (ii) confirmed facsimile; or (iii) nationally recognized overnight courier service to the other party at the addresses listed on page 1 or to such other address or person as a party may designate in writing. All such notices shall be effective upon receipt.

(g) No Waiver. The failure of either party to insist on strict performance of any of the provisions hereunder shall not be construed as the waiver of any subsequent default of a similar nature.

(h) Prevailing Party. The prevailing party in any arbitration, suit, or action brought by one party against the other party to enforce the terms of this Agreement or any rights or obligations hereunder, shall be entitled to receive, in addition to such other relief as the arbitrators or court may award, its reasonable costs and expenses, including without limitation all attorneys' fees, expert witness fees, litigation-related expenses and arbitrator and court or other costs incurred in such proceeding or otherwise in connection with bringing such arbitration, suit, or action. For purposes of this Agreement, a party is "prevailing" if that party prevails on the central issue raised in the action or claim, regardless of the amount of damages awarded or otherwise owed, if any. A party may prevail by judgment or decision in that party's favor, consent decree, settlement agreement or voluntary dismissal with or without prejudice.

(i) Survival. All rights and obligations of the parties under this Agreement that, by their nature, do not terminate with the expiration or termination of this Agreement shall survive the expiration or termination of this Agreement.

(j) Recruitment of Employees. Client shall not, without Fiserv's prior written consent, directly or indirectly, solicit for employment or hire any Restricted Employee (as defined herein) while such person is employed by Fiserv and for the 12-month period starting on the earlier of: (i) termination of such Restricted Employee's employment with Fiserv; or (ii) termination or expiration of this Agreement. "Restricted Employee" means any former or current employee of Fiserv or its Affiliates that Client became aware of or came into contact with during Fiserv's performance of its obligations under this Agreement.

(k) Publicity. Client and Fiserv shall have the right to make general references about each other and the type of Deliverables being provided hereunder, but not the other's endorsement thereof, to third parties, such as auditors, regulators, financial analysts, and prospective customers and clients, provided that in so doing Client or Fiserv does not breach Section 3 of this Agreement. Except as authorized herein, Fiserv will not use the name, trademark, service mark, logo or other identifying marks of Client or any of its Affiliates in any sales, marketing, or publicity activities, materials, or website display without the prior written consent of Client. Except as authorized herein, Client will not use the name, trademark, service mark, logo or other identifying marks of Fiserv or any of its Affiliates in any sales, marketing, or publicity activities, materials, or website display without the prior written consent of Fiserv. Any such authorized or approved use shall at all times comply with Fiserv's Trademark Usage Guidelines (or such other requirements and/or guidelines) set forth on Fiserv's corporate website and other requirements issued or otherwise made available by Fiserv. Either Party may issue a press release regarding this Agreement, including its renewal and the addition of Deliverables; provided that the form, substance and timing of any press release or other public disclosure of matters related to this Agreement shall be mutually agreed to by Fiserv and Client in writing which shall not be unreasonably withheld or unduly delayed..

(l) Independent Contractors. Client and Fiserv expressly agree they are acting as independent contractors and under no circumstances shall any of the employees of one party be deemed the employees of the other for any purpose. Except as expressly authorized herein or in the Exhibits, this Agreement shall not be construed as authority for either party to act for the other party in any agency or other capacity, or to make commitments of any kind for the account of or on behalf of the other.

(m) No Third Party Beneficiaries. Except as expressly set forth in any Exhibit hereto, no third party shall be deemed to be an intended or unintended third party beneficiary of this Agreement.

(n) Counterparts; Signatures. This Agreement and any Exhibits hereto may be executed in counterparts, each of which shall be deemed an original and which shall together constitute one instrument. Client and its Affiliates may execute this Agreement and any Exhibit or amendment hereto in the form of an electronic record utilizing electronic signatures, as such terms are defined in the Electronic Signatures in Global and National Commerce Act (15 U.S.C. §7001 et seq.). Client and its Affiliates will not dispute the validity or authenticity of electronic signatures submitted to Fiserv by Client or its Affiliates, nor will Client or its Affiliates dispute the legal authority, validity or authenticity of those who sign with such electronic signatures to bind Client and its Affiliates. Electronic signatures by Client and its Affiliates, as well as signatures by either party transmitted by facsimile or electronically via PDF or similar file delivery method, shall have the same effect as an original signature.

(o) The headings in this Agreement are intended for convenience of reference and shall not affect its interpretation.

(p) The individuals executing this Agreement on behalf of Fiserv and Client do each hereby represent and warrant that they are duly authorized by all necessary action to execute this Agreement on behalf of their respective principals.

12. Insurance. Fiserv shall, at its expense, during the entire term of this Agreement, keep in full force and effect, policies of insurance meeting or exceeding the following specifications:

(a) Commercial General Liability insurance covering bodily injury, property damage, and including contractual liability coverage, with a combined single limit of \$1 million per occurrence and \$2 million in the aggregate.

(b) Automobile Liability insurance with a limit of liability not less than \$1 million per accident or loss.

(c) Professional Liability and/or Technology Errors & Omissions Liability covering acts, errors and omissions arising out of Fiserv's performance or failure to perform its services under this Agreement, including but not limited to network security and privacy liability coverage, with limits \$5 million per occurrence and in the aggregate.

(d) Workers' Compensation insurance providing coverage pursuant to statutory requirements under Employer's Liability insurance with a limits of:

- \$1 million each accident
- \$1 million policy limit
- \$1 million each employee

(e) Commercial Umbrella Liability Insurance with per occurrence and aggregate limits of \$5 million, with the liability insurance required under clauses (a) (b) and (d) above as underlying.

(f) Commercial Crime insurance, including, but not limited to Employee Dishonesty and Computer Fraud coverage for the theft of property with limits of \$5 million per loss. The crime insurance should include coverage for third parties, which shall cover loss of or damage to money or securities and other property sustained by Client, or for which Client holds for others, committed by an identified Fiserv employee, acting alone or in collusion with other persons.

(g) All such policies shall be placed with carriers licensed to do business within the jurisdictions in which this Agreement shall apply. All carriers providing this coverage shall have a minimum A.M. Best rating of A-VIII or higher.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

For Client:
Irvine Ranch Water District

For Fiserv:
Fiserv Solutions,LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: Authorized Signatory

ASP Services Exhibit to Master Agreement

1. ASP / Processing Services. The parties shall add individual Schedules to this ASP Services Exhibit for Fiserv's provision of ASP, processing, or other service bureau Services to Client. The terms of this ASP Services Exhibit shall apply to the Services set forth in Schedules attached to this Exhibit.

2. Additional Services.

(a) Implementation Services. Services: (i) to convert Client's existing applicable data and/or information to the Services, and/or (ii) to implement the Services (collectively, "Implementation Services") will be provided by Fiserv to the extent applicable to the Services, for the fees, if any, set forth in the Schedules to this Exhibit. Client agrees to provide all necessary cooperation, information and assistance in connection with Implementation Services to facilitate conversion and/or implementation.

(b) Training Services. To the extent applicable to the Services, Fiserv shall provide training, training aids, user manuals, and other documentation for Client's use as Fiserv finds necessary to enable Client personnel to become familiar with Services, for the fees, if any, set forth in the Schedules to this Exhibit. If requested by Client, classroom training in the use and operation of Services will be provided at a training facility designated by Fiserv.

(c) Optional Services. If optional services are listed on a Schedule to this Exhibit, such optional services shall become part of the Agreement upon Client's use of such optional services.

3. Fiserv System and Client Systems. Fiserv systems used in the delivery of Services (the "Fiserv System") and Client's networks and computer systems ("Client Systems") contain information and computer software that are proprietary and confidential information of the respective parties, their suppliers, and licensors. Each party agrees not to attempt to circumvent the devices employed by the other party to prevent unauthorized access thereto, including without limitation modifications, decompiling, disassembling, and reverse engineering thereof.

4. Fiserv Obligations.

(a) Client Policies. While assigned to provide Services at a Client location or otherwise visiting Client's facilities, Fiserv employees will: (i) comply with Client's reasonable safety and security procedures and other reasonable Client rules applicable to Client personnel at those facilities to the extent such procedures and rules are provided to Fiserv in writing and in advance, (ii) comply with all reasonable requests of Client personnel, as applicable, pertaining to personal and professional conduct, and (iii) otherwise conduct themselves in a professional and businesslike manner.

(b) Changes. Fiserv may make changes in its methods of delivering the Services, including but not limited to operating procedures, type of equipment or software resident at, and the location of Fiserv's service center(s), so long as such changes do not materially adversely impact the Services provided hereunder.

(c) Client Systems Access. If Fiserv accesses Client Systems, Fiserv will: (i) use this access only to provide Services to Client; and (ii) ensure that the Fiserv System includes up-to-date anti-viral software designed to prevent viruses from reaching Client Systems through the Fiserv System.

(d) Security Testing. Fiserv may use a third party to provide monitoring, penetration and intrusion testing with respect to certain Services. Upon Client's written request, Fiserv agrees to provide Client with a copy of its most recent security certification, if any, for the applicable Fiserv service center providing such Services.

(e) Services Warranties. Fiserv warrants that: (i) Services shall materially conform to the specifications set forth in the Schedules to this Exhibit, provided that Client supplies accurate data and information and follows the procedures described in all Fiserv documentation and notices; and (ii) Fiserv personnel will exercise good and workmanlike care in provision of Services. In the event any Services fail to conform to the foregoing warranties and Client notifies Fiserv within thirty (30) days after such

nonconformance, Fiserv shall re-perform the nonconforming Services. SUCH RE-PERFORMANCE SHALL BE CLIENT'S SOLE AND EXCLUSIVE REMEDY, AND FISERV'S SOLE OBLIGATION, IN THE EVENT OF A BREACH OF THE FOREGOING WARRANTIES.

(f) Infringement Claims. Fiserv shall, at its expense, defend Client against any third party claim or action alleging that the Fiserv System infringes a United States patent, copyright, or other proprietary right of such third party ("Infringement Claim"), and shall pay all amounts payable by Client under any judgment, verdict, or court order entered by a court of competent jurisdiction or settlement agreed upon by Fiserv in any Infringement Claim, provided that Client: (i) notifies Fiserv promptly of such Infringement Claim, (ii) grants Fiserv the sole right to control the defense and disposition of such Infringement Claim, and (iii) provides Fiserv with reasonable cooperation and assistance in the defense and disposition of such Infringement Claim.

In the event a court of competent jurisdiction makes a final, non-appealable determination that the Fiserv System infringes, or if Fiserv determines that the Fiserv System likely infringes, Fiserv, at its sole discretion and expense, shall: (a) modify the infringing portion of the Fiserv System so as to make it non-infringing; (b) replace the infringing Fiserv System with a non-infringing product having substantially equivalent functionality; (c) obtain the right to continue using the infringing portion of the Fiserv System; or (d) if after using commercially reasonable efforts, Fiserv is not able to achieve (a), (b) or c) in this subsection, Fiserv shall have the right to terminate this Agreement upon reasonable notice to Client.

Fiserv's obligations under this subsection shall not apply to the extent of any Infringement Claim or infringement resulting from: (a) modification to the Fiserv Systems by any party other than Fiserv; (b) modifications to the Fiserv Systems made pursuant to Client's instructions or specifications; (c) combination of the Fiserv Systems with other products, processes, or materials not provided by Fiserv, its Affiliates or contractors, or specified by the applicable documentation; or (d) Client's use of the Fiserv Systems other than in accordance with the terms of this Agreement.

The obligations set forth in this subsection (e) are Fiserv's entire liability and Client's sole and exclusive remedy for any Infringement Claim.

(g) Audit. In addition to the audit provisions set forth in Section 10 of the Agreement, Fiserv provides for periodic independent audits of its operations, which shall include an annual SSAE 16 Type II audit to the extent required by law or regulation. Fiserv shall provide Client with a copy of such independent audit report of the Fiserv service center providing Services within a reasonable time after its completion, and may charge Client a fee based on the pro rata cost of such audit apportioned among Fiserv's clients. If material deficiencies affecting the Services are noted in such audit report, Fiserv will develop and implement an action plan to address and resolve any such deficiencies within a commercially reasonable time at Fiserv's expense.

5. Client Obligations.

(a) Procedures; Processing Priority. Client agrees to comply with Fiserv's procedures and operating instructions for use of Services and the Fiserv System. Client acknowledges that Fiserv does not subscribe to any processing priority; all users receive equal processing consideration.

(b) Communication Lines, Terminals, Equipment, Software. All communication lines, terminals, equipment, computer software, and interface devices required to access the Fiserv System and to transmit and receive data and information between Client's location(s), Fiserv's service center(s), and/or other necessary location(s) (collectively, "Client Equipment") are subject to approval by Fiserv and must be compatible with the Fiserv System. Client is responsible for the expense of either procuring Client Equipment from Fiserv (in the event Fiserv provides such option) or providing Client Equipment itself, provided that all communication lines shall be procured from Fiserv. If Client will provide Client Equipment itself, Fiserv shall provide Client with a list of compatible equipment and software. Client agrees to pay Fiserv's standard fee for recertification of the Fiserv System resulting from Client's use of non-compatible Client Equipment (in the event Fiserv permits such use and provides such recertification option). If Fiserv provides any Client Equipment, Client agrees to pay charges relating to the installation and use of Client Equipment as set forth in the Schedules to this Exhibit.

(c) Input. Client shall be solely responsible for the input, transmission, or delivery to and from Fiserv (whether delivered to or from Client site(s) or any applicable clearinghouse, regulatory agency, or Federal Reserve Bank) of all information and data required by Fiserv to perform Services unless Client has retained Fiserv to handle such responsibilities, as specifically set forth in Schedules to this Exhibit. The information and data shall be provided in a format and manner approved by Fiserv. Client is responsible for providing all instructions requested by Fiserv as necessary to perform the Services. Client shall determine and be responsible for the authenticity, accuracy, and completeness of all information, data, and instructions submitted to Fiserv by or on behalf of Client. However, Client does not represent or warrant that all such information is correct. Client shall promptly inform Fiserv of any such incorrect data or information. Fiserv is not obligated to check for errors or omissions in any such information, data, or instructions and/or to correct, cancel or amend any action in connection with any Services once Fiserv has received instructions to complete such action.

(d) Client Personnel. Client shall designate appropriate Client personnel for training in the use of the Services, shall supply Fiserv with reasonable access to Client's site during normal business hours for Implementation Services, as necessary, and shall cooperate with Fiserv personnel in their performance of Services.

(e) Client Review; Responsibility for Accounts. Client shall review all reports furnished by Fiserv for accuracy, and shall work with Fiserv to reconcile any out of balance conditions or discrepancies. As applicable, Client shall be responsible for balancing its accounts each business day and notifying Fiserv promptly of any errors or discrepancies. If Client so notifies Fiserv, Fiserv shall, at its expense, promptly recompute accounts affected by discrepancies solely caused by the Fiserv System or provide for another mutually agreeable resolution. Fiserv will use commercially reasonable efforts to correct errors attributable to Client or Client's other third party servicers. Reconstruction of error conditions attributable to Client or to third parties acting on Client's behalf will be done at Fiserv's then-current professional services rates.

(f) Client Systems. Client shall ensure that Client Systems: (i) are capable of passing and/or accepting data from and/or to the Fiserv System, and (ii) include up-to-date anti-viral software designed to prevent viruses from reaching the Fiserv System through Client Systems.

(g) Client Notification. Client agrees that it shall notify Fiserv as soon as possible upon becoming aware of any incident of unauthorized access to any Information or the Fiserv System.

(h) Indemnity. Client shall indemnify and hold harmless Fiserv, its officers, directors, employees, and affiliates against: (i) any and all claims or actions arising out of access by Client's customers, through a voice response system provided by Client or a third party specified by Client, or through such customers' personal computers or mobile devices, to Client Files or any Fiserv files (including the files of other Fiserv clients) or the Fiserv System or other Fiserv systems, provided that such indemnity shall not preclude Client's recovery of damages from Fiserv pursuant to the terms and subject to the limitations of the Agreement.

(i) Regulatory Requirements. As applicable to Client's receipt of Services and to the extent, if any, required by regulatory authorities having jurisdiction over Client, Client agrees to: (i) provide adequate notice to the appropriate regulatory agencies of the termination of the Agreement or any material changes in Services, (ii) retain records of its accounts, and (iii) obtain and maintain at its own expense any required Fidelity Bond and casualty and business interruption insurance coverage for loss of records from fire, disaster, or other causes.

6. Business Continuity / Disaster Recovery.

(a) General. Fiserv maintains a business continuity plan ("Business Continuity Plan") for each Service that describes measures it will implement to recover from a Disaster. A "Disaster" shall mean any unplanned impairment or interruption of those systems, resources or processes that enable standard performance of the applicable Service's functionality. Each Business Continuity Plan shall include a plan for the recovery of critical technology systems (a "Disaster Recovery Plan"), as well as procedures for restoring business operations at the primary location or at a designated recovery site, if necessary. Fiserv shall work with Client to establish a plan for alternative communications in the event of a Disaster.

(b) Disaster Occurrence. Fiserv shall notify Client as soon as possible after the occurrence of a Disaster and shall comply with the Business Continuity Plan. Fiserv shall move the processing of Client's standard services to the recovery site as expeditiously as possible if operations cannot be satisfactorily restored (in Fiserv's sole discretion) at the primary location. If a recovery site is used, Fiserv shall coordinate the cut-over to back-up telecommunication facilities with the appropriate carriers. Client shall maintain adequate records of all transactions under the reasonable control of Client during the period of service interruption and shall have personnel available to assist Fiserv in implementing the switchover to the recovery site. During a Disaster, optional or on-request services shall be provided by Fiserv only to the extent adequate capacity exists at the recovery site and only after stabilizing the provision of base services.

(c) Disaster Recovery Test. Fiserv shall test the Disaster Recovery Plan periodically. Client agrees to participate in and assist Fiserv with such test, if requested by Fiserv. Upon Client's request, test results will be made available to Client's management, regulators, auditors, and insurance underwriters.

(d) No Warranty. Client understands and agrees that the Business Continuity Plan is designed to minimize, but not eliminate, risks associated with a Disaster affecting Fiserv's service center(s). Client maintains responsibility for adopting a disaster recovery plan relating to disasters affecting Client's facilities and for securing business interruption insurance or other insurance necessary for Client's protection. Fiserv agrees to release information necessary to allow Client's development of a disaster recovery plan that operates in concert with the Business Continuity Plan.

7. Lost Records. Notwithstanding Section 7 of the Agreement, if Client's records or other data submitted for processing are lost or damaged as a result of any failure by Fiserv, its employees, or agents to exercise reasonable care to prevent such loss or damage, Fiserv shall promptly inform Client of any such lost or altered data or information and shall bear the reasonable cost of reproduction if the loss or alteration of data results in costs being sustained by Client which exceed those incurred in the process of routinely preparing and delivering data for normal usage. Fiserv may reproduce such records or data from Fiserv's backup data or from exact duplicates thereof in Client's possession.

8. Term and Termination; Deconversion.

(a) Term. Unless otherwise set forth in an applicable Schedule to this Exhibit, the initial term of Services provided hereunder shall end 5 years following the date Services are first used by Client in live production. Unless written notice of non-renewal is provided by either party at least 90 days prior to expiration of the initial term or any renewal term, the Services shall automatically renew for additional term(s) of 1 year.

(b) Convenience; Early Termination. If Client terminates the Agreement or reduces (other than as a result of account attrition or volume fluctuation in the ordinary course of business) or terminates Services for any reason other than pursuant to Section 8(b)(i) of the Agreement, Client shall pay a termination fee based on the remaining unused term of the Services. Such fee shall be determined by multiplying the average of the monthly invoices (prior to any issued credits or rebates) for each Service received by Client during the 6-month period preceding the effective date of termination (or if no monthly invoice has been received, the estimated monthly billing for each Service to be received hereunder) by 80% times the remaining months of the term. Client shall also pay any unamortized conversion fees or third party costs existing on Fiserv's books on the date of termination.

(c) Defaults. If Client: (i) fails to cure its material breach or fails to pay amounts due, each as set forth in Section 8(b) of the Agreement; or (ii) commits an act of bankruptcy or becomes the subject of any proceeding under the Bankruptcy Code or becomes insolvent or if any substantial part of Client's property becomes subject to any levy, seizure, assignment, application, or sale for or by any creditor or governmental agency; then, in any such event, Fiserv may, upon written notice, terminate the Agreement in whole or in part and be entitled to recover from Client as liquidated damages for such early termination an amount equal to the present value of all payments remaining to be made for the remaining unused term of the Agreement or the applicable Exhibit, plus any unamortized conversion fees or third party costs existing on Fiserv's books on the date of termination. For purposes of the preceding sentence, present value shall be computed using the "prime" rate (as published in *The Wall Street Journal*) in effect at the date of termination and "all payments remaining to be made" shall be calculated by multiplying the average monthly invoices for the 6 months immediately preceding the date of termination by the remaining months of the term. In the event

either party defaults in the performance of this Agreement, the non-defaulting party shall have such remedies, including cancellation of this Agreement, as may be appropriate at law or in equity; provided, however, that no remedies shall be pursued by either party unless applicable notice and cure periods have been provided in accordance with Section 8 (b). All reasonable expenses incurred by the non-defaulting party in terminating the relationship under this Agreement shall be borne by the defaulting party.

(d) Liquidated Damages. Client understands and agrees that Fiserv losses incurred as a result of early termination of the Agreement, this Exhibit, or any Schedule would be difficult or impossible to calculate as of the effective date of termination since they will vary based on, among other things, the number of clients using the Fiserv System on the date the Agreement (or applicable part thereof) terminates. Accordingly, the amounts set forth in Sections 8(b) and 8(c) above and Section 10(e) below represent Client's agreement to pay and Fiserv's agreement to accept as liquidated damages (and not as a penalty) such amount for any such termination.

(e) Return of Client Files. Upon expiration or termination of the Agreement or any Schedule to this Exhibit, Fiserv shall furnish to Client such copies of Client Files as Client may request in a Fiserv standard format, and shall provide such information and assistance as is reasonable and customary to enable Client to deconvert from the Fiserv System; provided, however, that Client authorizes Fiserv to retain Client Files until: (i) Fiserv is paid in full for all amounts due for all Services provided through the date such Client Files are returned to Client; (ii) Fiserv is paid its then standard rates for the services necessary to return such Client Files; (iii) if the Agreement or applicable Schedule is being terminated, Fiserv is paid any applicable termination fee pursuant to Section 8(b) or (c) above; (iv) Client has returned or destroyed all Fiserv Information in accordance with Section 3(b) of the Agreement; and (v) the expiration of such timeframe as may be required by law or regulation or necessary to comply with Fiserv's post termination or post expiration obligations. Fiserv shall be permitted to destroy Client Files any time after 30 days from the final use of Client Files for processing, unless: (A) Fiserv is directed by Client in writing to retain such files for a longer period, provided that Client may not require Fiserv to retain Client Files for longer than 90 days unless Fiserv agrees to such longer retention period, or (B) otherwise specified in a Schedule.

(f) Miscellaneous. Client is responsible for the deinstallation and return shipping of any Fiserv-owned equipment located on Client's premises.

9. Additional Fee Provisions.

(a) Annual Adjustment. Fiserv's fees for Services may be increased annually effective each January 1 upon 30 days' notice to Client. Each increase shall be limited to the increase in the U.S. Department of Labor, Consumer Price Index for All Urban Consumers ("CPI") for the most recently available 12-month period preceding such 30-day notice period, or 3%, whichever is less.

(b) Holdover. Upon any termination or expiration of the Agreement or an Exhibit, Services provided after the applicable termination date, expiration date, or final processing date specified by Client will be provided at Fiserv's discretion and subject to Fiserv's capacity and will be invoiced at then current fees under the applicable Schedule plus a holdover premium of 25%, unless such holdover is due to Fiserv's action or inaction.

(c) Deconversion Charges. Client agrees to pay Fiserv's then current deconversion charges in connection with Client's deconversion from the Fiserv System.

(d) Regulatory and Compliance Charge. Fiserv reserves the right to charge Client for Client's share of direct Fiserv costs of maintaining any applicable regulatory compliance and/or meeting relevant third party standards (such as PCI-SSC's Payment Card Industry Data Security Standard).

(e) Assumptions. Fees set forth in the Schedules to this Exhibit are based on completion of the initial term of all Services. If Services are reduced or terminated pursuant to Section 8(b) or (c) above, or if Client renegotiates pricing before expiration of the initial term, Client shall reimburse Fiserv for all credits, rebates, discounts, and incentives granted on all Services. Any such credits, rebates, discounts, and incentives will no longer be granted through the remainder of the term for any continuing Services.

10. Residuals. Nothing contained in the Agreement shall restrict Fiserv from the use in its business of any ideas, concepts, know-how, or techniques developed by the parties in connection with the Services and contained in Client Information accessed by Fiserv in connection with the Services that are related to Fiserv's business activities and retained in the unaided memory of Fiserv's employees.

**eBill SERVICES SCHEDULE
to ASP SERVICES EXHIBIT**

This eBill Services Schedule to the ASP Services Exhibit (this "**Schedule**") is hereby incorporated into the Master Agreement dated June ____, 2015, including all attachments thereto (the "**Agreement**"), by and between Fiserv and Client, and is effective as of June ____, 2015 (the "**Schedule Effective Date**"). The eBill Services (as defined below) are governed by the terms of the Agreement and this Schedule.

1. **eBill Services.** Client hereby appoints Fiserv, as its exclusive provider of eBill Services ("**eBill Services**") as described in this Schedule. Fiserv agrees to provide Client with a single implementation of the eBill Services, consisting of Fiserv's products, services, and support systems which enable Fiserv to provide an end-to-end electronic bill creation, presentment, payment solution, and distribution channel on Client's behalf to Users who have elected to enroll in the eBill Services through distribution arrangements established by Fiserv or through Client's website ("**Biller Direct Services**"). In addition, the eBill Services will incorporate Client into Fiserv's network of billers, merchants, electronic billing endpoints, and Users (collectively, the "**Fiserv Network**"), which is designed to facilitate the User's ability to enroll for the eBill Services and Client's ability to provide the eBill Services to those Users, described more specifically as follows:
 - (a) **eBill Services** – enables Client's customers to view and pay Client's bills electronically through customer's choice of online payment provider
 - (b) **Biller Direct Services (through Client's website)** – enables eBill presentation and electronic payment at Client's website

2. **Attachment.** The following attachment is hereby attached and incorporated by reference herein:
Attachment - 1 – Fees for eBill Services

3. **Definitions.** Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement. The following defined terms shall apply to this Schedule.
 - (a) **eBill** – an electronic version of a paper bill.
 - (b) **Easy Activation** – automatic activation of an eBill for a User that is currently enrolled and active in the Fiserv Network but has not chosen to activate and view Client's bill content via the eBill Services.
 - (c) **Enrollment/ Authentication** – the process by which an individual adds or modifies Biller Direct Services account information at initial enrollment or during any recurring visits to the Biller Direct Services.
 - (d) **Payment** – payment of bill or statement initiated online by a User to a merchant or creditor.
 - (e) **Payment Concentrator** – an Affiliate of Fiserv with whom Client has an agreement to receive data files and Payments for consolidation prior to sending such files and Payments to Client.
 - (f) **Payment Concentrator's Bank Account** – a bank account held for the benefit of Client by Client's Payment Concentrator in which Payments shall be deposited by Fiserv prior to Payment Concentrator remitting such Payments to Client.
 - (g) **Unauthorized Transaction** – any electronic fund transfer from a User's account initiated through the Biller Direct Services by a person other than the User without actual authority to initiate the transfer and from which the User receives no benefit.
 - (h) **User** – Client's customer (normally, but not limited to, an individual consumer) who is enrolled or has the ability to enroll in the eBill Services or Biller Direct Services.

4. **Term; Termination.** This Schedule shall be effective as of the Schedule Effective Date and the eBill Services shall be provided for an initial term of five (5) years ("**Initial Term**"), commencing on the Schedule Effective Date and shall automatically renew and extend for successive one (1) year terms (each a "**Renewal Term**"), commencing at the conclusion of the Initial Term or any Renewal Term (collectively, the "**Term**"), unless contrary notice in writing is given by Client or Fiserv at least ninety (90) days prior to termination of the then current Term or unless otherwise terminated pursuant to the termination provisions set forth in Section 8 of the Agreement.

5. Fiserv's Obligations.

- (a) Fiserv will be responsible for the development, appropriate system operations, data security, maintenance, updating and reasonably frequent periodic testing of physical, electronic, and procedural safeguards against unauthorized access to Client customers' personal Information, system redundancy and maintenance of the Fiserv System related to the eBill Services provided by Fiserv on behalf of Client.
- (b) When Fiserv manages the enrollment and/or authentication, Fiserv will specify the enrollment fields, receive and record User enrollments, and create and maintain a database of Users.
- (c) Fiserv will obtain User Data from Users wishing to activate the eBill Services through the Fiserv Network. Fiserv shall be responsible for and shall administer the process by which a User adds or modifies such User's eBill Services account information at initial enrollment and during subsequent uses of the eBill Services through the Fiserv Network.
- (d) Fiserv will make available to the User through the Fiserv Network, bill summary information including but not limited to, biller name, biller account number, amount due, date due and a URL that indicates the location of the bill detail housed at the applicable data center.
- (e) When applicable, Fiserv agrees to execute the delivery of all eBill payment requests as instructed by the User in accordance with the eBill Service's Terms and Conditions. Fiserv will create ACH transactions for Users who elect to pay their eBills through the eBill Services, and Fiserv will route such ACH transactions through the appropriate networks.
- (f) When applicable, Fiserv will use its best efforts to programmatically replicate (to a maximum of two (2) iterations) one (1) online eBill template design chosen by Client and will warehouse such template within the Fiserv System when Fiserv maintains the bill detail data. Fiserv will match billing file data with the online eBill template to create electronic bills which will be made available to Users within one (1) business day of Fiserv's receipt of a useable billing file
- (g) Fiserv will receive transmitted billing data files in a mutually agreed upon format from Client, will acknowledge the receipt thereof in a mutually agreed manner, and will notify Client within one (1) business day if received billing files prove unusable.
- (h) Fiserv will make available on a regular basis to Client (in Fiserv's standard format) the activations that have been accepted for applicable processing and database maintenance when Fiserv maintains the bill detail data and manages the activation process (as a means of providing eBills and real-time responses to User activation requests).
- (i) Fiserv will establish and maintain systems providing Users secure access to the eBill Services twenty-four (24) hours per day, seven (7) days per week, exclusive of downtime necessary for maintenance or any unplanned system interruptions.

6. Client's Obligations.

- (a) Client agrees that Users enrolling in the eBill Services may be required to read and accept the Terms and Conditions of the eBill Services. Once a User enrolls in the eBill Services and elects to receive a bill or statement from Client or make an electronic payment, Client shall not require the User to re-accept terms and conditions of use from Client after enrollment in the eBill Service.
- (b) Client agrees that Users may enroll for the eBill Services through any and all endpoints in the Fiserv Network. Client will use enrollment records to designate Users enrolled in the eBill Services on its internal billing systems, and Client, thereafter for so long as this Schedule remains in effect, or until it has received instructions to the contrary from a User, will deliver a User's bills electronically using the eBill Services.
- (c) Client shall send to Fiserv bill files in a format mutually agreed upon at implementation that shall include, without limitation, at least the following for each User: account number, amount due, due date, and if applicable, a URL link to the bill detail information.
- (d) Except when Fiserv manages eBill activation on behalf of Client, Client will provide daily activation responses to Fiserv as a means to ensure integrity and User status when eBill Services-related information (including activation requests, updates and deactivations) is exchanged between Fiserv and Client. During each calendar month: (i) Client shall process one hundred percent (100%) of all activation and deactivation requests within twenty-four (24) hours of Client's receipt; and (ii) maintain a ninety percent (90%) or higher monthly activation acceptance rate for new Users enrolling in the eBill Services.
- (e) Client will provide its bill data to Fiserv not less than: (i) seven (7) days before the due date of the bill; or (ii) if more than seven (7) days before the due date of the bill, the number of days before the

due date of the bill as necessary for Client to present the bill to the User as required by applicable laws, rules and regulations governing the amount of time the User must receive the bill prior to the due date of the bill. Client will waive all applicable late payment fees for the User if the bill is delivered to Fiserv within twenty-four (24) hours prior to the bill's due date or after the bill's due date due to Client's error.

- (f) Client agrees to notify Fiserv no less than thirty (30) days prior to the effective date of any mass account number change impacting fifteen percent (15%) or more of Users enrolled in the eBill Services. Notification should be submitted via a project request to Client's Fiserv account manager.
- (g) If Client deactivates a User, it must notify Fiserv within twenty-four (24) hours. In those instances where Client deactivates a User, Client understands and agrees that such deactivation shall apply solely to access to bills provided by Client, and shall not affect User's access to bills from the Fiserv Network.
- (h) Client shall create and maintain a web-based page to provide Users with a central point of entry to the Biller Direct Services for all interactions with and transactions using the Biller Direct Services.

7. Mutual Obligations.

- (a) Fiserv will provide the equipment (excluding telecommunications and related equipment and costs attendant thereto), software and facilities necessary to provide and maintain the Service provided by Fiserv to Client. Fiserv shall not be responsible for providing equipment, software, or any facilities necessary to support Client's internal IT infrastructure. Client will be responsible for network connectivity between Client's site and Fiserv's data center (including the on-premises telecommunications and telecommunications-related equipment necessary to enable such network connectivity).
- (c) The parties will process files from each other as soon as possible and provide communication back to the other party as soon as possible for any file that cannot be processed. All files, including but not limited to activation and deactivation files, will be processed by either party within twenty-four (24) hours of receipt.
- (d) The parties will respond to general User inquiries regarding the eBill Services and specific billing-related inquiries within twenty-four (24) hours of receipt.
- (e) The parties agree to provide online access to no less than six (6) months of eBill summary data, payment summary, and bill detail after that bill is first made available to the User.
- (f) Fiserv shall provide Easy Activation at no charge to Client to drive adoption and usage of the eBill Services. For any User that has enrolled via Easy Activation, Client agrees to deliver both paper and electronic bills to such User during the trial period or for a period agreed upon by both parties. For the first ninety (90) days, Fiserv agrees not to bill Client for electronic bills as long as the User is receiving paper.
- (g) In the situation where an activation request for the eBill Services is rejected by Client, Client agrees to provide to Fiserv the reason and User-friendly specific text for such rejection, which may then be communicated to the User. Client and Fiserv will work together in good faith to decrease rejections where possible. Client agrees not to reject any requests as a result of the accounts already being active elsewhere.
- (h) Where real-time system interaction is enabled, for example eBill Services activation requests or payment posting, the parties will mutually agree upon the format of such interaction and utilize commercially reasonable efforts to maintain system uptime and to process requests in a timely fashion. Client shall provide to Fiserv, on a mutually agreed upon schedule, records containing each User's payment history and updates thereto.

8. Electronic Remittance

- (a) Each User will have the ability to utilize Fiserv's electronic bill payment service to pay bills presented via the Service.
- (b) Fiserv will collect and electronically deliver payments pursuant to the User's instructions, debited from User's designated payment account (the "Debit Entries") to Client as payee.
- (c) The data file of Users' payment instructions will be electronically transmitted to Client daily by Fiserv in a mutually agreed upon format. Client shall promptly post all payments to the User's accounts based upon the remittance record sent by Fiserv.
- (d) The data transmitted by Fiserv to Client will be in balance with the expected amount of payment

funds every day. The associated payment funds will be deposited electronically by Fiserv in the Client's designated banking account no later than the business day following the date of transmission of the data records.

- (e) Client acknowledges that Users may be prevented from utilizing all or part of the eBill Service (including, but not limited to, enrolling for or completing payments) if the User or the User's payment fails risk parameters, account status conditions or authorization guidelines established by Fiserv.
- (f) Fiserv acknowledges that User payments will not be transmitted electronically in the following circumstances:
 - (i) Where the User banks at a financial institution that is not accessible through the ACH network;
 - (ii) Where the User's Client account number is incomplete, incorrect or otherwise fails the account number edit procedures established by Fiserv and Client; or,
 - (iii) For a User payment in excess of \$10,000 or which exceeds other applicable factors determined by Fiserv.
- (g) Client accepts full financial responsibility for the dollar amount of Debit Entries originally credited to Client and returned unpaid to Fiserv, after the second (2nd) submission when applicable, that were originated by Fiserv for a payment by User to Client, irrespective of the reason for the return. Client agrees that Fiserv is authorized to debit Client's designated banking account in the amount of the returned Debit Entries. Further, Client agrees that should there ever be insufficient funds in its designated banking account to cover the amount of the returned Debit Entries, it will, upon notification from CheckFree, immediately reimburse to Fiserv the amount in issue. Fiserv will send notification in a proprietary file format to be coded to by Client.
- (h) The parties agree that all necessary information for returned items settlement and for payment processing and posting will be provided and documented in a separate document(s) prior to implementation.

9. Marketing.

- (a) Client agrees to communicate and promote the availability of the eBill Services to its entire customer base within ninety (90) days of the Commencement Date and, at a minimum, two (2) times per year. Typically, usage results are optimized by communicating options on an ongoing basis, using a variety of different promotional methods. Client agrees to use promotional methods such as, but not limited to, prominent website messaging, statement messaging, bill inserts, email/direct mail campaigns and sweepstakes. Fiserv's adoption marketing consultants will provide strategic planning support, best practice targeting and messaging recommendations, and execution support as mutually agreed upon between Client and Fiserv. Client agrees to provide Fiserv with examples of executed marketing programs at Fiserv's request. Fiserv agrees to provide communication and promotion examples at Client's request.
- (b) Fiserv shall have the right to reasonably display the names and logos of Client in connection with Fiserv's presentation of the eBill Services to Client's customers after consultation with and approval by Client.

9. Additional Terms.

- (a) Non-compliance. In the event that Client's obligations contained in Section 6(d) hereinabove are not met with respect to a User, Fiserv will, within thirty (30) days of such event, notify Client in writing of such non-compliance, setting out in reasonable detail the specifics of the non-compliance with respect to such User. Client will have forty-five (45) days after receipt of such notice to remedy the non-compliance with respect to such User. In the event that Client is unable to remedy the non-compliance within the aforementioned timeframe, the penalty set forth in the attachment to this Schedule shall apply.
- (b) Payment Concentrator Agreement. In the event Client enters into an agreement with a Fiserv Affiliate to act as Client's Payment Concentrator as described herein, Fiserv shall establish such connectivity as required to deliver data files and Payments accordingly. In the event that Client's agreement with Fiserv's Affiliate terminates or expires for any reason prior to the end of the Term, Client agrees to participate in the redirection of certain communications to allow Fiserv to connect directly to Client as may be required for Fiserv to perform its duties as specified herein. Fiserv requires a minimum of one hundred twenty (120) days advance notice of such redirection in this

Schedule to avoid any interruption in the eBill Services.

10. Exclusivity.
 - (a) Client agrees that Fiserv shall be the sole and exclusive provider of the eBill Services that are the subject matter of this Schedule. Client agrees not to enter into an agreement with any other entity to provide these eBill Services (or similar services), and not to perform these eBill Services (or similar services) for itself, during the Term of this Schedule without Fiserv's prior written consent.
 - (b) If Client acquires another entity, the exclusivity provided to Fiserv hereunder shall take effect with respect to such acquired entity as soon as practicable after expiration or earlier termination of such acquired entity's previously existing arrangement for these eBill Services.
 - (c) If Client is acquired by another entity, the exclusivity provided to Fiserv hereunder shall apply with respect to the level or volume of the eBill Services provided immediately prior to the signing of the definitive acquisition agreement relating to such acquisition and shall continue with respect to the level or volume of such eBill Services until any termination or expiration of this Schedule.

11. Holiday Processing, Weekend Processing, and Business Days.
 - (a) When Federal Reserve holidays are observed, settlement funds, remittance files and processing are designed to be included with the next business day's processing. The Federal Reserve Holiday schedule may be found at:
<http://www.federalreserve.gov/aboutthefed/k8.htm>.
 - (b) The eBill Services are designed to deliver reports and settled funds on business days defined as Monday, Tuesday, Wednesday, Thursday and Friday. Remittance files and settled funds are designed to be available one to two business days after the processing date. Transactions occurring after the close of business on Friday, on Saturday, and on Sunday are designed to be reported and included with Monday's business day transactions.

12. Conflict. If this Schedule conflicts with the Agreement, the terms of this Schedule shall control solely as it relates to the eBill Services being provided under this Schedule.

**Attachment 1
Fees for eBill Services**

1. Service Fees.

(a) Transaction Fees (monthly delivered billing volume):

1 – 49,999	\$0.30 per item
50,000 – 500,000	\$0.28 per item

The eBills delivered at \$0.00 via Easy Activation will not count towards volume counts for any volume-based tiered pricing. Any dual distribution eBills will be counted once and thus, credited back to Client (but does not count towards volume counts for any volume-based tiered pricing.)

A \$0.20 remittance fee will be added to each of the above pricing tiers if Client does not accept electronic payments and electronic remittance files. Tiered pricing schedule represents thresholds, that when achieved, affect only the transactions covered by that tier.

(b) Monthly Service Fee (monthly delivered billing volume): \$1,500 per month

(c) Monthly Instant Activation Fee: Waived

(d) Remittance Transaction Fees: Waived

(e) Direct Send Transaction Fee: Waived (Requires full reversibility)

(f) CIE or other third party provider Transaction Fee: \$0.045 per payment delivered
Applicable if Client elects not to receive remittance data via a direct connection between Fiserv and Client and between Fiserv and Client's designated agent.

(g) Penalty Fees

Subject to Section 9(a) of the Schedule, if Client fails to meet any of the percentage targets identified in Section 6(d), Client will incur a penalty of Two Thousand Five Hundred Dollars (US\$2,500.00) for that calendar month, which will be assessed by Fiserv on either that calendar month's or a future calendar month's invoice to Client. Client will use best efforts to remedy any problems occurring in a real-time environment as quickly as practicable.

(h) Customer Care Application

Five (5) seats included at no additional charge; each additional set of ten (10 seats is \$100 per month.

2. Development Fees. Any post-implementation development, maintenance, alterations, changes and/or additional requests, or Client-requested data preparation and/or reporting above and beyond standard implementation under the Product Schedule, will be charged at the Fiserv standard development rate of \$275.00 per hour unless otherwise agreed in writing. All such projects and requests will be subject to an applicable statement of work process, and only projects and requests within the scope of Fiserv development will be considered; additional fees will be determined depending upon the nature of the project or request.

3. Miscellaneous Fees (when applicable).

(a) VPN Communications

One-time Setup Fee: \$1,800 (waived for initial VPN site)
Monthly Fee: \$725 per month

Rates are per VPN connection. Under the Fiserv Managed VPN model, VPN utilizes Client's existing Internet connectivity. Fiserv provides 7x24 monitoring and management, encryption key management, TCP/IP protocol, dual Netscreen VPN firewall appliances, CDI encrypting modem, and disaster recovery to Fiserv's contingency site. If Client requires a non-standard VPN or higher capacity hardware not included as part of the standard VPN model, additional monthly fees may be incurred.

