

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

April 9, 2018

**PLEDGE OF ALLEGIANCE**

**CALL TO ORDER**

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

**ROLL CALL**

Directors LaMar, Matheis, Swan, Withers and President Reinhart

**NOTICE**

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

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**COMMUNICATIONS TO THE BOARD**

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1. A. Written:

B. Oral:

2. ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

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**PRESENTATION**

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3. DISTRICT TRANSPARENCY CERTIFICATE OF EXCELLENCE  
ACHIEVEMENT

Public Affairs Field Coordinator Chris Palmer with the California Special Districts Association will present IRWD with the Special District Leadership Foundations' District Transparency Certificate of Excellence, which reflects IRWD's dedication to being fully transparent, and open and accessible to the public and other stakeholders.

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**BOARD WORKSHOP**

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4. FISCAL YEAR 2018-19 OPERATING BUDGET AND PROPOSED RATES AND CHARGES

Recommendation: That the Board review and provide comments on the proposed FY 2018-19 operating budget and proposed rates and charges.

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**CONSENT CALENDAR****Resolution No. 2018-10****Items 5-8**

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

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

6. MINUTES OF REGULAR BOARD MEETINGS

Recommendation: That the minutes of the March 26, 2018 and April 2, 2018 Regular Board Meetings be approved as presented.

7. 2018 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: That the Board adopt a "SUPPORT" position on AB 2050 (Caballero, D-Salina); an "OPPOSE" position on AB 1876 (Frazier, D-Fairfield); a "SUPPORT" position on AB 2283 (Holden, D-Pasadena); a "SEEK AMENDMENTS" position on AB 2890 (Ting, D-San Francisco); a "WATCH" position on AB 2711 (Chen, R-Brea); a "SUPPORT" position on AB 3170 (Friedman, D-Glendale); a "SEEK AMENDMENTS" position on SB 831(Wieckowski, D-Fremont); a "SEEK AMENDMENTS" position on SB 1469 (Skinner, D-Oakland); an "OPPOSE UNLESS AMENDED" position on SB 998 (Dodd, D-Napa); and "SUPPORT" Metropolitan Water District of Southern California financing the unsubscribed capacity in the 9,000 cfs, two tunnel form of the California WaterFix.

8. INITIAL DISINFECTION FACILITY SODIUM HYPOCHLORITE STORAGE AND FEED SYSTEM FINAL ACCEPTANCE

Recommendation: That the Board authorize the General Manager to accept construction of the Initial Disinfection Facility Sodium Hypochlorite Storage and Feed System, project 06213, 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.

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## **ACTION CALENDAR**

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9.     ENTERPRISE SERVER AND STORAGE REPLACEMENT

Recommendation: That the Board approve a General Plant expenditure of \$334,943 with Sirius Computer Solutions to purchase and implement the enterprise server and storage replacement equipment.

10.    ANNUAL ORACLE SOFTWARE MAINTENANCE AND SUPPORT AGREEMENT RENEWAL

Recommendation: That the Board approve renewal of the annual Oracle Software Maintenance and Support Agreements and additional licenses and support in the amount of \$903,000.

11.    AUDITOR SELECTION FOR FIVE-YEAR CONTRACT COMMENCING IN FISCAL YEAR 2018-19

Recommendation: That the Board approve a five-year contract with Davis Farr LLP at a cost of \$330,620 commencing in Fiscal Year 2018-19.

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## **OTHER BUSINESS**

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Pursuant to Government Code Section 54954.2, members of the Board of Directors or staff may ask questions for clarification, make brief announcements, and 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.

12.    A. General Manager's Report

B. Directors' Comments

C. Closed Session

CLOSED SESSION with Legal Counsel relative to: Anticipated litigation - Government Code Section 54956.9(d)(2) - significant exposure to litigation (one potential case: BKK Working Group notification to IRWD of potential liability, claim and/or litigation on file with the District.

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**OTHER BUSINESS - Continued**

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12. 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.



April 9, 2018

Prepared by: C. Smithson / J. Davis

Submitted by: C. Clary

Approved by: Paul Cook

## BOARD WORKSHOP

### FISCAL YEAR 2018-19 OPERATING BUDGET AND PROPOSED RATES AND CHARGES

#### SUMMARY:

The proposed Fiscal Year (FY) 2018-19 Operating Budget for Irvine Ranch Water District is \$157.1 million, representing an increase of \$8.5 million, or 5.7%, when compared to the Operating Budget for FY 2017-18.

The goal of the District's budgeting process is to appropriately fund the resources required to provide excellent service to its customers as cost-efficiently as possible. Over the past few years, the District has aggressively pursued reductions in expenses to offset uncontrollable expenses such as pass-through rate increases from outside agencies on which the District depends for the purchase of water and the treatment of sewage and biosolids. Similar to last year, the proposed FY 2018-19 budget reflects the full cost of operating the Baker Water Treatment Plant in the individual line items with the reimbursement to IRWD for 76% of the operating expenses by the Baker Plant partners shown as a "reimbursement from Baker Plant Partners" below. The FY 2018-19 budget assumes that the District will continue to send solids to the Orange County Sanitation District (OCS D) as it is anticipated that the Michelson Water Recycling Plant Biosolids & Energy Recovery Facilities capital project will be in start-up mode and any related project and start-up expenses will be charged to the capital project.

The proposed increase over last year's budget is driven primarily by the following:

<u>Primary Drivers</u>	<u>Expenses</u> <u>(millions)</u>
Increase in regular labor: <ul style="list-style-type: none"><li>- Cost of Living Adjustment</li><li>- Promotions/upgrades/merit</li><li>- Proposed additions</li></ul>	\$2.1
Increase in contract labor: <ul style="list-style-type: none"><li>- Temporary labor for increased workloads</li></ul>	\$0.4
Increase in employee benefits: <ul style="list-style-type: none"><li>- Public Employees Retirement System and health insurance</li></ul>	\$1.3
Increase in purchased water: <ul style="list-style-type: none"><li>- Pass through rate increases anticipated from other agencies and increased imported water purchases</li></ul>	\$2.7
Increases in IRWD repairs and maintenance: <ul style="list-style-type: none"><li>- Primarily Baker Water Treatment Plant</li></ul>	\$0.6
Increase in legal fees	\$0.3
Increase in other professional fees: <ul style="list-style-type: none"><li>- Primarily Conservation Outreach</li></ul>	\$0.9

All other increases, less than \$250,000 each	\$0.0
Reimbursement from Baker WTP Partners	\$0.2
<i>Total proposed budget increases in FY 2018-19:</i>	<i>\$8.5</i>

The District's rate-setting strategy provides for volume fluctuations in commodity sales without forcing rate increases to make up for the reduced sales. Rate increases are driven by operational expenses, which are a direct result of higher pass-through expenses from outside agencies and not a result of reduced commodity sales.