(c) Travel at Client Request

Actual, Reasonable Costs

ON-DEMAND SERVICES SCHEDULE TO ASP SERVICES EXHIBIT TO MASTER AGREEMENT

This On-Demand Services Schedule (this "Schedule"), is hereby incorporated into the ASP Services Exhibit to the Master Agreement dated June ____, 2015 including all attachments thereto (the "Agreement"), by and between Fiserv and Client, and is effective as of June ____, 2015 (the "Schedule Effective Date"). The On-Demand Payment Services (as defined below) are governed by the terms of the Agreement and this Schedule.

1. On Demand Payment Services.

Client hereby appoints Fiserv as its exclusive provider of On-Demand payment services, as described in this Schedule. Fiserv agrees to provide Client with a single implementation of the On-Demand Services, consisting Fiserv's products, services and support systems to allow Users (hereinafter defined) to initiate bill payments to Client through various payment channels, described more specifically as follows (collectively, the "**On-Demand Services**"):

- (a) **Agent Web Payment Service** enables Client's Agents to enter payments on behalf of Customers through a Fiserv-hosted web interface.
- (b) **Web Payment Service** enables Users to enter payments through a Fiserv-hosted web interface. An optimized Web Payment Service will be presented to Users making payments through a mobile application interface.
- (c) **IVR Payment Service** enables Users to enter payment instructions through an IVR (hereinafter defined) telephone interface hosted by Fiserv via a dedicated toll-free telephone number.
- (d) **Auto Pay/Recurring Payment Service** enables Users to enroll in an automatic or recurring payment program designed to provide automatic, monthly payments through a Fiserv-hosted web interface.
- (e) **Payment Concentrator Services** enables Client to receive bill payments from Customers using other Fiserv systems ("In-Network" payments) and/or other third-party payment providers (MasterCard RPPS, banks and walk-in payment outlets) (collectively, "Out-of-Network" payments) which have contracted with Fiserv to provide electronic remittance.

2. Attachments. The following attachments are attached hereto and incorporated by reference herein:
Attachment 1 – Fees for On-Demand Services

3. Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement. The following defined terms shall apply to this Schedule.

- (a) **ACH** – a type of Electronic Fund Transfer ("EFT"), in which authorized debit transactions are sent through an Automated Clearing House ("ACH") network for payment purposes. ACH payments are funded by a checking account on the ACH network.
- (b) **Agent** – an authorized employee of Client or other Client-approved individual who is legally authorized by Client to input Payment Instructions received from Users.
- (c) **Auto Pay/Recurring Payment** – a payment which has been authorized by the User in advance, to occur on a recurring basis, at substantially regular intervals, and will require no further action by the User to initiate the transaction.
- (d) **Billing Account Number** - the unique account number assigned by Client to its Customer for billing purposes.
- (e) **Billing Due Date** – the date defined by Client by which the Customer's payment is due.
- (f) **Convenience Fee** – a fee charged to Users for the convenience of making a payment through the On-Demand Services.
- (g) **Customer**- a person or other legal entity to whom Client provides goods and services.
- (h) **Customer Information** - information defined in Fiserv's file specifications that may be associated with a Customer, which may include but is not limited to, the Customer's first name, last name, other legal name, Billing Account Number, Billing Due Date, Billing Account Number, Amount Due, Email Address, Phone Number, Mobile Phone Number, and Statement Mailing Date.

- (i) **Funding Account** – the funding source of a debit or credit card, or an EFT/ACH account number used during a transaction.
 - (j) **IVR** – Interactive Voice Response (“**IVR**”) technology that allows a computer to interact with individuals through the use of voice and Dual Tone Multiple Frequency (DTMF) keypad inputs.
 - (k) **Mini-Account Master (“MAM”) File** – a type of file containing Billing Account Numbers and such other Customer Information, as applicable, submitted electronically by Client to Fiserv to enable certain validation activities.
 - (l) **Payment Instructions** – the information required to execute a payment transaction.
 - (m) **Payment Type** – ACH, ATM or PINless debit card (via the STAR, PULSE, NYCE or Accel networks), offline-debit card (via the VISA and MasterCard networks), credit card (via the VISA, MasterCard, and Discover networks), or other approved payment types.
 - (n) **User** – Client’s Customers and Agents who initiate bill payments using the On-Demand Services as specified herein.
 - (o) **Wallet** – a module within the On-Demand Services User interface which allows Users to save one or more payment instruments or funding accounts which may be accessed for use in making subsequent On-Demand payments in connection with User’s Billing Account Number.
4. **Term; Termination.** This Schedule shall be effective as of the Schedule Effective Date and the On-Demand Services shall be provided for an initial term of five (5) years (“**Initial Term**”), and shall automatically renew and extend for successive one (1) year terms (each a “**Renewal Term**”), commencing at the conclusion of the Initial Term or any Renewal Term (collectively, the “**Term**”), unless contrary notice in writing is given by Client or Fiserv at least ninety (90) days prior to termination of the then current Term, or unless otherwise terminated pursuant to the termination provisions set forth in Section 8 of the Agreement.
5. **Fiserv’s Obligations.**
- (a) Fiserv will host distinct user interfaces and Internet pages for the Agent Web Payment Service (to be used exclusively by Agents), Web Payment Service, and Auto Pay/Recurring Payment Service, each of which will be delivered through Hyper Text Transfer Protocol over Secure Socket Layer (HTTPS) technology. Fiserv will be responsible for the development, appropriate system operations, data security, maintenance, updating and reasonably frequent periodic testing of physical, electronic, and procedural safeguards against unauthorized access to Customer Information, system redundancy and maintenance of the Fiserv System related to the On-Demand Services provided by Fiserv hereunder.
 - (b) Fiserv will procure a toll-free number on behalf of Client to enable Users to access the IVR Payment Service hosted by Fiserv. Fiserv will provide IVR scripting in English and in Spanish for touchtone telephone payments.
 - (c) Fiserv shall allow a Customer to enroll in the Auto Pay/Recurring Payment Service by entering mutually defined criteria, which may include the Customer’s Billing Account Number, a Funding Account and other Customer Information for purposes of supporting an automatic or recurring payment, and requiring Customer to accept the terms and conditions presented by the service. Fiserv shall provide an Auto Pay/Recurring Payment Service User with summary transaction information describing the automatic/recurring transactions, their timing, and associated Funding Account the recurring transactions will be directed to upon completion of User enrollment. Fiserv shall send automatic/recurring payments for authorization for Users who have signed up for the Auto Pay/Recurring Payment Service based on Client’s instructions.
 - (d) Fiserv will include payments and funds received through the Payment Concentrator Services in Client’s regularly scheduled daily reports, remittance files, and deposits, subject to any applicable fees set forth on Attachment 1 to this Schedule.
 - (e) Fiserv shall design the On-Demand Services to allow the User to enter mutually defined criteria, which may include the Customer’s Billing Account Number and other Customer Information, and send the entered information directly to Client for validation, or validate against Customer Information received in the MAM file, or validate against mutually agreed-upon Billing Account Number characteristics to confirm valid Customer Information. Fiserv

shall not proceed with the payment process unless valid Customer Information has been provided by the User and validated as described herein.

- (f) Fiserv shall present Wallet information to returning Users upon User consent where applicable for use in making subsequent payments.
- (g) Fiserv shall submit Payment Instructions to Processors for authorization and settlement on behalf of Client. Upon receipt of a payment authorization, Fiserv shall send a payment notification either through a real-time or batch mechanism to Client, as mutually agreed.
- (h) Fiserv shall provide a confirmation message to a User when a payment transaction has been authorized, where applicable; Fiserv agrees to provide a declination to the User for an unsuccessful payment where applicable
- (i) Fiserv shall make reasonable efforts to ensure that On-Demand Services are available 24 hours a day, 7 days per week, however, Fiserv does not warrant that On-Demand Services will be error free or un-interrupted.
- (j) Fiserv shall provide Client with daily reports regarding payments made by Users which shall include, but not be limited to, authorized transactions, Payment Types, amounts, and chargebacks. Such reports shall be provided electronically on days and at times mutually agreed by the Parties.
- (k) Fiserv agrees to provide Client with communication and adoption marketing support through strategic planning, best practice examples, targeting and messaging recommendations, and execution as mutually agreed upon by Fiserv and Client.
- (l) Fiserv shall provide Client (and Users as applicable) with (i) payment tracking inquiry capabilities, 24 hours a day, 7 days a week, subject to scheduled or unavoidable downtime; (ii) the Fiserv Service Center, available 24 hours a day, 7 days per week to assist Client with technical issues; (iii) customer service representatives accessible to Client and Users to assist with payment inquiries, Monday through Friday from 7:30 a.m. to 8:00 p.m. CT; and (iv) an assigned account representative for Client.

5. Client's Obligations.

- (a) Client shall ensure Agents who access the Agent Web Payment Service from Client locations can be uniquely identified and shall submit mutually agreed-upon Agent credentials to Fiserv for verification. Client shall be responsible for and shall administer the process by which Agents are added as approved users of the Agent Web Payment Service.
- (b) Client agrees that its Agents shall verify the identity of any Customer prior to submitting a payment through the Agent Web Payment Service.
- (c) Client shall provide to Fiserv the current amount due, date due, and Billing Account Number for Customers who have signed up for the Auto Pay/Recurring Payment Service at least five days prior to the Billing Due Date, and Client shall provide appropriate disclosures and notices to Customers in connection with the Auto Pay/Recurring Payment Service.
- (d) In connection with Payment Concentrator Services, Client grants Fiserv the right to remit In-Network and Out-of-Network payments in Client's regularly scheduled files and deposits.
- (e) Client agrees to provide current Customer Information through real-time access to Client's systems, or by delivering a MAM file to Fiserv, as mutually agreed by the parties, for use in validating Billing Account Numbers and remitting payments.
- (f) Client agrees to provide Fiserv with Client bank account information necessary to enable Fiserv to properly debit and credit Client bank accounts. Transmissions will occur on Fiserv's normal business days, on days and at times mutually agreed by the parties. Unless otherwise agreed in writing, Fiserv will bear the cost and expense of communicating with Client.
- (g) Client agrees to promptly post all Customer payments received through the On-demand Services.
- (h) Client agrees to repay any chargebacks or returned items resulting from Users' transactions received through the On-Demand Services. Such obligation shall survive any termination or expiration of the On-Demand Services.

6. Marketing.

- (a) Client agrees to (i) permanently and prominently display a link on its website homepage (e.g. "Pay Now" or "Expedited Payments") which shall allow Customers to directly access the Web

- Payment Service without requiring Customers to be registered at the Client's website; (ii) display the toll-free telephone number used for the IVR Payment Service on its website; and (iii) provide a link on its website which shall allow Customers to directly access the Auto Pay/Recurring Payment Service. Within sixty (60) days following the Commencement Date, Client agrees to provide messaging to all Customers through its printed and electronic bills regarding the availability and accessibility of the On-Demand Services, which shall include the toll-free telephone number used for the IVR Payment Service.
- (b) Client agrees to provide promotional messaging to inform Customers of the availability of On-Demand Services in such formats including, but not limited to, prominent website messaging, statement messaging, bill inserts, email/direct mail campaigns and sweepstakes. Fiserv's adoption marketing consultants will provide strategic planning support, best practice targeting and messaging recommendations, and execution support as mutually agreed upon between Client and Fiserv. Client agrees to provide Fiserv with examples of executed marketing programs at Fiserv's request.
 - (c) Fiserv shall have the right to reasonably display the names and logos of Client in connection with Fiserv's presentation of On-Demand Services to Customers after consultation with and approval by Client.

7. Additional Terms.

- (a) Compliance with Laws. Each party shall comply with; (i) all federal, state and local laws applicable to it ("Laws"); and (ii) the rules of the National Automated Clearinghouse Association, banking networks, ATM networks, credit and debit card acquirers and the payment brands (the "Rules").
- (b) Processors.
 - (i) Client recognizes that Fiserv may utilize certain financial institutions and nationally recognized payment brands, debit and credit card networks and associations ("**Processors**") in connection with providing the On-Demand Services and that Processor's systems, rules and fees are outside the control of Fiserv. Further, in the event Fiserv receives a compliance notice from any Processor, the parties agree to use commercially reasonable efforts to resolve such compliance issue as required by such Processor in order to avoid or mitigate any potential fines thereunder. Fiserv has the right to modify service procedures or fees set forth in this Schedule as a result of changes in telecommunication rates, Processor fees or Processor policies and procedures or, after the first anniversary of the Effective Date, for any reason. Any modification shall be preceded by written notice from Fiserv at least thirty (30) days prior to such change. If Client objects to such change, then Client must deliver written notice of its objection to Fiserv within fifteen (15) days of receipt of any change notice. Upon receipt of Client's objection, Fiserv may reconsider the change and continue to provide On-Demand Services under existing terms of the unmodified Agreement or terminate the Agreement by delivering written notice to Client within thirty (30) days of receipt of Client's objection.
 - (ii) Fiserv may disclose Payment Instructions to Processors, and Fiserv agrees that prior to providing any Processor with Payment Instructions, the Processors will agree to keep such information confidential and to only use such information to accomplish the purposes set forth in this Schedule. Client acknowledges that the actual electronic payments may be controlled by the Processors. Fiserv is not responsible for delays caused by such Processors.
 - (iii) Client acknowledges that Fiserv shall be required to acquire a merchant identification number under Fiserv's existing Processor agreements indicating Client as the merchant of record to facilitate the receipt of User payments on Client's behalf. Client shall provide Fiserv with a current IRS Form W-9 and may be required to complete such other documentation as may be requested by Fiserv or Processors in order to establish merchant IDs or comply with the Rules. Client understands that Processors shall issue merchant IDs in their sole discretion and agrees that Fiserv is not responsible for any refusal by Processors to issue such merchant IDs as required for the processing of Client's transactions.

9. Exclusivity.

- (a) Client agrees that Fiserv shall be the sole and exclusive provider of the On-Demand Services that are the subject matter of this Schedule. Client agrees not to enter into an agreement with any other entity to provide the On-Demand Services described herein, and not to perform these On-Demand Services for itself, during the term of this Schedule without Fiserv's prior written consent. To clarify, the Payment Concentrator Services shall not be subject to the exclusivity provisions set forth in this Schedule.
- (b) If Client acquires another entity, the exclusivity provided to Fiserv hereunder shall take effect with respect to such acquired entity as soon as practicable after expiration or earlier termination of such acquired entity's previously existing arrangement for these services.
- (c) If Client is acquired by another entity, the exclusivity provided to Fiserv hereunder shall apply with respect to the level or volume of On-Demand Services provided immediately prior to the signing of the definitive acquisition agreement relating to such acquisition and shall continue with respect to the level or volume of such On-Demand Services until any termination or expiration of this Schedule.

10. Holiday Processing, Weekend Processing, and Business Days.

- (a) When Federal Reserve holidays are observed, settlement funds, remittance files and processing are designed to be included with the next business day's processing. The Federal Reserve Holiday schedule may be found at: <http://www.federalreserve.gov/aboutthefed/k8.htm>.
- (b) The Service is designed to deliver reports and settled funds on business days defined as Monday, Tuesday, Wednesday, Thursday, and Friday. Remittance files and settled funds are designed to be available one to two business days after the processing date. Transactions occurring after the close of business on Friday, on Saturday, and on Sunday are designed to be reported and included with Monday's business day transactions.

11. Conflict. In the event of a conflict between the terms of this Schedule and the Agreement (solely as relates to the On-Demand Services provided hereunder), this Schedule shall control.

Attachment 1

Fees For On Demand Services

1. On-Demand Services.

a. Users will be assessed the following Convenience Fees for each payment completed through the On-Demand Services, based upon the type and method of payment transaction. Current Convenience Fees will be effective as of the Schedule Effective Date. Revised Convenience Fees will be effective upon Fiserv's completion of applicable development work required to effect changes to Client's IVR, Web and Agent Web user interfaces:

Transaction Type – IVR, Web and Agent Web Payment Services	Type of Billing	Convenience Fee - Current	Convenience Fee - Revised
Credit or Charge Card	Per Transaction	\$3.25	\$2.95
Debit Card – Non ATM Network	Per Transaction	\$3.25	\$2.95
Debit Card – ATM Network	Per Transaction	\$3.25	\$2.95
Electronic Check/ACH	Per Transaction	\$3.25	\$2.95

b. Auto pay/Recurring Payment Services. Fiserv will charge Client the following fees for payments received through the Auto Pay/Recurring Payment Services, based upon the type and method of payment transaction:


Transaction Type – Auto Pay/Recurring	Type of Billing	Processing Fee
Credit or Charge Card	Per Transaction	\$0.50
Debit Card – Non ATM Network	Per Transaction	\$0.50
Debit Card – ATM Network	Per Transaction	\$0.50
Electronic Check/ACH	Per Transaction	\$0.50
Monthly Support/Maintenance	Monthly	\$650.00

2. Process Charges; Returns. Fiserv is solely responsible for any process charges, merchant discounts and other fees that arise in connection with the authorization and settlement of transactions completed through the On-Demand Services; provided however, that Client is solely responsible for any process charges, merchant discounts and other fees that arise in connection with the authorization and settlement of transactions completed through the Auto Pay/Recurring Payment Services. Client agrees to pay any return items or chargebacks against sums paid to Client (collectively "Returns"), and hereby authorizes Fiserv and its Processors to (i) withhold the amount of Returns from future credits to Client Bank Accounts, or (ii) debit Client Bank Account for such Returns. In the event Fiserv is required by a Processor to pay such Returns, Client agrees to reimburse Fiserv. Notwithstanding the foregoing, the Parties agree to cooperate with one another in the investigation and resolution of any alleged mistakes or errors. Client acknowledges and agrees that Processors are intended third party beneficiaries under this paragraph.

3. Maximum/Average Payment Amount. Parties agree that each transaction made by a User through the On-Demand Services will be limited to no more than \$800 unless otherwise mutually agreed. If (i) the monthly average payments received through the On-Demand Services for Client exceeds \$174 per payment for Credit Card or Debit Card transactions, or (ii) the number of payments transacted with a commercial credit card exceeds 3% of the total payments received through the On-Demand Services in a month, the Parties agree that Fiserv shall have the right to increase any processing /convenience fees set forth above upon thirty (30) days prior written notice to Client. If Client objects to such change, then Client shall deliver written notice of its disagreement with the change to Fiserv within 15 days after receipt of any change notice. Upon receipt of Client's objection, Fiserv may reconsider the change and continue to

provide services under existing terms of the Agreement or terminate Agreement by delivering written notice to Client within 30 days of receipt of Client's objection.

4. ACH Returns. Client agrees to guarantee the payment to Fiserv of the Convenience Fee of \$3.25 or \$2.95, as applicable, for each instance in which a User's Convenience Fee ACH is returned. Client agrees to pay Fiserv \$1.50 for each Client payment ACH returned.
5. Payment Concentrator Service Fees. Client does not receive In-Network payment transactions through the Payment Concentrator Service. Client agrees to pay \$0.17 per transaction for each Out-of-Network payment received through the Payment Concentrator Service and remitted to Client.
6. Minimum Transaction Fee. Client agrees to pay Fiserv a Minimum Transaction Fee whenever the monthly transaction volume is less than 1,000. Such fee shall be calculated by subtracting the current month's total transaction volume from 1,000 and multiplying the remainder by the applicable Convenience Fee (\$3.95 or \$2.95).
7. Next Day Funding. Client may elect to receive daily funds within one business day ("Next Day Funding"). Upon such election, Client agrees to pay Fiserv a fee of \$275 per month for Next Day Funding.
8. Development Fees. Any post-implementation development, maintenance, alterations, changes and/or additional requests, or Client requested data preparation and/or reporting will be charged at the Fiserv's standard development rate of \$275 per hour unless otherwise agreed in writing. All such projects and requests will be subject to Fiserv's approval and Client's agreement to pay additional fees, which will be determined depending upon the nature of the project or request.

August 10, 2015
Prepared by: Tony Mossbarger
Submitted by: Cheryl Clary
Approved by: Paul Cook 

ACTION CALENDAR

BUSINESS INTELLIGENCE SOFTWARE UPGRADE CONSULTANT SELECTION

SUMMARY:

Staff issued a Request for Proposal for consulting services to upgrade the District's Oracle Business Intelligence (BI) software. The installed version of the Oracle BI software is no longer supported and requires an upgrade to a version supported by Oracle. Staff recommends that the Board authorize the General Manager to execute a Professional Services Agreement with DiLytics, Inc. in the amount of \$417,600 to provide consulting services to perform an upgrade to the District's Oracle BI software and approve a capital budget increase in the amount of \$119,600 each for projects 6181 and 6184 for a total budget increase of \$239,800.

BACKGROUND:

In October 2011, the District implemented the Oracle eBusiness Suite of Financial and the Oracle BI applications software. The BI software provides the District with the ability to generate reports and conduct analysis on data from the Financial applications. Staff currently utilizes the BI software to generate reports used for financial reporting, budgeting, and project management.

Support for the installed version of the District's Oracle BI software has expired and requires an upgrade to a newer version supported by Oracle. The District relies on the BI software for existing reports, and based on planned modifications and a version upgrade to the Financial software, additional reports and analysis will be needed. The software upgrade will provide productivity improvements related to data extraction and for staff who create reports. The software includes self-service features which allow staff to create reports without intervention from Information Services staff.

Consultant Selection:

An RFP was issued on May 15, 2015 to five consultants with experience performing Oracle BI software upgrades: BI Minds, Cogizant, DiLytics, Infosys, and KPMG. All five consultants submitted proposals. Staff reviewed and ranked the proposals and selected the top three for interviews: DiLytics, Infosys and KPMG. After conducting the interviews, staff updated the rankings as shown in the Consultant Selection Matrix which is attached as Exhibit "A".

Based on the interviews and the proposal rankings, staff believes that DiLytics has the best understanding of the Oracle BI Software Upgrade project, has the most experienced project team, submitted an optimal project schedule, and is the most capable of assisting the District with the upgrade.

Staff recommends awarding a Professional Service Agreement to DiLytics in the amount of \$417,600. DiLytics's proposal is attached as Exhibit "B".

FISCAL IMPACTS:

The Oracle BI Software Upgrade was included in the approved FY 2015-16 capital budget. A budget increase is requested for projects 6181 and 6184 as listed below:

<u>Project No.</u>	<u>Current Budget</u>	<u>Addition <Reduction></u>	<u>Total Budget</u>
6181	\$126,500	\$119,900	\$246,400
6184	\$126,500	\$119,900	\$246,400
Total	\$253,000	\$239,900	\$492,800

ENVIRONMENTAL COMPLIANCE:

This activity is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15268, Ministerial Projects.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on August 4, 2015.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH DILYTICS, INC. IN THE AMOUNT OF \$417,600 AND APPROVE A CAPITAL BUDGET INCREASE OF \$119,900 EACH FOR PROJECTS 6181 AND 6184 FOR A TOTAL BUDGET INCREASE OF \$239,800.

LIST OF EXHIBITS:

Exhibit "A" – Consultant Selection Matrix

Exhibit "B" – DiLytics Scope of Work and Fee Proposal

EXHIBIT "A"

CONSULTANT EVALUATION MATRIX

BI UPGRADE PROJECT												
Item	Description	Weights	BI Minds		Cognizant		DiLytics		Infosys		KPMG	
A	TECHNICAL APPROACH	40%										
1	Overall Project Understanding / Appro	40%	3.5		3.5		2.0		3.0			3.5
2	Scope of Proposal	60%	4.0		3.5		2.0		2.5			3.0
	<u>Weighted Score (Technical Approach)</u>		3.8		3.5		2.0		3.0			3.2
B	QUALIFICATION AND EXPERIENCE	60%										
1	Project Team	40%	3.5		4.0		2.0		2.5			3.0
2	IRWD Resource Requirements	30%	4.0		3.5		2.0		3.5			4.0
3	Schedule	10%	4.0		3.5		2.5		3.0			2.5
4	Firm's Experience	20%	4.0		4.0		2.0		3.5			4.0
	<u>Weighted Score (Experience)</u>		3.8		3.8		2.1		3.1			3.5
	COMBINED WEIGHTED SCORE		3.8		3.7		2.0		3.0			3.4
	Ranking of Consultants		5		4		1		2			3
C	SCOPE OF WORK											
TASK			Task Weeks	FEE	Task Weeks	FEE	Task Weeks	FEE	Task Weeks	FEE	Task Weeks	FEE
1	Technical Discovery		9	\$72,450	6	\$89,280	4	\$87,040	4	\$49,680	4	\$196,776
2	Perform Upgrade		154	\$1,041,440	31	\$684,960	14	\$304,640	26	\$490,320	11	\$325,000
	Additional Expenses			\$167,084		\$116,136		\$25,920				
	TOTAL WEEKS AND FEE		163	\$1,280,974	37	\$890,376	18	\$417,600	30	\$540,000	15	\$521,776
D	OTHER											
	Joint Venture		None		None		None		None			None
	Sub Consultants											
	Exceptions taken to IRWD Std Contract		None		None		None		None			None
	Insurance (Professional & General Liability)		Yes		Yes		Yes		Yes			Yes
	RANKINGS:											
	1 - Best											
	2 - 2nd Best											
	3 - 3rd Best											
	4 - 4th Best											

EXHIBIT B

**DiLytics Response
On
Request for Proposals
For Oracle BI Apps Upgrade
At
Irvine Ranch Water District (IRWD)**

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DiLytics Inc.
1660 S Amphlett Blvd. Suite 320
San Mateo CA 94402

DILYTICS

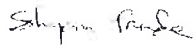
COVER LETTER

Shyam Panda, President Of DiLytics Inc. is authorized to represent DiLytics for negotiations. He is also authorized to contractually bind and extend the terms of the written proposal. Please find below details of the authorized representative.

Name: Shyam Panda
Title: President
Phone: (510) 456-5605
E-mail: spanda@dilyticsinc.com
Address: DiLytics Inc.,
1660 S Amphlett Blvd
Suite 320
San Mateo, CA 94402.

Date: 06/10/2015

Signature:



Digitally signed by Shyam Panda
DN: cn=Shyam Panda, o=DiLytics Inc,
ou=DiLytics Business Intelligence
Practice,
email=spanda@dilyticsinc.com, c=US
Date: 2015.06.10 14:59:42 -07'00'

Executive Summary

Currently, District is using Oracle BI Apps 7.9.6.2 on top of OBIEE10g with Informatica 8.6.1 as data extraction tool & DAC as an ETL scheduling tool. IRWD wishes to upgrade its current BI Infrastructure & upgrade IRWD's current BI tools & components to the most appropriate version.

DiLytics proposes the following approach & methodology to upgrade IRWD's existing OBIA system:

1) Technical Discovery

- I. Conduct a kick-off meeting to review the scope of work, project goals, schedule, stakeholders, assigned resources and responsibilities to accomplish the executed agreement.
- II. Conduct interviews with IRWD's Information Services (IS) staff to collect information on current Reports, Dashboards, Metrics, KPI's & Metadata details.
- III. Collect information on objects & data in Data warehouse.
- IV. Collect information on ETL & DAC objects.
- V. Study and analyze Reports, Dashboards, Metrics, KPI's & Metadata details and identify customizations
- VI. Study & Analyze objects & data in Data warehouse and identify customizations
- VII. Study & Analyze ETL & DAC objects and identify customizations.
- VIII. Study & Analyze current configurations
- IX. Review current BI Architecture components, tools and functionality.
- X. Review findings with IRWD IS staff.
- XI. Present upgrade version options and recommend upgrade path.
- XII. Finalize upgrade version for ETL, Data Warehouse, BI Metadata & Web catalog with IRWD IS Staff.

2) Upgrade IRWD's current BI tools and components to an agreed upon version

DiLytics suggests the following approach for upgrading the BI System:

- I. Install Oracle BI Apps version 11.x
- II. Make a backup of the current Data Warehouse instance and compare the current DW objects to the OOTB 11.x DW objects. Create DDL scripts to add the Diff to the existing Data warehouse. Validate & fix any issues. We can validate this by pointing the existing reports and metadata to the upgraded data warehouse and ensure reports are working.
- III. Upgrade the OBIEE 10g RPD to the agreed upon OBIEE 11g version.
- IV. Upgrade OBIEE 10g Catalog to the agreed upon OBIEE 11g version. After the upgrade we will validate if all the reports are coming up with the correct data & fix any RPD & catalog upgrade issues.

- V. Merge the current upgraded RPD & catalog with the Out-of-the-Box Oracle BI Apps 11.x version RPD & catalog. We will point the merged RPD & catalog to the upgraded data warehouse to make sure the existing reports are working as expected and any new reports may come up with no data (Data for new reports may not be available until ETL Migration & data load). We will validate reports & fix any issues.

3) ETL Customizations

Re-develop all ETL customizations in the new ODI ETL tool on top of OOTB ODI Mappings, to meet IRWD's current customization requirements.

4) Configuring the new Oracle BI Apps system

Configure a domain load plan in the new BI Apps 11.x environment by making Environment specific & Application specific configurations.

5) Run DiLytics migration Packages

DiLytics Extensions will preserve historical snapshots data gathered in customer's data warehouse over years.

- I. Run DiLytics extension package 1 to preserve the snapshot data.
- II. Run a full load.
- III. Run DiLytics extension package 2 to sync up the snapshot data with the newly loaded data
- IV. Run an incremental load.

Validate and fix the reports after full and incremental data load using newly customized and upgraded ODI ETL objects. We will test end to end system for any issues and fix any identified issues.

6) Training, UAT & Production

DiLytics will execute:

- I. Training for IRWD staff on the upgraded tools and content.
- II. Facilitate UAT (User Acceptance Testing) by District Staff
- III. Migration of objects to keep all environments in sync for go-live

Experience

DiLytics is an Oracle Gold Partner, Certified and Specialized in Oracle Business Intelligence. DiLytics team comes with outstanding and unparalleled expertise & experience in building Business Intelligence, Data Warehousing, ETL and Enterprise Performance Management based Analytic solutions. We are passionate to the extent of breathing, drinking and eating BI/EPM. We have figured out building and establishing BI/EPM solutions to such an extent that we study your operational systems and recommend

your strategic as well as transactional analytics requirements within a week. DiLytics team guarantees delivering on its undertakings beyond and exceeding customer expectations. We are a team of extremely customer focused professionals that don't rest until our customers are successful. Every organization of any size and industry has varying needs for different kinds of Business Intelligence Systems. Our strength lies in the fact that we are able to leverage proven methodologies for assured success in all our BI/EPM deployments.

As a 4 year old company, we have worked with various clients across varied Industries like federal, Pharma & Life Sciences, Retail, Manufacturing, Hi-Tech, etc.

DiLytics has been growing steadily over the last three years. As an indication of our growth, we would like to highlight that

1. DiLytics's customer base went up by 75% in 2013 and 57% in 2014
2. DiLytics employee strength went up by 100% in 2013 and 57% in 2014
3. DiLytics revenue went up by 300% in 2013 and 100% in 2014

We offer the following services in Business Intelligence, Data Warehousing, ETL (Extract, Transform & Load Data) and Enterprise Performance Management space:

4. Build and Deploy Custom BI/EPM Solution
5. Implement Pre-packaged BI/EPM Application
6. Design and Build Data Warehouse, Data Mart and implement Data Integration/ETL
7. BI/EPM Solution Health Check
8. Upgrade and Extend pre-existing BI/EPM Solution
9. BI/EPM Maintenance & Support

DiLytics is an approved vendor with Irvine Ranch Water District.

- DiLytics is already approved as a vendor with Irvine Ranch Water District

DiLytics is an approved vendor with Board of Governors at Federal Reserve Board.

- DiLytics has been granted Contract Award # 201400104 from Board of Governors at Federal Reserve Board.

DiLytics is California Multiple Award Schedule (CMAS) approved Organization.

- CMAS Contract Number : 3-14-70-3121B

We are Oracle recognized Specialized partner for Oracle Business Intelligence Foundation Suite 11g.

Implement Pre-Packaged BI/Analytics Applications

DiLytics team understands the importance of ROI for a business investing into a BI/Analytics solution. In certain situations, where an organization's business requirements are generic enough, we evaluate available products from a fit vs gap perspective and measure whether the required extensions of the out of the box product still indicate a favorable ROI for our customer. In cases where the resulting ROI from





a pre-packaged product is better than the expected ROI from a custom BI/Analytics solution, we recommend implementation and deployment of the pre-packaged analytics product.

DiLytics has Implemented, Upgraded and Deployed Oracle BI Apps. Below is a summary of the activities performed by DiLytics during Oracle BI Apps project:

- A. Install, set up & configure multiple modules of Oracle BI Apps and load OOTB data from EBS
- B. Engage business users in discovering OOTB content
- C. Discuss and document specific requirements for implementation
- D. Review documented requirements with Business Users
- E. Design Custom Reports
- F. Build Custom Reports
- G. Conduct Conference Room Pilot
- H. Perform QA
- I. Execute UAT
- J. Deploy to Prod environment and go-live
- K. Train End-users and IT Personnel

Team

Below are some of the resumes, who might be assigned to the project depending on the timing of the project. The individuals working on the project will have the same level of experience as below.

<i>Role</i>	<i>Resource Name</i>	<i>Responsibility</i>	<i>Resume</i>
Project Manager	Consultant 1	Project Management	 DiLytics Consultant Resume 1.pdf
OBIA Lead	Consultant 2	Implementation	 DiLytics Consultant Resume 2.pdf
OBIA Architect	Consultant 3	Implementation	 DiLytics Consultant Resume 3.pdf
ETL Architect	Consultant 4	Implementation	 DiLytics Consultant Resume 4.pdf

Project Manager will be contributing 50% of his time and rest will be contributing 100% of their time for the Project.

Study & Analysis related tasks are recommended to be executed remotely.

Activity	DiLytics Resource
Conduct Kickoff Meetings, Interviews & collect requirements	Project Manager ETL Architect OBIA Architect OBIA Lead
Study & Analyze Requirements	OBIA Architect OBIA Lead ETL Architect
Review Findings & Finalize Upgrade Path	Project Manager OBIA Architect OBIA Lead ETL Architect
Upgrade Oracle BI Apps Components	OBIA Architect OBIA Lead ETL Architect
Develop ETL & OBIEE Customizations	OBIA Architect OBIA Lead ETL Architect
Configuring Oracle BI Apps	Project Manager OBIA Architect OBIA Lead ETL Architect
Run DiLytics migration packages	OBIA Architect ETL Architect
Training	OBIA Architect OBIA Lead ETL Architect
UAT & Deployment	Project Manager ETL Architect OBIA Architect OBIA Lead

***District Staff will be engaged for discussing identified customizations, finalize upgrade version, validations at each step**

DiLytics Practice Director will be the primary point of contact responsible for overall corporate commitment.

Responsibilities:

1. Project Manager: Project manager will be responsible for

- Activity planning, Resource Planning and Analyze risk.
- Matures the IT environment by managing the lifecycle of IT solution delivery.
- Provides architectural design and documentation at a system or capability level.

- Collaborates with and understands business goals and direction and translates to architectural decisions.
- Consults on issues of systems integration, compatibility, scalability and multiple platforms.
- Mentors and coaches others within the IT organization.

2. OBIA Architect

- Will participate in interviews to understand the upgrade requirements.
- Helps create an upgrade requirements document at the end of Task 1 to review with IRWD team.
- Understand project requirements and work towards design and development of the plan layout
- Develop and deploy dashboards, analytics and reports appropriately
- Design and place data in layers varying to physical, business and presentation
- Will work with the ETL Lead on configuring Oracle BI Apps.
- Use the business intelligence best practices to meet project and organization objectives
- Provide support in the development of OBIEE components and solutions
- Train the users on OBIEE 11g
- Will help users validate reports and dashboards during UAT.

3. OBIA Lead

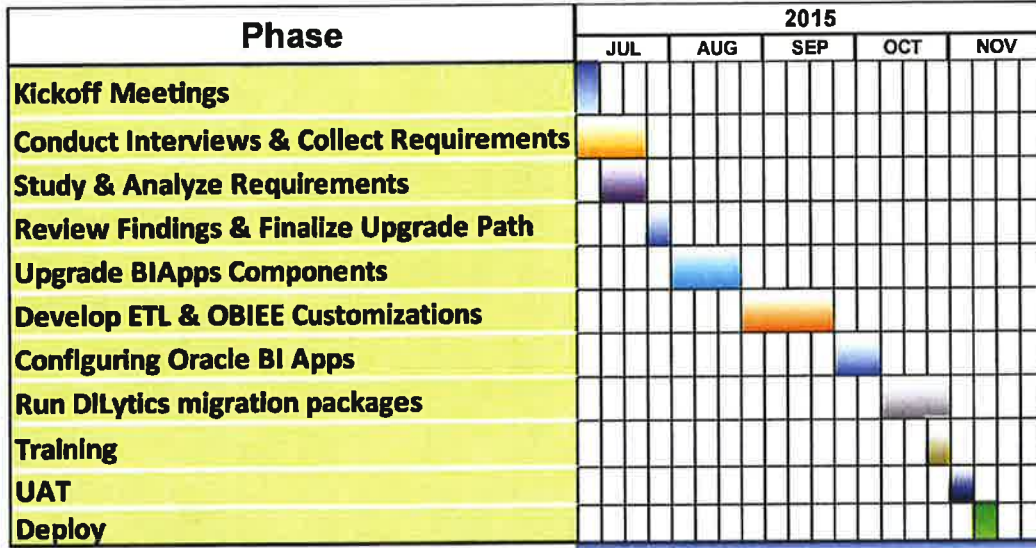
- Conduct Analysis of difference in existing version of BI Apps vs. new version of BI Apps
- Carry out impact assessment of CRs and end-to-end design.
- Work with administrators, users and analysts to maintain exchange of reporting requirements
- Provide support in the development of OBIEE components and solutions
- Train the users on OBIEE 11g
- Will help users validate reports and dashboards during UAT.

4. ETL Architect

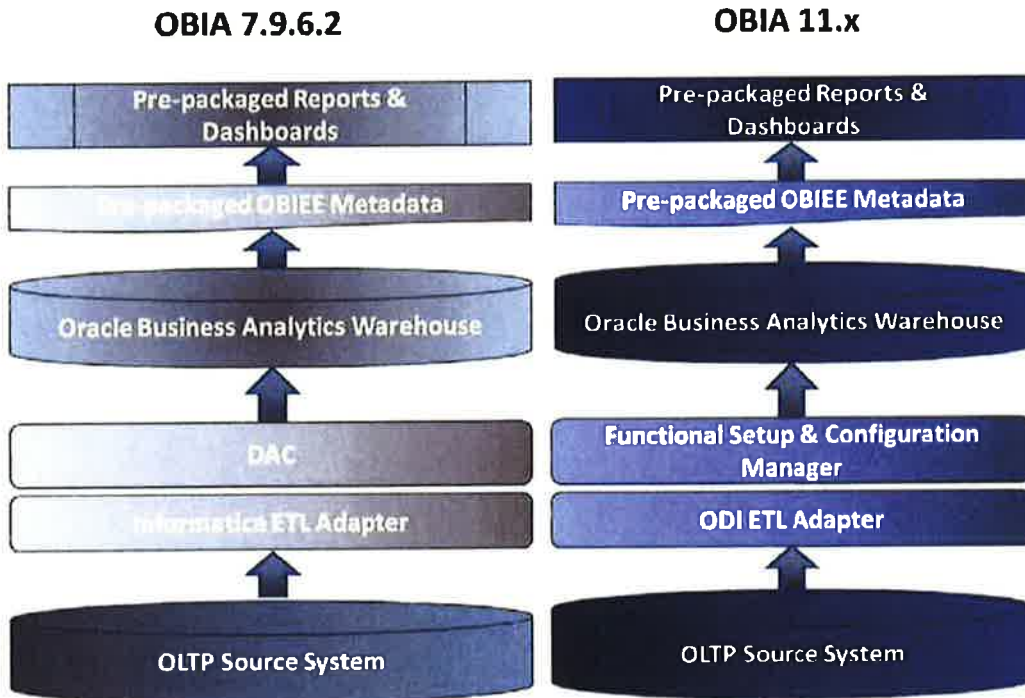
- Work with stakeholders, analysts to identify ETL upgrade requirements and design end-to-end solution that best meet business needs.
- Collaborate with OBIA Architect and Lead during data warehouse upgrade, ETL Upgrade and customizations.
- Transforms business-oriented functional specifications into detailed technical specifications.
- Create and maintain Data Warehouse data model following set standards, utilizing both Relational and Dimensional Modeling techniques.
- Conduct technical code reviews, provide project related status reporting, coordinate all release planning and lead the development team through all project phases.
- Create and maintain metadata to ensure consistent metric definitions and nomenclature is used within the EDW/BI environment.
- Will help users validate reports and dashboards during UAT

Project Approach and Timeline

Please find below the work plan for major activities and schedule for the project:



Architecture Overview of OBIA 7.9.6.2 vs OBIA 11.x



New features in OBIA 11 releases

Release	Newly added features
11.1.1.7.1	<p>Oracle Financial Analytics provides organizations detailed analysis into the factors that drive revenues, costs, and shareholder value. It helps front-line managers improve financial performance with complete, up-to-the-minute information on their departments' expenses and revenue contributions, cash flow, and profitability, while maintaining more accurate, timely, and transparent financial reporting that helps ensure Sarbanes-Oxley compliance. New content areas for Financial Analytics: Fixed Assets Analytics, Budgetary Control Analytics,</p> <p>Oracle Human Resources Analytics provides organizations detailed analysis on HR programs and workforce performance. HR staff, business executives and front-line managers have access to the critical workforce information required to analyze workforce staffing and productivity, and to better design compensation that rewards performance. New content areas for Human Resources Analytics: Time and Labor Analytics, Payroll Analytics, Workforce Gains and Losses</p> <p>Oracle Procurement & Spend Analytics help organizations optimize their supply side performance by integrating data from across the enterprise value chain. Organizations benefit from increased visibility into Corporate Spend and complete source-to-pay process, including comprehensive sourcing and procurement analysis, supplier performance analysis, supplier payables analysis, and Employee Expenses. New content areas for Oracle Procurement and Spend Analytics: Sourcing Analytics</p> <p>Oracle Project Analytics provides out-of-the-box, role-based dashboards that enable project managers, executives, and accountants to monitor projects and control the risks that lead to budget and schedule overruns. New content areas for Projects Analytics: Resource Management Analytics, Project Subledger Reconciliation, Perspective based dashboards</p>
11.1.1.8.1	<p>Oracle Financial Analytics improves company Financial Performance with the new Subledger Accounting Module, providing complete account balance analysis, including supporting reference balances and drill down to accounting transactions. Aging Snapshot restoration for Receivables and Payables, drilldown from Payables to Purchase Orders, and Fixed Assets support for GL Posting Status are features also included in the release.</p> <p>Oracle Project Analytics expands insight into project-based data with new Earned Value Management Analysis, providing visibility for Project Stakeholders into Planned Value, Earned Value, and Actual Cost. Analysis of variances and indices, derived from Cost and Schedule Variance, CPI, TCPI, SPI and TSPI, is also available.</p>
11.1.1.9.1	<p>Oracle Financial Analytics provides a new Essbase GL Balances model for improved EBS Financial Service Generator (FSG) Reporting and Hierarchy navigation, including support of ragged hierarchies for GL segment dimensions.</p> <p>Oracle Project Analytics expands project-based insight with new Construction in Process (CIP) support, providing visibility for Project Stakeholders into in-progress costs, expensed costs since project inception and across organizations.</p> <p>Oracle Procurement and Spend Analytics delivers new capabilities for Fusion Procurement, including Supply Chain Financial orchestration, negotiation and award approvals, and Buyer assignment controls.</p> <p>Oracle Human Resources Analytics expands analysis on HR programs and workforce performance for Fusion HCM with support of Talent Management Analysis</p>

We will discuss in detail on all the features that got added to the new releases to help IRWD decide on the most appropriate Oracle BI Apps version to upgrade to.