Rate increases are necessary to provide for cost of service equity. The proposed adjustment to rates include a low volume increase of \$0.04 per hundred cubic feet (ccf) and a base commodity rate increase of \$0.19 per ccf, with an increase of \$0.05 per month to the service charge for water and no change for sewer. The commodity rate-setting methodology continues to utilize the four tiers beginning with a low volume tier, a base rate and two over-allocation tiers.

Based on the recommendation, a typical residential customer will experience an increase of \$1.58 or 3.0%, from \$52.20 to \$53.78 per month.

Staff recommends the Board review and provide comments on the initial Operating Budget and changes to the District's rates and charges for further review by the full Board at its workshop on April 23, 2018. Staff also intends to present Proposition 218 notices at the April 23, 2018 Board meeting.

#### BACKGROUND:

The initial proposed Operating Budget, attached as Exhibit "A", has been organized into 10 major functional areas, including separate sections for proposed general plant purchases and labor changes:

- Assumptions;
- Consolidated Operating Budget;
- Revenues and Expenses by System;
- Non-operating Sources and Uses of Funds;
- Current and Proposed Residential Rates;
- Budgeted Revenue Summary by System;
- Budgeted Cost of Water by System;
- Individual tabs with Major Goals, proposed organization chart and expense budget by Department;
- General Plant; and
- Summary of Labor and proposed changes.

#### Year over Year Change in System Operating Results:

Below is a table with a year over year comparison identifying the change by system with the rate increases necessary to meet operating demands:

<b>System Requirements</b> (in thousands)	<b>Water</b>	<b>Sewer</b>	<b>Recycled</b>	<b>Conserve and NTS</b>	<b>Total</b>	<b>Capital &amp; Non-Oper</b>
FY 2017-18	\$ 74,649	\$ 51,780	\$ 21,763	\$ 10,460	\$ 158,652	\$ 21,693
FY 2018-19	76,481	51,893	22,785	11,012	162,171	\$ 21,178
Total Change to Offset	(1,832)	(113)	(1,022)	(552)	(3,519)	
Revenue Applied:						
Usage Change from Prior Year	349	113	(424)	(601)	(563)	
Rate Increases	1,483	-	1,446	1,153	4,082	
Other Sources						
Total Additional Revenue	\$ 1,832	\$ 113	\$ 1,022	\$ 552	\$ 3,519	
Net	-	-	-	-	-	

### Budget Based Rate Structure:

The District moved to a budget-based rate structure in 1991 and initially established the over-allocation use tiers to incentivize water conservation. This approach immediately resulted in a decrease of water consumption that exceeded 10% and laid the groundwork for the efficient use of water by IRWD customers that is firmly established today. The rate structure continues to align excessive use with a marked increase in rates over the base rate to fund costs including recycled water conversions which helps reduce the District's need to purchase expensive imported water, the District's conservation efforts, and urban runoff treatment (Natural Treatment System) which is a byproduct of wasteful water usage. The rate structure is based on the cost of service to provide water to each tier.

The budget-based rate structure is designed to promote conservation and the District's rate-setting process utilizes approved legislation included in Chapter 3.4 (sections 370-374) of the California Water Code that provides for the ability to add a conservation charge for uses beyond the reasonable use basic allocation. The proposed FY 2018-19 Operating Budget and recommended rate increases follow these guidelines. The District's rate-setting process provides for the determination of the nexus between the revenue generated from the proposed rates and the costs driving those rates, and between the rates and the estimated benefit from the additional associated costs.

Over-allocation revenue can fluctuate significantly from year to year; weather is typically the least predictable factor. During wet years, over-allocation revenue is reduced while dry years generate more as consumption increases. Consistent with the District's practice, as weather and consumption cannot be predicted, this fund is to be considered cyclical for use over a three- to five-year period. The proposed FY 2018-19 operating budget includes prioritized programs and expenditures that will utilize the fund and provide a benefit to the District during drier than normal years.

On an annual basis, over-allocation revenue provides for many programs that preserve the District's water conservation approach established years ago. Specifically, over-allocation revenue / funds provide for annual expenses that include:

- Conservation programs and incentives that provide a blended benefit to all over-allocation users;

- Outreach from District staff through programs with local schools and through Water Smart;
- Conservation outreach efforts that include identifying and working with Inefficient and Wasteful tier users;
- Operation, maintenance, and management of water banking sites, which provide additional water in an allocation; and
- Operation, maintenance, and management of NTS sites, which are designed to treat the runoff from over-irrigation, with additional sites added annually.

The District's rate-setting methodology utilizes four tiers that include a low volume tier, a base rate and two over-allocation tiers. In the table below, staff has provided the detailed methodology for allocating costs to the budget-based rates consistent with Proposition 218 and Article X requirements. The allocation of costs associated with the tiers follow:

<b>Tiers</b>	<b>Low Volume</b>	<b>Base Rate</b>	<b>Inefficient</b>	<b>Wasteful</b>
Lowest Cost Source of Water	\$1.35			
District Wide Conservation	\$0.05	\$0.05	\$0.05	\$0.05
Melded Cost of Water		\$1.84		
Blended Cost of Baker and Import			\$3.21	
Loaded Cost of Imported Water				\$3.35
Water Banking				\$0.25
NTS			\$0.90	\$2.87
Conservation			\$0.57	\$6.83
<b>Proposed Rate per Tier (July 1)</b>	<b>\$1.40</b>	<b>\$1.89</b>	<b>\$4.73</b>	<b>\$13.35</b>
FY 2017-18 Rates by Tier	\$1.36	\$1.70	\$4.09	\$12.06
<i>Change</i>	<i>\$0.04</i>	<i>\$0.19</i>	<i>\$0.64</i>	<i>\$1.29</i>
<i>Percent</i>	<i>2.9%</i>	<i>11.2%</i>	<i>15.6%</i>	<i>10.7%</i>