A. Kickoff meeting & Interviews with IRWD's IS staff:

Interviews with the IRWD's Information services staff will be conducted with the aim to get an understanding of the needs of the District and the current system configurations. We will send out a list of questions to stakeholders before the meeting, so that stakeholders can come prepared to the meeting. After the interview, will send out follow-up question if any.

B. Collect, Study & Analyze Requirements

Based on the inputs from the IRWD's IS staff we will start exploring the BI system in place for information on Data warehouse objects, ETL, DAC, RPD and Web catalog objects. At the end of this stage, we will identify any customizations and document them for upgrade migration.

C. Review findings with IRWD IS staff & recommend Upgrade Path

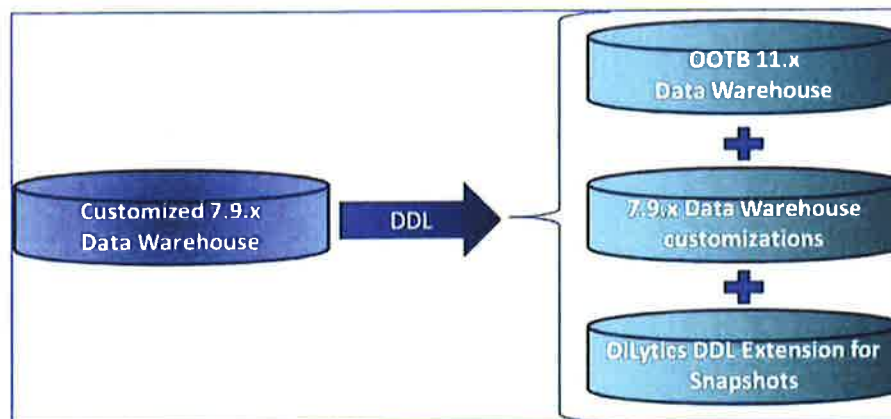
We will schedule multiple interviews with IRWD's IS staff to brief on our findings and seek feedback on the findings. DiLytics team will prepare an upgrade requirements document that illustrates the Findings. Review the Upgrade Requirements document with the IS staff inputs and finalize the upgrade path.

D. Upgrade IRWD's Oracle Business Intelligence Apps Infrastructure:

The Upgrade document DiLytics delivers will contain upgrade steps for all the BI infrastructure objects & metadata including OBIEE, ETL & Data Warehouse. DiLytics team will review the upgrade document with the IRWD's stakeholders and Finalize the BI upgrade document.

Step 1 in the upgrade process will be installing the Oracle BI Apps version 11.x that the IRWD team has agreed upon

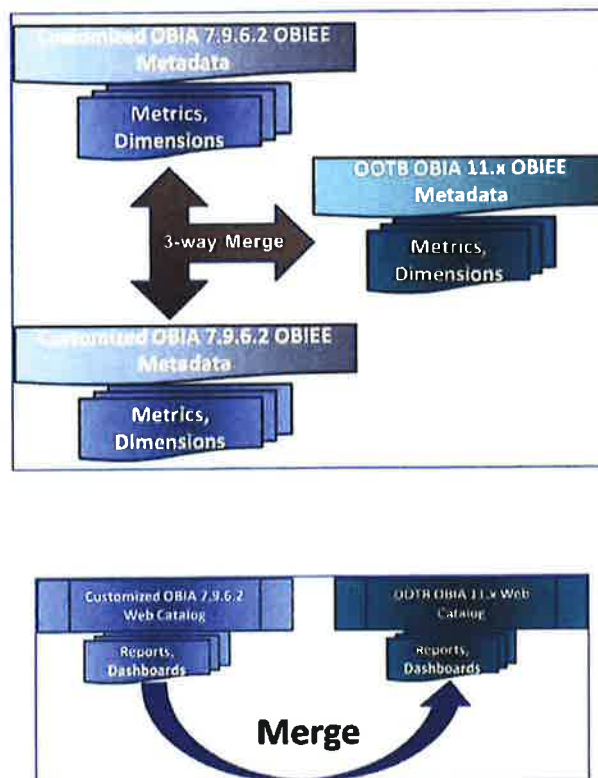
Step 2 We will identify the difference between 7.9.6.2 DW & OOTB 11.x DW and apply the Diff DDL to the IRWD's existing OBIA data warehouse.



Step 3 will be to point the existing OBIEE 10g RPD and web catalog to the upgraded data warehouse. Validate that the existing OBIEE reports work as expected after the data warehouse upgrade and fix any identified issues.

Step 4 will be to upgrade the OBIEE 10g RPD and web catalog to agreed OBIEE 11g version. Then point the upgraded OBIEE 11g RPD and web catalog to the upgraded data warehouse. Validate that the upgraded OBIEE 11g reports work as expected after the OBIEE upgrade and fix any identified issues.

Step 5 will be to merge the upgraded OBIEE 11g RPD and web catalog with RPD and web catalog in the agreed Oracle BI Apps 11.x version. This will merge the RPD and web catalog customizations (250 custom reports and 7 dashboards) from OBIA 7.9.6.2 with OBIA 11.x OOTB RPD and web catalog. Then point the merged OBIEE 11g RPD and web catalog to the upgraded data warehouse. Validate that the merged OBIEE 11g reports work as expected after the RPD/web catalog merge and fix any identified issues.



Step 6 Develop custom mappings in ODI on top of 11.x OOTB mappings to pull data from AS400 for Project Analytics and address additional current ETL customizations in Informatica.

Step 7 Run DiLytics upgrade package 1, this will populate data into over 950 additional fields in 16 Snapshot tables. Then run the DiLytics upgrade package 2 which will resolve over 300 dimension Row WID values. DiLytics ODI extension packages contains 32 ODI mappings in total.

E. Training, UAT & Deployment

DiLytics will provide Live In-Class Training, User Guides and recorded sessions for the end users to be productive. Multiple UAT sessions will be scheduled with the users for testing and sign-off on the upgraded system. Will deploy the system into production as soon as we get the UAT signoff.

Activity	Deliverables
Kickoff Meetings & Interviews	Upgrade Requirements Document
Study & Analyze Requirements	Upgrade Requirements Document for data warehouse, ETL and BI Metadata
Review Findings & Finalize Upgrade Path	IT to review and signoff Upgrade Requirements document and agree on the Oracle BI Apps upgrade version.
Upgrade Oracle BI Apps Components	Approved Upgrade Document and successful upgrade of BI Apps Components
ETL Customizations	Successfully create custom ETL mappings and test
Configuring Oracle BI Apps and Run DiLytics migration packages	Complete environment specific and application specific Configurations and load the data warehouse without losing historic data
Training, UAT, Deployment	Verified and signed off Production environment, Training Document, recorded sessions and Deployment document

Schedule

DiLytics hereby assures that we will be able to meet the proposed schedule based on our current workload.

Phase	2015				
	JUL	AUG	SEP	OCT	NOV
Kickoff Meetings	█				
Conduct Interviews & Collect Requirements	█				
Study & Analyze Requirements	█				
Review Findings & Finalize Upgrade Path		█			
Upgrade BIApps Components		█			
Develop ETL & OBIEE Customizations			█		
Configuring Oracle BI Apps				█	
Run DiLytics migration packages				█	
Training					█
UAT					█
Deploy					█

References

Organization Name	BloMarin
Address	770 Lindaro St,
City/State/Zip	San Rafael, CA 94901
Contact Name	Gudrun Fin
Telephone	(415) 506 6848
E-mail Address	GFinn@bmrn.com
Description of service provided:	<ul style="list-style-type: none"> • Implemented multiple OBIA projects for their Supply Chain, Manufacturing, Finance, HR teams. • Implemented Advanced Planning Command Center(APCC) for their supply chain team to help them make Supply Chain decisions in real time • Implemented Manufacturing Analytics for Manufacturing team and HR Analytics for HR team.
Consultant 1	<ul style="list-style-type: none"> • Steered the implementation to successfully deploy OBIA HR Analytics, OBIA Manufacturing Analytics & Customizations on OBIA Financial Analytics.
Consultant 2	<ul style="list-style-type: none"> • Lead the HR Analytics & Manufacturing analytics implementations. • Helped Supply chain team get insight into ASCP data • Designed & built custom solution for compliance team to generate reports from TrackWise application
Consultant 3	<ul style="list-style-type: none"> • Installed Oracle BI Apps 11.1.1.7.1, ODI Server on Oracle Linux Server • Configured Human Resource Analytics as an implementation project in Functional Setup Manager
Consultant 4	<ul style="list-style-type: none"> • Created and Generated new load plans for Domains mappings and Data mappings for Human Resource Analytics fact groups in Configuration Manager • Monitored Full loads and Incremental loads through Oracle Data Integrator (ODI) tool. • Created custom ETL mappings based on requirements

Organization Name	Alpha and Omega
Address	475 Oakmead Pkwy
City/State/Zip	Sunnyvale, CA 94085
Contact Name	Xiaoming Ding
Telephone	(408) 789-3128
E-mail Address	xding@us.aosmd.com
Description of service provided:	<ul style="list-style-type: none"> • Designed and developed custom data warehouse to reflect data from AOS Home Grown system on MySQL, EBS and Flat files • Installed all the necessary software (Oracle database, Oracle Business Intelligence Enterprise Edition (OBIEE), etc.) • Designed and developed OBIEE Metadata layer (RPD) and reports based on the requirements. • Implemented Security for BI. • Scheduled ETL Jobs in Oracle Warehouse Builder (OWB) for data refresh
Consultant 1	<ul style="list-style-type: none"> • Managed multiple projects for AOS as part of DiLytics team • Provided data warehouse design Inputs when needed
Consultant 2	<ul style="list-style-type: none"> • Designed and developed the custom BI solution for AOS home grown system on MySQL, EBS and Flat files as source. • Involved in end to end project life cycle and managed offshore.
Consultant 4	<ul style="list-style-type: none"> • Designed and Build OWB mappings for the custom data warehouse • Created the ETL architecture and provided strategy related to data cleansing, data quality and data consolidation using OWB Mappings, Process flows, PL/SQL Scripts, stored procedures, packages, functions.

Organization Name	Sony Computer Entertainment America LLC
Address	2207 Bridgepointe Parkway
City/State/Zip	San Mateo, CA 94404
Contact Name	Sree Vaidyanathan
Telephone	+1 650-996-7460 (M)

E-mail Address	sreevaaid@hotmail.com
Project Scope	<p>DiLytics has Implemented, Tested and Deployed Human Resource Analytics. Below is a summary of the activities performed by DiLytics during this project:</p> <ul style="list-style-type: none"> A. Install, set up & configure Oracle HR Analytics instance and load OOTB data from EBS B. Engage business users in discovering OOTB content in Oracle HR Analytics C. Discuss and document Sony specific requirements for Oracle HR Analytics implementation D. Review documented requirements with Business Users E. Design Custom Reports F. Build Custom Reports G. Conduct Conference Room Pilot H. Perform QA I. Execute UAT J. Deploy to Prod environment and go-live K. Train End-users and IT Personnel <p>Description of Solution:</p> <p>Human Resource Analytics Implementation:</p> <ul style="list-style-type: none"> • Install Data Warehouse Facts, Dimensions, Hierarchies, Snapshot tables • Configure Human Resource Analytics • Set up ETL for data extraction, transformation and loading • Perform data load and fix ETL issues • Design & build Customer reports • Modified Out of the Box reports as per user feedback • Perform CRP & UAT Sessions • Migrate to Production and Go-live • Train End Users & IT Personnel <p>Business Intelligence Stabilization:</p> <ul style="list-style-type: none"> • Optimize adoption of Business Intelligence for Sales, Operations, Logistics, Supply Chain, Credit Collection (AR), GL team, Purchasing and Payables functional areas • Build reports for Sales Transactional analysis team, Sales Analytics team, Supply Chain, Logistics and Ops teams • Made enhancements to existing Subject Areas • Fixed Security related issues
Consultant 1	<ul style="list-style-type: none"> • Responsible for overall project management & delivery

	<ul style="list-style-type: none"> • Weekly communication meetings with Team Principals • Review weekly progress reports of Team Principals
Consultant 3	<ul style="list-style-type: none"> • Responsible for installing & configuring HR Analytics • Worked with the business team to discover OOTB content in Oracle HR Analytics • Developed test cases for UAT

Cost Proposal*

Option I (Fixed Bid) - Below table illustrates our fixed fee bid for the OBIA Upgrade RFP broken down by Task and sub task to represent invoicing schedule

Task	Sub-Task	Role	Cost
Task 1 – Technical discovery	Kickoff Meeting, Conduct Interviews & Gather requirements	PM	\$4,000
		OBIA Architect	\$7,400
		OBIA Lead	\$7,000
		ETL Architect	\$7,200
	Study & Analyze Requirements	OBIA Architect	\$14,800
		OBIA Lead	\$14,000
		ETL Architect	\$14,400
	Review Findings & Finalize Upgrade Path	PM	\$10,000
		OBIA Architect	\$8,400
		OBIA Lead	\$7,000
ETL Architect		\$8,200	
Task 1 - Total			\$102,400
Task 2 - Upgrade IRWD's current BI tools and components	Upgrade Oracle BI Apps Components	OBIA Architect	\$26,200
		OBIA Lead	\$25,000
		ETL Architect	\$25,600
	Develop ETL & OBIEE Customizations	OBIA Architect	\$35,600
		OBIA Lead	\$33,000
		ETL Architect	\$33,800
	Configuring Oracle BI Apps	PM	\$8,000
		OBIA Architect	\$14,800
		OBIA Lead	\$14,000
		ETL Architect	\$14,400
	Run DiLytics migration packages	OBIA Architect	\$34,200
		ETL Architect	\$42,600
	Training	OBIA Architect	\$9,400
		OBIA Lead	\$8,000
		ETL Architect	\$8,200
	UAT & Deployment	PM	\$4,000
		OBIA	\$7,400

Task	Sub-Task	Role	Cost
		Architect	
		OBIA Lead	\$7,000
		ETL Architect	\$7,200
Task 2 - Total			\$358,400
Grand Total			\$460,800

Option II (Time & Material basis) - Below table illustrates our Labor Billing Rates for Time & Material based fee for the OBIA Upgrade RFP. Invoicing will be done monthly if this option is chosen:

Role	Rate/Hr
Project Manager	\$ 200
OBIA Architect	\$ 185
OBIA Lead	\$ 175
ETL Architect	\$ 180

* Travel and expense will be billed in addition to the above fixed bid or Time & Material based fee on actuals (In accordance with District travel and expense guidelines)

Joint Venture

DiLytics is not partnering with any other firm on this RFP.

Conflict of Interest

DiLytics confirms that there are no personal or organizational conflicts of interest prohibited by law.

Insurance

DiLytics Confirms to comply with IRWD insurance requirements, which are as follows:

1. IRWD requires professional liability coverage to be a minimum of \$1,000,000, general liability and property damage to be a minimum of \$1,000,000.
2. Any additional premium that is required by the insurance carrier for such coverage shall be included in your proposed fee.
3. IRWD will not pay a separate insurance surcharge for the required coverage.

3. Option 3 (OBIA and OUBI Upgrade RFPs Offshore Individually – 15% Discount)


A. OBIA Revised Cost (Offshore Individually – 15% Discount)

Task	Sub-Task	Role	Original Cost	Revised Cost
Task 1 – Technical discovery	Kickoff Meeting, Conduct Interviews & Gather requirements	PM	\$4,000	\$3,400
		OBIA Architect	\$7,400	\$6,290
		OBIA Lead	\$7,000	\$5,950
		ETL Architect	\$7,200	\$6,120
	Study & Analyze Requirements	OBIA Architect	\$14,800	\$12,580
		OBIA Lead	\$14,000	\$11,900
		ETL Architect	\$14,400	\$12,240
	Review Findings & Finalize Upgrade Path	PM	\$10,000	\$8,500
		OBIA Architect	\$8,400	\$7,140
		OBIA Lead	\$7,000	\$5,950
		ETL Architect	\$8,200	\$6,970
	Task 1 - Total (160 hours Duration)			\$102,400
Task 2 - Upgrade IRWD's current BI tools and components	Upgrade Oracle BI Apps Components	OBIA Architect	\$26,200	\$22,270
		OBIA Lead	\$25,000	\$21,250
		ETL Architect	\$25,600	\$21,760
	Develop ETL & OBIEE Customizations	OBIA Architect	\$35,600	\$30,260
		OBIA Lead	\$33,000	\$28,050
		ETL Architect	\$33,800	\$28,730
	Configuring Oracle BI Apps	PM	\$8,000	\$6,800
		OBIA Architect	\$14,800	\$12,580
		OBIA Lead	\$14,000	\$11,900
		ETL Architect	\$14,400	\$12,240
	Run DiLytics migration packages	OBIA Architect	\$34,200	\$29,070
		ETL Architect	\$42,600	\$36,210
	Training	OBIA Architect	\$9,400	\$7,990
		OBIA Lead	\$8,000	\$6,800
		ETL Architect	\$8,200	\$6,970
	UAT & Deployment	PM	\$4,000	\$3,400
OBIA Architect		\$7,400	\$6,290	
OBIA Lead		\$7,000	\$5,950	
ETL Architect		\$7,200	\$6,120	
Task 2 - Total (560 hours Duration)			\$358,400	\$304,640
Grand Total			\$460,800	\$391,680

August 10, 2015

Prepared by: L. Lewis / C. Smithson

Submitted by: Cheryl Clary 

Approved by: Paul A. Cook 

ACTION CALENDAR

CHANGES TO EXISTING RULES AND REGULATIONS FIRST READING AND INTRODUCTION

SUMMARY:

Staff has compiled proposed changes to the District's Rules and Regulations for Water, Sewer, Recycled Water, and Natural Treatment System Service. The most significant change affects the billing of nonresidential sewer service customers, including the addition of criteria for an alternative service charge based on measured flows for industrial customers. The proposed changes also include greater leeway for bill adjustments along with other wording revisions. Staff recommends that the resolution be introduced for First Reading and read by title only, that further reading of the resolution be waived, and that the Secretary be directed to place the resolution on the agenda for the August 14, 2015 meeting of the Board of Directors for a second reading, hearing and adoption.

BACKGROUND:

From time to time, staff proposes changes to IRWD's Rules and Regulations. The proposed changes are limited to Sections 7 and 12, Use of District Sewerage Facilities and Service Charges, respectively, as well as the addition of an exhibit to the Rules and Regulations that identify maximum allowable local concentration discharge limits for certain constituents. Recommended changes are included in the attached redlined document provided in Exhibit "A" and will be adopted by resolution as provided in Exhibit "B".

Section 7 - Use of District Sewerage Facilities:

The recommended changes to Section 7 can be found throughout the section including several minor adjustments to existing definitions and several small textual edits. The primary change – and the most significant – provides criteria for use of an Alternative Service Charge included in the Rates and Charges for industrial customers, currently applied to only one District customer. Section 7.5.2 was added to the Rules and Regulations document to provide criteria for both District acceptance of such a request and deciding factors for disallowing or terminating use of the Alternative Service Charge.

Additionally, an exhibit will be added to the Rules and Regulations that will contain a table of the District's Maximum Allowable Local Discharge Concentration Limits on certain constituents. The Local Limits are also contained in Section 2.2 of the Schedule of Rates and Charges, and will be moved to a separate exhibit to the Rules and Regulations so that any future modification to the local limits can be made without needing to modify the Schedule of Rates and Charges.

Section 12 – Service Charges:

The recommended changes can be found throughout Section 12 and are primarily small textual edits. The most significant change is included in section 12.7.5 providing for additional bill adjustments at the District's discretion for leak repairs due to extraneous circumstances that prolong fixing a leak.

The District's legal counsel has reviewed the proposed changes.

FISCAL IMPACTS:

The program is currently being administered, and the proposed revisions are not expected to result in a significant fiscal impact to IRWD.

ENVIRONMENTAL COMPLIANCE:

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

RECOMMENDATION:

THAT THE RESOLUTION BE INTRODUCED FOR FIRST READING AND READ BY TITLE ONLY, THAT FURTHER READING OF THE RESOLUTION BE WAIVED, AND THAT THE SECRETARY BE DIRECTED TO PLACE THE RESOLUTION ON THE AGENDA FOR THE AUGUST 24, 2015 MEETING OF THE BOARD OF DIRECTORS FOR A SECOND READING, HEARING AND ADOPTION.

Secretary: Read the title of the resolution:

RESOLUTION NO. 2015-

RESOLUTION RESCINDING RESOLUTION NO. 2014-50
AND ESTABLISHING REVISED RULES AND REGULATIONS
OF THE IRVINE RANCH WATER DISTRICT FOR WATER,
SEWER, RECYCLED WATER, AND NATURAL
TREATMENT SYSTEM SERVICE AND EXHIBIT "A" THERETO.

LIST OF EXHIBITS:

Exhibit "A" - Redlined Proposed Rules and Regulations
Exhibit "B" - Resolution Establishing Revised Rules and Regulations

Redlined Version

**RULES AND REGULATIONS
FOR WATER, SEWER,
RECYCLED WATER,
AND NATURAL TREATMENT SYSTEM SERVICE**

**Irvine Ranch Water District
Orange County, California**

IRVINE RANCH WATER DISTRICT

RULES AND REGULATIONS FOR WATER, SEWER, RECYCLED WATER AND NATURAL
TREATMENT SYSTEM SERVICE

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Exhibits

A. Maps

A.1 Water Improvement Districts ([Separate Document Not Attached](#))

A.2 Sewer Improvement Districts ([Separate Document Not Attached](#))

A.3 Cities within IRWD Boundaries ([Separate Document Not Attached](#))

B. Rates and Charges for Water, Sewer, and Recycled
Water Service (Separate Document)

C. Maximum Allowable Local Limits (Separate Document- Attached)

IRVINE RANCH WATER DISTRICT

Section 1: GENERAL

Water, sewer, recycled water, and natural treatment system service by the Irvine Ranch Water District, subject to the availability of facilities, adequate capacity in facilities, or funds or financing for the construction thereof, or all of the foregoing, is available on the following terms and conditions including all charges hereinafter established and provided for. Service on the basis herein set forth is intended to be available to each member of the public or each segment of the public on the same basis to the extent applicants, owners, or customers are similarly situated and desire to be served and may be served in an equal and comparable manner.

The general areas presently included within the boundaries of the District and the existing Improvement Districts are as established by the Board from time to time and depicted on Exhibits A-1 and A-2 to these Rules and Regulations. Exhibits A-1 and A-2 hereto are by this reference incorporated herein and may be changed by the District from time to time. In such instances, revised Exhibits A-1 and A-2 or portions thereof will be substituted to these Rules and Regulations. Such Improvement Districts have been formed for the purpose of funding the construction and acquisition of facilities and capacities to provide water, sewer, and recycled water service. It is contemplated that additional Improvement Districts will be formed, as deemed proper by the Board, at a later date or that additional areas may be annexed, as determined by the Board, to the existing Improvement Districts or any Improvement Districts subsequently established within the District. Contracts with the District may also provide for the funding of construction and acquisition of facilities for water, sewer, recycled water or natural treatment system service. Such contracts require the construction of necessary facilities or the payment of the capital cost and annual cost of operating and maintaining such facilities.

The plans for facilities to be constructed within the District and each of the existing and future Improvement Districts are intended to be an integrated part of the District's Water Resources Master Plan, Sewer Master Plan, Natural Treatment System Master Plan, Sub-Area Master Plans; and addenda thereto, which are approved from time to time, hereinafter in some instances referred collectively to as "the Plan."

As it is the mandate of the State of California to effect conservation of water resources whenever possible, the Plan is also directed toward collecting, treating, and reclaiming sewage and wastewater and beneficially reusing the resulting recycled water.

It is the intent of the District that such recycled water be used in a manner that is in compliance with any and all applicable Federal, State, and local statutes, ordinances, regulations, and other requirements

If recycled water service is determined by the District to be feasible in accordance with Section 4.12, the applicant, owner or customer will be required to utilize recycled water service.

It is also the intent of the District, in cooperation with the County and Cities, to provide service in the treatment of urban runoff through the operation, maintenance and monitoring of constructed water quality wetlands and bio retention cells, known as Natural Treatment Systems. Natural treatment systems shall be sited in various locations in the District, as outlined in the Natural Treatment System Master Plan or as determined by the District. Use of the natural treatment system for urban runoff treatment shall be subject to the requirements of these Rules and Regulations. The level of treatment provided shall be at the discretion of the District. Property owners and developers will be

IRVINE RANCH WATER DISTRICT

responsible for any urban runoff minimization or other best management practices that may be required by the County or Cities, notwithstanding the operation of the District's natural treatment systems.

The District constructs the facilities needed in concert with environmental and land use decisions. The District neither determines nor intends to determine or precipitate land use decisions or the accomplishment of any plans of development of various owners of undeveloped property within the District.

In most instances, the sewer service is available as herein provided only where the District is assured to its satisfaction that in perpetuity it will also be providing water service to the applicant, customer, or property owner or the successor thereto for which sewer service is desired.

Requirements set forth in these Rules and Regulations, including but not limited to applicable rates and charges, may be modified by special contract where, in the opinion of the district, unique circumstances exist.

IRVINE RANCH WATER DISTRICT

Section 2: DEFINITIONS

For the purpose of these Rules and Regulations, the following terms, phrases, words, and their derivations shall have the meaning given below. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular number, and words in the singular include the plural number. The word "shall" is always mandatory and not merely directory.

- (1) **AIR-GAP SEPARATION** shall mean a physical break between a supply pipe and a receiving vessel. The air gap shall be at least double the diameter of the supply pipe, measured vertically above the top rim of the vessel, and in no case less than one inch.
- (2) **APPLICANT** shall mean any person, firm, corporation, association, or agency who desires to obtain water, sewer, recycled water or natural treatment system service from the District.
- (3) **APPLICATION RATE** shall mean the rate at which irrigation water, expressed in inches per hour, is applied to a DESIGN AREA.
- (4) **APPROVED CHECK VALVE** shall mean a check valve that seats readily and completely. It must be carefully machined to have free moving parts and assured water tightness. The face of the closure element and valve seat must be bronze, composition, or other non-corrodible material that will seat tightly under all prevailing conditions of field use. Pins and bushings shall be of bronze or other non-corrodible, non-sticking material, machined for easy, dependable operation. The closure element (e.g., clapper) shall be internally weighted or otherwise internally equipped to promote rapid and positive closure in all sizes where this feature is obtainable. *
- (5) **APPROVED DOUBLE CHECK VALVE ASSEMBLY** shall mean an assembly of at least two independently acting approved check valves including tightly closing shut-off valves on each side of the check valve assembly and suitable leak-detector drains plus connections available for testing the water tightness of each check valve. *
- (6) **APPROVED REDUCED PRESSURE PRINCIPLE BACKFLOW PREVENTION DEVICE** shall mean a device incorporating two or more check valves and an automatically operating differential relief valve located between the two checks, two shut-off valves, and equipped with necessary appurtenances for testing. The device shall operate to maintain the pressure in the zone between two check valves, less than the pressure on the District's water supply side of the device. At cessation of normal flow, the pressure between the check valves shall be less than the supply pressure. In case of leakage of either check valve, the differential relief valve shall operate to maintain this reduced pressure by

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* Devices used within the District shall be included on the list of devices approved by the Foundation for Cross-Connection Control and Hydraulic Research, University of Southern California.

discharging to the atmosphere. When the inlet pressure is two pounds per square inch or less, the relief valve shall be open to the atmosphere thereby providing an air gap in the device. To be approved, these devices must be readily accessible for maintenance and testing, and installed in a location where no part of the valve will be submerged. *

- (7) **AUTOMATIC SYSTEM** shall mean with reference to landscape irrigation systems; automatic controllers, valves, and associated equipment required for the programming of effective water application rates when using recycled water.
- (8) **AUXILIARY WATER SUPPLY** shall mean any water supply on or available to the premises other than the District's potable water and recycled water supplies.
- (9) **BACKWATER DEVICE** shall mean a unit that permits flow in lines normally under open channel flow conditions, such as sewers, to occur in one direction only by mechanically blocking the flow or by providing a pressure relief opening such that flow may not occur in the uphill direction, as approved by the District and local governing agencies.
- (10) **BUILDING SEWER** - see "UPPER LATERAL."
- (11) **BOARD** shall mean the Board of Directors of the District.
- (12) **COMMODITY CHARGE** shall mean a charge imposed by the District for all water used by general metered, temporary, and agricultural customers; whether such water used is actually metered or only estimated.
- (13) **CONNECTION FEE** shall mean a charge imposed by the District for obtaining water, sewer, recycled water or natural treatment system service from the District, including charges for capacity. The charge in no event shall be less than or on conditions other than as specified by the District or as required by any and all applicable Federal, State, or local statutes, regulations, ordinances, contracts, or other requirements. Connection fees are set forth in Exhibit B to these Rules and Regulations.
- (14) **CONSTRUCTION MANUAL** shall mean the District's "Construction Manual for the Construction of Water, Sewer, and Recycled Water Facilities," as amended from time to time.
- (15) **CONTINGENCY PLAN** is the Water Shortage Contingency Plan adopted by the District, as amended from time to time.
- (16) **CROSS CONNECTION** shall mean any unprotected connection between any part of a water system used or intended to supply water for drinking purposes and any source or system containing water or substance that is

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not or cannot be approved as safe, wholesome, and potable for human consumption.

<p>* Devices used within the District shall be included on the list of devices approved by the Foundation for Cross-Connection Control and Hydraulic Research, University of Southern California.</p>

- (17) CUSTOMER shall mean any person, firm, corporation, association, or agency who uses or desires to obtain water, sewer, recycled water and/or natural treatment system service from the District.
- (18) DESIGN AREA shall mean the specific land area or facilities designated to be served through on-site facilities when used in reference to recycled water systems.
- (19) DISTRICT shall mean the Irvine Ranch Water District.
- (20) IMPROVEMENT DISTRICT shall mean any of the Improvement Districts of the District existing or hereafter established.
- (21) INFILTRATION RATE shall mean the rate at which the soil will accept water, expressed in inches per hour, during the irrigation period.
- (22) IRRIGATION SYSTEM shall mean all equipment and materials required for applying irrigation water to the design area from the service connection including all piping, valves, sprinkler heads, and appurtenances.
- (23) LATERAL CONNECTION shall mean the point of connection of the customer's upper lateral with the lower lateral of the District.
- (24) LOWER LATERAL shall mean the District's facility between its collection system and the lateral connection, which shall normally be the exterior boundary of the easement or the street or access road right-of-way.
- (25) LOWER LATERAL CHARGE shall mean a charge imposed by the District for installation by the District of a lower lateral.
- (26) MANAGER or General Manager shall mean the General Manager of the District or the person authorized by the Board or the General Manager to act for him.
- (27) NATURAL TREATMENT SYSTEM shall mean the network of constructed water quality wetlands and bio retention cells providing treatment of urban runoff. Natural treatment systems are not flood control facilities.
- (28) NON-POTABLE WATER shall mean that water that has not been treated for human consumption in conformance with the standards referred to in the definition of POTABLE WATER, below, such as untreated imported water received from the Metropolitan Water District of Southern

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California, non-potable well water, and water collected in the District's reservoirs from natural runoff.

- (29) **NON-RECYCLABLE SEWAGE** shall mean any and all liquid or solid waste substance other than recyclable sewage emanating from within the District, including but not limited to liquid or solid waste substance from any production, manufacturing, or processing operation. Non-recyclable sewage shall include any liquid or solid substance that cannot be treated or disposed of by the then-existing facilities of the District's Reclamation Plant for the treatment or disposal of sewage by reason of the design thereof, applicable waste discharge or other requirements, actual or possible increased operation and maintenance costs, or possible damage to the District's facilities.
- (30) **NON-RECYCLABLE WASTEWATER SEWERAGE FACILITIES** shall mean facilities used in the collection of wastewater that is not to be treated for direct beneficial use or a controlled use that otherwise would not occur. Such non-recyclable wastewater sewerage facilities shall generally be limited to industrial and commercial wastes that would have a detrimental effect on the treatment processes of the reclamation plant and the resultant recycled water.
- (31) **NTS DESIGN GUIDELINES** shall mean the District's "Natural Treatment System Design Guidelines," as amended from time to time
- (32) **OFFSITE FACILITIES** shall mean facilities under the control of the District including but not limited to water, sewer, and recycled water pipelines, reservoirs, pumping stations, fire hydrants, manholes, valves, connections, supply interties, treatment facilities, natural treatment systems and other appurtenances and property up to the point of connection with the customer's facilities.
- (33) **ONSITE FACILITIES** shall mean facilities under the control of the applicant, owner, or customer including but not limited to residential, commercial, and industrial building water and sewerage systems, landscape irrigation systems, and agricultural irrigation systems. For water and recycled water service, the onsite facilities shall be those downstream of the service connection, which shall normally be the downstream end of the meter tailpiece.
- (34) **ONSITE RECYCLED WATER SUPERVISOR** shall mean a qualified person designated by a recycled water user and approved by the District. This person shall be knowledgeable in the construction and operation of onsite recycled water and irrigation systems and in the application of the guidelines, criteria, standards, and rules and regulations for recycled water.
- (35) **PERMIT** shall mean processed and approved application to and agreement with the District for service.
- (36) **PERSON** is any individual, firm, partnership, association, company, or organization of any kind.

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- (37) PLAN shall refer to the plans for facilities to be constructed within the District and each of the existing and future Improvement Districts are intended to be an integrated part of the District's Water Resources Master Plan, Sewer Master Plan, Natural Treatment System Master Plan, Sub-Area Master Plans; and addenda thereto, which are approved from time to time.
- (38) POTABLE WATER shall mean that water furnished to the customer which meets applicable local, state and federal standards for drinking water.
- (39) PRETREATMENT shall mean treatment that the district may require prior to permitting discharge of sewage into any District sewerage facility if necessary to insure compliance by the District with these Rules and Regulations and any and all applicable Federal, State, or local statutes, ordinances, regulations, contracts, or all of the foregoing, individually or collectively, or if determined by the District to be necessary to protect the facilities of the District from any possible present or future damage.
- (40) PROCEDURES GUIDE shall mean the District's "Procedural Guidelines and General Design Requirements," as amended from time to time.
- (41) PROPERTY OWNER or OWNER shall mean the holder of legal title, contract purchaser, or lessee under a lease with an unexpired term of more than one (1) year jointly with the holder of title.
- (42) RECLAMATION PLANT shall mean District treatment facilities that receive and treat wastewater for beneficial uses.
- (43) RECYCLABLE SEWAGE shall mean wastewater that can be treated and recycled by the District's facilities so as to be usable for beneficial purposes.
- (44) RECYCLED WATER shall mean disinfected tertiary recycled water which is produced by the treatment of wastewater by a District reclamation plant and is suitable for direct beneficial uses in accordance with California Administrative Regulations Title 22, Division 4, Chapter 3.
- (45) RECYCLED WATER DISTRIBUTION SYSTEM shall mean individually or collectively any recycled water facility or facilities which are installed by the District or financed, constructed, and dedicated to the District by an applicant, owner, or customer or which are the result of local initiative and financing in tracts and subdivisions, as well as commercial or industrial developments, and which are typically less than 6" in diameter. The District shall determine what facilities are part of a distribution system from time to time as necessary. The District's determination in this regard shall be final and conclusive.
- (46) RECYCLED WATER FACILITIES shall mean facilities used in the storage, pumping, and conveyance of recycled water. The term recycled water facilities may be used synonymously with the term irrigation water facilities in the context of references to the District's irrigation water system master plan.

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- (47) **RECYCLED WATER SERVICE CONNECTION** shall mean the point of connection of the customer's recycled water line with the recycled water service line of the District, which shall normally be the downstream end of the recycled water meter tailpiece.
- (48) **RECYCLED WATER SERVICE LINE** shall mean the District's facility between its recycled water distribution system and the recycled water service connection.
- (49) **RECYCLED WATER SERVICE LINE CHARGE** shall mean a charge imposed by the District for installation by the District of recycled water meters and service lines.
- (50) **RECYCLED WATER TRANSMISSION MAINS** shall mean recycled water lines and appurtenances typically 6" and larger purchased or constructed by the District with bond proceeds and/or capacity charges or those constructed by an applicant, owner, or customer subject in whole or in part to reimbursement. The District shall determine what facilities are recycled water transmission mains from time to time as necessary based on the currently adopted master plan and the terms and provisions of any reimbursement agreements. The District's determination in regard to these matters shall be final and conclusive.
- (51) **RECORD DRAWINGS** shall mean drawings that correctly show the completed facilities as constructed or modified (as-built).
- (52) **RULES AND REGULATIONS** shall mean these "Rules and Regulations for Water, Sewer, Recycled Water and Natural Treatment System Service," as amended from time to time.
- (53) **SECURITY DEPOSIT** shall mean monies required to be deposited with the District for the purpose of guaranteeing payment of monthly or bimonthly utility bills rendered for water, sewer, recycled water or natural treatment system service.
- (54) **SELF-REGENERATIVE WATER SOFTENER** shall mean a unit that in removing minerals from water produces a waste containing minerals in greater amounts than those in the influent water.
- (55) **SEWER COLLECTION SYSTEM** shall mean individually or collectively any sewer facilities which are financed, constructed, and dedicated to the District by an applicant, owner, or customer or which are the result of local initiative and financing in tracts and subdivisions, as well as commercial or industrial developments, and which are typically less than 12" in diameter. Sewer collection systems shall include dry sewers installed by developers prior to construction of trunk sewers. The District shall determine what facilities are part of a collection system from time to time as necessary. The District's determination in this regard shall be final and conclusive.
- (56) **SEWER [SEWERAGE] FACILITIES** shall mean any facilities used in the conveyance, pumping, and treatment of wastewater.

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- (57) SERVICE CHARGE shall mean a monthly or bimonthly charge established by the District from time to time for water, sewer, recycled water or natural treatment system service. This charge does not include the commodity charge for the consumption of water or recycled water.
- (58) SURCHARGE shall mean a charge imposed by the District for the provision of a special service not normally provided by the District, such as situations involving unusual quantity or quality requirements. This surcharge may include, but is not necessarily limited to, pumping surcharges.
- (59) TRUNK SEWERS shall mean sewer lines and appurtenances purchased or constructed by the District with bond proceeds and/or capacity charges or those constructed by an applicant, owner, or customer subject in whole or in part to reimbursement typically larger than 12" in diameter. The District shall determine what facilities are trunk sewers from time to time as necessary based on the currently adopted master plan and the terms and provisions of any reimbursement agreements. The District's determination in regard to these matters shall be final and conclusive.
- (60) UNAUTHORIZED DISCHARGE shall mean any release of recycled water that violates the Rules and Regulations or any applicable federal, state, or local statute, regulation, ordinance, contract, or other requirement.
- (61) UPPER LATERAL shall mean the line from the lateral connection to the building or improvements of the applicant, owner, or customer
- (62) URBAN RUNOFF shall mean dry and wet weather low flow runoff from urban spaces and small storm flow.
- (63) WASTEWATER shall mean waste and water, whether treated or untreated, discharged into or permitted to enter a District sewer.
- (64) WASTEWATER CONSTITUENTS AND CHARACTERISTICS shall mean the individual chemical, physical, bacteriological, and radiological parameters, including volume and flow rate and such other parameters that serve to define, classify, or measure the quality and quantity of wastewater.
- (65) WATER shall mean, in the general usage of these Rules and Regulations, potable water.
- (66) WATER DISTRIBUTION SYSTEM shall mean individually or collectively any water facilities which are financed, constructed, and dedicated to the District by an applicant, owner or customer or which are the result of local initiative and financing in tracts and subdivisions, as well as commercial or industrial developments, and which are typically less than 12" in diameter. Water distribution systems shall include all fire hydrants. The District shall determine what facilities are part of a distribution system from time to time as necessary. The District's determination in this regard shall be final and conclusive.
- (67) WATER FACILITIES shall mean any facilities used in the treatment, storage, pumping, and conveyance of water.

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- (68) WATER SERVICE CONNECTION shall mean the point of connection of the customer's building water line with the water service line of the District, which shall normally be the downstream end of the water meter tailpiece.
- (69) WATER SERVICE LINE shall mean the District's facility between its distribution system and the water service connection.
- (70) WATER SERVICE LINE CHARGE shall mean a charge imposed by the District for installation by the District of water meters, service lines, and connections for private fire protection facilities.
- (71) WATER TRANSMISSION MAINS shall mean water lines and appurtenances purchased or constructed by the District with bond proceeds and/or capacity charges or those constructed by an applicant, owner, or customer subject in whole or in part to reimbursement typically larger than 12" in diameter. The District shall determine what facilities are water transmission mains from time to time as necessary based on the currently adopted master plan and the terms and provisions of any reimbursement agreements. The District's determination in regard to these matters shall be final and conclusive.

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Section 3: AREA SERVED

The Rules and Regulations pertain to water, sewer, recycled water and natural treatment system service to land or improvements, or both, lying within the boundaries of the District, unless specific provision is made by agreement with the District for service outside of such boundaries. If water, sewer, recycled water or natural treatment system facilities and/or capacity do not exist in the immediate area, the applicant, owner, or customer shall provide or finance such facilities and/or capacity. The owner of property outside of a then-existing Improvement District, which property has adequate water, sewer, recycled water and/or natural treatment system facilities and/or capacity or funds therefore, must cause all such facilities and/or capacity or funds to be transferred to the District.

Property not within the District and/or not within an Improvement District, and which is to be provided with service by the District, is subject to annexation to the District and/or Improvement District(s). Annexation to the District and/or Improvement Districts may, in turn, be subject to annexation to other agencies, such as Metropolitan Water District of Southern California, Municipal Water District of Orange County, Orange County Water District and/or Orange County Sanitation District, except as otherwise provided by agreement.

The District, at its discretion, may from time to time contract with an applicant, owner, or customer to initiate and pursue to completion the establishment of an Improvement District and the sale of bonds to provide the funds to construct the District facilities or capacity necessary for service to distribution or collection facilities that are required to be provided by the applicant, owner or customer as a condition of obtaining service from the District.