#### Pumping Surcharges:

The District's pumping surcharges were reviewed in detail through the Embedded Energy Study during the rate-setting process for FY 2015-16. The study provides a nexus between the surcharge and the cost associated with moving the water to higher elevations. Each subsequent year, the pumping surcharges are updated using the same methodology. The proposed rates are shown in the table below:

<b>Proposed Pumping Zones</b>	<b>Current</b>	<b>Proposed</b>
<b>Potable</b>		
Zone 1	\$0.21	\$0.21
Zone 2	\$0.35	\$0.35
Zone 3	\$0.64	\$0.65
<b>Recycled</b>		
Zone A	\$0.21	\$0.21
Zone B	\$0.34	\$0.34
Zone C	\$0.47	\$0.47

**FISCAL IMPACTS:**

Planned operating expenses in the FY 2018-19 Proposed Operating Budget reflect an increase of \$8.5 million from the adopted Operating Budget for FY 2017-18. The budget and staff's proposed rate increases were reviewed at Finance and Personnel Committee meetings on March 8, 2018, March 19, 2018 and April 3, 2018. It is expected that the proposed rate increases will result in a contribution to the enhancement and replacement funds of approximately \$4.0 million and \$25.1 million for water and sewer, respectively. The conservation fund is expected to generate and use approximately \$11.0 million in FY 2018-19.

**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 March 8, 2018, March 19, 2018 and April 3, 2018.

**RECOMMENDATION:**

THAT THE BOARD REVIEW AND PROVIDE COMMENTS ON THE PROPOSED FY 2018-19 OPERATING BUDGET AND PROPOSED RATES AND CHARGES.

**LIST OF EXHIBITS:**

Exhibit "A" – Proposed Operating Budget FY 2018-19

***IRVINE RANCH WATER DISTRICT  
OPERATING BUDGET  
FISCAL YEAR 2018-19***



**Irvine Ranch**  
**WATER DISTRICT**

***"Proposed"***

***April 9, 2018***



## OPERATING BUDGET

*Assumptions as of April 9, 2018*  
*Fiscal Year 2018-19*

The goal of the District's budgeting process remains to fund the resources required to provide services to the District's customers as cost-efficiently as possible. Over the past several years, the District has aggressively pursued reductions in expenses to offset uncontrollable expenses such as pass-through rate increases from outside agencies on which the District depends for the purchase of water and the treatment of sewage and biosolids. The Fiscal Year (FY) 2018-19 recommended rate increase is primarily associated with pass through rate increases from outside agencies.

This document is a summary of the major assumptions driving the development of the operating and non-operating budgets for FY 2018-19.

### I. REVENUES

#### *Growth Estimates:*

Residential development growth includes both apartments and single family homes for FY 2018-19. The unit estimate is based on the most current projections received from the major developers throughout the service area. Current estimates identify approximately 4,100 mixed units coming online in FY 2018-19. As a result, the growth factor for residential development is estimated at 2.6% for FY 2018-19.

Current development projections for the commercial/industrial sector identify 142 acres of development occurring in FY 2018-19. Staff included a 2% growth rate for commercial and industrial development for FY 2018-19. Revenue assumptions used to estimate sewer revenue match the assumptions included for potable water.

*FY 2018-19 Estimate for Operating Revenue Sources, by Customer Type (in thousands):*

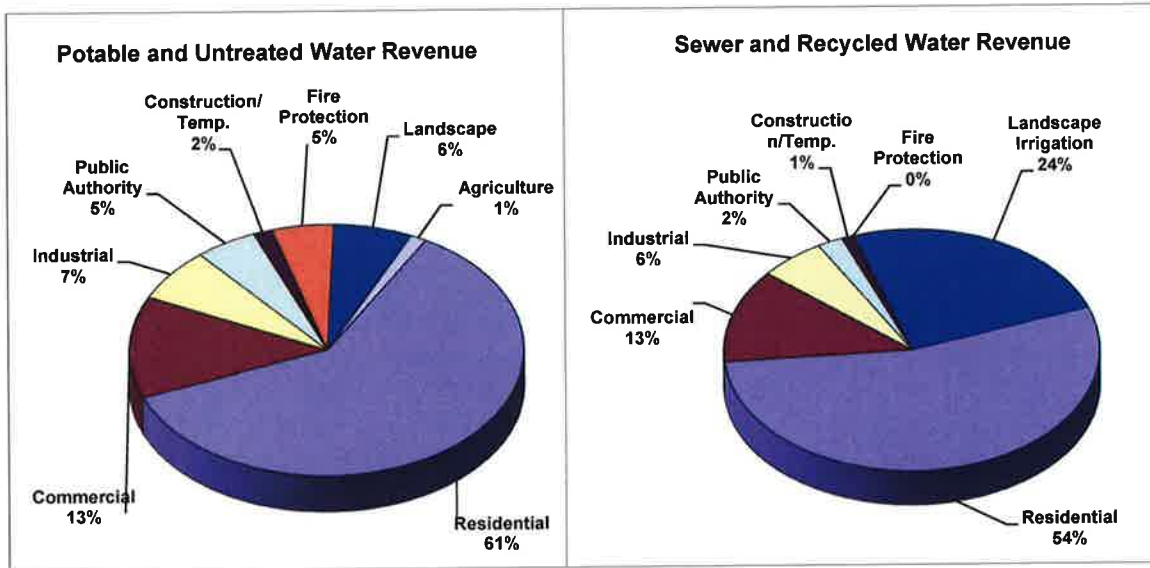
Customer Type	Potable	Sewer	Recycled	Over Allocation	Total
Residential	\$ 44,574	\$ 37,274	\$ 655	\$ 9,603	\$ 92,106
Commercial	10,781	8,766	674	241	20,462
Industrial	5,614	4,201	72	124	10,011
Public Authority	4,197	1,653	-	56	5,905
Construction/Temp.	1,258	-	798	26	2,082
Fire Protection	4,189	-	-	-	4,189
Landscape Irrigation	4,820	-	18,312	847	23,978
Agriculture Irrigation	1,047	-	1,754	115	2,917
Reimbursement	-	-	520	-	520
<b>Total</b>	<b>\$ 76,481</b>	<b>\$ 51,893</b>	<b>\$ 22,785</b>	<b>\$ 11,012</b>	<b>\$ 162,171</b>





## OPERATING BUDGET

*Assumptions as of April 9, 2018*  
*Fiscal Year 2018-19*



The projected revenue sources and their respective percentage of the total are presented in the graph above. Total Residential, Landscape, Commercial, and Industrial revenue constitute over 85% of the total operating revenues for both water and sewer.