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Section 4: GENERAL REQUIREMENTS

4.1 SERVICE CONDITIONS

Water, sewer and natural treatment system service shall be provided by the District only if a permit for such water, sewer and natural treatment system service is obtained in the manner hereinafter provided, unless otherwise determined by the Board. Furthermore, if the District has determined that recycled water shall be provided in accordance with the provisions of Section 4.12, such service shall be provided only if a permit for such recycled water service is obtained in the manner hereinafter provided, unless otherwise provided by the Board.

Water, sewer, recycled water and natural treatment system service shall be available only in accordance with the Rules and Regulations, as well as applicable federal, state, and local statutes, ordinances, regulations, and contracts, and other requirements including, but not by way of limitation, the California Water Code, and other state statutes and regulations imposed by the California Regional Water Quality Control Board - Santa Ana Region, and State and local health departments, as well as the terms of any service agreement and permit issued by the District. Any such permit may be revoked by the District and thereupon all such water, sewer, recycled water and natural treatment system service shall cease in the manner provided for in these Rules and Regulations (see Sections 7 and 14).

4.1.1 WATER SUPPLY SUFFICIENCY

In 2001, the California State Legislature enacted legislation to improve coordination between the water supplier and the city or county during the land use entitlement process for certain large-scale developments, to ensure that projected water supplies will meet the proposed project's water demands in addition to the water supplier's planned demands.

The California statutes enacted by this legislation include Water Code Section 10910 et seq. (the "Assessment Law"), which requires a water supply assessment in conjunction with the California Environmental Quality Act (CEQA) process, and Government Code Section 66473.7 (the "Verification Law"), which requires a water supply verification in conjunction with the tentative map approval process. The Assessment Law applies to subdivisions of more than 500 units and certain other categories of projects defined by the Assessment Law. The Verification Law applies to subdivisions of more than 500 units, subject to specified exemptions. The assessment and verification require a determination to be made by the District, based on the record, whether the District's currently available and under-development water supplies are sufficient to meet the demands of the project and the District's existing and planned uses over a 20-year projection during normal, single-dry and multiple-dry years. The applicant is responsible for completing the process established by the city or county, including required application submittals, to secure a water supply assessment and/or water supply verification from the District if required for the applicant's project. A water supply assessment or verification does not entitle the project to water service or to any right, priority or allocation in any supply, capacity or facility, or affect the District's obligation to provide service to its customers or potential

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future customers. In order to receive service, the applicant must meet all of the applicable requirements of these Rules and Regulations.

4.2 APPLICATION PROCEDURE

- (1) An application for water, sewer, recycled water and natural treatment system service must be made in writing, signed by the applicant, and the owner or customer, if they are not one and the same. The Manager in his discretion may provide an abbreviated form of application for permits when no unusual facts are determined in his discretion to exist. Other than specified above, the form of application shall be furnished by the District.
- (2) An applicant for sewer service may be required to obtain a discharge permit for use of the District's sewerage facilities in addition to the permit required for all applicants for sewer service. The conditions under which the above mentioned additional permit is required are based on quantities and constituents of wastewater discharged into the District's sewerage facilities. Section 7 herein sets forth these requirements. The applicant shall comply with all Federal and State requirements including, but not by way of limitation, any and all requirements of the Environmental Protection Agency and any commitments for reimbursements required by the Environmental Protection Agency in excess of the charges of the District. These requirements are set forth in the Federal Water Pollution Control Act and the Code of Federal Regulations, which by this reference are herein incorporated as though set forth in full.
- (3) The applicant for a water, sewer, recycled water or natural treatment system service permit under these Rules and Regulations must state thereon that he agrees to comply with the requirements of any and all applicable Federal, State, and local statutes, ordinances, regulations and other requirements.

The District may, at its discretion, require specific prior approval of any permit by any Federal, State, or local agency having jurisdiction over or an interest in the operation of the District's facilities.

- (4) Upon receipt of an application, the Manager shall review the application and make such investigation relating thereto as he deems necessary. The Manager may prescribe requirements in writing to the applicant as to the facilities necessary to be constructed, the manner of connection, the financial requirements, and the use of service including the availability of adequate water, sewerage, recycled water and natural treatment system facilities, and in cases of sewer service pretreatment facilities, if necessary, to insure initial and future continued compliance with the District's Rules and Regulations and any other applicable requirements.

Permits for water, sewer, recycled water and natural treatment system service and any connection for service made as provided in the permit issued under these Rules and Regulations pursuant to receipt of an application for such service shall be subject to the following conditions:

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4.3 PERMITS

- (1) The applicant shall adhere to requirements prescribed by these Rules and Regulations and to any additional requirements prescribed by the Manager or by the Board, or both, to insure compliance with the District's Rules and Regulations as to obtaining water, sewer, recycled water and natural treatment system service and as to characteristics, quality, and quantity of recyclable and non-recyclable sewage that the District is willing to receive into its facilities.
- (2) The applicant shall pay the specified fees and charges prior to the issuance of a permit. These charges are as set forth in Exhibit B and the respective portions thereof, which set forth applicable rates and charges of the District. Exhibit B hereto and the rates and charges provided for therein are by this reference incorporated herein and may be changed by the District from time to time. In such instances, a revised Exhibit B or a portion thereof will be substituted to these Rules and Regulations.

In instances where assessment bond proceedings provide facilities normally funded by connection fees or by a developer subject to reimbursement, such assessments shall be paid concurrent with the payment of such connection fees. The Board may defer in its discretion such payment of any such assessment bonds in instances when an interim nonresidential use is to occur.

- (3) By reason of circumstances beyond the control of the District, or in order to protect the facilities of the District, or for the protection of the public health, safety, and welfare of the residents or property owners of the District, service may be terminated under the conditions set forth below:
 - [a] Water, sewer, recycled water and/or natural treatment system service may be terminated on a temporary or permanent basis in the manner provided for in Section 7 or Section 14 herein at any time the applicant's, owner's, or customer's operations do not conform to the applicable requirements, as provided for herein.
 - [b] The District may terminate recycled water service on a temporary basis at any time recycled water at the terminal point of the District's reclamation plant does not meet the requirements of regulatory agencies, including those prescribed by the State of California, Administrative Code, Title 22, Chapter 4. Recycled water service will, in such case, be restored at such time that recycled water at the terminal point of the reclamation plant again meets the requirements of regulatory agencies or at such time that the District supplements the recycled water system from sources other than the reclamation plant.
- (4) The District shall not be liable for any damage by water or recycled water or otherwise resulting from defective plumbing, broken or faulty services, or water or recycled water mains; or resulting from any condition of the water or recycled water itself, or any substance that may be mixed with or be in the water or recycled water as delivered to any customer. All applicants for service connections or water or recycled water service shall be required to accept such conditions of pressure and service as are

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provided by the distribution system at the location of the proposed service connection and to hold the District harmless from all damage arising from low pressure or high pressure conditions or from interruptions of service.

- (5) The District shall not be liable for any damage by sewage or inadequate capacity, from defective plumbing, broken or faulty upper or lower laterals, sewers, or collection systems resulting from any conditions beyond the control of the District or otherwise.

4.4 SIZE, LOCATION, AND INSTALLATION OF SERVICE LINE OR LOWER LATERAL

4.4.1 Water and Recycled Water Service Lines

The District reserves the right to determine the size of the water and recycled water service lines, the service connections, and the meters and shall also have the right to determine the kind and size of backflow protection devices for potable water service, in accordance with Section 4.10, and any and all other appurtenances to the service. The water or recycled water service lines shall be installed to a curb line or property line of the customer's property, abutting upon a public street, highway, alley, easement, lane, or road (other than a freeway) in which are installed water and/or recycled water mains of the District.

4.4.2 Lower Lateral and Lateral Connections

The District shall determine and specify in the permit the size, location, and manner of installing the lower lateral. Such design shall be in accordance with the District's Procedures Guide and Construction Manual. If a lower lateral is installed by the applicant, owner, or customer, the lower lateral joints shall remain exposed until they have been inspected and approved by the District. The size, slope, alignment, and materials of construction of the lower lateral and the methods to be used in excavating, placing of the pipe, jointing, testing, and backfilling of the trench shall conform to the District's Procedures Guide and Construction Manual. The size, slope, alignment, and materials of construction of the upper lateral and the methods to be used in excavating, placing of the pipe, jointing, testing, and backfilling of the trench shall conform to the applicable plumbing code(s) enacted and enforced by the cities of Irvine, Laguna Beach, Lake Forest, Newport Beach, Orange, Santa Ana, and Tustin, as well as by the County of Orange or its successor.

4.4.3 Natural Treatment System Design

The District reserves the right to give final approval of the design of natural treatment systems by developers. Such design shall be in accordance with the District's Procedures Guide, Construction Manual and NTS Design Guidelines.

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4.5 LIMITATIONS ON SERVICE CONNECTIONS:

No permit shall be issued except on the following conditions:

4.5.1 Water Service Connections

- (1) Each residence and/or building under separate ownership must be provided with a single and separate water service connection and water meter except under special conditions as determined by the District. Except as provided below, two or more buildings under one ownership and on the same lot or parcel of land shall be supplied by a single water meter. A separate landscape irrigation meter shall be required for a property under certain conditions described in Section 4.16.
- (2) The District reserves the right to limit the number of buildings, such as apartments or the area of land under one ownership to be supplied by one water service connection and water meter.
- (3) Except for a condominium building, not more than one water meter for domestic or commercial supply shall be installed for one building, except under special conditions as determined by the District.
- (4) A water service connection and water meter shall not be used to supply adjoining property of a different owner, or to supply property of the same owner across a street or alley.
- (5) When property provided with a water service connection and water meter is subdivided, such connection and meter shall be considered as serving the lot or parcel of land that it directly or first enters. Additional water mains and/or service lines will be required for all subdivided areas in accordance with these Rules and Regulations.
- (6) All water used on any premises where a meter is installed must pass through the meter. Customers shall be held responsible and charged for all water passing through their meters.
- (7) Every water service shall be equipped with an angle curb stop or wheel valve on the inlet side of the meter; such valve or angle curb stop being intended exclusively for the use of the District in controlling the water supply through the water service line. If the curb stop or wheel valve is damaged by the customer's use to an extent requiring replacement, such replacement shall be at the customer's expense.
- (8) If the customer's rate of consumption results in excessive wear of the meter, or is such that the meter is unable to measure the flow of water accurately, the District may increase the size of the meter and require payment of the actual cost of installing the new meter.

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4.5.2 Lower Laterals

- (1) For single family detached unit residential development a separate and independent lower lateral shall be provided for every individual parcel or building under individual ownership.
- (2) For condominium developments the following minimum number of lower laterals shall be provided:
 - [a] Non Stacked: 1 lower lateral per every two units - 4" size
 - [b] 2 Story Stacked: 1 lower lateral per every four units - 6" size
 - [c] Multi-Story: 2 lower laterals per building - 6" size
- (3) For apartment developments the following minimum number of lower laterals shall be provided:

1 lower lateral per building - 6" size
- (4) The District reserves the right to limit the number of buildings or the area of land under one ownership to be connected to one lower lateral.
- (5) When property provided with a lower lateral is subdivided, such lower lateral shall be considered as serving the lot or parcel of land that it directly or first enters. Additional sewers and/or lower laterals may/will be required for all subdivided areas in accordance with these Rules and Regulations.

4.5.3 Recycled Water Service Connections

- (1) The District reserves the right to limit the area of land under one ownership to be supplied by one recycled water service connection and recycled water meter.
- (2) A recycled water service connection and recycled water meter shall not be used to supply adjoining property of a different owner.
- (3) When property provided with a recycled water service connection and recycled water meter is subdivided, such connection and meter shall be considered as serving the lot or parcel of land that it directly or first enters. Additional recycled water mains and/or recycled water service lines will be required for all subdivided areas in accordance with these Rules and Regulations.
- (4) All recycled water used on any premises where a meter is installed must pass through the meter. Customers shall be held responsible and charged for all recycled water passing through their meters.
- (5) Every recycled water service line shall be equipped with an angle curb stop or wheel valve on the inlet side of the meter; such valve or angle curb stop being intended exclusively for the use of the

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District in controlling the recycled water supply through the recycled water service line. If the curb stop or wheel valve is damaged by the customer's use to an extent requiring replacement, such replacement shall be at the customer's expense.

4.6 RELOCATION OF WATER SERVICE LINE, LOWER LATERAL, OR RECYCLED WATER SERVICE LINE OR FIRE HYDRANT

Should a water service line, lower lateral, or recycled water service line or fire hydrant installed pursuant to the request of the applicant, owner, or customer be of the wrong size or installed at a wrong location; the cost of all changes required shall be paid by the applicant, owner, or customer. All water services, lower laterals, and recycled water services and fire hydrants provided prior to final street improvements shall be considered temporary and the costs for all repairs or changes required to be performed by the District shall be paid by the applicant, owner, or customer.

4.7 ILLEGAL CONNECTIONS

No person shall make connection to the District's water, sewer, recycled water or natural treatment system facilities without a permit or except as provided in the permit issued by the District. Specifically, but not by way of limitation as to any connection to the District's sewerage facilities; no roof downspouts, exterior foundation drains, areaway drains, car wash pads not covered by a roof, or other sources of surface runoff or ground water shall be connected to a District sewer facility or to a building sewer or building drain that in turn is connected directly or indirectly to a District sewer facility.

4.8 METER TESTING

If a water or recycled water meter fails to register during any period or is known to register inaccurately, the customer shall be charged with an average daily consumption during the same month shown by the reading of the meter when in use and registering accurately. Any customer may demand that the meter through which water or recycled water is being furnished be examined and tested by the District for the purpose of ascertaining whether or not it is correctly registering the amount of water or recycled water being delivered through it. Such demand shall be in writing and shall be accompanied by a deposit equal to the charge for testing as determined by the District.

Upon receipt of such demand and deposit, the District will have the meter examined and tested and, if upon such test the meter shall be found to register over two percent (2%) more water than actually passes through it, the meter shall be properly adjusted or another meter substituted therefore, the deposit shall be returned, and the water or recycled water bill for the current month will be adjusted proportionately. If the meter should be found to register not more than two percent (2%) more water than actually passes through it, the deposit shall be retained by the District as the expense of making the test.

4.9 FIRE HYDRANTS

Fire hydrants connected to the District's mains are provided for the sole purpose of furnishing water to fight fires and shall be opened and used only by persons authorized by the District. In the event that the District authorizes the use of such

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hydrants for purposes other than extinguishing fire, such authorization shall be granted only through the procedures and provisions contained in Section 4.1 of these Rules and Regulations. Rates to be charged for water extracted from such hydrant for temporary construction use or other purposes shall be in accordance with the applicable schedule contained in Exhibit B to these Rules and Regulations.

4.10 WATER BACKFLOW PREVENTION

4.10.1 General

The purpose of these provisions is to protect the District's potable water supply against actual or potential cross-connections by isolating, within the premises, contamination or pollution that may occur because of undiscovered or unauthorized cross-connection on the premises. These provisions are in accordance with the California Administrative Code, Title 17 (Public Health), entitled "Regulations Relating to Cross-Connections."

These provisions shall be in addition to and not in lieu of the controls and requirements of other regulatory agencies, such as local governmental agencies and local and State Health Departments. These regulations are intended to protect the District's potable water supply and are not intended to provide regulatory measures for protection of users from the hazards of cross-connections within their own premises. Notwithstanding these provisions, the District accepts no responsibility for cross-connections or resulting hazards or contamination.

The District has developed an active cross-connection control program with a Cross-Connection Control Inspector to administer the program. Any questions or notifications regarding these provisions or the program should be directed to the Inspector.

Backflow prevention devices, as required in these provisions, shall be provided installed, tested, and maintained by the applicant, owner, or customer at his expense. For specific materials and installation requirements, see the District's Procedures Guide and Construction Manual. The devices shall be located on the premises served and shall not be on the District's portion of the system. All devices shall be readily accessible for testing and maintenance and no device shall be submerged at any time.

When water service is initiated, the applicant must provide sufficient information, including plumbing and building plans, to enable the District to determine the level of backflow protection required. The proper backflow protection, as determined by the District, shall then be installed and inspected before water service is provided.

Each time there is a change of customer (either owner or tenant) on any commercial or industrial premise, the new or previous owner or customer shall notify the District immediately. The District will then reassess the level of protection required. Also, any alterations to existing onsite facilities that may affect the level of protection required must be reported immediately to the District.

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From time to time, representatives of any health agency having jurisdiction and/or the District may conduct evaluations of any premises where water service is provided by the District. The purpose of such evaluations is to determine if any actual or potential cross-connections exist, if there are any unapproved uses, and to assess compliance with applicable laws and regulations. The applicant owner or customer shall provide reasonable cooperation in facilitating such evaluations.

Additional information concerning backflow prevention may be obtained from the "Manual of Cross-Connection Control," Foundation for Cross-Connection Control and Hydraulic Research, University of Southern California, School of Engineering.

4.10.2 Where Protection is Required

Backflow protection for the District's potable water supply shall be provided on each water service connection to:

- (1) premises having an auxiliary water supply such as recycled or non-potable water. If the auxiliary water supply is approved for potable use by the public health agency having jurisdiction, backflow protection will not be required.
- (2) premises on which any substance is handled in such fashion that could permit entry into the water system. This shall include the handling of process waters and waters originating from the District's system that have been subject to deterioration in sanitary quality.
- (3) premises that have internal cross-connections, unless such cross-connections are abated to the satisfaction of the District and approved by the state or local health agency.
- (4) premises having intricate plumbing and piping arrangements or where not all portions of the premises are readily accessible for inspection purposes.
- (5) premises having a repeated history of cross-connections being established or re-established.

4.10.3 Type of Protection

The type of protection required is related to the degree of hazard that exists on the premises served. The type of protective device that may be required (listed in increasing level of protection) includes: Double Check Valve (DC), Reduced Pressure Principle Backflow Prevention Device (RPPD), and an Air Gap Separation (AG). The water user may choose a higher level of protection than required by the District. The minimum types required, relative to various situations shall be as required by California Administrative Regulations, Title 17, or to the extent not covered thereby, as determined by the District and/or health agency.

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4.10.4 Inspection and Maintenance of Protective Devices

It shall be the duty of the water user on any premises on which backflow prevention devices are installed to have competent inspections made at least once a year, or more often in those instances where successive inspections indicate repeated failure. All inspections and testing shall be performed by a tester certified by the local health department. The devices shall also be tested immediately after they are installed, relocated or repaired and shall not be placed in service unless they are functioning as required.

The District will notify the applicant, owner or customers when routine testing is needed and also supply them with the necessary forms that must be filled out each time a device is tested or repaired. The notice will include the date when the test must be completed, generally 30 days after the date of the notice. The completed, original forms shall be returned to the District. Copies of the completed forms shall also be sent to the local health department. The applicant, owner or customer shall notify the District any time the device is repaired, replaced or relocated. A device shall be repaired or replaced by, and at the expense of the water user, whenever it is found to be defective. Records of all such tests and repairs shall be maintained by the water user. The District may request records regarding any backflow prevention device on the premises.

A device may be removed for repair or replacement, provided that (a) water use is discontinued until repair or replacement is completed and the device is returned to service, or (b) the service connection is equipped with other backflow protection approved by the District. A retest will be required following the repair or replacement of the device.

A device may be relocated following confirmation by the District that the relocation will continue to provide the required protection and satisfy installation requirements. A retest will be required following the relocation of the device.

4.10.5 Marking Safe and Unsafe Water Lines

Where the premises other than single-family residences contain dual or multiple water systems and piping, the exposed portions of pipelines shall be painted, banded, or marked at sufficient intervals to distinguish clearly which water is safe for drinking purposes and which is not safe. All outlets intended for drinking purposes shall be plainly marked to indicate that fact.

For single-family residences which have recycled water services provided, only those water outlets which serve non-potable water shall be marked with the words "Recycled Water - Do Not Drink."

For single-family residences which contain water systems, all potable water service piping shall all be designed and constructed in compliance with IRWD's Procedures Guide.

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4.10.6 Reporting of Pollution or Contamination

In the event of contamination or pollution of the potable water system due to a cross-connection on the premises, the local health officer and District shall be promptly advised by the person responsible for the water system so that appropriate measures may be taken to mitigate the contamination or pollution.

4.10.7 Water Service Termination

When the District determines that water uses or conditions encountered by the District represent a clear and immediate hazard to the District's water supply that cannot be immediately abated, the District shall institute the procedure for discontinuing water use.

Conditions or water uses that create a basis for water service termination shall include, but are not limited to, the following:

- (1) Refusal to install a required backflow prevention device.
- (2) Refusal to test a backflow prevention device.
- (3) Refusal to repair a faulty backflow prevention device.
- (4) Refusal to replace a faulty backflow prevention device.
- (5) Direct or indirect connection between the District's water system and a sewer.
- (6) Unprotected direct or indirect connection between the District's water system and a system or equipment containing contaminants.
- (7) Unprotected direct or indirect connection between the District's water system and an auxiliary water system.
- (8) A situation which presents an immediate health hazard to the District's water system, as determined by the health agency or the District.
- (9) At single-family residences which contain water systems, the installation of any piping shall be in conformance with IRWD's Procedures Guide.

For conditions 1, 2, 3, 4, or 9 above, the District will terminate service to a customer's premise as follows:

The District will notify the applicant, owner or customers when routine testing or corrective action is needed and also supply them with the necessary forms that must be filled out each time a device is tested or repaired. The notice will include the date when the test or corrective action must be completed, generally 30 days after the date of the notice. The completed, original forms shall be returned to the District. Copies of the completed forms shall also be sent to the local health department.

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The applicant, owner or customer shall notify the District any time the device is repaired, replaced or relocated.

A second notice shall be sent to each water user who does not have their backflow prevention device tested or take other corrective action as prescribed in the first notice within the time allowed. The second notice will give the water user a 15-day period to have their backflow prevention device tested or take other corrective action.

If no action is taken within the 15-day period, then a third notice will be sent to the water user giving the water user a final 10-day period to have the device tested or take other corrective action.

If no action is taken within the 10-day period, then the District will notify the user that water service will be terminated and proceed to turn off the water until the device is tested and passes the test or other corrective action is taken and approved.

If no action is taken within the allowed time period, water service may be terminated in accordance with Section 14, ENFORCEMENT AND PENALTIES.

For conditions 5, 6, 7 or 8 above, the District will make reasonable effort to advise the water user of intent to terminate water service. Then, the District will terminate the water service and lock the service valve in the closed position. Water service will not be reinstated until correction of all violations has been approved by the District. Failure to correct the violations may result in permanent termination of water service in accordance with Section 14, ENFORCEMENT AND PENALTIES.

4.11 SEWER BACKFLOW PREVENTION

Residences and other buildings served by the District's sewerage facilities shall be protected from the backflow of wastewater in the lower laterals as herein provided. Drainage piping serving fixtures, the flood level rims of which are located below the rim elevation of the uphill manhole of the District sewer and above the crown level of the District main sewer, shall drain by gravity into the District main sewer and shall be protected from backflow of sewage by installing an approved type backwater device, and each such backwater device shall be installed only in that branch or section of the drainage system that receives the discharge from fixtures located below the elevation of the curb or property line.

Backwater devices required by this section shall be located where they will be readily and easily accessible for inspection and repair at all times and, unless continuously exposed, shall be enclosed in a watertight masonry pit fitted with an adequately sized removable cover.

The applicant, owner, or customer shall provide and maintain, at his expense, backwater devices and appurtenances as required in this section. Each such device shall be located on the property it protects and shall not be allowed in the public right of way.

4.12 USE OF RECYCLED WATER

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4.12.1 Determination of Feasible and Authorized Uses

In accordance with the provisions of Section 1, the uses of recycled water may include, but not by way of limitation, landscape irrigation, agricultural irrigation, natural treatment system irrigation, construction water, industrial process water, cooling tower makeup water, water for flushing toilets and urinals, trap primers in dual-plumbed buildings, and public and private recreational impoundment. Each such use must be considered for approval by the District on a case-by-case basis, and the District may determine in its discretion whether it is feasible to furnish recycled water for the specific use involved. Prior to approving such uses, the District may, in its discretion, set forth specific requirements as conditions to providing such services and/or require specific prior approval from the appropriate regulatory agencies. The District's determination of feasibility will be based on the following factors:

- (1) Whether recycled water may be furnished for the intended use at a reasonable cost to the customer and the District;
- (2) Whether recycled water use is in accordance with the standards of treatment and water quality requirements set forth in Title 22, Chapter 4, of the Code of California Regulations and all other applicable federal, state and local laws and regulations;
- (3) Whether the use of recycled water can be made in a manner not detrimental to public health.

4.12.2 Requirement To Use Recycled Water

The District will identify customers who are located within the District's service area and within an area identified in the Plan as an area capable of receiving service from the District's recycled water system and will determine the feasibility of providing recycled water service to these customers. The District will also review applications for new permits to determine the feasibility of providing recycled water service to these applicants. If recycled water service is determined by the District to be feasible, applicants for new water service shall be required to install onsite facilities to accommodate both potable water and recycled water service in accordance with these Rules and Regulations. The District may also require existing customers to retrofit existing onsite water service facilities to accommodate recycled water service. Potential recycled water customers identified by the District that elect not to use recycled water that is available but can use recycled water in compliance with State and County regulatory requirements, these Rules and Regulations and can meet the criteria identified in Section 13550 of the California Code of Regulations, may be subject to the provisions in Section 4.12.5 of this document. Potential recycled water customers that believe recycled water cannot be used at their site shall provide written justification to support their position. The District assumes identified customers meeting the above referenced criteria can use recycled water until or unless the potential recycled water customer can provide documentation otherwise. If the District's recycled water distribution system has not yet been

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extended to the vicinity of the customer's property, the District may require a written commitment from the customer to use recycled water when the extension has been made. A customer that does not provide a written commitment may be subject to the provisions in Section 4.12.6. If the District does not require the use of recycled water service, the customer may obtain recycled water service upon request but only if the District has determined that recycled water service to the customer is feasible and authorizes such use.

4.12.3 Installation Costs

Except as otherwise provided herein, when an existing customer is required by the District to convert to recycled water service, the customer will pay the reasonable capital costs of retrofitting the onsite water service facilities (as defined in Section 4.12.4.1) and the District will provide the offsite facilities necessary to deliver recycled water to the meter. Applicants for new or expanded water service shall be responsible for the full capital cost of onsite recycled water facilities and applicant-furnished offsite distribution facilities required as a condition of service pursuant to Section 5.

4.12.4 Process of Determination

The following describes the process by which the District will determine which potential recycled water customers may be served, contact by District, response by potential recycled water customers and appeal provision to the District's Board of Directors:

4.12.4.1 District staff will identify potential sites at which it believes recycled water may be used. Identified potential recycled water use sites must meet the following criteria:

- (1) Recycled water is served to an available location. "Available location" shall mean (1) the District's recycled water distribution system is in a street adjacent to the subject property, or (2) the District has notified a customer that if a written commitment to use recycled water has been received from the customer, the District will complete an extension of the distribution system to a street adjacent to the customer's property, and the customer has failed or refused to provide the written commitment, and any determination sought by the customer pursuant to 4.12.4.3 through 4.12.4.6 has become a final and non-appealable determination that recycled water use is feasible;
- (2) The District can provide recycled water in the needed volume, quality, pressure and flow rate;
- (3) The anticipated use(s) at the subject site are allowed for in Title 22 of the California Code of Regulations;
- (4) The construction/retrofit can be accomplished in compliance with Federal, State, County and District requirements;

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- (5) The anticipated use(s) will not negatively impact public health;
 - (6) The use of recycled water will not diminish water rights; and
 - (7) Recycled water is available at a reasonable cost, meaning:
 - [a] The commodity cost for recycled water is less than the commodity cost for a like quantity of non-interruptible potable water; and
 - [b] The net customer cost of facilities and appurtenances required to be installed can be amortized by the difference in potable and recycled water rates over a period of not more than one-hundred and twenty (120) months.
- 4.12.4.2 District will contact potential recycled water use site representative to discuss the use of recycled water.
- 4.12.4.3 Potential recycled water customers shall respond to District inquiries as to its ability to use recycled water. Customer and IRWD shall engage in dialogue to determine if recycled water can be used. At the completion of dialogue, the potential recycled water customer shall have ninety (90) calendar days to indicate its intent regarding the use of recycled water. If recycled water can be used, the customer shall work with the District toward the successful introduction and use of recycled water including obtaining regulatory approvals. If, according to the customer, recycled water cannot be used, customer shall provide written documentation to the General Manager to support their position.
- 4.12.4.4 District staff will review documentation provided by customer supporting why recycled water cannot be used.
- (1) In the case of potential customers that provide sufficient evidence as to why recycled water cannot be used, District shall consider the matter closed; or
 - (2) In the case of potential customers that elect not to respond to District inquiries or do not provide documentation as to why recycled water cannot be used, the General Manager or designee shall report those occurrences to the Water Resources Policy and Communications Committee. With Water Resources Policy and Communications Committee approval, the General Manager or designee shall send a certified letter to the potential recycled water customer urging contact with the District to continue meaningful dialogue regarding the potential use of recycled water. The potential recycled water customer shall have thirty (30) calendar days in which to contact the District. If the potential recycled water customer does not respond within thirty (30) calendar days, a second certified letter will be sent notifying the potential recycled water customer that the billed per Section 4.12.5 of this document beginning sixty (60) calendar days after notification.

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4.12.4.5 The potential recycled water customer who contends recycled water is not feasible based on criteria described in Sections 4.12.4.1 may appeal to the General Manager by filing a written appeal within thirty (30) calendar days of the date of the notice described in Section 4.12.4.4. The General Manager shall consider the information provided and respond within thirty (30) calendar days to the potential recycled water customer.

4.12.4.6 The decision of the General Manager may be appealed to the Board of Directors in writing filed with the District Secretary within thirty (30) calendar days of the General Managers decision. The Board of Directors will conduct a hearing to consider the appeal at the next regularly scheduled Board meeting. The decision of the Board of Directors shall be transmitted in writing to the potential recycled water customer within thirty (30) calendar days of the hearing. The decision of the Board of Directors is final.

4.12.5 Recycled Water Non-Conforming Use Billing Rate

For potential recycled water customers that elect not to comply with section 4.12.2 of this document (“Requirement to Use Recycled Water”) and fail to provide reason(s) why recycled water cannot be used, all metered potable water use at the site that could otherwise be served with recycled water shall be billed at the applicable potable water rate plus the “non-conforming use” rate until the site is converted or acceptable justification as to why the recycled water cannot be used is provided. No refunds will be provided unless a justification is accepted by the District.

4.12.6 Potential Recycled Water Customer Non-Participation/Non-Cooperation

Potential recycled water customers identified and contacted by the District that elect not to use recycled water or are not cooperating with the District as defined in Section 4.12.4 of this document, will be billed as defined in Section 4.12.5 of this document. In cases where the potential recycled water customer elects not to pay their bill, that customer will be subject to the provisions in Section 1.20 (“Delinquency and Service Restoration Charges”) of the District’s prevailing “Schedule of Rates and Charges.”

4.12.7 Termination of Prior Recycled Water Service

If an end user that was previously accepting recycled water elects to suspend or terminate delivery of recycled water and use potable water for reasons other than those identified in Section 4.12.4 of this document, that end user may be subject to the provisions in Section 4.12.6.

4.13 SCHEDULING RECYCLED WATER; SUPPLY OF OTHER WATER TO RECYCLED WATER DISTRIBUTION SYSTEM

Recycled water shall be used in compliance with District’s “Procedural Guidelines and General Design Requirements.” The District reserves the right to control and schedule the use of recycled water if, in the opinion of the Manager or his designated representative, scheduling is necessary for purposes including, but not limited to, the maintenance of an acceptable working pressure in the recycled water system and providing for reasonable safeguards in relation to public health.

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Guidelines for such scheduling shall be as deemed appropriate by the Manager or his designated representative. The District reserves the right to supply potable or non-potable water to the District's recycled water distribution system from time to time, as the Manager or his designated representative determines to be necessary or useful to augment the recycled water supply to such system. The supply of such other water to the system shall be at the District's discretion and shall not change the rates or charges billed for recycled water service nor relieve any recycled water customer of the applicable requirements of the Rules and Regulations, including but not limited to Section 6.2.2.

4.14 EMERGENCY CONNECTIONS TO RECYCLED WATER SYSTEM

If in the opinion of the District, an emergency exists whereby in all or a portion of the recycled water system recycled water is not available, the Manager may approve a temporary connection to the potable water system. Before such temporary connection is made, the portion without recycled water shall be isolated by an air gap separation from the remainder of the recycled water system either at individual services or on the offsite system, as determined by the District and an approved backflow prevention device or devices of the type determined in accordance with Section 4.10 herein, shall be installed on the potable water line or lines in accordance with these Rules and Regulations and any and all applicable rules and regulations of the State and local health departments. Before the emergency connection or connections shall be removed, whether onsite or offsite, the customer shall notify the District's cross-connection department. This emergency connection or connections shall be removed before connection is re-established to the remainder of the recycled water system.

4.15 RESPONSIBILITY FOR MAINTENANCE

4.15.1 Water and Recycled Water

The applicant, owner, or customer is responsible for maintaining all onsite facilities that are under the ownership of parties other than the District.

4.15.2 Sewer - Single Family Units

The applicant, owner, or customer is responsible for maintenance of the upper lateral and lower lateral. Any upper lateral or lower lateral shall be cleared and cleaned by the applicant, owner, or customer at his own expense. The upper lateral is the responsibility of the owner to repair or reconstruct. The lower lateral is the responsibility of the District to repair or reconstruct.

4.15.3 Sewer - Multi-Dwelling Units (Condominium Complexes and Townhomes)

Maintenance of onsite sewer main lines shall be the responsibility of the District up to the main line cleanout or last manhole. In order to qualify for such maintenance, these facilities must be fully dedicated to the District, including proper easements, and approved by the Manager or his designee. All laterals upstream of the main line are the responsibility of the applicant, owner or customer to maintain, repair, or reconstruct.

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4.15.4 Sewer – Commercial and Industrial Properties

If the property has a single sewer lateral connection, the applicant, owner, or customer is responsible for maintenance of the upper lateral and lower lateral. Any upper lateral and lower lateral shall be cleared and cleaned by the applicant, owner, or customer at his own expense. The upper lateral is the responsibility of the owner to repair or reconstruct. The lower lateral is the responsibility of the District to repair or reconstruct.

If the property has an onsite sewer collection system, the maintenance of onsite sewer main lines shall be the responsibility of the District up to the main line cleanout or last manhole. In order to qualify for such maintenance, these facilities must be fully dedicated to the District, including proper easements, and approved by the Manager or his designee. All laterals upstream of the main line are the responsibility of the applicant, owner, or customer to maintain, repair, or reconstruct.

4.15.5 Obstruction of or Deposit of Material in Meter Boxes or Hydrants

No person shall place, dispose, or deposit or permit the placement, disposal or deposit of oil, toxic, hazardous or contaminated liquid or waste, trash, dirt, building materials or other substances, objects or obstructions in, on or around meter boxes, and it shall be the responsibility of each applicant, owner, or customer to prevent meter boxes, District hydrants or other District facilities from becoming obstructed or obscured by such applicant, owner, or customer's trees, shrubs, plants or in any other manner so as to impede their use or access to them or make their location difficult to determine.

If such substances, objects or obstructions are not cleaned and removed or are permitted to obscure or impede such facilities, the District may, after providing reasonable notice to the applicant, owner or customer, accomplish the cleaning and removal and charge the applicant, owner or customer for the cost of doing so.

4.15.6 Natural Treatment Systems

The developer shall be responsible for the establishment and maintenance of the natural treatment system as specified in the Procedures Guide and the NTS Design Guidelines .

4.16 WATER CONSERVATION AND MANAGEMENT PRACTICES

As stated in Section 1 herein, it is the desire of the District to effect conservation of water resources whenever possible, such measures being consistent with legal responsibilities to utilize the water resources of the State of California and the District. Without limiting standards that may otherwise apply pursuant to Section 4.1, facilities and fixtures shall meet the applicable water efficiency standards referenced in this section.

Facilities for irrigation of new or existing parks, median strips, landscaped public areas or landscaped areas, lawns, or gardens surrounding single-family homes, condominiums, townhouses, apartments, and industrial parks shall be designed

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and installed in such a way as to conserve water, and meet or exceed the water efficiency requirements of any applicable local or State standards.

After January 1, 2008 a separate landscape meter shall be required to provide new water service to a property with more than 5,000 square feet of landscape irrigated with potable water. This provision does not apply to single family residential connections, agricultural crops or landscape, or where water service has previously been provided.

Recycled water is considered a water resource by the District, therefore, the same restrictions shall apply for all uses of recycled water as for potable water.

Rate and extent of application of water shall be controlled by the user so as to minimize run-off from the irrigated areas.

All plumbing fixtures installed shall meet or exceed the applicable standards in effect at the time of service application.

4.17 INTERIM WATER SERVICES

4.17.1 General

The District's potable water system has been master planned to serve the ultimate needs of residential, commercial, and industrial developments in the District's service area. Design and construction of facilities are phased in unison with the above mentioned developments. However, the District will provide service for interim uses whenever possible, although such uses shall be subject to the conditions set forth herein.

4.17.2 Temporary Service Connections

- (1) Temporary service connections are primarily installed for the convenience and use of individuals, contractors, and companies during construction work. However, they are not limited to construction purposes but may be installed for any use.
- (2) The Contractor or other person applying for a meter or meters shall be held responsible for loss or damage to the meter from the time it is installed until it is removed, or until 48 hours after notice in writing has been given the District that the contractor or other person is finished using the meter.
- (3) Flows through a 2 1/2 inch or larger temporary service fire hydrant meter shall be limited to a maximum of 250 gallons per minute, unless otherwise authorized in writing at the time of application. Any deliberate attempt on the part of the applicant or user to increase the flow is just cause for the District to discontinue service.
- (4) The District reserves the right to interrupt service without notice if such usage is causing pressure in the system to drop below an acceptable range.

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- (5) Each temporary service customer shall make every attempt to maintain a constant flow through the meter. To achieve this requirement, the customer may be required to provide and install a storage facility (construction tank, small interim reservoir, etc.), approved by the District, in conjunction with the meter.
- (6) When using fire hydrants for temporary service connections, no more than one outlet per hydrant shall be used for this purpose; however, the use of siamese fittings approved by the District is acceptable provided that the additional flow does not significantly impair pressures in the distribution system.
- (7) The maximum duration of time a temporary service may be applied for is six months. At the conclusion of six months, the customer may reapply for service, subject to approval from the District.

4.17.3 Agricultural Service Connections

- (1) The District reserves the right to regulate agricultural users without notice if pressures in the distribution system drop below the minimum acceptable range. The District reserves the right to interrupt agricultural service at any time without notice if such usage is causing pressures in the system to drop below a minimum acceptable range. When pressure is resumed to an acceptable range for a reasonable period of time, all regulated agricultural services will be returned to their requested flows. Repeated occurrences of pressures dropping below a minimum acceptable range may result in permanent discontinuation by the District of the agricultural user's service upon 30 days notice.
- (2) All requests for water and recycled water for agricultural purposes must be made 24 hours in advance of the intended use. Only authorized District personnel will set and adjust flows from all agricultural service connections.
- (3) Water and recycled water for agricultural use shall be delivered at a constant rate.
- (4) All changes in flows will be made between the hours of 7:00 a.m. and 3:00 p.m. All changes in flow shall be requested prior to 10:00 a.m. the day prior to the intended change.

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Section 5: FACILITIES DESIGN AND CONSTRUCTION

5.1 GENERAL

All offsite water, sewer, recycled water and natural treatment system facilities and all onsite recycled water facilities shall be designed and constructed according to the requirements, conditions, and standards set forth in the Procedures Guide and Construction Manual which document is on file at the office of the District, and by this reference is incorporated herein.

The recycled water system, including both offsite and onsite facilities, shall be separate and independent of any potable water system.

Any required backflow prevention devices on potable water services and flow or pressure control devices shall be downstream of the meter and provided by the applicant, owner, or customer at his expense.

5.2 OFFSITE WATER, SEWER, RECYCLED WATER FACILITIES

Any water distribution, sewage collection, recycled water distribution system facilities determined by the District to be required to provide service within developments of the property within the District shall be provided by the applicant, owner, or customer at his expense.

Plans and specifications for all water distribution, sewer collection, recycled water distribution facilities shall be submitted to and approved by the District in advance of construction.

The District will assume responsibility for providing water, sewer, and recycled water service to the point of connection (individual lots for residential water and sewer service and residential yard recycled water irrigation service) of such development upon transfer to the District of title to all facilities in the required systems and any necessary easements therefore. All easements shall be in a form acceptable to the District and not subject to outstanding obligations to relocate such facilities or any deeds of trust, except in instances where such is determined by the Board or the Manager to be in the best interests of the District.

Modification or relocation of the meter or other facility which results in nonconformance with applicable provisions of these Rules and Regulations, the Procedures Guide or the Construction Manual is prohibited and shall be corrected at the expense of the applicant, owner, or customer. Upon failure or refusal of the applicant, owner or customer to make such correction, the District may, after providing reasonable notice to the applicant, owner or customer, make the correction and charge the applicant, owner or customer for the cost of doing so.

5.3 ONSITE RECYCLED WATER FACILITIES

Any onsite recycled water facility shall be provided by the applicant, owner, or customer at his expense. The applicant, owner, or customer shall retain title to all such onsite facilities.

Onsite recycled water facilities, in addition to conforming to the Procedures Guide and Construction Manual shall conform to local governing codes, rules,

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and regulations. The Cities of Costa Mesa, Irvine, Lake Forest, Newport Beach, Orange, Santa Ana, and Tustin, and the County of Orange shall have authority over materials, equipment, design, and construction methods used for onsite recycled water facilities within their jurisdiction, provided that when the District's Procedures Guide and Construction Manual require a higher quality material, equipment, design or construction method than that required by the above local governing codes, rules, and regulations, the District's Procedures Guide and Construction Manual shall be controlling.

Plans and specifications and record drawings shall be prepared and submitted to the District in accordance with the Procedures Guide and Construction Manual. Plans and specifications must be approved by the District prior to commencing construction. Prior to commencement of service to any onsite system using recycled water, record drawings shall be provided and approved and the installed system shall be tested under active conditions to ensure that the operation is in accordance with the intent of these Rules and Regulations.

In accordance with Section 1 herein, in those areas where recycled water is not immediately available for use when the design area is ready for construction, and if the District has determined that recycled water will be supplied in the future, the onsite facilities shall nevertheless be designed to use recycled water. Provisions shall be made and these Rules and Regulations followed to allow for connection to the recycled water facilities when they become available. In the interim, potable domestic water will be supplied to the recycled water facilities through a temporary potable meter connection. A backflow preventer of the type determined in accordance with Section 4.10 herein will be required as long as the onsite facilities are using potable water. The backflow preventer shall be downstream of the meter and shall be a part of the onsite facilities. The District will remove the backflow preventer and will make the connection to the onsite facilities when recycled water becomes available.

5.4 NATURAL TREATMENT SYSTEM FACILITIES

Natural treatment systems that are designated as capital facilities shall be designed and constructed by the District. All other natural treatment systems shall be designed, constructed and established by the developer in accordance with the District's Procedures Guide and the NTS Design Guidelines.