## II. OPERATING EXPENSES

Notable expected changes in operating expenses are addressed below by system and function:

### A. Treated Water

The District continues to make efforts to do its part in encouraging its customers to conserve. The District intends to continue encouraging conservation through its rate structure, which provides an incentive for customers to limit water use to their base allocation and customers have responded well to this messaging.

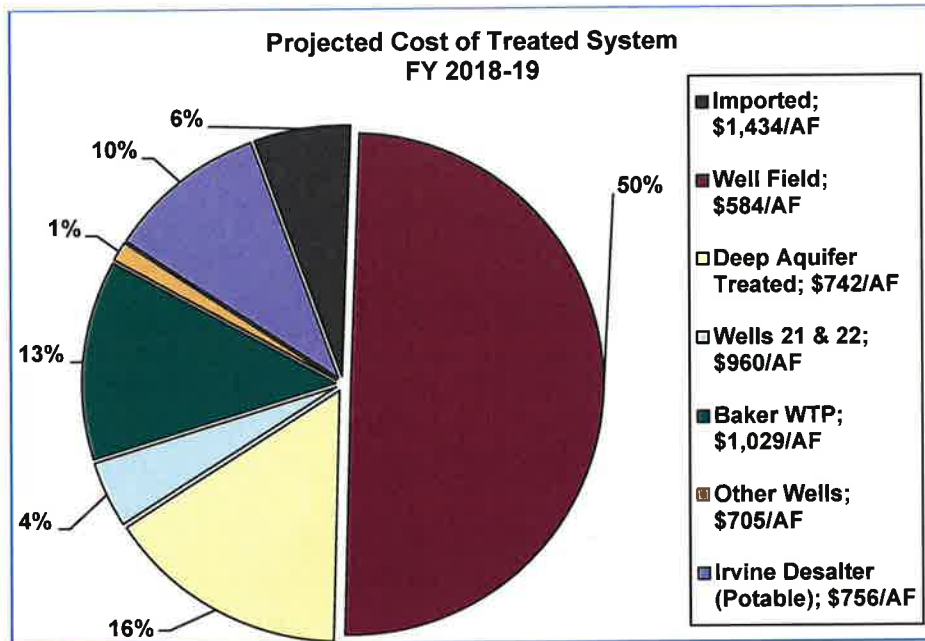
The FY 2018-19 budget anticipates no significant change in use from FY 2017-18. The assumption is for a normal year of rainfall, consistent with the assumption last year. The District is projecting potable and untreated sales for FY 2018-19 to be 54,074 acre feet (AF), as compared to a budget of 54,340 AF in the prior year.

The sources used to meet potable sales, their respective cost per AF, inclusive of labor, electricity, chemicals, etc., and their respective share of the total water purchased are identified in the graph:



## OPERATING BUDGET

*Assumptions as of April 9, 2018*  
*Fiscal Year 2018-19*



### Groundwater Production

The major assumptions associated with the respective sources of water include the following:

- The Replenishment Assessment (RA) in FY 2017-18 was \$445 per AF and the rate used in FY 2018-19 is \$472 per AF, an increase of 6.1%. The District's basin production percentage (BPP) is set at a maximum of 70%, per the OCWD / IRWD Annexation Agreement executed in 2013.
- The Dyer Road Well Field (DRWF) pumping costs:
  - Actual energy usage is relatively flat.
  - Chemical expense is relatively flat.
- Primary changes in costs include a \$27 per AF estimated rate increase for RA for the Irvine Desalter Project (IDP), the Potable Treatment Plant (PTP), and the Deep Aquifer Treatment System (DATS).

### Treated Water – Metropolitan Water District (MWD) and Municipal Water District of Orange County (MWDOC)

- MWD is expected to increase its treated and untreated rates again on January 1, 2019 by 3.4% and 5.2% respectively.
- Staff assumes no substantial change to the costs associated with the IRWD Reservoir Management Systems.

### Untreated Water

The sources for untreated water for FY 2018-19 will include purchased water.

- MWDOC purchases, Native Water and SAC water are expected to be used to meet all untreated demands. MWDOC purchases will increase to



## OPERATING BUDGET

*Assumptions as of April 9, 2018*  
*Fiscal Year 2018-19*

meet non-potable demands due to a reduction in native water use from 3,827 AF to 1,000 AF.

- Any MWDOC rate increases discussed above also apply to purchases for the untreated system.

### B. Recycled Water

Customer demands for the recycled system are nearly unchanged from FY 2017-18. Total recycled demand is estimated at 28,261 AF, a decrease of 103 AF from the FY 2017-18 budget. Sources are as follows:

- Production and storage generated from operations at the Michelson Water Recycling Plant (MWRP) and Los Alisos Water Recycling Plant (LAWRP) are expected to provide 22,890 AF.
- The Irvine Desalter will provide 3,540 AF net of water lost through treatment.
- The recycled water system is expected to purchase 1,961 acre-feet of supplemental water from the untreated system.

### C. Salaries and Benefits

- Each year, staff prepares a labor budget based upon the total positions in the organization chart, expected merit and cost of living increases, and promotional allowances.
  - Each salary is projected forward adding merit increases that are based on prior review ratings where necessary in order to reach a starting July salary base.
  - New positions and promotions are added and all salaries are projected forward on a month by month basis.
  - In July 2018, a COLA and promotional factor are applied to salaries - Assumed at 2.1% and 0.6%, respectively.
  - Assumes a 7% vacancy factor.

Regular Salaries and Wages	
FY 2017-18	\$32,855
New positions	1,015
COLA	630
Merit/Other	481
FY 2018-19	<u>\$34,981</u>



## OPERATING BUDGET

*Assumptions as of April 9, 2018*  
*Fiscal Year 2018-19*

The following table identifies the current and proposed contribution of the District toward employee benefits.

Additional Contributions Provided by the District		
	FY 17-18	FY 18-19
PERS Employer Contribution	19.3%	19.3%
PERS in Excess of ARC	<u>5.7%</u>	<u>5.7%</u>
Combined Total	25.0%	25.0%
District Direct 401A Match	0.3%	0.3%
401A Matching Contribution of 3%	2.3%	2.8%

### III. USE OF OTHER FUNDS

#### A. Over-Allocation Revenue

Over-allocation revenue is used to offset the following expenses:

- The cost associated with additional imported water purchases;
- Customers who receive the \$2 low volume capacity rebate on the fixed service charge;
- Budgeted conservation expenses;
- Urban runoff (NTS) and San Joaquin Marsh maintenance expenses; and
- Water banking expenses that exceed associated revenue.

Total conservation expense is expected to meet over allocation revenue in FY 2018-19. The conservation fund is projected to be approximately \$8.0 million at the end of FY 2018-19.

#### B. Enhancement Fund User Rate Component

The current enhancement fund contribution for both the water and sewer system for FY 2017-18 was a combined \$1.45 per month (\$0.70 for water and \$0.82 for sewer) for the average residential customer. There was no increase built into these rates for FY 2018-19. It is estimated that the fund balance will be approximately \$50.0 million at the end of FY 2018-19.

#### C. Replacement Fund User Rate Component

The current replacement water service charge is \$2.10. The sewer service charge is \$9.31 per month for the average residential customer in FY 2018-19, no increase from the prior year. It is estimated that the fund balance will be approximately \$290 million as of the end of FY 2018-19. It is expected that the 4 years of increased funding totaling \$3.00 per month per customer will adequately cover the cost of debt associated with the MWRP Biosolids and Energy Recovery project.



## NON-OPERATING BUDGET

*Assumptions as of April 9, 2018*  
*Fiscal Year 2018-19*

### I. REVENUES

The non-operating revenues include property taxes, investment income, connection fees, and real estate income. Primary assumptions for each of the revenue categories are as follows:

- Property taxes – 4.0% growth in projected assessed values.
- Investment income – 1.58% average interest rate and an average cash balance of \$309.0 million.
- Connection fees – 4,100 units based on the most current projections received from the major developers.
- Real estate income – 2.0% growth on commercial and residential income and a full year of interest on the Serrano Summit promissory note at 4.0%. Assumed note maturity at September 2019.
- Real estate fair value change – based on forecast; and
- Other income – includes lease revenue and grants.

### II. NON-OPERATING EXPENSES

The non-operating expenses include interest expense, real estate expense, and other expenses. Primary assumption are as follows:

- Interest expense – 3.70% average fixed debt rate and a 1.53% average variable debt rate; and
- Real estate expense – 2.0% growth; excludes depreciation as real estate is based on fair market value.



**IRVINE RANCH WATER DISTRICT**  
**CONSOLIDATED OPERATING BUDGET FOR FY 2018-19**  
(in thousands)

	Actual		Budget		Budget to Budget Variance	
	FY 16-17	FY 2017-18 YTD 12/31/2017	FY 17-18 Approved	2018-19 Proposed	\$	%
<b>Salaries &amp; Benefits</b>						
Regular Labor	\$ 31,297	\$ 15,574	\$ 32,855	\$ 34,981	\$ 2,127	6.5%
Overtime Labor	2,082	999	2,037	2,104	66	3.3%
Contract Labor	1,608	807	1,470	1,846	377	25.6%
Employee Benefits	19,109	8,024	17,366	18,634	1,268	7.3%
<b>Salaries &amp; Benefits Total</b>	<b>\$ 54,095</b>	<b>\$ 25,404</b>	<b>\$ 53,727</b>	<b>\$ 57,565</b>	<b>\$ 3,838</b>	<b>7.1%</b>
<b>Purchased Water &amp; Utilities</b>						
Water Purchases	\$ 35,599	\$ 21,313	\$ 35,287	\$ 37,944	\$ 2,658	7.5%
Electricity	11,480	6,947	14,631	14,537	(94)	-0.6%
Fuel	578	268	627	559	(69)	-10.9%
Telecommunication	540	310	566	627	61	10.8%
Other Utilities	161	96	171	182	11	6.7%
<b>Purchased Water &amp; Utilities Total</b>	<b>\$ 48,359</b>	<b>\$ 28,934</b>	<b>\$ 51,282</b>	<b>\$ 53,849</b>	<b>\$ 2,568</b>	<b>5.0%</b>
<b>Material &amp; Supplies</b>						
Chemicals	\$ 2,081	\$ 1,503	\$ 3,074	\$ 3,146	\$ 72	2.3%
Office Supplies	97	42	109	96	(14)	-12.6%
Operating Supplies	1,355	535	1,475	1,498	23	1.6%
Printing	211	70	276	401	125	45.2%
Postage	578	267	594	520	(75)	-12.6%
Permits, Licenses and Fees	1,157	1,494	1,797	1,749	(48)	-2.7%
Duplicating Equipment	175	88	192	174	(18)	-9.4%
Equipment Rental	63	58	114	73	(42)	-36.6%
<b>Material &amp; Supplies Total</b>	<b>\$ 5,717</b>	<b>\$ 4,058</b>	<b>\$ 7,632</b>	<b>\$ 7,656</b>	<b>\$ 23</b>	<b>0.3%</b>
<b>Professional Services</b>						
Rep & Maint OCSD & Other	\$ 15,149	\$ 7,036	\$ 13,852	\$ 13,704	\$ (148)	-1.1%
Rep & Maint IRWD	8,132	3,983	9,683	10,254	571	5.9%
Insurance	1,017	839	1,021	1,085	65	6.3%
Legal Fees	933	857	1,565	1,865	300	19.2%
Engineering Fees	598	463	980	967	(13)	-1.3%
Accounting Fees	116	59	95	102	7	7.4%
Data Processing	3,064	1,511	2,898	2,857	(41)	-1.4%
Personnel Training	947	466	1,247	1,267	20	1.6%
Personnel Physicals	24	11	51	41	(10)	-19.6%
Other Professional Fees	2,886	2,100	4,207	5,087	880	20.9%
Directors Fees	151	75	168	168	-	0.0%
<b>Professional Services Total</b>	<b>\$ 33,017</b>	<b>\$ 17,399</b>	<b>\$ 35,766</b>	<b>\$ 37,396</b>	<b>\$ 1,630</b>	<b>4.6%</b>
<b>Other</b>						
Mileage Reimbursement	\$ 161	\$ 68	\$ 140	\$ 148	\$ 8	5.7%
Election Expense	145	110	145	145	-	0.0%
Safety	123	79	108	122	14	13.0%
Alarm and Patrol Services	135	235	520	751	231	44.3%
Biosolids Disposals	20	-	131	20	(111)	-84.7%
Commuter Program	124	87	156	156	-	0.0%
Contract Meter Reading	1,354	692	1,390	1,390	-	0.0%
Other	340	63	152	142	(10)	-6.7%
Conservation	1,420	349	2,012	2,050	38	1.9%
<b>Other Total</b>	<b>\$ 3,822</b>	<b>\$ 1,683</b>	<b>\$ 4,753</b>	<b>\$ 4,923</b>	<b>\$ 170</b>	<b>3.6%</b>
<b>Grand Total</b>	<b>\$ 145,010</b>	<b>\$ 77,478</b>	<b>\$ 153,161</b>	<b>\$ 161,390</b>	<b>\$ 8,229</b>	<b>5.4%</b>
<b>Less: Reimbursement from Baker Partners</b>	<b>\$ (1,612)</b>	<b>\$ (2,019)</b>	<b>\$ (4,498)</b>	<b>\$ (4,269)</b>	<b>\$ 229</b>	
<b>Grand Total</b>	<b>\$ 143,398</b>	<b>\$ 75,459</b>	<b>\$ 148,663</b>	<b>\$ 157,121</b>	<b>\$ 8,458</b>	<b>5.7%</b>