Plans and specifications for developer-constructed natural treatment systems shall be submitted to and approved by the District in advance of construction.

5.5 CONVERSIONS OF EXISTING FACILITIES FOR RECYCLED WATER

Where it is required pursuant to Section 4.12.2 that any existing water system be converted to a recycled water facility, a comprehensive investigation shall be performed by or for the District. The facilities to be converted to recycled water use shall be investigated in detail, including review of any record drawings, preparation of required reports, and determinations by the District of measures necessary to bring the system into full compliance with these Rules and Regulations for recycled water service including, but not limited to Section 5.3 thereof and the District's Procedures Guide and Construction Manual. No potable water facilities shall be connected to or incorporated in the recycled water system that have not been approved for recycled water service by the District.

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5.6 ALTERNATE FINANCING FOR AFFORDABLE AND/OR LOW INCOME HOUSING PROJECTS

5.6.1 Request for Public Financing

If property within the District for which water, sewer and/or recycled water service is requested will include not less than ten percent of the units as affordable and/or low income housing units as herein defined or has been designated by the City of Irvine, County of Orange, or other such entity for land use which requires that a portion of the units being developed shall be affordable and/or low income housing units as herein defined, any such applicant, owner or customer when requesting water, sewer and/or recycled water service for such property may request the District to initiate proceedings pursuant to applicable laws to form a special assessment district for the purpose of publicly financing the offsite and onsite water, sewer and/or recycled water facilities necessary to serve said development as well as any assessable portion of the future capital costs which will be incurred by or benefit the initial property owners at the time of connection to said facilities. The proposed assessment district shall include all of the area eligible for alternate financing as provided for in this Section 5.5.1 and such other area logically served by the facilities as determined by the District in its discretion. This proviso is intended to include the affordable and/or low-income housing units as well as the market rate units for which service is requested pursuant to this Section 5.5.1.

5.6.2 Initiation of Public Financing

Upon receiving a request pursuant to Section 5.5.1, the District shall, unless it makes the findings set forth in Section 5.5.3, initiate proceedings pursuant to applicable laws to form a special assessment District for the purpose of publicly financing the offsite and onsite water, sewer and/or recycled water facilities necessary to serve said development as well as any assessable portion of the future capital costs which will be incurred by or benefit the initial property owners at the time of connection to said facilities.

5.6.3 Refusal to Initiate Public Financing

The District may deny a request made pursuant to Section 5.5.1 only after notice and a public hearing and only if it finds that such assessment district financing is no longer consistent with sound municipal financing practices or is not economically feasible for the particular project. If other means of such alternate financing are available and are consistent with sound municipal financing practices, such other means of financing shall be implemented by the District. In making a finding under this Section 5.5.3, the District shall render a written decision which identifies the evidence it relied upon and the reasons supporting its decision.

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5.6.4 Time for Acting on Request

The District shall act upon a request made pursuant to Section 5.5.1 within 60 days of the receipt of the request.

5.6.5 Affordable and/or Low Income Housing

"Affordable and/or Low Income Housing" as used herein shall have the same meaning as used in the housing element adopted pursuant to Government Code Section 65580 of the governmental agency having jurisdiction over the zoning of any given development.

5.6.6 Off-Site Facilities

"Off-Site Facilities" as used herein shall mean other than in-tract facilities which are not paid for by the District pursuant to its Rules and Regulations from general obligation bonds or otherwise.

5.6.7 Coordination with Other Agencies

When possible, in the event that District agrees to initiate proceedings pursuant to Section 5.5.1, the District will attempt to coordinate such proceedings with similar proceedings initiated by another agency or other agencies having jurisdiction over other aspects of the infrastructure required for the development such as, but not by way of limitation, streets, lighting, open space, sidewalks, and curbs.

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Section 6: FACILITIES OPERATION

6.1 OFFSITE WATER, SEWER, RECYCLED WATER AND NATURAL TREATMENT FACILITIES

Operation and surveillance of all of the District's offsite water, sewer, recycled water and natural treatment system facilities, including, but not limited to, water, sewer, and recycled water pipelines, reservoirs, pumping stations, fire hydrants, manholes, valves, connections, supply interties, treatment facilities, and other appurtenances and property up to and including the District's meter, shall be under the management and control of the District. No other persons except authorized employees and/or representatives of the District shall have any right to enter upon, inspect, operate, adjust, change, alter, move, or relocate any portion of the foregoing or any of the District's property. In the event that such should occur, all charges and penalties shall be applicable and collected. Such action shall also be in violation of any and all applicable federal, state, and local statutes, ordinances, regulations, and other requirements.

6.2 ONSITE FACILITIES

6.2.1 General

The operation and surveillance of onsite water distribution, sewer collection, and recycled water distribution facilities are the responsibility of the applicant, owner, or customer.

6.2.2 Onsite Recycled Water Facilities

The operation and surveillance of all onsite recycled water system facilities using the District's recycled water, shall be under the management of an "Onsite Recycled Water Supervisor" designated by the applicant, owner, or customer and approved by the District.

If there is a non-resident owner, a local Onsite Recycled Water Supervisor shall be appointed. For single-family residences which have a recycled water service connection, the owner shall be considered to be the designated "Onsite Recycled Water Supervisor" unless otherwise indicated on the application for the service connection request. In the event that someone other than the owner is designated as the "Onsite Recycled Water Supervisor" and this person is no longer associated with the property, the owner shall again be considered the "Onsite Recycled Water Supervisor" until written notification is made to the District. The District shall furnish the name of the Onsite Recycled Water Supervisor to the Regional Water Quality Control Board and State and County Health Departments at least 30 days prior to commencing service.

However, pursuant to Section 8.2 of these Rules and Regulations, the Manager or authorized representatives of the District shall monitor and inspect the entire recycled water system, including onsite and offsite facilities, and for these purposes shall have the right to enter upon the customer's premises during reasonable hours.

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The Onsite Recycled Water Supervisor shall be responsible for the installation, operation, and maintenance of the onsite recycled water system, enforcing applicable requirements of the District's permits, preventing potential hazards related to such system, maintenance of the system plans in "as-built" form, and distribution of recycled water in accordance with applicable laws and permits held by the District.

In particular, but not by way of limitation, the Onsite Recycled Water Supervisor shall have the following responsibilities in relation to operation of onsite facilities:

- (1) To make sure that all operations personnel are trained and familiarized with the use of recycled water.
- (2) To furnish their operations personnel with maintenance instructions, controller charts, and record drawings to ensure proper operation in accordance with the onsite facilities design and these Rules and Regulations.
- (3) To prepare and submit to the District one (1) set of record drawings.
- (4) To notify the District of any and all updates or proposed changes, modifications, or additions to the onsite facilities, which changes shall require approval by the District and shall be designed and constructed according to the requirements, conditions, and standards set forth in the District's and set forth in these Rules and Regulations, including but not limited to Section 5.3 thereof. In accordance with the above referenced requirements, conditions, and standards changes must be submitted to the District for plan check and approval prior to construction. The construction shall be inspected by the District, and revised record drawings and controller charts shall be approved by the District. The District may, if it deems such to be in the best interest of the District, waive or modify any of the foregoing.
- (5) To ensure that the recycled water facilities remain in accordance with these Rules and Regulations including the District's Procedures Guide and Construction Manual. For example, but not by way of limitation, as stated in the design criteria section of the above referenced specifications:
 - [a] Cross-connections between potable water facilities and onsite recycled water facilities are forbidden.
 - [b] Hose bibs on recycled water facilities are forbidden.
 - [c] Drinking fountains shall be protected from the spray of recycled water.

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- [d] The District shall provide special labels for any backflow preventer and house pressure regulator, and homeowner agrees to inform plumbing or landscaping contractors of the presence of recycled water on the site.
- (6) To operate and control the system in order to prevent direct human consumption of recycled water and to control and limit runoff. The applicant, owner, or customer shall be responsible for any and all subsequent uses of the recycled water. Operation and control measures to be utilized in the regard shall include, where appropriate, but not be limited to the following:
- [a] Onsite recycled water facilities shall be operated to prevent or minimize discharge onto areas not under control of the customer. Full circle sprinklers shall not be used adjacent to sidewalks, roadways, and property lines and sprinkler types shall be selected so as to confine the discharge from sprinklers to the design area.
 - [b] The operation of the onsite recycled water facilities shall be during the periods of minimal use of the service area. Consideration shall be given to allowing a maximum dry-out time before the design area will be used by the public.
 - [c] Recycled water shall be applied at a rate that does not exceed the infiltration rate of the soil. Where varying soil types are present, the design and operation of the recycled water facilities shall be compatible with the lowest infiltration rate of the soil present.
 - [d] When the application rate exceeds the infiltration rate of the soil, automatic systems shall be utilized and programmed to prevent or minimize the ponding and runoff of recycled water. The sprinkler shall not be allowed to operate for a time longer than the landscape's water requirement. If runoff occurs before the landscape's water requirements are met, the automatic controls shall be reprogrammed with additional watering cycles of shorter duration to meet the requirements. This method of operation is intended to control and limit runoff.
- (7) To orally report any failure in the onsite recycled water system that causes an unauthorized discharge of recycled water, or other non-compliance with applicable laws and the District's permits to the District and to the Regional Water Quality Control Board and State and County Health Departments, within 24 hours from the time the

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Onsite Recycled Water Supervisor becomes aware of the circumstances. The Onsite Recycled Water Supervisor shall also make a written submission to the District, with a copy to the Regional Water Quality Control Board and State and County Health Departments, within five days of the time the Onsite Recycled Water supervisor becomes aware of the circumstances, which shall contain (a) a description of the non-compliance and its cause; (b) the period of non-compliance, including exact dates and times, and if the non-compliance has not been corrected, the anticipated time it is expected to continue; and (c) steps taken or planned to reduce, eliminate and prevent recurrence of the non-compliance.

- (8) To comply with any and all applicable Federal, State, and local statutes, ordinances, regulations, contracts, these Rules and Regulations, the service application and agreement, and all requirements prescribed by the Manager and the Board pursuant to Section 4. In the event of violation, all charges and penalties shall be applied and collected by the district.

6.2.3 Onsite Recycled Water Supervisor Training Program

The District may, from time to time, require that an "Onsite Recycled Water Supervisor" obtain instruction in the use of recycled water, such instruction being provided by or approved by the District.

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Section 7: USE OF DISTRICT SEWERAGE FACILITIES

7.1 GENERAL

The provisions established in Section 7 shall pertain to all discharges into any District sewerage collection facility that either directly or indirectly transports wastewater to the District's Michelson Water Recycling Plant. The last paragraph of this Section 7.1 provides information relating to the applicable requirements for discharges into District sewerage collection facilities that transport wastewater to facilities other than the Michelson Water Recycling Plant.

Pursuant to the authority provided by California Government Code Section 54739, 54740, and by other applicable provisions of law, provisions are made in this document for the regulation of wastewater discharges into the District's sewerage facilities in order to comply with Federal and State of California policies and requirements and to permit the District to meet applicable standards of treatment plant effluent quality. These Rules and Regulations establish quantity and quality limitations on all wastewater discharges, which may adversely affect the District's sewerage systems, processes, or effluent quality. It is the intent of these limitations to improve the quality of wastewater being received for treatment; an implication of this intent is the District's policy of discouraging an increase in the quantity (mass emission) of waste constituents being discharged. This document also provides for regulation of the degree of waste pretreatment required, the issuance of permits including those for wastewater discharge connections, and the establishment of penalties for violation of these Rules and Regulations.

Since the District is committed to a policy of wastewater renovation and reuse in order to provide an alternate source of water supply, the renovation of wastewater through secondary and tertiary wastewater treatment processes may necessitate more stringent quality requirements on wastewater dischargers than those required by other governmental regulatory agencies.

The District has joined the Orange County Sanitation District (OCSD) in order to secure an alternate method of sewage treatment and disposal. To accomplish the administration of this union within the portion of the District that is within Revenue Area 14 of OCSD, the District entered with OCSD into a Memorandum of Understanding effective February 11, 1987, to provide for cooperative implementation of these Rules and Regulations and the ordinance of the Orange County Sanitation District as part of its regulations. In the event of a conflict between the District's Rules and Regulations and OCSD's ordinance, OCSD's ordinance shall have precedence, unless the District's Rules and Regulations are more stringent. The OCSD ordinance is also applicable in areas of the District that are within other portions of OCSD that do not transport water to the District's Michelson Water Recycling Plant. Similarly, the area of the District within the service area of the South Orange County Wastewater Authority (SOCWA) is subject to SOCWA's discharge regulations as adopted by the District, and the area discharging to the Chiquita System of Santa Margarita Water District (SMWD), the Portola Hills area, is subject to SMWD's discharge regulations as adopted by the District. In each case where dischargers are subject to the discharge regulations of two agencies, it is the responsibility of the discharger to meet the discharge requirements of both agencies.

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7.2 SPECIAL DEFINITIONS

In addition, unless otherwise defined herein, terms related to water quality shall be as adopted in the latest edition of Standard Methods for the Examination of Water and Wastewater, published by the American Public Health Association, the American Water Works Association and the Water Environment Federation (herein referred to as "Standard Methods"). The testing procedures for waste constituents and characteristics shall be as provided in 40 CFR 136, (Code of Federal Regulations: Title 40; Protection of Environment; Chapter I United States Environmental Protection Agency (US EPA); Part 136, Test Procedures for the Analyses of Pollutants), or as specified herein. Other terms not herein defined shall have the definitions given such terms in the latest adopted applicable editions of the California codes applicable to building construction adopted pursuant to the California Building Standards Law.

The terms hereinafter set forth shall have the following meanings when used in these Rules and Regulations or any permits or orders issued pursuant hereto, and the following definitions supersede the definitions in Section 2 for purposes of this Section 7:

- (1) Administrative Complaint shall mean a document used by the District to initiate a proceeding to impose civil penalties pursuant to Section 7.6.2.7.2.
- (2) Biochemical Oxygen Demand (BOD) shall mean the quantity of oxygen utilized in the biological oxidation of organic matter under standard laboratory procedure in five (5) days at twenty (20) degrees Celsius expressed in terms of milligrams per liter mass per volume (mg/l) as determined by appropriate testing procedure.
- (3) Board shall mean the Board of Directors of the Irvine Ranch Water District.
- (4) Building Drain - Sanitary shall mean that part of the lowest horizontal piping of a drainage system which receives sanitary or industrial sewage only, inside the walls of a building and conveys it to the building sewer beginning three (3) feet outside the building wall.
- (5) Building Drain - Storm shall mean that part of the lowest horizontal piping of a drainage system which receives stormwater or other clear water discharge, but no wastewater, from soil and other drainage pipes inside the walls of a building and conveys it to the building sewer beginning three (3) feet outside the building wall.
- (6) Building Sewer - Sanitary shall mean a sewer pipe receiving flow from a single building and connecting to a sewer main or lateral, and constructed on private property, except for street crossing.
- (7) Building Sewer - Storm shall mean the extension from the building storm drain to the public sewer or other place of disposal which conveys storm water or other clear water drainage, but no sanitary or industrial sewage.
- (8) Bypass shall mean the intentional diversion of waste streams from any location within an industrial users facility not approved in a user's permit.

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- (9) California Water District Law shall mean the law of the State of California that governs the formation of California Water Districts and establishes procedures and powers of such Districts.
- (10) California Toxics Rule shall mean the most current update of numeric criteria for priority toxic pollutants established for the State of California as codified in 40 CFR Part 131.38.
- (11) Chemical Oxygen Demand (COD) shall mean the measure of chemically oxidizable material in domestic or other waste waters as determined by appropriate testing procedures and expressed in terms of milligrams per liter (mg/l).
- (12) Class I User shall mean any user who discharges wastewater ~~which may contain at any given time, any of the components that the District and OCSD determine necessary to regulate as specified in Section 7.3 of these Rules and Regulations and Section 2.7.7 of the OCSD Ordinance~~ that is subject to Federal Categorical Pretreatment Standards; or averages 25,000 gallons per day or more of regulated process wastewater; or is determined to have a reasonable potential to adversely affecting the District's facilities or operation or for violating any pretreatment standard, local limit, or discharge requirement; or may cause, pass through or interference with the DistrictRWD or OCSD sewerage facilities.
- (13) Class II User shall mean any industrial user who discharges wastewater at a volume greater than 10,000 gallons per day and has a BOD and Suspended Solids greater than 375 mg/L, that discharges wastes other than sanitary, and that is not otherwise required to obtain a Class I permit.
- (14) Code of Federal Regulations (CFR) or Federal Regulations shall mean the codification of the general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government.
- (15) Coliform shall mean any number of organisms common to the intestinal tract of man and animals whose presence in sanitary sewage is an indicator of pollution.
- (16) Collection Sewer shall mean a sewer whose primary purpose is to collect wastewaters from individual point source discharges.
- (17) Combined Sewage shall mean a combination of both wastewater and storm or urban runoff.
- (18) Combined Sewer shall mean a sewer intended to receive both wastewater and storm or urban runoff.
- (19) Compatible Pollutant shall mean BOD, suspended solids, pH, coliform bacteria, and such additional pollutants as are now or may be in the future specified and controlled by the District's permit, for its wastewater treatment works as said works have been designed and are operated to reduce or remove such pollutants. Some compatible pollutants may be considered non-compatible when discharged in significant quantities.

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- (20) Composite Sample shall mean a collection of individual samples obtained at selected intervals based on an increment of either flow or time. The resulting mixture (composite sample) forms a representative sample of the waste stream discharged during the sample period. Samples will be collected during the time manufacturing, processing, and/or sewer discharge occurs.
- (21) Department Head shall mean that person duly designated by the General Manager to direct the Industrial Waste Program and perform those delegated duties as specified in these Rules and Regulations.
- (22) Discharger shall mean any public or quasi-public agency, including the State of California and the United States of America but not including the District, individual, partnership, firm, company, association, society, corporation, or group discharging, causing the discharge of, or proposing to discharge or cause the discharge of any wastewater into a public sewer. Used interchangeably with the term "User" and "Industrial User".
- (23) Dissolved Solids shall mean that concentration of matter in the sewage consisting of colloidal and particulate matter 0.45 micron in diameter or less, and both organic and inorganic molecules and ions present in solution.
- (24) District shall mean Irvine Ranch Water District.
- (25) District Connection Charge shall mean a fee imposed by the District for connecting directly to a public sewer or to a sewer which ultimately discharges into the District sewerage facility.
- (26) District's Sewerage Facilities shall mean any property belonging to the District used in the treatment, reclamation, reuse, transportation, or disposal of wastewater or sludge.
- (27) Domestic Wastewater shall mean the liquid and solid waterborne wastes derived from the ordinary living processes of humans of such character as to permit disposal, without special treatment, into the public sewer or by means of a private disposal system.
- (28) Dwelling Unit shall mean one or more habitable rooms which are intended or designed to be occupied by one family with facilities for living, sleeping and cooking.
- (29) Easement shall mean an acquired legal right or interest for the specific limited use of land owned by others.
- (30) Effluent shall mean any liquid outflow that is discharged to the sewer.
- (31) Enforcement Compliance Schedule Agreement (ECSA) shall mean a mutual agreement between the District and permittee in accordance with Section 7.6.2.2.
- (32) Federal Pretreatment Requirement, National Pretreatment Standard, Pretreatment Standard or Standard shall mean any regulation containing

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pollutant discharge limits promulgated by the EPA in accordance with 40 CFR 307 (b) and (c) which applies to Industrial Users. This term includes prohibitive discharge limits established pursuant to 40 CFR 403.5. Categorical pretreatment standards are promulgated in 40 CFR Chapter I, Subchapter N or 40 CFR Parts 401-471.

- (33) Floor Area shall mean the area included within the surrounding exterior walls of a building or portion thereof, exclusive of ramps, docks, vent shafts and courts. The floor area of a building, or portion thereof, not provided with surrounding exterior walls shall be the usable area under the horizontal projection of the roof or floor above.
- (34) Garbage shall mean solid wastes from the domestic and commercial preparation, cooking and dispensing of food, and from the handling, storage and sale of food.
- (35) Grab Sample shall mean a sample taken from a waste stream on a one-time basis without regard to the flow in the waste stream and without consideration of time.
- (36) Industrial User shall mean ~~a source of Indirect Discharge as defined in 40 CFR 403.3 (g)~~any user that discharges industrial wastewater.
- (37) Industrial Wastewater shall mean all liquid wastes resulting from the processes employed in industrial manufacturing, trade, or business establishments, as distinguished from domestic wastes.
- (38) Industry shall mean any establishment listed in the Standard Industrial Classification Manual, 1972 Edition, or revision thereof, which is categorized in Divisions A, B, D, E, or I.
- (39) Infiltration shall mean the water unintentionally entering the District's sewerage facilities, or sanitary building drains and sewers, from the ground, through such means as, but not limited to, defective pipes, pipe joints, connections, or manhole walls.
- (40) Infiltration/Inflow shall mean the total quantity of water from both infiltration and inflow without distinguishing the source.
- (41) Inflow shall mean the water discharge into the District's sewerage facilities, or building storm drains and sewers, from such sources as, but not limited to, roof leaders, cellar, yard, and area drains, foundation drains, unpolluted cooling water discharges, drains from springs and swampy areas, manhole covers, cross connections from storm sewers and/or combined sewers, catch basins, storm waters, surface runoff, street wash waters or drainage. (Inflow does not include, and is distinguished from infiltration.)
- (42) Inspector shall mean a person authorized by the General Manager to inspect any existing or proposed wastewater generation, conveyance, processing and disposal facilities.
- (43) Interceptor Sewer shall mean a sewer whose primary purpose is to transport wastewater from collection sewers to a treatment facility.

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- (44) Interference shall mean a discharge which, by itself or in conjunction with a discharge or discharges from other sources, inhibits or disrupts the District's facilities, its treatment processes or operations, or its sludge process, use, or disposal, or causes a violation of any requirement of the District's permits (including an increase in the magnitude or duration of a violation) or prevents sewage sludge use or disposal in compliance with the following statutory provisions and regulations or permits issued thereunder (or more stringent State or local regulations): Section 405 of the Clean Water Act, the Solid Waste Disposal Act (SWDA) including Title II, more commonly referred to as the Resource Conservation and Recovery Act (RCRA), and State regulations contained in any State sludge management plan prepared pursuant to Subtitle D of the SWDA, the Clean Air Act, the Toxic Substances Control Act, and the Marine Protection, Research and Sanctuaries Act.
- (45) Local Sewering Agency shall mean any public or private corporation duly authorized under the laws of the State of California to construct and/or maintain public sewers.
- (46) Manager or General Manager shall mean the General Manager of the District or the person authorized by the Board or the General Manager to act for him.
- (47) Manifest shall mean that receipt which is retained by the generator of wastes for disposing solid wastes, recyclable wastes or liquid wastes as required by the District.
- (48) Mass Emission Rate shall mean the weight of material discharged to the District's sewerage facilities during a given time interval. Unless otherwise specified, the mass emission rate shall mean pounds per day of a particular constituent or combination of constituents.
- (49) "May" is permissive (see "Shall").
- (50) Memorandum of Understanding (MOU) shall mean any memorandum of understanding or other agreement between the District and OCSD governing the administration of the joint industrial waste pretreatment program.
- (51) Micrograms per Liter ($\mu\text{g}/\text{l}$) shall mean a unit measurement of the concentration of a water or wastewater constituent. It is 0.001 gram of the constituent in one (1) cubic meter of water. It has replaced the unit formerly used, parts per billion, to which it is approximately equivalent in reporting the results of water and wastewater analyses.
- (52) Milligrams per Liter (mg/l) shall mean a unit measurement of a concentration of water or wastewater constituent. It is 0.001 gram of the constituent in 1,000 milliliters of water. It has replaced the unit formerly used, parts per million, to which it is approximately equivalent in reporting the results of water and wastewater analyses.

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- (53) National Pollutant Discharge Elimination System (NPDES) shall mean the Federal pollution regulation system as detailed in Public Law 92-500, Section 402, or a permit issued pursuant to such system.
- (54) New Source shall mean those sources that are new as determined by 40 CFR 403.3 (k) as revised October 17, 1988.
- (55) Non-compatible Pollutant shall mean any non-treatable waste product, including non-biodegradable dissolved solids, which is not a compatible pollutant as defined herein.
- (56) Normal Domestic Wastewater shall mean all household-type discharges from places of human habitation including sanitary conveniences, kitchen and laundry wastes. Discharge wastes strength shall be considered to average 250 mg/l BOD and 250 mg/l Suspended Solids at a discharge rate of 100 gallons per capita per day.
- (57) Normal Working Day shall mean the period of time during which the dischargers production or operation is taking place.
- (58) NPDES Permit shall mean the National Pollutant Discharge Elimination System permit that is issued by the EPA setting the limits on constituents that the permittee may legally discharge. The limits are set in both concentration and quantity.
- (59) OCSD shall mean the Orange County Sanitation District.
- (60) OCSD Ordinance shall mean OCSD's ordinance establishing wastewater discharge regulations, currently in effect Ordinance OCSD-01 dated July 1, 1998 as amended from time to time[JA1].
- (61) Pass Through shall mean discharge through the District's facilities to navigable water or point of reuse which, alone or in conjunction with discharges from other sources, is a cause of a violation of the District's NPDES permit or Regional Water Quality Control Board Order.
- (62) Permittee shall mean a discharger who has received a permit to discharge wastewater into the District's sewerage facilities subject to the requirements and conditions established by the District and/or OCSD.
- (63) pH shall mean the logarithm of the reciprocal of the quantity of hydrogen ions in moles per liter of solution used in expressing both acidity and alkalinity on a scale ranging from 0 to 14, where 7 represents neutrality, numbers less than 7 increasing acidity, and more than 7 increasing alkalinity.
- (64) Population Equivalent shall mean a term used to evaluate the impact of industrial or other waste on a treatment works or stream. One population equivalent of normal domestic wastewater is 100 gallons of sewage per day, and/or 0.17 pounds of BOD, and/or 0.21 pounds of suspended solids. The impact on a treatment works is evaluated as the equivalent of the highest of the three parameters. Impact on a stream is the higher of the suspended solids parameters.

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- (65) Pollutant shall mean any constituent or characteristic of wastewaters on which discharge limitation may be imposed either by the District or the regulatory bodies empowered to regulate the District.
- (66) POTW shall mean Publicly Owned Treatment Works.
- (67) Pretreatment shall mean the reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of pollutant properties in wastewater to a less harmful state prior to discharge of the wastewater into the District's sewerage facilities. The reduction or alteration can be obtained by physical, chemical or biological process, or process changes by other means.
- (68) Pretreatment Facility shall mean any works or devices for the treatment or flow limitation of wastewater prior to discharge into a public sewer.
- (69) Pretreatment Standards shall mean requirements for the quality of wastewaters discharged into the District's sewerage facilities.
- (70) Priority Pollutants shall mean a listing of the toxic pollutants identified by EPA as having the greatest environmental concern and as non-compatible and requiring pretreatment prior to discharge in order to prevent interference with District's operation, or to prevent sludge contamination or treatment system pass-through into receiving waters or into the atmosphere.
- (71) Private Sewer shall mean a sewer which is not owned by the District.
- (72) Probation Order shall mean an order issued with terms and conditions to a permittee upon a violation of these Rules and Regulations or the terms, conditions, and limitations of its discharge permit, or upon a failure to make payment to the District of user charges, non-compliance fees, or any other fees.
- (73) Public Agency shall mean the United States and its agents, the State of California and any city, county, district, or other local governmental authority or public body of or within the State of California.
- (74) Public Sewer shall mean a sewer owned and operated by the District, or a sewer operated by a local public agency which is tributary to the District's sewerage facilities.
- (75) Pumping Station shall mean a station positioned at a location in a sewer system at which wastewater is pumped to a higher level.
- (76) Regional Administrator shall mean the Regional Administrator of Region IX of the EPA.
- (77) Regional Board shall mean the California Regional Water Quality Control Board, Santa Ana Region.
- (78) Regulatory Agencies are those agencies having regulatory jurisdiction over operations of the District, such as including but not limited to the U.S. Environmental Protection Agency (EPA), the State Department of

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Health Services (DOHS), the State Water Resources Control Board (SWRCB), the California Regional Water Quality Control Board (RWQCB), the South Coast Air Quality Management District (SCAQMD) and Orange County Health Care Agency.

- (79) Regulatory Compliance Schedule Agreement (RCSA) shall mean an agreement between the District and permittee requiring the permittee to implement pretreatment practices and/or install equipment to ensure compliance with future revised categorical pretreatment standards or revised discharge limitations.
- (80) Rules and Regulations shall mean that document entitled "Rules and Regulations for Water, Sewer, and Recycled Water Service" containing District requirements, conditions, and limitations for connecting and discharging to the District's sewerage facilities and other requirements, conditions and limitations, as may be amended and modified.
- (81) Sample Point shall mean a location approved by the District, from which wastewater can be collected that is representative in content and consistency of the entire flow of wastewater being sampled
- (82) Sampling and Evaluation Program (S&E) shall mean a program for the determination of mass emission of constituents or compliance or non-compliance with the conditions specified in the user's permit.
- (83) Sampling Facilities shall mean structure(s) provided at the user's expense for the District or user to measure and record wastewater constituent mass, concentrations, collect a representative sample, or provide access to plug or terminate the discharge.
- (84) Sanitary Sewer shall mean a sewer which carries sanitary and industrial wastes, and to which storm, surface and groundwater are not intentionally admitted.
- (85) Sewage shall mean wastewater.
- (86) Sewer shall mean a pipe or conduit that carries wastewater or drainage water.
- (87) Sewer Lateral shall mean a building sewer as defined in the latest edition of the California Plumbing Code. It is the wastewater connection between the building's wastewater facilities and a public sewer system.
- (88) Sewerage Facilities or System shall mean any and all facilities used for collecting, conveying, pumping, treating, and disposing of wastewater and sludge.
- (89) "Shall" is mandatory; (see "May").
- (90) Shredded Garbage shall mean garbage that has been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than 1/2 inch (1.25 centimeters) in any dimension.

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- (91) Significant Industrial User shall mean all users subject to Federal Categorical Pretreatment Standards and any other industrial user that discharges an average of 25,000 gallons per day or more of process wastewater; contributes a process waste stream which makes up 5% or more of the average dry weather hydraulic or organic capacity of the District's treatment facilities; or is designated by the District as a significant industrial user.
- (92) Significant Non-Compliance shall mean a compliance status a) in which a major violation remains uncorrected for 45 days after notification of non-compliance; or b) which is a result of chronic violations (66% or more of all samples which exceed the daily maximum limit or average limit of the same constituent during a 6-month period), or acute violations (33% or more of all samples which exceed the product of the daily maximum limit or average maximum limit times the applicable technical review criterion in a 6-month period; or c) which is a result of failure to provide reports in response to Notice of Violation, permit application information, Report of Progress, a Report of Non-Compliance, or other reports required to administer these Rules and Regulations, within 30-days from the due date; d) any violation of any limitation that the District determined to cause alone or in combination with other discharges, interference or pass through; e) any discharge which has caused imminent endangerment to human health, welfare or to the environment, or has resulted in the District's exercise of its emergency authority (Section 7.6.2.6); f) failure to meet, within 90 days after the scheduled date, a compliance schedule milestone contained in a permit or enforcement action, for starting construction, completing construction, or attaining final compliance; or g) failure to accurately report non-compliance.
- (93) Sludge shall mean any solid, semi-solid or liquid decant, supernate or supernate from a manufacturing process, utility service, or pretreatment facility.
- (94) Slug Load shall mean any discharge of water or wastewater which in concentration of any pollutant or in quantity of flow will cause interference with the District's reclamation plant or subsequent Publicly Owned Treatment Works (POTW).
- (95) Spent Solutions shall mean any substance defined as a hazardous waste by RCRA, 40 CFR 261.21 through 261.24, and unable to be used for its original purpose.
- (96) Spill Containment shall mean an approved protection system installed by the permittee to prohibit the accidental discharge to the sewer of non-compatible pollutants.
- (97) Standard Industrial Classification (SIC) shall mean a system of classifying a user as identified in the 1987 or subsequent SIC manual as prepared by the Office of Management and Budget.
- (98) Standard Methods shall mean the laboratory procedures set forth in the latest edition, at the time of analysis, of "Standard Methods for the Examination of Water and Wastewater" prepared and published jointly by the American Public Health Association, the American Water Works

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Association and the Water Pollution Control Federation, and 40 CFR Part 136, 3, 4 and 5, and/or other recognized procedures established by EPA and California Regional Water Quality Control Board.

- (99) Storm Water shall mean all water directly derived from rainwater which has not been utilized in domestic, agricultural, industrial or other beneficial use.
- (100) Suspended Solids (SS) shall mean the solids that either float to the surface or are suspended in water, wastewater or other liquids and which are removable from said liquid through standard laboratory filtration procedure.
- (101) Technical Review Criteria shall mean those factors which, when multiplied by the appropriate limitation, set the lower limit of a significant violation. The Technical Review Criteria factor is 1.2 for all limitations except for BOD, total suspended solids, fats, oil, and grease where the factor is 1.4.
- (102) Total Organic Carbon (TOC) shall mean the measure of total organic carbon in domestic or other wastewater as determined by the appropriate testing procedure.
- (103) Total Solids shall mean the sum of suspended and dissolved solids.
- (104) Toxic Substances shall mean any pollutant or combination of pollutants which upon exposure to or assimilation into any organism will cause adverse effects, such as cancer, genetic mutations and physiological manifestations.
- (105) Unpolluted Water shall mean water to which no constituent has been added either intentionally or accidentally.
- (106) User shall mean any person who discharges or causes a discharge of wastewater directly or indirectly to a public sewer. User shall also have the same meaning as "Discharger" or "Industrial User".
- (107) User Charge shall mean a charge imposed by the District for the provision of a special service not normally provided by the District, such as situations involving unusual quantity or quality requirements.
- (108) Waste shall mean sewage and any and all other waste substances, liquid, solid, gaseous, or radioactive, associated with human habitation, or of human or animal origin, or from any producing, manufacturing or processing operation of whatever nature, including such wastes placed within containers of whatever nature, prior and for the purpose of disposal.
- (109) Waste Minimization Practices shall mean plans or programs intended to reduce or eliminate discharges to the District's sewerage system or to conserve water, including, but not limited to, product substitutions, housekeeping practices, inventory control, employee education, and other steps as necessary to minimize wastewater and/or solid waste produced.

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- (110) Waste hauler shall mean any person or entity, duly licensed, carrying on or engaging in vehicular transport of waste as part of, or incidental to, any business for that purpose.
- (111) Wastewater shall mean liquid and water-carried waste or water, whether treated or untreated, discharged into or permitted to enter a public sewer.
- (112) Wastewater Constituents and Characteristics shall mean the individual chemical, physical, biological, radiological and other parameters, including volume, flow rate, concentration and such other parameters that serve to define, classify, or measure the quality and quantity of wastewater.
- (113) Wastewater Discharge Permit shall mean any of the following permits: Class I Permit, Class II Permit, Special Purpose Permit or FOG Wastewater Discharge Permit. Used interchangeably with the word "permit".
- (114) Wastewater Treatment shall mean the structures, equipment and processes required to collect, transport and treat domestic and industrial wastewater and dispose of the effluent and accumulated residual solids.

7.3 WASTEWATER DISCHARGE REGULATIONS

7.3.1 Prohibitions and Limitations on Wastewater Discharges

These prohibitions apply to all Users of District sewerage facilities whether or not they are subject to Federal Categorical Pretreatment Standards or any other National, State or Local pretreatment standards or requirements. No person shall discharge or allow to be discharged wastewaters directly or indirectly into District's sewerage facilities that cause or are capable of causing, either alone or by interaction with other substances, interference with the operation of the District's sewerage facilities, including but not limited to the following:

- (1) Oils and Grease. Wax, grease or oil of mineral origin in a concentration of more than 100 mg/l whether emulsified or not, or any other waste containing substances which may precipitate, solidify or become viscous at temperatures between 32° and 150°F (0° and 65°C) at the point of discharge into the District's sewerage facilities).
- (2) Explosive Mixtures. Liquids, solids or gases which by reason of their nature or quantity are, or may be, sufficient either alone or by interaction with other substances to cause fire or explosion or be injurious in any other way to the District's sewerage facilities or to the operation of the District's sewerage facilities. At no time shall the discharge into the District's sewerage facilities have a closed cup flash point less than 140°F (60°C). Prohibited materials include, but are not limited to, gasoline, kerosene, naphtha, benzene, toluene, ethers, alcohols, ketones, aldehydes, peroxides, chlorates, perchlorates, bromates, carbides, hydrides and sulfides.

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- (3) Noxious Materials. Noxious or malodorous solids, liquids or gases, which, either singly or by interaction with other wastes, are capable of creating a public nuisance or hazard to life, or are or may be sufficient to prevent entry into a sewer for its maintenance and repair.
- (4) Improperly Shredded Garbage. Garbage that has not been ground or comminuted to such a degree that all particles will be carried freely in suspension under flow conditions normally prevailing in the public sewers, with no particle greater than one-half (1/2) inch in any dimension.
- (5) Radioactive Wastes. No person shall discharge, or cause to be discharged, any radioactive waste into a public sewer except:
 - [a] When the person is authorized to use radioactive materials by the State Department of Health or other governmental agency empowered to regulate the use of radioactive materials;
 - [b] When the waste is discharged in strict conformity with current California Radiation Control Regulations (California Administrative Code, Title 17) for safe disposal;
 - [c] When the person is in compliance with all rules and regulations of all other applicable regulatory agencies; and,
 - [d] When a Class I permit has been obtained from OCSD.
- (6) Solid or Viscous Wastes. Solid or viscous wastes which will or may cause obstruction to the flow in a sewer, or otherwise interfere with the proper operation of the sewerage facilities. Prohibited materials include, but are not limited to, grease, uncomminuted garbage, animal guts or tissues, paunch manure, bones, hair, hides or fleshings, entrails, whole blood, feathers, ashes, cinders, sand, spent lime, stone or marble dust, metal, glass, straw, shavings, grass clippings, rags, spent grains, spent hops, waste paper, wood, plastic, tar, asphalt residues, residues from refining or processing of fuel or lubricating oil, and similar substances.
- (7) Slug Loads. Wastewaters at a flow or containing such concentrations of pollutants that will cause interference with the District's treatment plant or subsequent POTW.
- (8) Toxic Substances. Any toxic substances in amounts exceeding established standards, and any chemical elements or compounds, phenols or other taste or odor producing substances, or other substances which are not susceptible to treatment or which may interfere with the biological processes or efficiency of the treatment processes, cause acute worker health and safety problems, or that will pass through the District's sewerage facilities.

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- (9) Discolored Material. Wastes with objectionable color not removable by the treatment process.
- (10) Corrosive Wastes. Any waste which will cause corrosion or deterioration of the District's sewerage facilities. All wastes discharged to a public sewer must have a pH value in the range of (6) to (12) standard units. Prohibited materials include, but are not limited to, acids, sulfides, concentrated chloride and fluoride compounds and substances which will react with water to form acidic products.
- (11) Organic Phosphorous Compounds. Any amounts of organic phosphorus compounds released in a discharge at a flow rate or in a concentration which will cause pass through or interference with the sewerage facilities.
- (12) Non-Compliant Waste. Any waste not in compliance with national categorical pretreatment standards as represented in 40 CFR Chapter I Subchapter N or 40 CFR Parts 401-471.

7.3.2 Storm Water

Ground water, street drainage, subsurface drainage, foundation drains, or yard drainage shall not be discharged directly or indirectly to the District's sewerage facilities. The District at its sole discretion may approve the discharge of such water by granting a Special Purpose Permit only when no alternative method of disposal is reasonably available. The applicant shall bear the burden of demonstrating that no alternative method of disposal is reasonably available. If a Special Purpose Permit is granted for the discharge of such water into a sewer, the user shall pay connection fees, applicable charges and fees for use and shall meet such other conditions as required by the District.

7.3.3 Self-Regenerative Water Softeners

Any brine waste discharge from an onsite self-regenerative water softener unit is prohibited. Installation of such onsite self-regenerative water softener units within the District is specifically prohibited. However, the District may, on an individual basis, approve such units if the applicant, owner, or customer demonstrates that such brine waste will be discharged into a permanent facility other than a District sewer as approved by the plumbing codes of the cities of Irvine, Laguna Beach, Newport Beach, Orange, Santa Ana, Tustin and the County of Orange or its successors, as may be applicable or as deemed justified by the District.

7.3.4 Unpolluted Water

Unpolluted water, such as single-pass cooling water, shall not be discharged through direct or indirect connection to a public sewer. The District may approve the discharge of such water only when no alternative method of disposal is reasonably available by issuing a Special Purpose Permit.

7.3.5 Septic Tank and Cesspool Wastes

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Discharges of septic tank, or cesspool wastes, into the public sewer or directly into the treatment plant facilities is prohibited.

7.3.6 Temperature

No person shall discharge wastewater with a temperature higher than 140°F (60°C). Heat in discharged wastewater shall not cause the temperature of wastewater entering the headworks of any wastewater treatment plant to exceed 104°F (40°C).

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7.3.7 Point of Discharge

No person, excluding District personnel involved in maintenance functions of sewer facilities, shall discharge any water, wastewater or any substance directly into a manhole or other opening in a sewer other than through an approved building sanitary sewer, unless upon written application by the user and approved by the District and payment of the applicable charges for use and fees.

7.3.8 Wastewater Strength Limitations

No person shall discharge wastewater containing substances in excess of the quantities or concentrations listed in Exhibit B, Schedule of Rates and Charges, to these Rules and Regulations entitled "Discharge Limits", or containing other materials, or having other characteristics, including, but not limited to, ammonia, biochemical oxygen demand (BOD), chemical oxygen demand, total organic carbon, suspended solids, oil or grease of animal or vegetable origin, total dissolved solids, and phenolic compounds in quantities that may cause or are found to cause problems, pass through, or interference with the sewerage facilities.

No person shall discharge wastewater containing in excess of 0.01 mg/l of pesticides as a daily maximum, to include, but not limited to the following: DDT (dichlorodiphenyltrichloroethane, both isomers), DDE (dichlorodiphenylethylene), DDD (dichlorodiphenyldichloroethane), Aldrin, Benzene Hexachloride (alpha, beta, and gamma isomers), Chlordane, Endrin, Endrin aldehyde, TCDD (2,3,7,8-tetrachlorodibenzo-p-dioxin), Toxaphene (alpha)-Endosulphan, (beta)-Endosulphan, Endosulphan sulfate, Heptachlor, Heptachlor epoxide, and Dieldrin.

No person shall discharge wastewater containing in excess of 0.01 mg/l of polychlorinated biphenyls as a daily maximum to include, but not limited to the following: Aroclors 1016, 1221, 1228, 1232, 1248, 1254, 1260, and 1262.

7.3.9 Prohibition on Dilution

No user shall increase the use of water in, or in any other manner attempt to dilute, a discharge as a partial or complete substitute for treatment to achieve compliance with these Rules and Regulations and the user's permit or to establish an artificially high flow rate for permit mass emission rates.

7.3.10 Prohibition on Infectious Waste

The District shall have the authority to require that any discharge of an infectious waste to the sewer be rendered non-infectious prior to discharge if the infectious waste is deemed to pose a threat to the public health and safety, or will result in any violation of applicable waste discharge requirements.

7.3.11 Limitations on Disposal of Spent Industrial Solutions and Sludges

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- (1) Spent solutions, sludges, and materials of quantity or quality in violation of, or prohibited by these Rules and Regulations, or any permit issued under these Rules and Regulations must be disposed of in a legal manner at a legally acceptable point of disposal as defined by the appropriate Regulatory Agency. All waste manifests shall be retained for a minimum of three years, and made available to the District upon request.
- (2) No person shall batch dump to the District's sewerage facilities. Non-compliance fees applicable for such discharge will be as shown in Exhibit B, Schedule of Rates and Charges.

7.3.12 New or Increased Pollutant Discharge

No person shall increase the discharge of existing pollutants or discharge new pollutants that do not meet pretreatment standards, local limitations, or other requirements, or cause the District to violate any permit condition or limitation.

7.3.13 Mass Emission Rate Determination

Mass emission rates for non-compatible or compatible pollutants that are present or anticipated in the user's wastewater discharge may be set for each user and made a part of each user's permit. These rates shall be based on Local Discharge Limits contained in Exhibit C [L2], [PW3] or Federal Categorical Pretreatment Standards, and the discharger's average daily wastewater discharge for the past three years, the most recent representative data, or other data acceptable to the General Manager or their designee.

7.4 WASTEWATER DISCHARGE PERMITS

7.4.1 General

In addition to District connection charges required by these Rules and Regulations, all significant industrial users, proposing to connect to or discharge into the District's sewerage facilities must first obtain a Wastewater Discharge Permit. No vested right shall be deemed given by issuance of permits provided for in this document. The issuance of a Wastewater Discharge Permit does not authorize the commission of any act causing injury to the person or property of another, nor relieve the discharger from compliance with, or protect the discharger from liability under Federal, State or local laws, nor guarantee the discharger a capacity right in the District's sewerage facilities.

7.4.2 Permit Application Procedure

Applicants for Wastewater Discharge Permits shall complete an application form available at the District's office. This application shall be accompanied by the applicable fees.

As part of the permit application process the District may require the submittal of detailed plans for a review of existing or proposed

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construction of pretreatment facilities, spill containment facilities, monitoring and metering facilities, and operating procedures. The approval of the District shall be received prior to the start of construction. This review of plans and procedures shall in no way relieve the user of the responsibility of modifying the facilities or procedures in the future, as necessary, to meet the requirements of these Rules and Regulations or any requirements of other Regulatory Agencies.

If required the user shall submit four (4) copies of all drawings for review. All drawings shall include the following:

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- | —————
- (1) North arrow.
 - (2) Scale size.
 - (3) User name and address.
 - (4) Drawing name and drawing number.
 - (5) Date drawn or revised.
 - (6) Name of drafter and person approving drawing.

These scaled drawings shall include but not be limited to depictions of the manufacturing process (waste generating sources), spill containment, pretreatment facilities, and monitoring/metering facilities. Schematic drawings of pretreatment facilities may be required. The District may also require that drawings be signed and sealed by a California Registered Chemical, Mechanical, or Civil Engineer.

Upon receipt of all required information, the application shall be processed and, upon approval, a permit will be issued, signed by a District representative, and returned to the applicant. When properly signed, the permit together with any documents attached thereto shall constitute a valid Wastewater Discharge Permit for the time period specified therein. Where the discharger becomes aware that relevant facts were omitted or incorrect information was submitted in the application, the facts or corrected information shall be promptly submitted to the District and the permit shall be amended if appropriate.

7.4.3 Permit Conditions

Wastewater Discharge Permits shall be expressly subject to all provisions of these Rules and Regulations and all other regulations, user charges and fees established by the District. The conditions of wastewater discharge permits shall be uniformly enforced by the District in accordance with these Rules and Regulations and applicable state and federal regulations. Permits may contain the following:

- (1) The unit charge or schedule of user charges and fees fixed in this section for the sewage to be discharged;
- (2) The average and maximum sewage constituents and characteristics which may be discharged into the District's sewerage facilities;
- (3) Limits on rate and time of discharge or requirements for flow regulations and equalization;
- (4) Requirements for installation of inspection and sampling facilities;
- (5) Pretreatment requirements;
- (6) Specifications for monitoring programs which may include sampling locations, frequency and method of sampling, number, types and standards for tests and reporting schedule;
- (7) Requirements for submission of technical reports or discharge reports;

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- (8) Requirements for maintaining plant records relating to sewage discharge as specified by the General Manager, and affording the General Manager access thereto;
- (9) Mean and maximum mass emission rates, or other appropriate limits when non-compatible pollutants are proposed or present in the user's sewage discharge;
- (10) A time schedule for meeting certain pretreatment requirements;
- (11) Other conditions as deemed appropriate by the General Manager to insure compliance with this section.

7.4.4 Duration of Permits

Permits shall be issued for a specified time period, not to exceed four years. If the user is not notified by the District ninety days prior to the expiration of the permit, the permit shall be extended one additional year. The terms and conditions of the permit are subject to modifications and change by the District and OCSD during the life of the permit as limitations or requirements are modified and changed. The user shall be informed of any proposed changes in his permit at least thirty days prior to the effective date of change. Any change or new conditions in the permit shall include a reasonable time schedule for compliance.

7.4.5 Transfer of a Permit

Wastewater Discharge Permits are issued to a specific operation. A Wastewater Discharge Permit shall not be reassigned or transferred or sold to a new owner or lessee, new user, different premises, or a new or changed operation. In the event of any change in the name, ownership or control of the discharger's operation or a change in the operation itself, the discharger shall so notify the District. The District may require the new owner or operator to submit a new permit application.

7.4.6 Permit Renewal or Modification

An industrial discharger shall file a new application with the District sixty days prior to the expiration of its existing waste discharge permit, or the implementation of changes in the operation of a discharger which increase flows beyond that specified in the existing permit or cause a significant change in the nature of the wastewater or location of the discharge, or which changes may result in non-compliance with these Rules and Regulations. A new application shall also be required to reestablish sewer service following revocation of a permit or upon disclosure of omitted relevant facts or incorrect information submitted in an application.

| 7.4.7 _____ Pretreatment

Users shall make sewage acceptable under such limitations as may be established herein before discharging to the District's sewerage facilities. Any facilities required to pretreat sewage to a level acceptable to the District and OCSD shall be provided and maintained at the user's expense. Detailed plans, specifications and other pertinent data showing the

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pretreatment facilities and operating procedures shall first be submitted to the General Manager for review, and shall be approved by the General Manager before construction of the facility. These plans shall be signed by an engineer or responsible officer certifying that they will meet the pretreatment requirements. The review and approval of such plans and operating procedures will in no way relieve the user from the responsibility of modifying the facility as necessary to produce an effluent acceptable to the District under provisions of this section. Any proposed changes in the pretreatment facilities or method of operation subsequent to issuing a permit shall be reported to and be approved by the General Manager before implementing such changes. Such approval of plans or changes therein shall not exempt the user from compliance with any applicable code, ordinance, rule, regulation or order of any regulatory agency or governmental authority.

7.4.8 Protection From Accidental Discharge

Each user shall prevent accidental discharge to the public sewer of prohibited wastes or other materials regulated by these Rules and Regulations or Federal categorical pretreatment standard by providing spill containment facilities. Such facilities shall be provided and maintained at the user's expense. Detailed plans showing facilities and operating procedures to provide this protection shall be submitted to the General Manager for review, and shall be approved by the General Manager before construction of the facility and before making any changes therein. The review and approval of such plans and operating procedures or change therein will in no way relieve the user from the responsibility of modifying the facility as necessary to provide the protection necessary to meet the requirements of this section or any other applicable code, ordinance, rule, regulation or order of any regulatory agency or governmental authority.

7.4.9 Procedure For Accidental Discharge

In the event the discharger is unable to comply with any of the permit conditions due to a breakdown of waste treatment equipment, accidents caused by human error or acts of God, the discharger shall notify the District by telephone as soon as he or his agents have knowledge of the incident, but within 24 hours. Confirmation of this notification shall be made in writing within two weeks of the telephone notification. The written notification shall include pertinent information explaining reasons for the non-compliance and shall indicate what steps were taken to correct the problem and the date of the incident, as well as what steps are being taken to prevent the problem from recurring and the results of repeat sampling and analyses.

If it can be shown that the discharge is the cause of the District violating its discharge requirements or incurring extraordinary operational expenses or suffering loss or damage to the sewerage facilities, then that discharger may be responsible for any costs or expenses, including assessments by other agencies or the court, incurred by District.

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7.4.10 Types of Permits

The Wastewater Discharge Permit shall be in one of three forms and is dependent upon the volume and characteristics of wastewater to be discharged. The three Wastewater Discharge Permits are:

- (1) Class I Permit;
- (2) Class II Permit;
- (3) Special Purpose Permit;

7.4.10.1 Class I Permit

All Class I Users discharging or proposing to discharge into the District's sewerage facilities must obtain a Class I Wastewater Discharge Permit jointly issued by the District and OCSD before discharging.

7.4.10.2 Class II Permit

A Class II permit shall be required for all Class II Users who are not required to obtain a Class I permit. The purpose of a Class II permit is to facilitate the collection of compatible pollutant surcharges from the user. All Class II Users discharging or proposing to discharge into the District's sewerage facilities must obtain a Class II Wastewater Discharge Permit by filing an application pursuant to Section 7.4.2.

7.4.10.3 Special Purpose Permit

A special purpose permit shall be required for a user proposing to discharge storm water, groundwater, surface runoff, subsurface drainage, or unpolluted water directly or indirectly to the District's sewerage facilities. This permit may be granted when no alternative method of disposal is reasonably available, or to mitigate an environmental risk or health hazard. The applicant shall bear the burden of demonstrating that no alternative method of disposal is reasonably available.

Applicants seeking a special purpose wastewater permit shall complete and file with the District, prior to commencing discharge, an application in the form prescribed by the District. This application shall be accompanied by the applicable fees, plumbing plans, a detailed analysis of the alternatives for disposal, or other data needed by the District for review.

Discharge conditions and limitations shall be no less stringent than Section 7.3 of these Rules and Regulations and ~~Section 2.7.7 Article 2~~ [JA4][L5] of the OCSD Ordinance. For constituents not listed in Section 7.3 of these Rules and Regulations or in ~~Section 2.7.7 Article 2~~ of the OCSD Ordinance, the District shall exercise its sole discretion to base conditions and limitations on the California Toxics Rule and other water quality criteria.

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Monitoring requirements contained in the Special Purpose Permit for storm water, groundwater, surface runoff, subsurface drainage, or unpolluted water shall be for those non-compatible pollutants known or suspected to exist in the discharge and at least one analysis prior to sewer discharge shall be performed for all constituents contained in the most current Environmental Protection Agency (EPA) "Priority Pollutant" list, excluding Asbestos, and in other water quality criteria deemed appropriate by the District.

7.4.11 Monitoring

Management of a pollution control program requires a constant flow of information on the quantity and quality of discharges into the District's sewerage facilities. The monitoring of discharges serves three specific purposes. These purposes include ascertaining compliance with the Rules and Regulations, completion of necessary discharge reports as required, and determination of user charge fees, if applicable. There are several modes of a monitoring program. Self-Monitoring develops a data base, and provides the necessary information for determination of compliance and calculation of user charges, if applicable. This monitoring is performed by the user. Scheduled Monitoring is a systematic sampling and inspection survey of all industrial contributors to the District's sewerage facilities in accordance with a predetermined schedule. Unscheduled Monitoring is a random spot check of users to ascertain permit compliance. Demand Monitoring is conducted when some disruption of the District's sewerage facilities develops. The District will perform scheduled, unscheduled and demand monitoring to ensure compliance with the provisions of the Rules and Regulations and permits, and will review self-monitoring reports.

7.4.12 Self-Monitoring

Users required to obtain a Wastewater Discharge Permit may be required to develop a self-monitoring and reporting program. The frequency of self-monitoring and reporting will be based on the following criteria as evaluated by the District:

- (1) The effect of the discharger's wastewater on the District's sewerage facilities;
- (2) The degree of toxic materials which may pass through the treatment plant;
- (3) The need to ensure that any pretreatment standards are met;
- (4) The size, nature, and type of the industrial wastewater discharge;
- (5) The extent to which the user could contribute to violation of the District's discharge requirements.

Self-monitoring programs include, at minimum, the following:

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- (1) A minimum of four (4) grab samples must be used for pH, cyanide, total phenols, oil and grease, sulfide, and volatile organics.
- (2) For all other pollutants, 24-hour composite samples must be obtained through flow-proportional composite sampling techniques where feasible.
- (3) Where flow proportional composite sampling is infeasible, samples may be obtained through time-proportional composite sampling techniques or through a minimum of four (4) grab samples where the User demonstrates that this will provide a representative sample of the effluent being discharged.

Samples collected shall be in accordance with proper sampling and handling techniques outlined in the latest edition of "Standard Methods" or that publication entitled "Methods for Chemical Analysis of Water and Wastes" published by the EPA, or other appropriate method approved by the Regional Board.

7.4.13 Monitoring and Metering Facilities

The General Manager may require the user to construct at his own expense monitoring and metering facilities to allow inspection, sampling and flow measurement of the sewage or internal drainage systems. The General Manager may also require sampling and metering equipment to be provided, installed and operated at the user's expense. The monitoring and metering facility should normally be situated on the user's premises. When such a location would be impractical or cause undue hardship on the user, the user may construct such facilities in the public right-of-way provided said user has obtained any and all permits required therefore and that such equipment is located so that it will not be obstructed by landscaping or parked vehicles. If the monitoring and metering facility is inside the user's fence, there shall be accommodations to allow access for District personnel, such as a gate secured with a District lock. There shall be ample room in or near such monitoring and metering facility to allow accurate sampling and compositing of samples for analysis. The monitoring and metering facility and sampling and measuring equipment shall be maintained at all times in a safe and proper operating condition at the expense of the user. Whether constructed on public or private property, the monitoring and metering facilities shall be provided in accordance with the District requirements and all applicable construction standards and specifications. Construction shall be completed within ninety days following written notification by the General Manager, unless a time extension is otherwise granted by the General Manager.

7.4.14 Inspection and Sampling

The District shall inspect the wastewater generating and disposal facilities of any user to ascertain whether the intent of these Rules and Regulations is being met and the user is complying with all requirements. Persons or occupants of premises where wastewater is created or discharged shall allow the District or its representatives ready access during the normal working day to all parts of the wastewater generating and disposal facilities and monitoring and metering facilities for the purposes of

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inspection and sampling. The District shall have the right to set up on the user's property such devices as are necessary to conduct sampling or metering operations. Where a user has security measures in force, the user shall make necessary arrangements so that personnel from the District will be permitted to enter without delay for the purpose of performing their specific responsibilities.

7.4.15 Discharge Reports

An industrial user discharging or proposing to discharge sewage into the District's sewerage facilities shall be required to file discharge reports periodically or at anytime requested by the District. Industrial users subject to Federal categorical pretreatment standards, shall submit to the District by June 30 and December 31, unless required more frequently by the standard or by the District, a report indicating the nature and concentration of pollutants in the discharge which are limited by such categorical pretreatment standards. Reports generated by OCS D may serve to meet this requirement. In addition, this report shall include a record of flows as required by the District. The District may agree to alter the months during which the reports are to be submitted based on an industrial user's high or low flow rates, holidays, budgets, etc.

Where the District has imposed mass limitations on an industrial user, the report shall indicate the mass of pollutants regulated by the pretreatment standards in the discharge of the industrial user. Where the District has imposed equivalent mass or concentration limits on an industrial user, the report shall contain a reasonable measure of an industrial user's long-term production rate. For all other industrial users subject to categorical pretreatment standards expressed in terms of pollutant discharge per unit of production, the report shall include the industrial user's actual average production rate for the reporting period.

The District may also require an industrial user to include other information in the report including, but not limited to hours of operation, number and classification of employees, and quantities of liquid or gaseous materials stored on site even though they may not be discharged. Industrial users who monitor more frequently than required by permit must report the results of such monitoring.

Industrial users required to submit these reports or to keep other records under the conditions of their permit shall retain for three years all records of monitoring activities including dates, times, exact places, methods, names of persons who sampled and analyzed the discharge, and results of analysis, and shall make such records available for inspection and copying by the Regional Board, and the District. This period of retention may be extended during the course of any unresolved litigation regarding the User or the District, when requested by the Regional Board.

These reports shall be signed per Section 7.4.20 of the Rules and Regulations.

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7.4.16 Confidential Information

All information and data on a user obtained from reports, questionnaires, permit applications, permits, monitoring programs, and from inspections shall be available to the public or other governmental agencies without restriction unless the user specifically requests confidentiality and is able to demonstrate to the satisfaction of the General Manager that the release of such information would divulge information, processes or methods which would be detrimental to the user's competitive position. Any such claim must be asserted at the time of submittal of the information by stamping the words "confidential business information" on each page containing such information. If a claim is so asserted, the District will treat the information in accordance with Chapter 40, Code of Federal Regulations, Part 2. When requested by the person furnishing a report or other document, the portions of a report or document which might disclose trade secrets or secret processes shall not be made available to the public, but shall be made available to governmental agencies; and such portions of a report or document shall be subject to use by the state or any state agency in judicial review or enforcement proceedings involving the person furnishing the report or document. Sewage constituents and characteristics will in no instance be recognized as confidential information.

7.4.17 Toxic Solid Wastes

Industrial dischargers identified as generators of toxic solid wastes shall be notified by the District of applicable requirements promulgated under the Solid Waste Disposal Act, and the Resource Conservation and Recovery Act (RCRA) and shall be referred to the State of California Department of Health Services. The foregoing provision shall in no way relieve the discharger of full responsibility for ascertaining and complying with all such requirements.

7.4.18 Hazardous Waste Discharge

All industrial dischargers are required to file a one-time notification with the District of the discharge of wastes which, if otherwise disposed of, would be considered RCRA hazardous wastes. Industrial dischargers which discharge more than 220 pounds (100 kilograms) of RCRA classified wastes per month must include in the notification an identification of hazardous constituents, estimates of mass and concentration on a monthly basis for twelve consecutive months. Industrial dischargers who discharge less than 33 pounds (15 kilograms) per month of non-acute hazardous waste as defined by RCRA do not have to report under this Section. In addition, industrial dischargers need not report pollutants already addressed under self-monitoring, baseline monitoring, and other periodic compliance reports.

Industrial dischargers subject to this Section are required to certify that they have developed a program to reduce the volume or toxicity of hazardous wastes generated to the degree it has been determined to be economically practical.

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7.4.19 Baseline Monitoring Reports

All dischargers may be required to comply with applicable mandatory toxic waste and pretreatment standards promulgated in accordance with Sections 307 and 308 of the Federal Water Pollution Control Act, or amendments thereto. Within 180 days of the date such pretreatment standards are promulgated, or become applicable to the discharger, dischargers subject to the standards shall submit a baseline monitoring report to the District and to the U.S. Environmental Protection Agency detailing, in accordance with Section 403.12, Chapter 40, Code of Federal Regulations, as amended, the discharger's compliance status with the regulations. If the discharger is in non-compliance, the report shall include a time schedule outlining how the discharger will achieve compliance within the date established for the applicable pretreatment standards. Progress reports, monitoring and reports of compliance shall also, as required by Section 403.12, be submitted by the discharger at the specified times.

7.4.20 Signatory Requirements

All reports and permit applications required by the District for satisfying Federal Regulations shall contain the following certification statement:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with Federal Pretreatment Requirements."

This statement shall be signed by a manager and the person responsible for environmental matters of the industrial user as defined in 40 CFR 403.12 (1) (1-4).

7.5 CHARGE FOR USE

7.5.1 General

The purpose of a charge for use is to insure that each recipient of sewerage service from the District pays its reasonably proportionate share of all the costs of providing that sewerage service. Charges for use shall be used to recover the total cost of operation and maintenance, including the conveying, treating and disposing of wastewater in the District's sewerage facilities, as well as capital expenditures and reserve requirements for providing wastewater collection treatment and disposal. In addition, they will be used to reimburse District for the cost of monitoring and enforcement of these Rules and Regulations. Charges for sewerage service use will be on the District's non-residential service/quantity/commodity rates as specified in the District's Schedule of Rates and Charges, based on return of metered water to the sewer. Dischargers/Those dischargers may, upon request to the District, be permitted to have the amount of water being discharged into the sewer determined by means acceptable to the District. In lieu of the rates specified in the Schedule of Rates and Charges, upon request by the discharger and at the sole discretion of the District, an alternative service charge may be applied pursuant to Section 7.5.2 of

~~these Rules and Regulations. General charges will be determined on the basis of the volume of wastewater, the mass of BOD, and the mass of SS as set forth below.~~ Additional fees will be levied by the District for compatible or non-compatible pollutants in excess of those amounts specified in the user permit.

7.5.2 Alternative Service Charge

~~At the sole discretion of the District, dDischargers may request the application of an Alternative Service Charge for use^[KB7]. The acceptance of such requests and the formation and continuing application^[JA8] of an Alternative Service Charge shall be at the sole discretion of the District. The Alternative Service Charge shall be based on the measured quantity and quality of water being discharged to the sewer from the discharger's facility, measured by a means acceptable to the District. The District may revise an Alternative Service Charge, or discontinue the application of an Alternative Service Charge to a discharger and apply the rates specified in the Schedule of Rates and Charges, if the District determines, in its sole discretion, that the Alternative Service Charge does not adequately recover costs in accordance with the purposes described in Section 7.5.1; such action may, but need not, be taken in conjunction with any enforcement remedies under Section 7.6^[JA9].~~

7.5.2.1 Determination of Flow

There are three methods for determining the volume of wastewater discharged into the sewer: direct measurement, metered water supply, or adjusted metered water supply. Those users exceeding 10% of the design capacity of any District sewerage facility may be required to provide a continuous, automatic total flow measurement system incorporating flow indication, totalization, and recording of the wastewater flow (direct measurement system). Those users not required to have a continuous wastewater flow measurement system shall use metered water supply or adjusted metered water supply measurements to determine flow. The District shall approve the method of wastewater flow measurement to be used in each instance.

7.5.2.1 Direct Measurement

Direct Measurement reports the volume of industrial wastewater determined by a full time flow meter, measuring the wastewater leaving the plant.

7.5.2.2 Metered Water Supply

Metered water supply reports the amount of industrial wastewater discharged when the flow volume is a measurement of the total water entering the user's plant. This amount can be taken from

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water bills or flow measuring device which measures the intake of water from either the District, water wells, or other sources.

~~7.5.2.3~~ ~~—————~~ Adjusted Metered Water Supply

Adjusted metered water supply reports the amount of industrial wastewater discharged when amounts of water consumed in plant operations are subtracted from the total volume of metered water entering the plant. This results in a calculated rather than a measured flow volume of industrial wastewater leaving the plant. The adjusted metered water supply is determined by deducting measured quantities of water consumed in plant operations from the metered water supply.

~~7.5.2.2~~ ~~3~~ ~~—————~~ Determination of Biological Oxygen Demand (BOD) and

Suspended Solids (SS) For Charge For Use

~~(1) — The BOD and SS concentrations in the discharged wastewater shall be determined in accordance with the results of analytical tests performed on samples collected by the District and/or discharger and in a manner specified by the District. The frequency of sampling to determine wastewater strength shall be determined by the District. (1) — The BOD and SS concentrations required for charge for use will be determined from the average of six samples. Each sample shall be a 24 hour composite collected proportional to flow. Each 24 hour composite sample must have individual samples taken at least once per hour during all 24 hours or any lesser number of hours that wastewater is flowing into the sewer.~~

~~(2) — The samples collected shall be in accordance with proper sampling and handling techniques outlined in the latest edition of "Standard Methods for the Examination of Water and Wastewater" (American Public Health Association), and/or 40 CFR 136" or that publication entitled "Methods for Chemical Analysis of Water and Wastes Guidelines Establishing Test Procedures for the Analysis of Pollutants Wastes", published promulgated by the EPA or other appropriate methods approved for use by the Regional Board. Samples collected shall be delivered to a California State Certified Laboratory for analysis within the holding period of the sample. The District may require samples to be split for concurrent analyses.~~

~~7.5.2.344~~ ~~—————~~ Charge For Use

~~The Alternative Service eChargecharge for use for Class II users District approved dischargersusers~~

shall be computed by the following formula:

~~—————~~ Charge for use = VR_v + BR_b + SR_s

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_____ Where V = total volume of flow, in hundred cubic feet

_____ B = total discharge of biochemical oxygen demand, in pounds

_____ S = total discharge of suspended solids, in pounds

_____ R_v, R_b, R_s = unit charge rates for volume, BOD, and suspended solids, respectively, adopted and adjusted as needed by the District Board of Directors as shown in Exhibit B, Schedule of Rates and Charges.

_____ Each unit rate shall be based on the amount attributable to the respective component as a proportionate share of the total cost for operations and maintenance, capital expenditures, debt service, and reserve requirements for providing wastewater collection, treatment, and disposal in dollars per unit. Other measurements of the organic content of the wastewater of a discharger, such as COD or TOC may be used instead of BOD when BOD is not applicable. However, the discharger must establish for the District a relationship between the BOD of his wastewater and the other measured parameter to convert the other parameter to an equivalent BOD. This relationship shall be used by the District in determining the ~~A~~alternative ~~S~~service ~~C~~charge for use. When wastewater from typical domestic use facilities is discharged separately from the other wastewaters of a discharger, the charge for use for discharging the domestic wastewater may be determined by using the following:

- (1) 10,000 gallons per employee per year; and,
- _____ (2) 20 pounds of suspended solids per employee per year; and,
- _____ (3) 20 pounds of BOD per employee per year. (The number of employees will be considered at the average of people employed full time on a daily basis. This may be determined by averaging the number of people employed at the beginning and ending of each quarter, or other period that reflects normal employment fluctuations.)

| 7.5.355 Special Purpose Discharge Permit Charge For Use

A charge for use to cover all costs of the District for providing sewerage service and monitoring shall be established by the General Manager. A deposit determined by the General Manager to be sufficient to pay the estimated charges for use shall accompany the Special Purpose Discharge Permit application, and said deposit shall be applied to the charges for use.

~~7.5.6~~ ~~Mass Emission Rates~~ ~~Rate Determination~~

~~Maximum mass emission rates for non-compatible or compatible pollutants that are present or anticipated in the user's wastewater discharge shall be set for each user and made a part of each user's permit. These rates shall be based on Federal pretreatment standards and rates, or the rates contained in Exhibit B, Schedule of Rates and Charges, to these Rules and Regulations, as applied pursuant to Section 7.5.4, whichever is more stringent.~~

~~7.5.7~~ ~~Charges For Non-Compliance~~

Non-compliance with permit requirements, mass emission rate limits, concentrations, and/or these Rules and Regulations may be determined by an analysis of a grab or composite sample of the discharge of a permittee.

If routine sampling of the discharge of a permittee reveals non-compliance by the permittee with the mass emission rates or other conditions and limitations specified in the permittee's discharge permit, or with any provisions of these Rules and Regulations, then the permittee shall pay fees to the District as specified in Exhibit B, Schedule of Rates and Charges. The purpose of the non-compliance fees is to compensate the District for additional costs of sampling, monitoring, laboratory analysis, treatment, disposal, and administrative processing incurred as a result of the non-compliance, and shall be in addition to and not in lieu of any penalties as may be assessed pursuant to Sections 7.6.2, 7.6.3, and 7.6.4, and charges under Section 7.5.8.

Upon discovery of non-compliance with any pretreatment standard and requirement, the District shall be authorized to immediately proceed with enforcement action against the industrial user as outlined in Section 7.6. The user's status shall remain in violation until all necessary steps have been taken to restore or achieve compliance.

~~7.5.8~~ ~~Damage to Facilities or Interruption of Normal Operations~~

When a discharge of wastes causes an obstruction, interference, damage, or any other impairment to District's operation or facilities, the District may assess a charge to the discharger for the work required to clean or repair the facility or costs incurred to resume normal operations and such discharge shall be grounds for permit revocation. A service fee of 25 percent of District's costs shall be added to these charges and shall be payable within forty five (45) days of invoicing by the District.

If it can be shown that the discharge is the cause of the District violating its discharge requirements established by any Regulatory Agency or incurring additional expenses or suffering losses or damage to the sewerage facilities, then that discharger shall be responsible for any costs or expenses incurred by the District, including regulatory fines, penalties, and assessments made by other agencies or a court.

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7.6 ENFORCEMENT

7.6.1 Duty of Enforcement

- (1) The General Manager is hereby charged with the duty of enforcing this Section. The provisions of this Section shall be applicable to any discharge and any building, structure or property temporarily or permanently connected to the District's sewerage facilities, whether the same is owned, operated or controlled by a private party or by a public agency, other than the District, or quasi-public agency, corporation or association.

The District shall have legal authority to obtain remedies for non-compliance by industrial users with any pretreatment standard and requirement, including the authority to seek injunctive relief. The District shall have authority and procedures (after informal notice to the discharger) to immediately and effectively halt or prevent any discharge of pollutants which may constitute an imminent endangerment to the health or welfare of persons or to the environment, or cause interference with the operation of any treatment plant.

- (2) In addition to such other penalties as may be prescribed for a violation of these Rules and Regulations, whenever the General Manager finds that a discharge of waste has been taking place in violation of any prohibitions or limitations prescribed herein or pretreatment standards promulgated in accordance herewith, he may require the user to submit for his approval best management practice plans (BMPs) wherever necessary to implement the District's pretreatment program (e.g. plans ensuring industrial users conduct necessary routine maintenance, cleaning operations, chemical storage practices, segregation of wastes for reclamation, reduction of contaminated runoff, etc.). Any failure to comply with such BMPs shall likewise be deemed a violation of this article.

7.6.2 Enforcement Remedies

The District may, at its discretion, utilize any one, combination, or all enforcement remedies provided in Section 7.6 in response to any violation of a permit or these Rules and Regulations.

7.6.2.1 Probation Order

In the event that it is determined that a user has discharged in violation of any provision of these Rules and Regulations, or the terms, conditions and limitations of its discharge permit, or has not made payment of all amounts owed to the District for user charges, non-compliance fees, or any other fees, the General Manager may issue a Probation Order, whereby the user must comply with all directives, conditions, and requirements therein within the time prescribed.

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The Probation Order may contain terms and conditions including, but not limited to, installation of pretreatment equipment and facilities, submittal of drawings or technical reports, payment of fees, limits on rate and time of discharge, or other provisions to ensure compliance with these Rules and Regulations.

If at any time while a Probation Order is in effect, a user discharges wastewater to the District's sewerage facilities which is not in compliance with the Probation Order, the terms, conditions, or the limitations specified in the user's discharge permit, or with any provision of these Rules and Regulations, then the user shall pay fees to the District as specified in Exhibit B, Schedule of Rates and Charges, and the user may be assessed all other costs incurred during the sampling, including labor, equipment, materials, and overhead. The user may also be subject to permit suspension pursuant to Section 7.6.2.4 of these Rules and Regulations.

A Probation Order issued by the General Manager shall be in effect for a period not to exceed ninety (90) days. Upon satisfactory compliance with the terms of the Probation Order and expiration thereof, any fees to be assessed due to subsequent non-compliance by user shall be in accordance with these Rules and Regulations, re-established at the rate set forth in Exhibit B, Schedule of Rates and Charges. All enforcement actions thereafter shall be based on applicable provisions of these Rules and Regulations.

7.6.2.2

Enforcement Compliance Schedule Agreement (ECSA)

Upon determination that a permittee is in non-compliance with the terms, conditions or limitations specified in its permit or any provision of these Rules and Regulations, and needs to construct and/or acquire and install equipment related to pretreatment, the General Manager may require the permittee to enter into an ECSA, which will, upon the effective date of the ECSA, amend the permittee's permit. The ECSA shall contain the terms and conditions by which a permittee must operate during its term and shall provide specific dates for achieving compliance with each term and condition for construction, acquisition, and installation of required equipment related to pretreatment.

An ECSA shall have a maximum term of one hundred-eighty (180) days, and upon showing of good cause, including but not limited to reasonable progress under the terms of the ECSA, it may be extended by the General Manager for an additional period not to exceed one hundred-eighty (180) days. No further extensions shall be granted except on approval of the Board of Directors.

The ECSA may contain terms and conditions including but not limited to requirements for self-monitoring, installation of pretreatment equipment and facilities, submittal of drawings or reports, operator certification, audit of waste minimization practices, payment of fees, limits on rate and time of discharge,

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deposit of performance guarantee, or other provisions to ensure compliance with these Rules and Regulations.

An ECSA shall not be approved by the District until such time as all amounts owed to the District, including fees, charges for use, Section 7.5.8 charges, non-compliance fees, deposits, or civil penalties are paid in full, or an agreement for deferred payment secured by acceptable collateral or a third party, is approved by the District. Failure to pay all amounts owed to the District shall be grounds for permit suspension or permit revocation as set forth in Sections 7.6.2.4 and 7.6.2.5.

If, during the term of an ECSA, sampling reveals non-compliance by the permittee with the terms, conditions or limitations specified in the ECSA, the user's permit, or any provision of these Rules and Regulations, the permittee shall pay the fees as specified in Exhibit B, Schedule of Rates and Charges, and may be assessed all other costs incurred during the sampling, including labor, equipment, materials, and overhead.

If compliance is not achieved in accordance with the terms and conditions of an ECSA during its term, the General Manager may issue an order suspending or revoking the discharge permit pursuant to Sections 7.6.2.4 and 7.6.2.5.

If following the expiration of an ECSA, sampling reveals non-compliance by the permittee with the terms, conditions or limitations specified in the permit, or any provisions of these Rules and Regulations, the permittee shall pay an amount based on the fees set forth in Exhibit B, Schedule of Rates and Charges, for each violation.

If the permittee remains in consistent compliance for a two-year period following ECSA expiration, then the fees shall be re-established in accordance with Exhibit B, Schedule of Rates and Charges. All enforcement actions thereafter shall be based on applicable provisions of these Rules and Regulations.

7.6.2.3

Regulatory Compliance Schedule Agreement (RCSA)

If at any time subsequent to the issuance of a wastewater discharge permit to an industrial user, Federal Categorical Pretreatment Standards are adopted or revised by the EPA, or in the event the District enacts revised discharge limitations, the General Manager, upon determination that an industrial user would not be in compliance with the future limitations, may require the industrial user to enter into a RCSA with the District under terms and conditions that would provide for achieving compliance with all new standards by the industrial user on a specific date. The RCSA shall have a maximum term of two hundred-seventy (270) days.

The RCSA may contain terms and conditions including but not limited to requirements for installation of pretreatment equipment and facilities, submittal of drawings or reports, waste minimization

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practices or other provisions to ensure compliance with these Rules and Regulations.

During the period said RCSA is in effect, any discharge by the permittee in violation of the RCSA will require payment of non-compliance fees as specified in Exhibit B, Schedule of Rates and Charges.

Upon RCSA expiration, and in the event of non-compliance by the permittee, non-compliance fees shall be established in accordance with Exhibit B, Schedule of Rates and Charges. All enforcement actions thereafter shall be based on applicable provisions of these Rules and Regulations.

7.6.2.4

Permit Suspension

The District may suspend any permit when a permittee:

- (1) Fails to comply with the terms and conditions of either an ECSA or RCSA.
- (2) Knowingly provides a false statement, representation, record, report, or other document to the District.
- (3) Refuses to provide records, reports, plans, or other documents required by the District to determine permit terms, conditions, or limitations, discharge compliance, or compliance with these Rules and Regulations.
- (4) Falsifies, tampers with, or knowingly renders inaccurate any monitoring device or sample collection method.
- (5) Fails to report significant changes in operations or wastewater constituents and characteristics.
- (6) Violates a Probation Order.
- (7) Refuses reasonable access to the permittee's premises for the purpose of inspection and monitoring.
- (8) Does not make timely payment of all amounts owed to the District for user charges, non-compliance fees, penalties, deposits, or any other fees and charges.
- (9) Violates any condition or limitation of its discharge permit or any provision of the District's Rules and Regulations.
- (10) Discharges effluent that causes pass through or interference with the District's collection, treatment, or disposal facilities.
- (11) Fails to submit oral notice or written report of bypass occurrence.

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When the General Manager has reason to believe that grounds exist for permit suspension, he shall give written notice thereof by certified mail to the permittee setting forth a statement of the facts and grounds deemed to exist, together with the time and place where the charges shall be heard by a Department Head. The hearing date shall not be less than fifteen (15) calendar days nor more than forty-five (45) calendar days after the mailing of such notice.

- (1) At the suspension hearing, the permittee shall have an opportunity to respond to the allegations set forth in the notice by presenting written or oral evidence. The hearing shall be conducted in accordance with procedures established by the General Manager and approved by the District's General Counsel.
- (2) After the conclusion of the hearing, the Department Head shall submit a written report to the General Manager setting forth a brief statement of facts found to be true, a determination of the issues presented, conclusions, and a recommendation.
- (3) Upon receipt of the written report, the General Manager shall make his determination and should he find that grounds exist for suspension of the permit, he shall issue his decision and order in writing within thirty (30) calendar days after the conclusion of the hearing by the Department Head. The written decision and order of the General Manager shall be sent by certified mail to the permittee or its legal counsel or representative at the permittee's business address.

Upon an order of suspension by the General Manager becoming final, the permittee shall have no right to discharge any industrial wastewater, directly or indirectly to the District's sewerage facilities for the duration of the suspension. All costs for physically terminating and reinstating service shall be paid by the permittee. Any owner or responsible management employee of the permittee shall be bound by the order of suspension. An order of permit suspension issued by the General Manager shall be deemed final upon delivery to the permittee, unless appealed to the Board of Directors pursuant to Section 7.6.2.9.

7.6.2.5

Permit Revocation

The District may revoke any permit when it is determined that a permittee:

- (1) Knowingly provides a false statement, representation, record, report, or other document to the District.
- (2) Refuses to provide records, reports, plans, or other documents required by the District to determine permit terms, conditions, or other limitations, discharge

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compliance, or compliance with these Rules and Regulations.

- (3) Falsifies, tampers with, or knowingly renders inaccurate any monitoring device or sample collection method.
- (4) Fails to report significant changes in operations or wastewater constituents and characteristics.
- (5) Fails to comply with the terms and conditions of an ECSA, permit suspension, or probation order.
- (6) Discharges effluent to the District's sewerage facilities while its permit is suspended.
- (7) Refuses reasonable access to the permittee's premises for the purpose of inspection and monitoring.
- (8) Does not make timely payment of all amounts owed to the District for user charges, non-compliance fees, penalties, deposits, or any other fees and charges.
- (9) Discharges a batch dump to the District's sewerage facilities.
- (10) Discharges effluent that causes pass through or interference with the District's collection, treatment, or disposal facilities.
- (11) Fails to submit oral notice or written report of bypass occurrence.
- (12) Violates any condition or limitation of its discharge permit or any provision of the District's Rules and Regulations.

When the General Manager has reason to believe that grounds exist for revocation of a permit, he shall give written notice by certified mail thereof to the permittee setting forth a statement of the facts and grounds deemed to exist together with the time and place where the charges shall be heard by a Department Head. The hearing date shall not be less than fifteen (15) calendar days nor more than forty-five (45) calendar days after the mailing of such notice.

- (1) At the hearing, the permittee shall have an opportunity to respond to the allegations set forth in the notice by presenting written or oral evidence. The revocation hearing shall be conducted in accordance with the procedures established by the General Manager and approved by the District's general counsel.
- (2) After the conclusion of the hearing, the Department Head shall submit a written report to the General Manager setting forth a brief statement of facts found to be true, a

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determination of the issues presented, conclusions, and a recommendation.

- (3) Upon receipt of the written report, the General Manager shall make his determination and should he find that grounds exist for permanent revocation of the permit, he shall issue his decision and order in writing within thirty (30) calendar days after the conclusion of the hearing by the Department Head. The written decision and order of the General Manager shall be sent by certified mail to the permittee or its legal counsel or representative at the permittee's business address.

In the event that the General Manager determines to not revoke the permit he may order other enforcement actions, including, but not limited to, a temporary suspension of the permit, under terms and conditions that he deems appropriate.

Upon an order of revocation by the General Manager becoming final, the permittee shall permanently lose all rights to discharge any industrial wastewater directly or indirectly to the District's sewerage facilities. All costs for physical termination shall be paid by the permittee. Any owner or responsible management employee of the permittee shall be bound by the order of revocation. An order of permit revocation issued by the General Manager shall be deemed final upon delivery to the permittee, unless appealed to the Board of Directors pursuant to Section 7.6.2.9.

Any future application for a permit at a location within the District by any person subject to an order of revocation will be considered by the District after fully reviewing the records of the revoked permit, which records may be the basis for denial of a new permit.

7.6.2.6

Emergency Suspension

The District may, by order of the General Manager without notice or hearing, suspend sewerage service when such suspension is necessary, in order to stop an actual or impending discharge which presents or may present an imminent or substantial endangerment to the health and welfare of persons, or to the environment, or may cause interference with the District's sewerage facilities, or may cause the violation of any State or Federal Law or Regulation. An emergency suspension order is final and not appealable.

7.6.2.7

Civil Penalties

| 7.6.2.7.1

— Imposition By Court. Any permittee, discharger or other person who violates any provision of Section 7 of these Rules and Regulations, any permit condition, prohibition or effluent limitation, or any order, compliance schedule, suspension or revocation shall be civilly liable in a sum not to exceed twenty-five thousand dollars (\$25,000) a day for each violation. Pursuant to Sections 54739 and 54740 of the California Government Code, the

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District, upon order of the General Manager, shall petition the Superior Court to impose, assess and recover such penalties or such other penalties as the District may impose, assess and recover under Federal or State law.

| 7.6.2.7.2

— Imposition By Administrative Procedure. Any permittee, discharger, or other person who violates any provision of Section 7 of these Rules and Regulations, any permit condition, prohibition or effluent limitation, or any order, compliance schedule, suspension or revocation shall be civilly liable in the following amounts, as applicable, imposed by the District pursuant to an administrative complaint: a sum not to exceed two thousand dollars (\$2,000) a day for failing or refusing to furnish technical or monitoring reports, a sum not to exceed three thousand dollars (\$3,000) a day for failing or refusing to comply with any compliance schedule, a sum not to exceed five thousand dollars (\$5,000) a day for each violation for discharges in violation of any waste discharge limitation, permit condition or other requirement issued, reissued or adopted by the District, and a sum not to exceed ten dollars (\$10) per gallon for any discharge in violation of any suspension, cease and desist order or other order, or prohibition issued, reissued or adopted by the District.

The District may proceed under Section 7.6.2.7.2 by issuing an administrative complaint to any person who violates any provision of Section 7 of these Rules and Regulations, any permit condition, prohibition or effluent limitation, or any order, compliance schedule, suspension or revocation, alleging the act or failure to act that constitutes the violation, the provisions of law authorizing civil liability to be imposed and the proposed civil penalty. The administrative complaint shall be served by personal delivery or certified mail on such person and shall inform the person that a hearing shall be conducted, within 60 days following service, before the General Manager. The person may waive the right to a hearing, in which case it shall not be conducted.