## REVENUES AND EXPENSES BY SYSTEM

(in thousands)

	Water	Sewer	Recycled	Conserve & NTS	Consolidated
<b>Revenue:</b>					
Commodity	\$ 42,159	\$ -	\$ 15,972	\$ 1,932	\$ 60,063
Service	34,322	51,893	6,813	-	93,028
Over Allocation	-	-	-	9,080	9,080
Rate Stabilization	-	-	-	-	-
Total Revenues	\$ 76,481	\$ 51,893	\$ 22,785	\$ 11,012	\$ 162,171
Contribution to Enhancement and Replacement Funds	(8,520)	(19,500)	(1,120)	-	(29,140)
Net Revenues	\$ 67,961	\$ 32,393	\$ 21,665	\$ 11,012	\$ 133,031
<b>Expenses:</b>					
Cost of Water	\$ 43,031	\$ -	\$ 9,808	\$ -	\$ 52,839
Operations	11,361	9,831	4,834	7,792	33,818
Water Banking	-	-	-	169	169
OCSD - O&M	-	12,554	-	-	12,554
Total Direct	\$ 54,392	\$ 22,385	\$ 14,642	\$ 7,961	\$ 99,380
Customer Records and Collections	2,473	1,349	678	-	4,500
General & Admin Expense	10,584	7,927	5,808	2,898	27,217
Total Indirect	\$ 13,057	\$ 9,276	\$ 6,486	\$ 2,898	\$ 31,717
General Plant	512	732	537	153	1,934
Total Expenses	\$ 67,961	\$ 32,393	\$ 21,665	\$ 11,012	\$ 133,031
<b>Net Operating Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>





# NON-OPERATING

## *SUMMARY OF SOURCES AND USES*

(in thousands)

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>
<b>Non-operating Revenue:</b>			
Property Taxes	\$ 52,500	\$ 59,300	\$ 6,800
Investment Income	4,200	4,768	568
Connection Fees	26,000	20,000	(6,000)
Real Estate Income	13,400	17,000	3,600
Real Estate Fair Value Change	-	6,300	6,300
Other Income	8,000	8,000	-
<b>Total Revenue</b>	<u>\$ 104,100</u>	<u>\$ 115,368</u>	<u>\$ 11,268</u>
<b>Non-operating Expenses:</b>			
Interest Expense	\$ 28,300	\$ 26,294	\$ (2,006)
Real Estate Expense	7,300	5,170	(2,130)
Other Expenses	2,000	2,000	-
<b>Total Expense</b>	<u>\$ 37,600</u>	<u>\$ 33,464</u>	<u>\$ (4,136)</u>
<b>Net Sources &amp; Uses</b>	<u><u>\$ 66,500</u></u>	<u><u>\$ 81,904</u></u>	<u><u>\$ 15,404</u></u>



## Current and Proposed Residential Rates

	Irvine Ranch		
	Potable	Sewer / Recycled	
Before Rate Adjustment:	Water (1)	Sewer (2)	Recycled
Current Residential Rates:			
<b>Low Volume</b>	\$1.36		\$1.01
Commodity Rate	\$1.70		\$1.36
Residential Service	\$10.30	\$23.20	
Operations	\$7.50	\$13.07	
Replacements	\$2.10	\$9.31	
Enhancements	\$0.70	\$0.82	
Total Service Charge	\$10.30	\$23.20	
<b>Commodity (12 ccf)</b>	\$18.70		
Current Monthly	\$52.20		
<b>Proposed Residential Rate Adjustment:</b>			
<b>Low Volume</b>	\$1.40	<b>3%</b>	\$1.13
<b>Base Commodity Rate</b>	\$1.89	<b>11%</b>	\$1.47
<b>Operations</b>	\$7.55	\$13.07	
<b>Replacements</b>	\$2.10	\$9.31	
<b>Enhancements</b>	\$0.70	\$0.82	
<b>Total Service Charge</b>	\$10.35	\$23.20	
<b>Commodity</b>	\$20.23		
<b>Proposed Monthly</b>	\$53.78		
Current Monthly	\$52.20		
Difference	\$1.58		
<b>Change %</b>	<b>3.0%</b>		

- (1) Water - District Average usage assumes 12 ccf's per month.
- (2) Sewer - District average usage assumes 6-10 ccf for lowest 3 months.
- (3) Water - OCWD Replenishment Assessment at \$472 / Acre Foot.