- (1) At the hearing, the person shall have an opportunity to respond to the allegations set forth in the administrative complaint by presenting written or oral evidence. The hearing shall be conducted in accordance with the procedures established by the General Manager and approved by the District's general counsel.
- (2) After the conclusion of the hearing, the General Manager shall make his determination and should he find that grounds exist for imposition of a civil penalty, he shall issue his decision and order in writing within thirty (30) calendar days after the conclusion of the hearing. If not appealed, the order shall be final on the 31st day after it is served on the person.

A person dissatisfied with the decision of the General Manager may appeal to the Board of Directors within thirty (30) days of

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notice of the General Manager's decision, in accordance with Section 7.6.2.9.

If after the hearing or appeal, if any, it is found that the person has violated reporting or discharge requirements, the General Manager or Board of Directors may assess a civil penalty against that person.

In the determination of the amount of the civil penalty, all relevant circumstances may be taken into consideration, including, but not limited to, the extent of harm caused by the violation, the economic benefit derived through any non-compliance, the nature and persistence of the violation, the length of time over which the violation occurs and the corrective action, if any, attempted or taken by the person.

Payment of civil penalties shall be due within thirty (30) days of the date the order assessing the penalties becomes final. The amount of any civil penalties which have remained delinquent for a period of sixty (60) days from the date they are due shall constitute a lien against the real property of the discharger from which the discharge resulting in the imposition of the penalty originated. The lien shall have no force and effect until recorded with the county recorder and when recorded shall have the force and effect and priority of a judgment lien and continue for ten (10) years and be renewable in accordance with law.

Copies of the order shall be served by personal service or by registered mail upon the party served with the administrative complaint and upon other persons who appeared at the hearing and requested a copy of the order.

Any party aggrieved by a final order issued by the Board of Directors after granting review of the order of the General Manager may obtain review of the order of the Board of Directors in the superior court, by filing in the court a petition for writ of mandate within thirty (30) days following the service of a copy of the decision and order issued by the Board of Directors.

7.6.2.8

Appeals To The General Manager

Any user, permit applicant, or permittee affected by any decision, action or determination made a Department Head may file a written request for an appeal hearing. The request must be made within fifteen (15) days of mailing of the decision. The request for a hearing shall set forth in detail all facts supporting the appellant's request.

The General Manager shall, within fifteen (15) days of receiving the request for appeal, provide written notice to the user of the hearing date, time, and place. The hearing date shall not be more than thirty (30) days from the mailing of such notice by certified mail to the appellant unless a later date is agreed to by the appellant. If the hearing is not held within said time due to actions

or inactions of the appellant, then the original decision shall be deemed final.

At the hearing, the appellant shall have the opportunity to present information supporting its position concerning the staff's decision, action, or determination. The hearing shall be conducted in accordance with procedures established by the General Manager and approved by the District's general counsel.

After the conclusion of the hearing, the General Manager shall prepare a written report setting forth a brief statement of facts found to be true, a determination of the issues presented, and conclusions. The General Manager shall make his determination whether to uphold, modify, or reverse the decision, action, or determination of the Department Head and shall issue his decision and order within thirty (30) calendar days of the hearing. The written decision and order of the General Manager shall be sent by certified mail to the appellant or its legal counsel or representative at the appellant's business address.

The order of the General Manager shall be final in all respects fifteen (15) days after it is mailed to the appellant unless a request for hearing is filed with the Board of Directors pursuant to Section 7.6.2.9.

| ———7.6.2.9

Appeals To The Board Of Directors

If the General Manager's order is adverse to the user, permit applicant, or permittee, it may prior to the date that the General Manager's order becomes final, file a written request for a hearing by the Board of Directors accompanied by an appeal fee in an amount shown in Exhibit B, Schedule of Rates and Charges. The request for hearing shall set forth in detail all the issues in dispute for which the appellant seeks determination and all facts supporting appellant's request.

No later than sixty (60) days after receipt of the request for hearing, the Board of Directors shall either set the matter for hearing, or deny the request for hearing.

The Board of Directors shall grant all requests for a hearing on appeals concerning administrative civil penalties (Section 7.6.2.7.2), permit suspension or revocation. Whether to grant or deny the request for a hearing on appeals of other final decisions of the General Manager shall be at the sole discretion of the Board of Directors.

The appeal fee shall be refunded if the Board of Directors denies a hearing or reverses or modifies the order of the General Manager. The fee is not refunded if the Board of Directors denies the appeal.

A hearing shall be held by the Board of Directors within sixty (60) days from the date of determination granting a hearing, unless a later date is agreed to by the permittee and the Board of Directors.

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If the matter is not heard within the required time, due to actions or inactions of the appellant, the General Manager's order shall be deemed final

The Board Secretary shall within fifteen (15) days of the Board of Directors determination, provide written notice to the appellant by certified mail of the hearing date, time, and place, or the denial. If the hearing is denied, the General Manager's decision shall be final fifteen (15) days after the date such notice is mailed.

At the hearing, the appellant shall have the opportunity to present written or oral evidence supporting its position concerning the original decision, action, or determination, in accordance with adopted Rules of Procedure of the Board of Directors.

After the hearing, the Board of Directors shall make a determination whether to uphold, modify, or reverse the original decision, action, or determination as ordered by the General Manager.

The decision of the Board of Directors shall be set forth in writing within sixty-five (65) days after the close of the hearing and shall contain a finding of the facts found to be true, the determination of issues presented, and the conclusions. The written decision and order of the Board of Directors shall be sent by certified mail to the appellant or its legal counsel or representative at the appellant's business address.

The order of the Board of Directors shall be final upon its adoption. In the event the Board of Directors fails to reverse or modify the General Manager's order, it shall be deemed affirmed.

7.6.3 Costs

In addition to the penalties provided herein, the District may recover reasonable attorney's fees, court costs, court reporters' fees and other expenses of litigation by appropriate suit at law against the person found to have violated these Rules and Regulations, orders of the Board or conditions of permits issued hereunder.

7.6.4 Other Penalties

Any violation of these Rules and Regulations which is also a violation of federal or state laws or regulations is, in addition to any enforcement penalties and proceedings contained in the Rules and Regulations, subject to enforcement penalties and proceedings applicable under such federal or state laws or regulations.

7.7 FALSIFYING INFORMATION

Any person who knowingly makes any false statement, representation, record, report, plan or other document filed with the District or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required under this regulation, shall violate these Rules and Regulations.

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7.8 PUBLISHED NOTICE OF NON-COMPLIANCE

The names of industries in significant non-compliance with federal pretreatment standards shall be annually published by the District, in accordance with EPA requirements specified in 40 CFR 403.8(f)(2)(vii), in the largest daily newspaper published in the District service area.

7.9 WAIVER OF PROVISIONS

Waivers of federal categorical pretreatment standards and thus the provisions of these Rules and regulations are prohibited under any circumstances other than those authorized under Section 403, General Pretreatment Regulations, of the Clean Water Act.

7.10 CONFLICT

In the event that any portion of this Section pertaining to industrial waste discharge is inconsistent or in conflict with any other provisions of the District's Rules and Regulations as to such discharge, the provisions of this Section shall take precedence.

7.11 FATS, OILS AND GREASE CONTROL

7.11.1 Purpose

The purpose of this regulation is to facilitate the maximum beneficial public use of the District's sewer services and facilities while preventing blockages of the sewer lines resulting from discharges of FOG to the sewer facilities, and to specify appropriate FOG discharge requirements for Food Service Establishments.

This FOG regulation shall use the general definitions set forth in Section 7.2 and the additional definitions set forth in Section 7.11.2. The provisions of this regulation shall apply to the direct or indirect discharge of all wastewater or waste containing FOG carried to the sewer facilities of the District.

To comply with Federal, State, and local policies and to allow the District to meet applicable standards, this regulation shall govern discharges of all wastewater or waste containing FOG carried to the sewer facilities of the District.

This regulation establishes quantity and quality standards on all wastewater and/or waste discharges containing FOG, which may alone or collectively cause or contribute to FOG accumulation in the sewer facilities causing or potentially causing or contributing to the occurrence of SSOs.

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For convenience of reference, the District's regulations concerning discharges containing FOG are set forth in this Section 7.11. Notwithstanding compliance with this Section 7.11, discharges of wastewater or waste containing FOG to the sewer facilities shall also be subject to Section 7 generally and all other applicable requirements of these Rules and Regulations.

7.11.2 Definitions

The terms hereinafter set forth shall have the following meanings when used herein or in any permits or orders issued pursuant hereto. Terms used in this Section 7.11 and not defined below shall be as defined in Section 7.2.

- (1) Best Management Practices shall mean schedules of activities, prohibitions of practices, maintenance procedures and other management practices to prevent or reduce the introduction of FOG to the sewer facilities.
- (2) California Plumbing Code shall mean Uniform Plumbing Code.
- (3) Change in Operations shall mean any change in the ownership, food types, or operational procedures that have the potential to increase the amount of FOG generated and/or discharged by Food Service Establishments in an amount that alone or collectively causes or creates a potential for SSOs to occur.
- (4) Effective Date of this FOG Regulation shall mean December 30, 2004.
- (5) Emulsify shall mean to disperse (as an oil) in an emulsion or to convert two or more immiscible liquids into an emulsion.
- (6) Fats, Oils, and Grease ("FOG") shall mean any substance such as a vegetable or animal product that is used in, or is a byproduct of, the cooking or food preparation process, and that turns or may turn viscous or solidifies with a change in temperature or other conditions.
- (7) FOG Control Program shall mean the program required by and developed pursuant to RWQCB Order No. R8-2002-0014, Section (c)(12)(viii).
- (8) FOG Control Program Manager shall mean the individual designated by the General Manager to administer the FOG Control Program. The FOG Control Program Manager is responsible for all determinations of compliance with the program, including approval of discretionary variances and waivers.

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- (9) FOG Wastewater Discharge Permit shall mean a permit issued by the District subject to the requirements and conditions established by the District authorizing the permittee or discharger to discharge wastewater into the District's facilities or into sewer facilities which ultimately discharge into a District facility.
- (10) Food Service Establishment shall mean a facility defined in California Uniform Retail Food Service Establishments Law (CURFFL), Health and Safety Code Section 113785, and any commercial entity within the boundaries of the District, operating in a permanently constructed structure such as a room, building, or place, or portion thereof, maintained, used, or operated for the purpose of storing, preparing, serving, or manufacturing, packaging, or otherwise handling food for sale to other entities, or for consumption by the public, its members or employees, and which has any process or device that uses or produces FOG, or grease vapors, steam, fumes, smoke or odors that are required to be removed by a Type I or Type II hood, as defined in CURFFL Section 113785. A limited food preparation establishment is not considered a Food Service Establishment when it is engaged only in reheating, hot holding or assembly of ready to eat food products and as a result, there is no wastewater discharge containing a significant amount of FOG. A limited food preparation establishment does not include any operation that changes the form, flavor, or consistency of food.
- (11) General Permit Conditions shall mean the FOG Control Program General Permit Conditions.
- (12) Food Grinder shall mean any device installed in the plumbing or sewage system for the purpose of grinding food waste or food preparation by products for the purpose of disposing it in the sewer system.
- (13) Grease Control Device shall mean any grease interceptor, grease trap or other mechanism, device, or process, which attaches to, or is applied to, wastewater plumbing fixtures and lines, the purpose of which is to trap or collect or treat FOG prior to it being discharged into the sewer system. "Grease control device" may also include any other proven method to reduce FOG subject to the approval of the District.
- (14) Grease Interceptor or Interceptor shall mean a multi-compartment device that is constructed in different sizes and is generally required to be located, according to the California Plumbing Code, underground between a Food Service Establishment and the

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connection to the sewer system. These devices primarily use gravity to separate FOG from the wastewater as it moves from one compartment to the next. These devices must be cleaned, maintained, and have the FOG removed and disposed of in a proper manner on regular intervals to be effective.

- (15) Grease Trap shall mean a grease control device that is used to serve individual fixtures and have limited effect and should only be used in those cases where the use of a grease interceptor or other grease control device is determined to be impossible or impracticable.
- (16) Hot Spots shall mean Areas in sewer lines that have experienced sanitary sewer overflows or that must be cleaned or maintained frequently to avoid blockages of sewer system.
- (17) New Construction shall mean any structure planned or under construction for which a sewer connection permit has not been issued.
- (18) Remodeling shall mean a physical change or operational change causing generation of the amount of FOG that exceed the current amount of FOG discharge to the sewer system by the Food Service Establishment in an amount that alone or collectively causes or create a potential for SSOs to occur; or exceeding a cost, set forth in the FOG Control Program, to a Food Service Establishment that requires a building permit, and involves any one or combination of the following: (1) Under slab plumbing in the food processing area, (2) an increase in the net public seating area meeting the criteria specified in the FOG Control Program, (3) an increase in the size of the kitchen area meeting the criteria specified in the FOG Control Program, or (4) any change in the size or type of food preparation equipment.
- (19) SSO shall mean sewer system overflow.

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7.11.3 FOG Discharge Limitations, Prohibitions and Requirements – General

7.11.3.1 FOG Discharge Prohibition

No Food Service establishment shall discharge or cause to be discharged into the sewer system FOG that exceeds a concentration level adopted by the Board or that may accumulate and/or cause or contribute to blockages in the sewer system or at the sewer system lateral which connects the Food Service Establishment to the sewer system.

7.11.3.2 Food Service Establishment Prohibitions

The following prohibitions shall apply to all Food Service Establishments:

- (1) Installation of food grinders in the plumbing system of new constructions of Food Service Establishments is prohibited. Furthermore, all food grinders shall be removed from all existing Food Service Establishments within 180 days of the effective date of this FOG regulation, except when expressly allowed by the FOG Control Program Manager.
- (2) Introduction of any additives into a Food Service Establishment's wastewater system for the purpose of emulsifying FOG is prohibited, unless a specific written authorization from the FOG Control Program Manager is obtained.
- (3) Disposal of waste cooking oil into drainage pipes is prohibited. All waste cooking oils shall be collected and stored properly in receptacles such as barrels or drums for recycling or other acceptable methods of disposal.
- (4) Discharge of wastewater from dishwashers to any grease trap or grease interceptor is prohibited.
- (5) Discharge of wastewater with temperatures in excess of 140°F to any grease control device, including grease traps and grease interceptors, except as permitted in the FOG Control Program, is prohibited.
- (6) The use of biological additives for grease remediation or as a supplement to interceptor maintenance, without prior authorization from the FOG Control Program Manager, is prohibited.

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- (7) Discharge of wastes from toilets, urinals, and other fixtures containing fecal materials to sewer lines intended for grease interceptor service, or vice versa, is prohibited.
- (8) Discharge of any waste including FOG and solid materials removed from the grease control device to the sewer system is prohibited. Grease removed from grease interceptors shall be wastehailed periodically as part of the operation and maintenance requirements for grease interceptors.
- (9) Increasing the use of water or in any other manner attempting to dilute a discharge as a partial or complete substitute for treatment to achieve compliance with this Section 7.11 and the FOG Wastewater Discharge Permit is prohibited.
- (10) Any other prohibited practice identified in the FOG Control Program from time to time, is prohibited.

7.11.3.3 FOG Wastewater Discharge Permit Required

No person shall discharge, or cause to be discharged any wastewater from a Food Service Establishment directly or indirectly into the sewer system without first obtaining a FOG Wastewater Discharge Permit if required by the District pursuant to Section 7.11.6.

7.11.3.4 Best Management Practices Required

Food Services Establishments shall implement Best Management Practices in their operation to minimize the discharge of FOG to the sewer system. Detailed requirements for Best Management Practices shall be specified in the permit. This may include kitchen practices and employee training that is essential in minimizing FOG discharge.

7.11.4 FOG Pretreatment

Food Service Establishments are required to install, operate and maintain approved type and adequately sized grease interceptors necessary to maintain compliance with the objectives of this Section 7.11. Grease interceptors shall be adequate to separate and remove FOG contained in wastewater discharges from Food Service Establishments prior to discharge to the sewer system. Fixtures, equipment, and drain lines located in the food preparation and clean up areas of Food Service Establishments that are sources

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of FOG discharges shall be connected to the grease interceptor. Compliance shall be established as follows:

7.11.4.1 New Construction of Food Service Establishments

New construction of Food Service Establishments after the effective date of this FOG regulation shall include and install grease interceptors prior to commencing discharges of wastewater to the sewer system.

7.11.4.2 Existing Food Service Establishments

- (1) For Food Service Establishments existing on the effective date of this FOG regulation, the requirement to install and to properly operate and maintain a grease interceptor may be conditionally stayed, that is, delayed in its implementation by the FOG Control Program Manager for a maximum period of three years from the effective date of this FOG regulation (3-year Amortization Period). Terms and conditions for application of a stay to a Food Service Establishment shall be set forth in the permit. The Board finds that three years is a reasonable amortization period for existing Food Service Establishments that are operating without a grease interceptor.
- (2) Existing Food Service Establishments that have reasonable potential to adversely impact the sewer system or have sewer laterals connected to hot spots, as determined by the FOG Control Program Manager, shall install grease interceptors within 180 days of the effective date of this FOG regulation.
- (3) Existing Food Service Establishments undergoing remodeling or a change in operations, or Food Service Establishments that change ownership, shall be required to install a grease interceptor.

7.11.4.3 Variance from Grease Interceptor Requirements

A variance from the grease interceptor requirements to allow alternative pretreatment technology, that is at least equally effective in controlling the FOG discharge, in lieu of a grease interceptor may be granted to Food Service Establishments demonstrating that it is impossible or impracticable to install, operate or maintain a grease interceptor. The applicant shall bear the burden of demonstrating that the alternative method of disposal is at least equally effective. The FOG Control Program Manager's

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determination to grant a variance will be based upon, but not limited to, evaluation of the following conditions:

- (1) There is no adequate space for installation and/or maintenance of a grease interceptor.
- (2) There is no adequate slope for gravity flow between kitchen plumbing fixtures and the grease interceptor and/or between the grease interceptor and the private collection lines or the public sewer.
- (3) The Food Service Establishment can justify that the alternative pretreatment technology is equivalent to or better than a grease interceptor in controlling its FOG discharge. In addition, the Food Service Establishment must be able to demonstrate, after installation of the proposed alternative pretreatment, its effectiveness to control FOG discharge through downstream visual monitoring of the sewer system, for at least three months, at its own expense. A variance may be granted if the results show no visible accumulation of FOG in its lateral and/or tributary downstream sewer lines.

7.11.4.4

Conditional Waiver from Installation of Grease Interceptor

A conditional waiver from installation of a grease interceptor may be granted for Food Service Establishments that have been determined to have negligible FOG discharge and insignificant impact to the sewer system. The FOG Control Program Manager's determination to grant or revoke a conditional waiver shall be based upon, but not limited to, evaluation of the following conditions:

- (1) Quantity of FOG discharge as measured or as indicated by the size of Food Service Establishment based on seating capacity, number of meals served, menu, water usage, amount of on-site consumption of prepared food and other conditions that may reasonably be shown to contribute to FOG discharges.
- (2) Adequacy of implementation of Best Management Practices and compliance history.
- (3) Sewer size, grade, condition based on visual information, FOG deposition in the sewer by the Food Service Establishment, and history of maintenance and sewage spills in the receiving sewer system.

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- (4) Changes in operations that significantly affect FOG discharge.
- (5) Any other condition deemed reasonably related to the generation of FOG discharges by the FOG Control Program Manager.

7.11.4.5 Reserved.

7.11.4.6 Application for Waiver or Variance of Requirement for Grease Interceptor

A Food Service Establishment may submit an application for waiver or variance from the grease interceptor requirement to the FOG Control Program Manager. The Food Service Establishment bears the burden of demonstrating, to the FOG Control Program Manager's reasonable satisfaction, that the installation of a grease interceptor is not feasible or applicable. Upon determination by the FOG Control Program Manager that reasons are sufficient to justify a variance or waiver, the permit will be issued or revised to include the variance or waiver and relieve the Food Service Establishment from the requirement. Terms and conditions for issuance of a variance to a Food Service Establishment shall be set forth in the permit. A waiver or variance may be revoked at any time when any of the terms and conditions for its issuance is not satisfied or if the conditions upon which the waiver was based change so that the justification for the waiver no longer exists.

7.11.4.7 Grease Interceptor Serving Multiple Food Service Establishments on a Single Parcel

Property owners of commercial properties or their official designee(s) shall be responsible for the installation and maintenance of the grease interceptor serving multiple Food Service Establishments that are located on a single parcel.

7.11.5 Sewer System Overflows, Public Nuisance, Abatement Orders and Cleanup Costs

Notwithstanding the three-year amortization period established in Section 7.11.4.2, Food Service Establishments found to have contributed to a sewer blockage, SSOs or any sewer system interferences resulting from the discharge of wastewater or waste containing FOG, shall be ordered to install and maintain a grease interceptor, and may be subject to a plan to

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abate the nuisance and prevent any future health hazards created by sewer line failures and blockages, SSOs or any other sewer system interferences. SSOs may cause or threaten to cause injury to public health, safety, and welfare of life and property and are hereby declared public nuisances. Furthermore, sewer lateral failures and SSOs caused by Food Service Establishments alone or collectively, are the responsibility of the private property owner or Food Service Establishment, and individual(s) as a responsible officer or owner of the Food Service Establishment.

Sewer blockage, SSOs, obstruction, interference, damage, or any other impairment to the District's sewer facilities or to the operation of those facilities, and any discharge of a waste which causes or contributes to the District's violating its discharge requirements established by any Regulatory Agency or incurring additional expenses or suffering losses or damage to the facilities, shall be subject to Section 7.5.8.

7.11.6 FOG Wastewater Discharge Permits for Food Service Establishments

7.11.6.1 FOG Wastewater Discharge Permit Required

If required by the District under criteria established in the FOG Control Program, Food Service Establishments proposing to discharge or currently discharging wastewater containing FOG into the District's sewer system shall obtain a FOG Wastewater Discharge Permit from the District. This requirement shall be effective 180 days from the effective date of this FOG regulation.

FOG Wastewater Discharge Permits shall be expressly subject to all provisions of this Section 7.11 and all other regulations, charges for use, and fees established by the District. The conditions of FOG Wastewater Discharge Permits shall be enforced by the District in accordance with this Section 7.11 and applicable State and Federal Regulations.

If applicable, Class I and Class II dischargers may have requirements established under Section 7.11.6 incorporated in their permits, in which event the Class I or Class II Permit shall also serve as a FOG Wastewater Discharge Permit.

7.11.6.2 FOG Wastewater Discharge Permit Application

Any person required to obtain a FOG Wastewater Discharge Permit shall complete and file with the District prior to commencing discharges, an application on a form prescribed by the District. Applicants for FOG Wastewater Discharge Permits shall complete an application form available at the District's office. The District's FOG Control Program General Permit Conditions

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shall be obtained from the District office or on the District's website at www.irwd.com, and reviewed by the Applicant prior to the submittal of plans. The applicable FOG Wastewater Discharge Permit fees as set forth in Exhibit B, Schedule of Rates and Charges, shall accompany the application. The General Permit Conditions must also be met.

The applicant shall submit two (2) copies of all drawings for review. All drawings shall include the following:

- (1) North arrow.
- (2) Scale size.
- (3) User name and address.
- (4) Drawing name and drawing number.
- (5) Date drawn or revised.
- (6) Name of drafter and person approving drawing.

Applicant will be required to submit site plans, floor plans, mechanical and plumbing plans, and details to show all sewer locations and connections, FOG control device, grease interceptor or other pretreatment equipment and appurtenances by size, location, and elevation for evaluation. Applicant may be required to submit a schematic drawing of the grease control device, grease interceptor or other pretreatment equipment, piping and instrumentation diagram, and wastewater characterization report. District review of plan submittals will include, among other requirements, the prohibitions specified in Section 7.11.3.2 and the requirements specified in Section 7.11.6.8 and Section 7.11.6.9. The review of the plans and procedures shall in no way relieve Applicant of the responsibility of modifying the facilities or procedures in the future, as necessary to produce an acceptable discharge, and to meet the requirements of this Section 7.11 or any requirements of other Regulatory Agencies.

7.11.6.3 FOG Wastewater Discharge Permit

A FOG Wastewater Discharge Permit may contain any of the following conditions or limits:

- (1) Limits on discharge of FOG and other priority pollutants.
- (2) Requirements for proper operation and maintenance of grease interceptors and other grease control devices.
- (3) Grease interceptor maintenance frequency and schedule.

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- (4) Requirements for implementation of best management practices and installation of adequate grease interceptor and/or grease control device.
- (5) Requirements for maintaining and reporting status of best management practices.
- (6) Requirements for maintaining and submitting logs and records, including wastehauling records and waste manifests.
- (7) Requirements to self-monitor.
- (8) Requirements for the permittee to construct, operate and maintain, at its own expense, FOG control device and sampling facilities.
- (9) Additional requirements as otherwise determined to be reasonably appropriate by the FOG Control Program Manager to protect the District's system or as specified by other Regulatory Agencies.
- (10) Other terms and conditions, which may be reasonably applicable to ensure compliance with this Section 7.11.

7.11.6.4 FOG Wastewater Discharge Permit Fee

The FOG Wastewater Discharge Permit fee shall be paid by the applicant in the amount set forth in Exhibit B, Schedule of Rates and Charges. Payment of permit fees must be received by the District prior to issuance of either a new permit or a renewed permit. A permittee shall also pay any delinquent invoices for sewer, service, fines or penalties in full prior to permit renewal.

7.11.6.5 Duration; Modification of Terms and Conditions; Renewal

The duration of permits shall be in accordance with Section 7.4.4. The terms and conditions of an issued permit are subject to modification and change during the life of the permit in accordance with Section 7.4.4, as limitations or requirements are modified and changed, or based on determination by the FOG Control Program Manager that such modification is appropriate to further the objectives of this Section 7.11.

Permits are subject to the requirements concerning renewal and modification set forth in Section 7.4.6. The Permittee may request a modification to the terms and conditions of an issued permit.

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The request shall be in writing stating the requested change, and the reasons for the change. The FOG Control Program Manager shall review the request, make a determination on the request, and respond in writing.

7.11.6.6 Exemption for Limited Food Preparation Establishments

A limited food preparation establishment (as defined in the definition of Food Service Establishment), is not considered a Food Service Establishment and is exempt from obtaining a FOG Wastewater Discharge Permit.

7.11.6.7 Non-Transferability of Permits

FOG Wastewater Discharge Permits are restricted as to transferability, in accordance with Section 7.4.5.

7.11.6.8 Pretreatment - Grease Interceptor Requirements

In accordance with Section 7.4.7 and 7.4.8, all Food Service Establishments shall provide wastewater acceptable to the District, under the requirements and standards established herein, before discharging it to any public sewer. Any Food Service Establishment required to pretreat shall install, operate, and maintain an approved type and adequately sized grease interceptor necessary to maintain compliance with the objectives of this Section 7.11.

Grease interceptor sizing and installation shall conform to the current edition of the Uniform Plumbing Code. Grease interceptors shall be constructed and located in accordance with the requirements and criteria set forth in the FOG Control Program

Grease Interceptors shall be maintained in efficient operating condition in accordance with the practices, requirements and restrictions set forth in the FOG Control Program and with a maintenance frequency approved by the FOG Control Program Manager pursuant to said Program.

Food Service Establishments with grease interceptors may be required to submit data and information necessary to establish the maintenance frequency grease interceptors.

7.11.6.9 Grease Trap Requirements

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Food Service Establishments may be required to install grease traps in the waste line leading from drains, sink, and other fixtures or equipment where grease may be introduced into the sewer system in quantities that can cause blockage.

Sizing and installation of grease traps shall conform to the current edition of the California Plumbing Code and with applicable requirements and criteria set forth in the FOG Control Program.

Grease traps shall be maintained in efficient operating condition in accordance with the practices, requirements and restrictions set forth in the FOG Control Program and with a maintenance frequency approved by the FOG Control Program Manager pursuant to said Program.

7.11.6.10 Monitoring Facilities Requirements

To ensure proper operation and maintenance of the grease control device or grease interceptor and compliance with this Section 7.11, in accordance with Section 7.4.13, the District may require the Food Service Establishments to construct and maintain in proper operating condition at the Food Service Establishment's sole expense, flow monitoring, constituent monitoring and/or sampling facilities, and to submit waste analysis plans, contingency plans, and meet other necessary requirements.

7.11.6.11 Best Management Practices

All Food Service Establishments shall implement best management practices in accordance with the requirements and guidelines established by the District and set forth in its FOG Control Program in an effort to minimize the discharge of FOG to the sewer system

7.11.7 Monitoring, Reporting, Inspection and Sampling

7.11.7.1 Monitoring for Compliance with Permit Conditions and Reporting Requirements

The FOG Control Program Manager may require periodic reporting of the status of implementation of Best Management Practices, in accordance with the FOG Control Program.

The FOG Control Program Manager may require visual monitoring at the sole expense of the Permittee to observe the actual conditions of the Food Service Establishment's sewer lateral and sewer lines downstream.

The FOG Control Program Manager may require reports for self-monitoring of wastewater constituents and FOG characteristics of the Permittee needed for determining compliance with any conditions or requirements as specified in the FOG Wastewater Discharge Permit or this Section 7.11. Monitoring reports of the analyses of wastewater constituents and FOG characteristics shall be in a manner and form approved by the FOG Control Program Manager and shall be submitted upon request of the FOG Control Program Manager. Failure by the Permittee to perform any required monitoring, or to submit monitoring reports required by the FOG Control Program Manager shall constitute a violation of this Section 7.11 and be cause for the District to initiate all necessary tasks and analyses to determine the wastewater constituents and FOG characteristics for compliance with any conditions and requirements specified in the FOG Wastewater Discharge Permit or in this Section 7.11. The Permittee shall be responsible for any and all expenses of the District in undertaking such monitoring analyses and preparation of reports.

Other reports may be required such as compliance schedule progress reports, FOG control monitoring reports, and any other reports deemed reasonably appropriate by the FOG Control Program Manager to ensure compliance with this Section 7.11.

7.11.7.2 Record Keeping Requirements

The Permittee shall be required to keep all manifests, receipts and invoices of all cleaning, maintenance, grease removal of/from the grease control device, disposal carrier and disposal site location for not less than two years. The Permittee shall, upon request, make the manifests, receipts and invoices available to any District representative, or inspector. These records may include:

- (1) A logbook of grease interceptor, grease trap or grease control device cleaning and maintenance practices. The logbook must be available during any inspection by a District representative or inspector. Failure to locate the logbook during an inspection, whether misplaced or lost, will result in the issuance of a replacement logbook by the District and require the Permittee to pay the logbook replacement fee in the amount set forth in Exhibit B, Schedule of Rates and Charges, for each violation. The replacement fee will be billed to the Permittee at the time of the replacement.

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- (2) A record of Best Management Practices being implemented including employee training.
- (3) Copies of records and manifests of wastehauling interceptor contents.
- (4) Records of sampling data and sludge height monitoring for FOG and solids accumulation in the grease interceptors.
- (5) Any other information deemed appropriate by the FOG Control Program Manager to ensure compliance with this Section 7.11.

7.11.7.3 Falsifying Information or Tampering with Process

It shall be unlawful to make any false statement, representation, record, report, plan or other document that is filed with the District, or to tamper with or knowingly render inoperable any grease control device, monitoring device or method or access point required under this Section 7.11.

7.11.7.4 Inspection and Sampling

The wastewater discharges of Food Service Establishments are subject to inspection and sampling in accordance with the requirements of Section 7.4.14 to ascertain whether the intent of this Section 7.11 is being met and the Permittee is complying with all requirements. District access to the Food Service Establishment premises and records for such purposes shall include grease control devices or interceptor, and manifests, receipts and invoices relating to the cleaning, maintenance and inspection of the grease control devices or interceptor.

In order for the FOG Control Program Manager to determine the wastewater characteristics of the discharger for purposes of determining the annual use charge and for compliance with permit requirements, the Permittee shall make available for inspection and copying by the District all notices, monitoring reports, waste manifests, and records including, but not limited to, those related to wastewater generation and wastewater disposal, without restriction but subject to the confidentiality provision set forth in this Section 7.11. All such records shall be subject to inspection and shall be kept by the Permittee in accordance with Section 7.4.15.

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7.11.7.5 Notification of Spill

In the event a discharger is unable to comply with any permit condition due to a breakdown of equipment, accidents, or human error or the discharger has reasonable opportunity to know that his/her/its discharge will exceed the discharge provisions of the FOG Wastewater Discharge Permit or this Section 7.11, the discharger shall immediately notify the District by telephone at the number specified in the Permit. If the material discharged to the sewer has the potential to cause or result in sewer blockages or SSOs, the discharger shall immediately notify the local Health Department, City or County, and the District.

Confirmation of this notification shall be made in writing to the FOG Control Program Manager at the address specified in the Permit no later than five (5) working days from the date of the incident. The written notification shall state the date of the incident, the reasons for the discharge or spill, what steps were taken to immediately correct the problem, and what steps are being taken to prevent the problem from recurring.

Such notification shall not relieve the Permittee of any expense, loss, damage or other liability which may be incurred as a result of damage or loss to the District or any other damage or loss to person or property; nor shall such notification relieve the Permittee of any fees or other liability which may be imposed by this Section 7.11 or other applicable law.

7.11.8 Enforcement

Enforcement of the provisions of this Section 7.11 and the provisions of any FOG Wastewater Discharge Permit shall be governed by Section 7.6, and for such purpose the District may utilize any one, combination or all enforcement remedies provided in Section 7.6 to the extent determined by the District to be applicable to a violation under this Section 7.11. For this purpose, "Department Head" as used in Section 7.6 shall mean the FOG Control Program Manager. In addition to the non-compliance fees specified under Section 7.6, the Permittee shall be subject to fees for FOG Program non-compliance as specified in Exhibit B, Schedule of Rates and Charges.

7.11.9 California Building Standards Law

Pursuant to the provisions of the California Building Standards Law, California Health and Safety Code §§ 18941.5, 17958, 17958.5 and 17958.7, the Board hereby finds that variations of this Section 7.11 from the State Building Standards and Housing Laws, more particularly the

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California Plumbing Code are necessary because of climatic, geological or topographical conditions of property in the District's jurisdiction, and as more specifically described below:

- (1) Sections 7.11.4 and 7.11.6 modify the authority and discretion of the "Administrative Authority" of Section 1014.1 of the 2001 California Plumbing Code by requiring all Food Service Establishments to install and operate a grease control device, which may be a grease interceptor or grease trap, if no other device, mechanism, or process is found to successfully trap or collect or treat FOG prior to its being discharged into the sewer system.
- (2) Section 7.11.6 modifies the general maintenance requirements for grease interceptors of Section 1014.6 of the 2001 California Plumbing Code and establishes more stringent maintenance requirements.

With respect to the foregoing differences, the District finds that the District's topography and geography and the District's proximity to the Pacific Ocean coupled with the general waste discharge requirements imposed by the RWQCB require the strict compliance with grease control device regulations to prevent sewer system overflows that threaten the health and safety of the public within the immediate vicinity of the overflow and downstream to the local beaches.

Additional amendments and deletions to the California Plumbing Code are found to be administrative or procedural and are found to be reasonable and necessary to safeguard life and property within the District.

A copy of this Section 7.11 shall be filed with the California Building Standards Commission and the California Department of Housing and Community Development by the Secretary of the Board as required by State law (Health & Safety Code Section 17958.7).

Section 8: MONITORING AND INSPECTION

8.1. WATER AND SEWER SYSTEMS

The Manager or his authorized representative shall have the right to enter upon the customer's premises during reasonable hours for the purpose of inspecting the customer's water and sewer systems and to insure compliance with these Rules and Regulations including the provision that self-regenerating water softeners shall not be connected to the sewer facilities of the District and the provision that all cross-connections be properly protected.

8.2. RECYCLED WATER SYSTEMS

The Manager or authorized representatives of the District shall monitor and inspect the entire recycled water system including both onsite and offsite facilities. The District shall conduct monitoring programs, maintain a record as deemed necessary, and provide reports as requested by regulatory agencies including the California Regional Water Quality Control Board. The Manager or authorized representatives of the District, in carrying out these functions, shall have the right to enter upon the customer's premises during reasonable hours for the purpose of inspecting onsite recycled water facilities and areas of recycled water use and to ensure compliance with these Rules and Regulations, including the provision that runoff be controlled and limited and the provision that cross-connections between potable water facilities and recycled water facilities not exist.

For sites receiving recycled water, the permit holder shall be responsible for providing access to and cooperation with the District's Inspector or designee so that the District's Inspector or designee can perform a periodic cross-connection test, site evaluations and backflow prevention device test. This evaluation shall include pressure testing of the system(s) as well as a visual check of the entire system to verify that no cross-connections or unapproved exist. The permit holder will be responsible for correcting any work which violates the District regulations at their sole expense including any costs associated with repair and re-testing the backflow prevention device should the backflow prevention device fail to pass the required test. Additionally, at such times that the permit holder changes, the District's Inspector or designee will perform a and evaluation and test to verify compliance with these Rules and Regulations.

8.3. NATURAL TREATMENT SYSTEMS

Natural treatment systems that are designed and constructed by the developer shall be monitored as specified in the Procedures Guide and the NTS Design Guidelines. If, during the periods specified in the Procedures Guide and the NTS Design Guidelines, monitoring results indicate that the system is not operating as designed, the developer will provide the necessary improvements.

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Section 9: CONNECTION FEES

9.1 GENERAL

Connection fees applicable to all property to be served shall be established from time to time by the Board and set forth in Exhibit B to these Rules and Regulations. Such property to be served shall be legally described in the application for service.

If, subsequent to the issuance of the initial permit, there is a change in owner, applicant, tenant, customer, class of use, or consumption, the District may determine that additional connection fees are required. These additional charges shall be computed on the basis of the resulting increase in service capacity and flow: or, on any reclassification of user type.

Whenever a change necessitates the payment of further charges to the District, the District may compare the actual use occurring on the property [based on readings taken from the water meter(s)] with the capacity estimated to be required for existing or probable future consumption to determine whether a different use permit is required. Determination by the District in this regard shall be made in a manner and following the procedures specified for revoking a permit as set forth in Section 14 of these Rules and Regulations. Such additional amount shall be payable on the effective date of such decision specified in Section 14 and shall be delinquent thirty (30) consecutive calendar days thereafter.

Any delinquent amount shall be the responsibility of all persons, entities, or concerns who are the applicant, owner, or customer who signed the application for service or any successor thereof. Any such amount may be recovered directly from any of the foregoing by means of proceedings initiated in the proper municipal or superior court of the State of California. In addition to recovering such amount by means of judicial determination or proceeding, the District may, to the extent now or subsequently permitted by law, cause such amounts to be collected by the County Tax Collector, together with any general or special taxes or similar charges on the property to which this service has been provided, and as described in the appropriate application for service. In either event, the applicant, owner, or customer and all persons signing the application shall be liable in addition to such amount individually and collectively for all costs incurred in collecting such additional amounts to the District, as determined in the manner herein provided, including a reasonable amount for attorney's fees. Also, the District may, at its discretion, terminate water, sewer, recycled water and/or natural treatment system service in the manner provided for in these Rules and Regulations if such amounts are not paid on the date in the manner herein provided.

Land which has been designated to remain undeveloped by a governmental agency exercising land use authority and which will not receive water, sewer or recycled water service (open space) shall be excluded from acreage in the computation of density for residential connection fees and from gross acreage of any parcel in the computation of commercial-industrial connection fees.

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9.2 INTERPRETATION OF CONNECTION FEES

If the factual situations presented in an application by an applicant, owner, or customer do not fall within the classifications set forth in Exhibit "B" to these Rules and Regulations, the Manager shall interpret them to establish a reasonable classification and fee. In making such interpretations, the Manager shall be guided by the policy of the District set forth herein.

Further, in the event that the applicant, owner, or customer does not concur in the determination of the Manager, he may request that such be considered by the Board. Any such request shall be in writing and shall set forth detail and facts supporting the differences between the request of applicant, owner, or customer and the determination made by the Manager. No such application shall be considered unless there is a specific and detailed request for action proposed by an applicant, owner, or customer setting forth the exact amount of fees that the applicant, owner or customer believes should be established and shall include supporting information. Preferably, such supporting information should be prepared and submitted by a Registered Civil Engineer, experienced in the construction, operation, management, and financing of municipal water and/or sewage facilities.

If approved by the Board, such decision shall be implemented by a special agreement between such applicant, owner, or customer and the District, including adequate guarantees and assurances of further or additional payment at such time as the proposed use of the property described in the application for such action by the Board is modified, changed, or amended, or the extent of the use of the applicant, owner, or customer exceeds that represented to District. The decision of the District in all instances shall be final, subject to administrative or judicial review, except as otherwise provided by law.

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Section 10: WATER AND RECYCLED WATER SERVICE LINE CHARGES, LOWER LATERAL CHARGES AND NATURAL TREATMENT SYSTEM CHARGES

10.1 WATER AND RECYCLED WATER SERVICE LINE CHARGES

- (1) The District shall make charges for the installation of and perpetual maintenance of all service lines, water and recycled water meters, and appurtenances thereto; all of which are the property of the District, including the water connection fees, must be paid before work will be performed. Any required backflow prevention devices on potable water services and flow or pressure control devices shall be provided by the applicant, owner, or customer at his expense.
- (2) In those instances where the applicant provides (at no cost to the District) the water or recycled water service line and appurtenances thereto, the District shall make a charge for the installation of the water or recycled water meter only, which is to remain the property of the District. Said charge, in addition to all other usual and regular charges of the District, including any specified connection fee, as set forth in Exhibit B, must be paid before work will be performed.
- (3) The District shall make charges for the installation of and perpetual maintenance of all service lines for on-site fire hydrants or automatic fire sprinkler systems, including a check valve on potable water services of a type approved by the National Board of Fire Underwriters, equipped with a bypass meter, but not including the downstream control valve, if such is required by the customer, all to remain the property of the District. Said charges, in addition to all other usual and regular charges of the District, including any specified connection fee, as set forth in Exhibit B, must be paid before work will be performed.
- (4) Whenever an installation is required by an applicant that is not covered by the schedule of charges established from time to time by the Board and set forth in Exhibit B to these Rules and Regulations, such work will be done with charges based upon an estimate of costs made by the District. If a water or recycled water service line exceeds 50 feet in length, or for any other valid reason it cannot be installed for the amount stated in the appropriate schedule of charges set forth in Exhibit B owing to the peculiarity of the proposed service, the District reserves the right to make said installation. A deposit will be required to cover estimated costs prior to the performance of any work. Upon completion of the service installation, the deposit will be adjusted based on actual costs. If actual costs differ from the deposit amount, the applicant, owner, or customer shall be invoiced by the District for the excess of the actual cost over the deposited amount, or refunded the difference if less than the deposit.
- (5) Whenever water or recycled water service lines, meters, fire hydrants, or other appurtenances are requested to be moved by the applicant for any reason whatsoever, a deposit will be required to cover estimated costs prior to the performance of any work. Upon completion of the service relocation, the deposit will be adjusted based on actual costs. If actual costs differ from the deposit amount, the applicant, owner, or customer

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shall be invoiced by the District for the excess of the actual cost over the deposited amount, or refunded the difference if less than the deposit.