# POTABLE REVENUE

## BUDGETED REVENUE SUMMARY BY SYSTEM

<i>(in thousands)</i>	<u>FY 2017-18</u>	<u>Usage Change</u>	<u>Proposed Rate Inc.</u>	<u>FY 2018-19</u>
<b>Water</b>				
Service	\$ 23,302	\$ 607	\$ 141	\$ 24,050
Enhancement	2,161	9	-	2,170
Replacement	6,313	37	-	6,350
Pumping Surcharge	747	9	-	756
Miscellaneous	1,113	(117)	-	996
Commodity	41,013	(196)	1,342	42,159
Rate Stabilization / Non Rate Generated	-	-	-	-
	<u>\$ 74,649</u>	<u>\$ 349</u>	<u>\$ 1,483</u>	<u>\$ 76,481</u>
<b>AF Sales</b>	54,340			54,074
<b>User Type</b>				
Residential	\$ 43,233	\$ 244	\$ 1,097	\$ 44,574
Commercial	10,583	35	163	10,781
Industrial	5,504	21	89	5,614
Public Authority	4,160	7	30	4,197
Construction/Temp.	1,240	3	15	1,258
Fire Protection	4,172	17	0	4,189
Landscape Irrigation	4,728	17	74	4,820
Agriculture Irrigation	1,029	3	15	1,047
	<u>\$ 74,649</u>	<u>\$ 349</u>	<u>\$ 1,483</u>	<u>\$ 76,481</u>



# SEWER REVENUE

## *BUDGETED REVENUE SUMMARY BY SYSTEM*

<i>(in thousands)</i>	<u>FY 2017-18</u>	<u>Usage Change</u>	<u>Proposed Rate Inc.</u>	<u>FY 2018-19</u>
<b>Sewer</b>				
Service	\$ 31,940	\$ 153	\$ -	\$ 32,093
Enhancement	1,383	117	-	1,500
Replacement	17,608	392	-	18,000
Miscellaneous	329	(29)	-	300
Reimbursements*	520	(520)	-	-
	<u>\$ 51,780</u>	<u>\$ 113</u>	<u>\$ -</u>	<u>\$ 51,893</u>

### **User Type**

Residential	\$ 36,799	\$ 475	\$ -	\$ 37,274
Commercial	8,671	95	-	8,766
Industrial	4,150	51	-	4,201
Public Authority	1,640	13	-	1,653
Reimbursements*	520	(520)	-	-
	<u>\$ 51,780</u>	<u>\$ 113</u>	<u>\$ -</u>	<u>\$ 51,893</u>

\* Reimbursements - Reimbursement from the Navy for operating costs associated with recycled IDP was moved to the Recycled system.



# RECYCLED REVENUE

## BUDGETED REVENUE SUMMARY BY SYSTEM

<i>(in thousands)</i>	<u>FY 2017-18</u>	<u>Usage Change</u>	<u>Proposed Rate Inc.</u>	<u>FY 2018-19</u>
<b>Recycled</b>				
Service	\$ 5,263	\$ (199)	\$ 29	\$ 5,093
Enhancement	350	(50)	-	300
Replacement	770	(70)	-	700
Pumping Surcharge	248	(48)	-	200
Commodity	15,132	(57)	897	15,972
Reimbursements*	-	-	520	520
	<u>\$ 21,763</u>	<u>\$ (424)</u>	<u>\$ 1,446</u>	<u>\$ 22,785</u>
<b>AF</b>	28,364			28,261
<b>User Type</b>				
Residential	\$ 630	\$ (21)	\$ 46	\$ 655
Commercial	649	(21)	46	674
Industrial	72	-	-	72
Public Authority	-	-	-	0
Landscape Irrigation	17,910	(339)	741	18,312
Recycled Loans	-	-	-	0
Agriculture Irrigation	1,704	(42)	93	1,754
Construction/Temp.	798	-	-	798
Reimbursements*	-	-	520	520
	<u>\$ 21,763</u>	<u>\$ (424)</u>	<u>\$ 1,446</u>	<u>\$ 22,785</u>

\* Reimbursements - Reimbursement from the Navy for operating costs associated with recycled IDP was moved to the Recycled system.



# OVER-ALLOCATION REVENUE

## *BUDGETED REVENUE SUMMARY BY SYSTEM*

<i>(in thousands)</i>	<b>FY 2017-18</b>	<b>Usage Change</b>	<b>Proposed Rate Inc.</b>	<b>FY 2018-19</b>
<b>Tier</b>				
Universal Conservation	\$ 1,822	\$ -	\$ 110	\$ 1,932
Inefficient	1,845	(152)	721	2,414
Wasteful	6,793	(449)	322	6,666
	<u>\$ 10,460</u>	<u>\$ (601)</u>	<u>\$ 1,153</u>	<u>\$ 11,012</u>
 <b>Source or System</b>				
Residential	\$ 9,122	\$ (524)	\$ 1,005	\$ 9,603
Commercial	229	(13)	25	241
Industrial	118	(7)	13	124
Public Authority	53	(3)	6	56
Landscape Irrigation	805	(46)	89	847
Agriculture Irrigation	109	(6)	12	115
Construction / Temp.	25	(1)	3	26
	<u>\$ 10,460</u>	<u>\$ (601)</u>	<u>\$ 1,153</u>	<u>\$ 11,012</u>