- (6) A temporary service connection may be installed for use over a period of time not exceeding six (6) months. For each such connection, an application shall be filed in accordance with the provisions of Section 4.2 of these Rules and Regulations. Rates to be charged for water used from such connection shall be in accordance with "Temporary Construction Service" contained in Exhibit B. The user of a temporary recycled water service shall designate an "Onsite Recycled Water Supervisor" in accordance with the requirements of Section 6.2.2 herein.

10.2 LOWER LATERAL CHARGE

- (1) The District will charge for the installation of a lower lateral and connection to the customer's upper lateral. Said charges, in addition to all other usual and regular charges of the District, including the sewer connection fee, must be paid before the work is performed. Such work will be done with charges based upon an estimate of costs made by the District. Any required backwater valves and appurtenances shall be provided by the applicant, owner, or customer at his expense.
- (2) Whenever lower laterals, manholes, or other appurtenances are requested to be moved by an applicant for any reason whatsoever, the charges shall be made on the basis of an estimate of costs by the District. The charges herein required are in addition to all other charges required by the District for sewer service and are payable pursuant to arrangements approved by the Board. A deposit will be required to cover estimated costs prior to the performance of any work. Upon completion of the service relocation, the deposit will be adjusted for actual costs. If actual costs differ from the deposited amount, the applicant, owner, or customer shall be invoiced by the District for the excess of the actual cost over the deposited amount, or refunded the difference if less than the deposited amount.

10.3 NATURAL TREATMENT SYSTEM CHARGES

The District shall impose charges for modifications to natural treatment systems requested by the developer after the system has been constructed. Said charges, in addition to all other usual and regular charges of the District, including any specified connection fee, shall be as determined by the District and must be paid before work will be performed.

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Section 11: SECURITY DEPOSIT

As permitted by law, the District may require of an applicant, owner, or customer such a deposit, if deemed necessary by reason or estimated future water, sewer, and recycled water billings or if there is an instance or instances of monthly delinquency. Such amount shall not be less than the estimated cost of water, sewer, and recycled water service for a one month-period or such other amount as determined by the Manager or Board. Deposits may be returned after one (1) year at the request of the applicant, owner, or customer; providing that all bills rendered during the succeeding twelve (12) month period have been paid within fifteen (15) days of presentation. A deposit determined by the District will be required for all construction water meters. Upon termination of service, deposit amounts not previously returned shall be applied to the final utility bill and any remaining amount refunded to the applicant, owner or customer.

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Section 12: SERVICE CHARGES

12.1 ESTABLISHMENT OF RATES

Rates to be charged and collected and the terms, provisions, and conditions to be effective respecting such rates for water, sewer, recycled water and natural treatment system service supplied by the District to customers within the District shall be as fixed and established by the Board from time to time and set forth in Exhibit B to these Rules and Regulations, which charges shall have no effect on any existing or subsequent reimbursement agreements. This provision is in addition to and not by way of derogation of any other remedies or procedures available to the District pursuant to any law or regulation or by any of the provisions of these Rules and Regulations.

12.2 CHANGE OF SERVICE CHARGE

The Board reserves the right to change the schedule of water, sewer, recycled water and natural treatment system service charges and other charges at any time.

12.3 SERVICE CHARGE BILLING

Water, sewer, recycled water and natural treatment system service charges will be rendered as part of the District water service bill at intervals of one month or multiples thereof. The District reserves the right to estimate bills, based on prior consumption.

12.4 METERING

For the purpose of computing charges, each meter on the customer's premises will be considered separately, and readings of two or more meters will not be combined as equivalent to measurement through one meter except in those instances in which, by reason of special operating conditions, the District substitutes two or more meters of a smaller size for a single larger meter on the same service connection. In this special case, the size of service connection shall be substituted for the size of the meter in the application of the rate schedule, and shall be the basis for computing charges.

12.5 TIME AND MANNER OF PAYMENT

- (1) All bills and charges for water, sewer, recycled water and natural treatment system service hereunder shall be due and payable upon presentation and shall become delinquent twenty-five (25) days thereafter. Such bills and charges shall be deemed to have been presented upon having been sent electronically or deposited in the United States mail; postage paid; and addressed to the applicant, owner, or customer reflected in the records of the District. Failure to receive the bill will not release the customer from payment obligation nor will it entitle the customer to a billing discount or exempt the customer from late fees or service disconnection for non-payment. Electronic billing and automatic payment are available to the customer on request and subject to compliance with all terms and conditions for enrollment in and use of such programs.

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- (2) If payment is not received within twenty-five (25) days after presentation of the bill, a late charge will be levied on any unpaid balance and, following such notice and proceedings as may be required by law, the water and/or recycled water service may be discontinued. Water and/or recycled water service shall not again be supplied until all delinquent bills, plus a restoration charge, which is established by the Board have been paid; if the turn-on is requested to be made outside regular working hours, an increased restoration charge shall be paid before service is restored. Payment shall be made electronically, in person or by mail at the office of the District or, at the option of the District, to its authorized collectors.
- (3) Discontinuance of service by reason of a delinquent bill shall not automatically constitute revocation of permit. However, such delinquency may be considered as sufficient reason for a revocation of permit in accordance with the provisions of these Rules and Regulations.

12.6 VARIANCE FROM RESIDENTIAL RATE STRUCTURE ALLOCATIONS; NONRESIDENTIAL ACREAGE AND BASE INDEX REVISIONS

12.6.1 Residential Variance - Procedure

- (1) Variance request forms will be obtained from and submitted to the Customer Service Department.
- (2) Variance requests will be processed by the Customer Service Department.
- (3) At the discretion of the District, the requesting customer may be required to have a water audit, which will be conducted by the District at no charge prior to review of the request.
- (4) Staff will notify a customer in writing if their variance request is denied.
- (5) Documents submitted by any customer as part of the variance procedure are reviewed and returned to the customer if requested. If the customer does not request the documentation back, it will be destroyed to protect the customer's privacy, except for information retained by the District to document variances or as otherwise required by law.

12.6.2 Residential Variance – Determination

- (1) Grounds for a variance are:
 - [a] number of people residing in a dwelling unit
 - [b] medical needs
 - [c] licensed care facilities
 - [d] fire control zones (or other regulatory requirements)
 - [e] landscape area
 - [f] livestock/horses
 - [h] common area washing machines
 - [i] other, as determined on a case by case basis

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(2) Proof acceptable to the District will be required of each ground(s) for a requested variance. The variance request form provides examples of acceptable proof.

(3) Limitations

[a] An approved variance will become effective on the date the request for variance was submitted to the District.

[b] An approved variance will be valid for a period specified by the District (one year or less), and must be resubmitted on or before the expiration date to remain in effect.

(4) Calculation of the increased allocations for approved variances will be made by the District pursuant to *Exhibit B* (Rates and Charges)

12.6.3 Nonresidential Acreage and Base Index Revisions – Procedure

(1) Acreage (landscape) revision requests will be made by submitting an acre-change request to the Water Efficiency Department.

(2) Base index (commercial, industrial and public authority usage) revision requests will be made by submitting a request for account evaluation to the Customer Service Department.

(3) At the discretion of the District, the requesting customer may be required to have a water audit, which will be conducted by the District at no charge prior to review of the request.

(4) Staff will notify a customer in writing if their request is denied.

(5) Documents submitted by any customer as part of the account evaluation procedure are reviewed and returned to the customer, if requested. If the customer does not request the documentation back, it will be destroyed to protect the customer's privacy, except for information retained by the District to document the acreage or base index revision or as otherwise required by law.

12.6.4 Nonresidential Acreage and Base Index Revisions – Determination

(1) Commercial/Industrial/Public Authority - Grounds

-Relevant factors will include expansion of productive capacity, existing conservation practices that can be shown to have reduced water usage, severe economic hardship, and other factors determined on a case by case basis.

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(2) Landscape Acreage - Grounds

It is the obligation of the customer to provide to the District acceptable documentation of the actual area served by each metered connection. Acceptable documentation is an irrigation plan or a controller chart (site map with irrigation zone boundaries clearly marked and square footage per zone called out) signed by a California licensed landscape architect or Irrigation Association certified irrigation designer (CID).

(3) Limitations

- [a] An approved acreage or base index increase will become effective on the date the request was submitted to the District.
- [b] An approved acreage increase need not be resubmitted and will remain valid unless a further acreage-change is made
- [c] An approved base index increase will be valid until the account is closed or a new nonresidential tenant applies for service. When a new account is opened, the nonresidential customer will be billed at the conservation base rate for an initial period of six months. The District will then establish a base index for the customer based on the customer's usage for the initial six month period and may conduct on-site surveys to ensure water efficient business and irrigation practices are in place prior to beginning -and will begin to bill the customer [JA10] in accordance with the applicable rate structure. In the event a new tenant accepts responsibility for an existing account and the account is not closed, the existing base index for the account will remain in effect unless and until the District, on its own review or at the tenant's request, modifies the existing base index or establishes a new base index by implementing a six-month base index reestablishment period as described in the preceding sentence.

(4) Calculation of the increased acreage or base index will be made by the District pursuant to *Exhibit B* (Rates and Charges)

12.7 ADJUSTMENT OF CHARGES

12.7.1 Billing Errors

In the event of discovery of an error in the computation of charges, crossed meters, unbilled meter or other error, a retroactive adjustment of the charges will be made by means of a credit or additional charge to the next bill, to the extent the District determines it has information from which the correct amount can be ascertained.

12.7.2 Variance Adjustment - Residential

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If a variance is approved as provided in Section 12.6.2, a retroactive adjustment of the charges to the customer may be made for no more than three months prior to the variance effective date if the District determines a retroactive adjustment is warranted in accordance with the variance request and the proof submitted by the customer.

12.7.3 Increase of Nonresidential Landscape or Base Index

If a nonresidential customer's base index or landscape acreage is increased as provided in Section 12.6.4, a retroactive adjustment of the charges may be made for no more than six months prior to the effective date of the increase if the District determines a retroactive adjustment is warranted in accordance with the increase request and the proof submitted by the customer.

12.7.4 Residential Landscape Adjustments

The District will authorize a retroactive adjustment of no more than three months for the purpose of establishing new landscape if the District determines a retroactive adjustment is warranted in accordance with the proof submitted by the customer. Training shall be completed if required under Section 12.7.8^[AM11].

[CR12][FS13] 12.7.5

Leak Repair Adjustments

(1) Grounds

The IRWD allocation-based conservation tiered rate structure is intended to serve as a warning sign to alert customers to possible water waste, such as a leak, by charging over-allocation at the "Inefficient", "~~Excessive~~", and "Wasteful" tiers. When an adjustment is made for a repaired leak, the excess units of water attributed to the leak and billed in the "Inefficient", "~~Excessive~~", or "Wasteful" tiers are re-billed at the "Base Rate". When a customer has a leak repaired, and usage after the repair is within the customer's allocation, the District will authorize an adjustment, for residential ^[JA14]customers, of no more than two bills affected by the leak. ~~Due to the additional complexity of processing an adjustment for nonresidential customers, the~~^[CR15] The District may, at its discretion, authorize ~~an adjustment~~ additional an-bill adjustments on a case by case basis for customers who encounter extraneous ^[JA16] circumstances that cause delays to the leak repair. -of up to six bills affected by the leak.^[AM17]

(2) Limitations

The customer is required to contact the District within two months of completing the repair of the leak in order to receive a leak adjustment. Training shall be completed if required under Section 12.7.8.

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12.7.6 Nonresidential Landscape Adjustments

- (1) To be eligible for adjustment, an over-allocation charge on a single bill must exceed the minimum amount specified in the Landscape Irrigation Adjustment Form (LIAF) instructions available at www.irwd.com.
- (2) Mainline breaks and leaks are eligible for adjustment.
- (3) Other non-residential landscape adjustments shall be made on a case-by-case basis at the District's discretion, based on the request and supporting documentation submitted by the customer.
- (4) Adjustment requests shall be submitted on an IRWD LIAF which is available online at www.irwd.com, in accordance with the LIAF instructions. Training shall be completed if required under Section 12.7.8.

12.7.7 Courtesy Adjustments – Residential and Nonresidential Customers

An adjustment of charges not otherwise provided for in this Section 12.7 may be authorized by the District as a courtesy adjustment for special circumstances determined on a case-by case basis. A courtesy adjustment may include up to, but no more than six months of charges, and no more than one courtesy adjustment will be authorized within a 12-month period.

12.7.8 Training Requirement For Adjustments

For billing adjustments made under 12.7.4, 12.7.5 and 12.7.6, the District, at its discretion, may require the customer to complete a free water use efficiency training session offered or provided by the District, in order to receive the billing adjustment.

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Section 13: SEVERABILITY

If any section, subsection, clause, or phrase of these Rules and Regulations is for any reason held to be invalid or unconstitutional, such decision shall not affect the remaining portions of these Rules and Regulations. The Board declares that it would have passed said Rules and Regulations by section, subsection, sentence, clause, or phrase thereof.

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Section 14: ENFORCEMENT AND PENALTIES

14.1 GENERAL

Any person, firm, corporation, association, or agency found to be violating any provision of these Rules and Regulations or the terms and conditions of the applicant's, owner's, or customer's service agreement, permit, or any and all applicable Federal, State, or local statutes, regulations, ordinances, or other requirement shall be served by the District with written notice stating the nature of the violation and providing a reasonable time limit for the satisfactory correction thereof. The offender shall, within the period of time stated in such notice, permanently cease all violations. This provision is in addition to and not by way of derogation of any other remedies or procedures available to the District by law, regulation, or pursuant to any of the provisions of these Rules and Regulations including, but not limited to, Section 7.

Pursuant to Section 35424 of the Water Code of the State of California, any violation of these Rules and Regulations is a misdemeanor, the violation of which shall, upon conviction thereof, be subject to a fine of not less than \$25.00 nor more than \$200.00.

Failure to permanently cease all violations within the time stated shall result in revocation of the permit by the District and termination of water, sewer, recycled water and/or natural treatment system service as provided in Sections 14.2 and 14.3. Violations regarding any one service may result, at the sole discretion of the Board or Manager, in termination of any combination of or all water, sewer, recycled water and natural treatment system service.

14.2 INTERIM REVOCATION

In cases where the serious nature of the violations described above require immediate action, the Board or Manager may, in the sole discretion of the Board or Manager, immediately revoke the permit on an interim basis and thereupon cease water, sewer, recycled water and/or natural treatment system service, subject to a timely decision on permanent revocation of permit pursuant to a public hearing as provided herein. In cases of sewer service termination, there shall be no discharge of any type by an applicant, owner, or customer into the District's sewer facilities.

14.3 PERMANENT REVOCATION

Permanent revocation of a permit shall occur only subsequent to a public hearing held in the manner hereinafter provided. The applicant, owner, or customer shall be given written notice ten (10) calendar days prior to a hearing on the possible permanent revocation of any permit by the District. The notice shall specify the grounds of the proposed revocation of any such permit in reasonable detail. It may but need not describe suggested corrective action acceptable to the District. Notice may be delivered personally to the applicant, owner, or customer or it may be given by depositing such in the United States mail with postage prepaid, addressed to the applicant, owner, or customer either at the address for the applicant, owner, or customer as reflected on the last equalized assessment roll of the County of Orange as defined in the Revenue and Taxation Code of the State of California. Any such action to permanently revoke the permit shall be effective

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ten (10) calendar days after notice of the Board's decision and shall be either personally delivered to the applicant, owner, or customer placed in the United States mail, postage prepaid, addressed to the applicant, owner, or customer in the manner herein above specified.

In the alternative to such action, the District may establish a surcharge on the continuation of water, sewer, recycled water and/or natural treatment system service by the District until such time as the applicant, owner, or customer has taken action to comply with all of the herein above described requirements for obtaining service from the District in its reasonable discretion. Any request to reestablish service subsequent to the revocation of a permit and the termination of water, sewer, recycled water and/or natural treatment system service shall be in the manner prescribed for initially obtaining service from the District, which may include the collection of a security deposit. However, in addition, the District may, in its discretion, require that an agreement and financial security conditioned upon compliance with the District's Rules and Regulations be provided in an amount, manner, and for a period of time as determined by the Board.

The foregoing provisions of these Rules and Regulations are a requirement of any permit, and any application for service and permit therefore shall be subject to such provisions. The Board, if it deems such to be in the best interest of the District, may on an interim basis or otherwise waive or modify any of the foregoing.

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Section 15: WATER CONSERVATION AND WATER SUPPLY SHORTAGE
PROGRAM AND REGULATIONS

15.1 GENERAL

15.1.1. Title

This section will be known as the Irvine Ranch Water District Water Conservation and Water Supply Shortage Program.

15.1.2 Findings

- A. A reliable minimum supply of water is essential to the public health, safety and welfare of the people and economy of the southern California region.
- B. Southern California is a semi-arid region and is largely dependent upon imported water supplies. A growing population, climate change, environmental concerns and other factors in other parts of the State and western United States make the region highly susceptible to water supply reliability issues.
- C. Careful water management that includes active water conservation measures, not only in times of drought but at all times, is essential to ensure a reliable minimum supply of water to meet current and future water supply needs.
- D. Article X, Section 2, of the California Constitution declares that the general welfare requires that water resources be put to beneficial use, that waste or unreasonable use or unreasonable method of use of water be prevented and that conservation of water be fully exercised with a view to the reasonable and beneficial use thereof.
- E. California Water Code section 375 authorizes a water supplier to adopt and enforce a comprehensive water conservation program to reduce water consumption and conserve supplies.
- F. The adoption and enforcement of a water conservation and supply shortage program is necessary to manage the District's water supply in the short and long term and to avoid or minimize the effects of a supply shortage within the District. Such a program is essential to ensure a reliable and sustainable minimum supply of water for the public health, safety and welfare.

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G. Recycled water is produced and supplied by the District to conserve potable water. Recycled water, like potable water, must be used efficiently and is therefore included in this Program.

15.1.1 Application

The provisions of this section shall apply to all persons using water in any area of this District in which the District provides retail water service, regardless of whether any person using water shall have a contract for such service, and shall apply to all potable and recycled water supplied by the District.

15.1.2 Water Shortage Contingency Plan

The District has adopted a Water Shortage Contingency Plan. The Water Shortage Contingency Plan, as amended from time to time, describes the restrictions and other response measures that can be implemented by the Board in declaring a water shortage level and provides policy considerations, criteria and other guidance for the selection and implementation of these measures.

15.2 DECLARATION OF PURPOSE AND INTENT

The purpose of this section is to establish a water conservation and supply shortage program that will reduce water consumption within the District through conservation, enable effective water supply planning, assure reasonable and beneficial use of water, prevent waste of water, and maximize the efficient use of water within the District to avoid and minimize the effect and hardship of water shortage to the greatest extent possible.

This section establishes permanent water use efficiency standards intended to alter behavior related to water use efficiency for non-shortage conditions and further establishes four levels of water supply shortage response actions to be implemented during times of declared water shortage or declared water shortage emergency, with measures designed to achieve progressively greater levels of conservation in response to worsening shortage or emergency conditions and decreasing supplies.

This section is intended to complement and be used in tandem with the allocation-based tiered pricing structure adopted by the District in 1991 and implemented under Section 12.1 of these Rules and Regulations on an ongoing basis as part of the District's rates and charges. The allocation-based tiered pricing structure encourages use within allocation through a significantly tiered commodity pricing system, and discourages wasteful use. The response measures for the levels of water supply shortage include a set of measures, referred to as "demand management" measures, that can be implemented through the allocation-based tiered pricing structure.

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15.3 EXEMPTIONS

Persons may be exempted from application of the permanent restrictions set forth in 15.4 or restrictions implemented pursuant to the Water Shortage Contingency Plan during a shortage level under 15.5, if the General Manager of the District or his designee issues a permit allowing such use, and if such permit issuance is based on a finding that enforcement of the applicable restriction would either (1) cause an unnecessary and undue hardship to the applicant or the public, or (2) would cause or threaten an emergency condition affecting the health, sanitation, fire protection, or safety of the applicant or the public.

The General Manager of the District or his designee may require the use of such water conservation devices or practices as he deems appropriate as a condition of the exemption permit. He shall promulgate a list of approved devices.

Section 12.6 sets forth the procedures to apply for variances from water allocations under the allocation-based tiered pricing structure.

15.4 GENERAL PROHIBITIONS AND ONGOING MEASURES

15.4.1 Prohibitions

The following prohibitions are in effect at all times, regardless of whether any declared shortage condition is in effect.

- (1) *Gutter Flooding* - No person shall cause or permit any water furnished to any property within the District to run or to escape from any hose, pipe, valve, faucet, sprinkler, or irrigation device into any gutter or otherwise to escape from the property if such running or escaping can reasonably be prevented.
- (2) *Leaks* - No person shall permit leaks of water that he has the authority to eliminate.
- (3) *Washing Hard Surface Areas* - Washing down hard or paved surfaces, including but not limited to sidewalks, walkways, driveways, parking areas, tennis courts, patios or alleys, is prohibited except when necessary to alleviate safety or sanitary hazards.
- (4) *Waste* - No person shall cause or permit water under his control to be wasted. Wasteful usage includes, but is not limited to, the uses listed in Section 1.1 of Exhibit 1 to the Memorandum of Understanding Regarding Urban Water Conservation in California, dated September 16, 2011, as

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amended from time to time, or the counterpart of said list contained in any successor document.

15.4.2 Demand Management

When a declared shortage condition is not in effect, basic allocations established by the District under the allocation-based tiered pricing structure will be limited to the amount that is reasonable for the customer's needs and property characteristics, and will exclude wasteful use. Reductions may be applied to basic allocations to establish a reasonable amount during a declared shortage condition, as specified herein.

15.5 IRWD Water Supply Shortage Levels

The District's Water Shortage Contingency Plan provides representative measures that may be implemented during water shortage resulting from drought conditions or system interruptions. The measures may be applied individually or in combination and may vary according to the severity and duration of the shortage.

The following are the levels of shortage which may be declared by the Board in the manner prescribed by applicable provisions of the California Water Code, the approximate ranges of conditions the levels represent and the reductions to be achieved:

Level One (Shortage Warning): Up to 10% shortage. Measures selected would be designed to achieve the following:

- Reduce over-irrigation
- Reduce over-allocation use
- Encourage diligent repair of water leaks

Level Two (Significant Shortage Condition): 10-25% shortage. Measures selected would be designed to incorporate the objectives listed under Level One, and achieve the following further reduction in use:

- Reduce irrigation by a percentage to be specified in the shortage declaration
- Discourage filling of fountains, pools and water features and other discretionary uses

Level Three (Severe Shortage): 25-40% shortage. Measures selected would be designed to incorporate the objectives listed under Level Two, and achieve the following further reduction in use:

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- Further reduce irrigation by a percentage to be specified in the shortage declaration
- Further reduce or eliminate discretionary uses
- Reduce commercial, industrial and institutional use by a percentage to be specified in the shortage declaration
- Eliminate specified municipal uses such as street cleaning, hydrant-flushing and water-based recreation

Level Four (Crisis Shortage): More than 40% shortage. Measures selected would be designed to incorporate the objectives listed under Level Three, and achieve the following further reduction in use:

- Cease all outdoor water uses for landscape and agriculture, subject to reserved rights relating to local wells

Generally, in all Levels, it is anticipated that the District will use voluntary customer response measures and demand management measures implemented under Section 12 through the adjustments in the allocation-based pricing structure. Response measures during Levels Three and Four are anticipated to also include restrictions or prohibitions, but this will be determined by the District in its discretion at time of implementation. To achieve the reductions indicated above under the various levels, the conservation measures that may be implemented by the shortage declaration are listed below, shown with the levels in which they are anticipated to be used. Reference is made to the Water Shortage Contingency Plan for a more detailed discussion of response measures and the manner in which they may be used in the various shortage levels. At the time of declaring a level of shortage conditions, the Board in its discretion will determine the particular response measures that will be implemented. The list below is intended to be illustrative and not exclusive, and does not preclude the implementation of measures in a different level from the level(s) shown or the implementation of other measures in lieu of or in addition to those described below or in the Water Shortage Contingency Plan:

- Enhanced public awareness campaign (all Levels)
- Intensified use of surveys/assistance for customers in highest allocation tiers (all Levels)
- Reduction of basic water allocations (all Levels)
- Adjustment of pricing tier thresholds, shifting usage into higher tiers (Levels Two, Three and Four)
- Increase of rates for pricing tiers, including adjustments to recover Metropolitan's penalty rates for purchases of imported water (Levels Three and Four)
- Restriction of uses (Level Four)

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- Prohibition of uses (Level Four)

The demand management measures included in the list above will be implemented through changes in the District's allocation-based tiered pricing structure designed to strengthen the pricing signal and achieve desired water savings in the declared shortage level, including changes in the allocation based water budgets of customers or customer classes (residential, landscape, commercial, etc), changes in the usage volumes subject to the pricing tiers, and changes in the applicable commodity rates for the tiers. These changes will be implemented under Section 12 through the adoption of a revised Exhibit B setting forth the District's rates and charges.

The general prohibitions specified in Section 15.4 shall apply to the use of potable (domestic), untreated and recycled water. The application of shortage level response measures or restrictions may vary as to type of water service. In the implementation of measures or restrictions on potable water service through the declaration of a shortage level, the District will determine and set forth how and to what extent, if any, such measures or restrictions, or different measures or restrictions, will be applied to non-potable water services furnished by the District.

15.6 REPORTING AND ENFORCEMENT

15.6.1 Measures implemented through allocation-based tiered pricing structure

As described in Section 15.2, the District's allocation-based tiered pricing structure complements and is used in an integral manner within the water conservation and water supply shortage program. As part of the program, the pricing structure performs both reporting and enforcement functions: (1) the billing of water usage within the various pricing tiers serves as an effective *reporting mechanism* to identify customers who are overusing water or may be using water in discouraged or prohibited manners, and tells the District and the District's customer what amounts of conservation are being achieved and where high usage should be the focus of additional effort; and (2) the effectiveness of the allocation-based tiered pricing structure means that the rate structure and adjustments to it can achieve the same result as, and be used by the District *in lieu or partially in lieu of, restrictions and enforcement measures* in times of declared shortage conditions. As a result the response measures in Section 15.5 include demand management measures to be implemented through the allocation-based tiered pricing structure, which is enforced through the District's billing procedures.

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15.6.2 Enforcement of Restrictions

- (1) Prior to enforcement of the restrictions pursuant to Section 15.4 and 15.5, any person who is suspected of violating the restrictions hereby imposed shall be given a preliminary notice in writing of such violation, with the description of violation set forth in such preliminary notice. Such person shall have 24 hours to correct such violation, or terminate the use. If the violation is not corrected or the use not terminated, the General Manager of the District or his designee may forthwith either (a) disconnect service, (b) install flow-restricting devices restricting non-health and safety related water service, or (c) order issued a second preliminary notice. (Service disconnected or restricted pursuant to (a) or (b) above shall be restored only upon payment of the turn-on and other charges fixed by the Board of Directors as provided in these Rules and Regulations.)
- (2) Any other sanctions or penalties that the District is presently authorized to impose or that the District may at some future time be authorized to impose may be imposed to enforce this prohibition of water wastage.
- (3) From and after the publication or posting of any ordinance or resolution implementing any restrictions or mandatory measures under the Water Shortage Contingency Plan, violations thereof shall be misdemeanors punishable by imprisonment in the County Jail for not more than 30 days or by fine of not more than \$1,000, or both, or as otherwise provided by law or such resolution or ordinance.

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Section 16: WATER WELLS

16.1 GENERAL

The District has an important interest, along with other appropriate regulatory agencies, in monitoring the groundwater basin located within its boundaries to obtain information as to its quantity, quality and other characteristics on an historical and ongoing basis. Many wells have been constructed and operated within the District for agricultural purposes by private users. From time to time, due to increasing urbanization, some of these wells are no longer needed as production wells. The purpose of this section is to regulate the construction and reconstruction of all existing and future water wells, to provide for the destruction or other use of abandoned wells, and to provide for the initiation and completion of corrective measures relative to wells within the District, to accomplish the following:

- (1) To protect the quality of the groundwater within the District;
- (2) To protect the health, safety, and welfare of the residents of the District;
- (3) To protect the capability of the District to produce and distribute water for the use, benefit and protection of the residents of the District;
- (4) To avoid premature destruction of wells that can be converted to monitoring or production use.

16.2 DEFINITIONS

- (1) "Destruction" of a well means the complete filling and sealing of the well in accordance with the procedures outlined in the standards incorporated into this Section.
- (2) "Well" means any excavation constructed by any method for the purpose of extracting water from or injecting water into the underground, for providing cathodic protection or electrical grounding of equipment, for making tests or observations of underground conditions, or for any other similar purpose. Wells shall include, but shall not be limited to, community water supply wells, individual domestic wells, industrial wells, agricultural wells, cathodic protection wells, electrical grounding wells, test and exploratory holes, observation wells, saltwater barrier wells, and other wells whose regulation is necessary to fulfill the purpose of this chapter as determined by the Manager. Wells shall not include:
 - [a] Oil and gas wells, geothermal wells, or other wells constructed under the jurisdiction of the State Department of Conservation, except any such wells converted to use as water wells;
 - [b] Wells used for the purpose of dewatering excavations during construction, monitoring high groundwater during construction, monitoring or ascertaining the existence of groundwater contamination, or stabilizing hillsides or earth embankments; or
 - [c] Wells less than 50 feet in depth or 6 inches in diameter.

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[d] Other wells whose regulation is not necessary to fulfill the purpose of this chapter as determined by the Manager.

- (3) A well shall be presumed to be "abandoned" when it has not been used for its intended purpose for a period of one year.

16.3 PROHIBITED ACTS -- PERMITS REQUIRED

- (1) No person, firm, or private or public corporation or agency shall construct or reconstruct any well within the boundaries of the District unless such construction or reconstruction is carried out pursuant to and in conformance with a written permit issued for that purpose by the Manager as provided in this Section.
- (2) No owner or operator of an existing well shall allow it to remain in an unused condition except in accordance with Section 16.4. An used well determined to be abandoned shall be destroyed pursuant to and in conformity with the requirements of the District as set forth in this Section unless the Manager determines that the District desires to acquire and equip the well for monitoring or production purposes.

16.4 UNUSED WELLS - - DETERMINATION OF NONABANDONMENT

- (1) If a well has not been used for any of the purposes set forth in the definition of "well" for a period of one year, such well shall be presumed to have been abandoned, and the burden of proof shall thereupon be upon the owner or operator of the well to establish to the satisfaction of the Manager that the well has not been abandoned and that the owner and operator intends to continue to use the well for the intended purposes. The Manager shall require a written declaration under penalty of perjury concerning intended future use to be filed by the owner or operator of the well before the Manager determines that the well has not been abandoned. Application for the renewal of a determination of nonabandonment shall be required to be presented to the Manager by the owner or operator at the beginning of each calendar year. Such renewal applications shall be accompanied by a new written declaration filed under penalty of perjury. Test holes and exploratory holes shall be considered abandoned twenty-four hours after construction work has been completed unless otherwise determined by the Manager.
- (2) In the event the Manager determines that a well is indeed abandoned, unless the Manager determines that the District desires to acquire and equip the well for monitoring or production purposes, the well shall be destroyed within thirty days in accordance with the provisions of this chapter. However, the owner shall be given written notice of this determination by the Manager. The notice shall specify the reasons for this decision and shall notify the owner of his right to request a hearing before the Board of Directors within ten days.

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16.5 PERMITS

- (1) Applications for permits to construct, reconstruct, or destroy any well shall be made to the Manager and shall contain or provide such information as he shall require.
- (2) Each application shall be accompanied by a fee which shall be established by the Board of Directors. A permit shall remain in effect for one year from the date of issuance.
- (3) Permits may be issued subject to any condition or requirement found by the Manager to be necessary to accomplish the purposes of this chapter.
- (4) A permit may be canceled or the conditions amended by the Manager if he determines that to proceed with the work would result in a violation of the terms of the permit or of this Section.
- (5) In the event that a permit is denied or canceled, the applicant or permit holder shall be given written notice by the Manager, which notice shall specify the reasons for his action, and shall notify the applicant or permit holder of his right to request a hearing before the Board of Directors within ten days.

16.6 COMPLETION OF WORK -- NOTICE TO MANAGER -- INSPECTION

The permittee shall notify the Manager in writing upon completion of the work performed under the permit, and no work shall be deemed to have been completed until such written notification has been received. A final inspection of the work shall be made by the Manager, and no permittee shall be deemed to have complied with the provisions of this chapter of his permit until such inspection has been performed and the work approved by the Manager.

16.7 NOTICE UPON DETERMINATION OF THREAT TO WATER QUALITY, HEALTH OR SAFETY

In the event the Manager determines that a well threatens to impair the quality of the groundwater or otherwise jeopardize the health or safety of the public, he shall send written notice to the owner and shall post a copy of the notice on the property. The notice shall state the specific facts relative to the condition, the corrective measures deemed necessary, and the date on or before which such measure shall be completed. The owner shall also be notified of his right to request a hearing before the Board of Directors within thirty days from the date such notice is issued.

16.8 IMMEDIATE ABATEMENT OF THREAT TO WATER QUALITY, HEALTH OR SAFETY

If the Manager finds that immediate action is necessary to prevent impairment of the groundwater or a threat to the health or safety of the public he may correct the condition without giving notice. The District may charge the cost of the corrective measure to the owner. However, within twenty-four hours after initiating such corrective measure, the Manager shall notify the owner of the time, date and place at which a hearing shall be held by the Board of Directors relating

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thereto; which date shall be not less than ten nor more than thirty days after the date of such notification.

16.9 BOARD OF DIRECTORS HEARING

- (1) At the time fixed for a hearing before the Board of Directors concerning an abandoned well, a permit, or a threat to water quality, health or safety, as provided for in this chapter, the Board of Directors shall hear and consider all relevant testimony and evidence offered by the property owner and by any other interested person.
- (2) If the Board of Directors determines that an unused well was incorrectly classified as abandoned or that a permit was improperly denied or canceled, it shall direct the Manager to reclassify the well or to issue or reinstate the permit.
- (3) If the Board of Directors finds that a threat to water quality, health or safety, as determined by the Manager, does exist, then it shall direct the Manager to take any necessary action to protect the groundwater or the health and safety of the public unless the situation is corrected by the owner on or before a date to be specified by the Board of Directors. The cost of such corrective measures by the Manager shall be charged to the owner or operator.
- (4) In instances where the Manager has corrected a condition under the immediate correction provision of Section 16.8, the Board of Directors shall ascertain and review the pertinent facts concerning the correction. If the Board of Directors determines that the Manager's actions were justified, then it shall direct that the cost be charged to the owner or operator.

16.10 STANDARDS FOR CONSTRUCTION, RECONSTRUCTION OR DESTRUCTION

Standards for the construction, reconstruction, or destruction of wells shall be the standards recommended in the State Department of Water Resources Bulletin No. 74, Chapter II, and future amendments thereto. Standards for the construction, reconstruction, or destruction of cathodic protection wells shall be the standards recommended in the State Department of Water Resources Bulletin No. 74-1, and future amendments thereto.

16.11 VIOLATION -- PENALTY

Any violation or failure to comply with any of the provisions of this Section shall be handled as provided in herein and shall also be subject to Section 14 as applicable.

16.12 AGREEMENTS

The District may enter into agreements with property owners concerning the drilling or abandonment of wells and/or other matters covered in this Section, and providing for alternate or modified methods of meeting certain of the requirements contained herein. In such cases, the agreement(s) will govern as to

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the applicability of the affected requirements, in the area(s) subject to such agreements.

16.13 NO LIABILITY ASSUMED

Notwithstanding the provisions of this Section permitting or requiring the District or Manager to issue permits, make determinations and/or take corrective measures relative to construction, reconstruction abandonment and destruction of wells and quality of groundwater, the District assumes no liability to the property owners or operators of wells or any third parties, for the making of or failure to make any such determination, or the taking of or failure to take any such measure, or the issuing of or failure to issue any such permit.

Section 17: DISTRICT NATURAL TREATMENT SYSTEM FACILITIES

17.1 GENERAL

The District, in cooperation with the County of Orange and various local cities, is developing a network of constructed water quality wetlands and bioretention cells designed to treat urban runoff within the drainage watersheds that are completely or partially within the District boundaries. These constructed water quality wetlands and bioretention cells are also known as natural treatment systems (NTS).

Developers shall provide for the design, construction and establishment of one or more natural treatment systems per the Procedures Guide, the District's Natural Treatment System Master Plan, the NTS Design Guidelines and these Rules and Regulations to treat urban runoff from their proposed development and reduce pollutants to the levels set by the regulating agencies. If permissible, and at the District's discretion, these natural treatment systems may be located within first flush stormwater retention basins provided by the developer to comply with other regulatory requirements. If, during the period specified in the Procedures Guide and the NTS Design Guidelines, the natural treatment system's level of treatment provided does not meet other regulatory requirements the District, at its discretion, may act on behalf of the County and various local Cities to direct the developer to make corrective improvements to the natural treatment system to meet the aforementioned regulatory requirements.

The operation, maintenance and water quality monitoring of the natural treatment system will be governed by agreements between the District and the County or City, as applicable. The responsibility for regulation and enforcement of surface water runoff discharges shall remain with the County and Cities.

17.2 URBAN RUNOFF DISCHARGE PERMITS

The County of Orange, Orange County Flood Control District and the Incorporated Cities of Orange County within the Santa Ana and San Diego Regions of the Regional Water Quality Control Board (RWQCB) are required, under the terms of their National Pollutant Elimination Discharge System (NPDES) Permit, to control and manage the discharge of pollutants from urban runoff. The definition and enforcement of permitted discharges into the natural treatment system will be the responsibility of the County of Orange and the co-permittees under the NPDES permit.

17.3 FEES AND CHARGES FOR USE

1. The applicant for Natural Treatment System service shall pay the fees as set forth in the rates and charges. The fees and operational charges are as set forth in Exhibit B and the respective portions thereof, which set forth applicable rates and charges of the District. Exhibit B hereto

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and the rates and charges provided for therein are by this reference incorporated herein and may be changed by the District

17.4 MONITORING AND MAINTENANCE

The District shall monitor and maintain the natural treatment system, as specified in the Procedures Guide and the NTS Design Guidelines, to ensure that the system is operating as designed. The District reserves the right to make modifications to the natural treatment system, based on the monitoring results, to increase the water quality treatment effectiveness of the system.

The District's monitoring and maintenance shall be limited to the water quality functions of the natural treatment system operation and, and the District assumes no responsibility or liability for flood control functions of natural treatment systems or sites. The District, at its discretion, may provide water quality monitoring for the combined natural treatment system and first flush stormwater retention facilities.

17.5 CONFLICT

In the event that any portion of this Section pertaining to discharges to the natural treatment system is inconsistent with any other provisions of the Rules and Regulations as to such discharge, the provisions of this Section shall take precedence.

**EXHIBIT C to the Rules and Regulations
IRVINE RANCH WATER DISTRICT
MAXIMUM ALLOWABLE LOCAL LIMITS***

Constituent	Concentration Limit in Milligrams/Liter (mg/L)
Arsenic	2.00
Cadmium	1.00
Chromium	2.00
Copper	3.00
Lead	2.00
Mercury	0.03
Nickel	10.00
Silver	5.00
Zinc	10.00
Cyanide (Total)	5.00
Cyanide (Amenable)	1.00
Polychlorinated Biphenyls	0.01
Pesticides	0.01
Total Toxic Organics	0.58
Sulfide (Total)	5.00
Sulfide (Dissolved)	0.50
Oil and grease of mineral or petroleum origin	100.00

* Users subject to Federal Categorical Pretreatment Standards may be required to meet more stringent limits.

Exhibit "B"

RESOLUTION NO. 2015-

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA RESCINDING RESOLUTION NO. 2014-50 AND ESTABLISHING REVISED RULES AND REGULATIONS OF THE IRVINE RANCH WATER DISTRICT FOR WATER, SEWER, RECYCLED WATER, AND NATURAL TREATMENT SYSTEM SERVICE AND EXHIBIT A THERETO

WHEREAS, Irvine Ranch Water District (IRWD) is a California Water District organized and existing under the California Water District Law, and all of the lands within the boundaries of said District are located in the County of Orange, State of California; and

WHEREAS, Section 35423 of the California Water Code empowers the District to establish, print and distribute equitable Rules and Regulations for the distribution of water; and

WHEREAS, the District is also empowered to exercise or use any of the powers contained in the California Water District Law in carrying out its powers and purposes to furnish sewer service and natural treatment system service, under Sections 35506 and 35539.14, respectively, of said Water Code; and

WHEREAS, California Water Code Section 375 authorizes a water supplier to adopt and enforce a comprehensive water conservation program to reduce water consumption and conserve supplies; and

WHEREAS, by adoption of Resolution No. 2014-50 on November 10, 2014, the Board of Directors adopted revised Rules and Regulations for Water, Sewer, Recycled Water, and Natural Treatment System Service; and

WHEREAS, from time to time, the District reviews and proposes changes to its Rules and Regulations. The proposed changes have been made to update definitions and promote consistent and conforming nomenclature throughout the document. In addition, changes have been made to specific sections as follows:

Section 7: Updates and simplifies the definitions of Discharger, Industrial User, and User. Provides wording for an Alternative Service Charge for non-residential customers based on measured quantity and quality of water being discharged to the sewer. Adds an Exhibit that lists the District's Maximum Allowable Local Limits.

Section 12: Provides for conducting on-site surveys to ensure water efficient business and irrigation practices are in place prior to beginning to bill the customer. Authorizes additional bill adjustments on a case by case basis for customers who encounter extraneous circumstances that cause delays to a leak repair.

WHEREAS, the Board of Directors of IRWD find it to be in the best interest of the District to revise and update said Rules and Regulations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of IRWD as follows:

Section 1. That Resolution No. 2014-50 be and hereby is rescinded in its entirety.

Section 2. That the Rules and Regulations of the Irvine Ranch Water District for Water, Sewer, Recycled Water, and Natural Treatment System Service, inclusive of Exhibit A thereto but not inclusive of Exhibit B thereto, as more specifically set forth in EXHIBIT "A" to this Resolution, attached hereto and by this reference made a part hereof, be and hereby are approved and adopted.

Section 3. That the provisions of this Resolution shall become effective upon adoption.

Section 4. That said Rules and Regulations, including Exhibit A attached thereto, shall be certified by the Secretary of this District and the Secretary is hereby ordered and directed to publish a summary of the amendments to said Rules and Regulations, together with the internet address and the physical location where the complete text of the amended Rules and Regulations may be viewed, once a week for two weeks in a newspaper of general circulation published in Orange County, California, pursuant to the provisions of Section 35424 of the California Water Code.

ADOPTED, SIGNED and APPROVED this 24th day of August, 2015.

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

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

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

By _____