# COST OF WATER

## BUDGETED COST OF WATER

	FY 2017-18			FY 2018-19			Change	
	Acre Feet	Total	Cost / AF	Acre Feet	Total	Cost / AF	Acre Feet	Total
<i>(in thousands)</i>								
<b>Irvine Ranch Rate Area</b>								
<b><u>TREATED</u></b>								
Purchased from MWDOC	2,960	\$ 4,207	\$1,421	3,463	\$ 4,965	\$1,434	503	\$ 758
Dyer Road Well Field	28,000	16,176	\$578	28,000	16,355	\$584	-	179
Other Wells	700	454	\$648	700	494	\$705	-	40
Deep Aquifer Treatment System	8,000	5,576	\$697	8,700	6,459	\$742	700	883
Lost to Production	(160)			(174)			(14)	
Wells 21 & 22 Desalter	2,400	2,181	\$909	2,400	2,305	\$960	-	124
Lost to Production	(360)			(432)			(72)	
Baker WTP	7,611	8,497	\$1,116	7,232	\$ 7,440	\$1,029	(379)	(1,057)
Well Water	432	39	\$90	0	0		(432)	(39)
Irvine Desalter Project	6,540	4,702	\$719	5,700	4,308	\$756	(840)	(394)
Lost to Production	(981)			(1,026)			(45)	
Total Shrinkage	(2,626)			(2,444)			182	
Total Irvine Ranch Potable	52,516	\$ 41,832		52,118	\$ 42,325		(398)	\$ 494
<b><u>UNTREATED</u></b>								
Purchased from MWDOC	1,000	\$ 841	\$841	2,835	\$ 2,472	\$872	1,835	\$ 1,631
Native Water	3,827	811	\$212	1,000	245	\$245	(2,827)	(566)
Santiago Aqueduct Commission	175	148	\$846	175	153	\$874	-	5
Transfer to RW System	(3,091)	(2,009)	\$650	(1,961)	(1,404)	\$716	1,130	605
Total Shrinkage	(87)			(93)			(6)	
Total Untreated	1,824	\$ (209)		1,956	\$ 1,467		132	\$ 1,676
Total Potable and Untreated Water	54,340	41,623		54,074	43,792		(266)	2,169
<b><u>RECYCLED</u></b>								
Groundwater	0	\$ -	\$ -	435	\$ 205	\$ -	435	\$ 205
Irvine Desalter Project	4,165	2,904	\$697	4,165	3,072	\$738	-	168
Lost to Production	(625)			(625)			-	
MWRP / LAW RP Production	22,300	4,919	\$221	22,890	5,251	\$229	590	332
Transfer from Untreated System	3,091	2,009	\$650	1,961	1,404	\$716	(1,130)	(605)
Total Shrinkage	(567)			(565)			2	
Total Recycled	28,364	\$ 9,832		28,261	\$ 9,932		(103)	\$ 100
Total Cost of Water for Billed Usage	82,704	\$ 51,455		82,335	\$ 53,724		(369)	\$ 2,269



## **GENERAL MANAGER'S OFFICE**

### **OPERATING BUDGET SUMMARY**

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#### **Program Description**

The General Manager's Office implements the policies established and direction provided by the Board of Directors and, in so doing, provides overall direction to staff to complete that effort. The office also includes Government Relations which develops and advocates for policies at the federal, state and local levels that promote a reliable high quality and cost effective water supply for IRWD customers, and demonstrates the efficient use of resources. The Government Relations staff represents IRWD's policies and provides technical expertise to the legislative process, particularly on issues of water recycling, water use efficiency, water rates, water supply reliability and governance, among others.

The General Manager's office also:

- Provides direct services to and communications with the Board of Directors;
- Produces and distributes Board, Board Committee and Ad Hoc Committee meeting packets;
- Schedules all Board, Board Committee, Ad Hoc Committee and annual/special independent corporation meetings;
- Produces the minutes of all Board meetings;
- Maintains all Board resolutions;
- Schedules other meetings and functions on behalf of the Board members and makes travel arrangements, as needed;
- Maintains records of all inter-agency agreements, deeds and easements;
- Maintains records for the various independent corporations;
- Shapes, guides and engages on local, state and federal policies, legislation and regulations;
- Manages and coordinates the legal resources utilized by the District;
- Responds to, or directs response to, all media inquiries; and,
- Responds to, or directs response to, all public information requests.

The General Manager's Office works with the Board of Directors and staff to establish the District's strategic vision for all departments. On January 22, 2018, staff reviewed the 2018 Goals and Target Activities with the Board. The Goals and Target Activities described below reflect the *Strategic Objectives*, as well as the *Mission, Vision and Values* of Irvine Ranch Water District as adopted by the Board. The Goals (numbered) and the Target Activities (lettered) approved for calendar year 2018 are summarized as follows:



## **GENERAL MANAGER'S OFFICE**

### **OPERATING BUDGET SUMMARY**

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#### **Major Goals**

1. Optimize and protect local water supply utilization:
  - a. Update near-term recommendations from 2014 Groundwater Work Plan
  - b. Complete preliminary and final design of sloped outlet pipe to replace the Irvine Lake Outlet Tower
  - c. Coordinate / collaborate with OCWD on South Basin Clean-up Project
  - d. Investigate opportunities for brine recovery for potable uses
  - e. Work with OCWD on Green Acres Project water supply opportunities
2. Evaluate and invest in projects and programs that will enhance future long-term water supply reliability:
  - a. Implement agreements with MWD and MWDOC that will provide water supply reliability from high priority water rights during periods of drought and supply interruptions
  - b. Advocate methods for filling the Orange County Groundwater Basin, including development of concepts to promote conjunctive use
  - c. Advocate for regional potable reuse projects including Metropolitan's Carson Regional PR Project
  - d. To secure Title XVI funding for the Syphon Reservoir Improvement Project, advocate to include the project on the Bureau of Reclamation's Report to Congress
  - e. Pursue Prop 1 Water Storage Investment Program grant from the California Water Commission for the Kern Fan Groundwater Storage Project
3. Develop water banking recharge, storage, and extraction capacity for IRWD and water banking partners, and store water as it becomes available:
  - a. Execute long-term unbalanced exchange agreements for Stockdale
  - b. Execute long-term exchange agreements to maximize benefits of non-SWP water
  - c. Drought Relief Project recovery and conveyance facilities
  - d. Identify and secure additional land as needed for recharge and recovery facilities
  - e. Identify and procure additional supplies of water for banking purposes
  - f. Integrate IRWD's Strand Ranch and Stockdale West properties into the Kern Fan Groundwater Sustainability Agency (GSA)
  - g. Implement initial steps associated with the Kern Fan Groundwater Storage Project, including formation of a JPA with Rosedale, securing land purchase options, etc.
4. Develop water recycling facilities and applications for optimal benefit:
  - a. Complete construction of Irvine Lake Pipeline No. Conversion
  - b. Convert UCI Cooling Towers and other projects to recycled water for minimum potable water savings of 250 AF per year
  - c. Include IRWD's recycled water demands in OCWD's total water demand calculations





## **GENERAL MANAGER'S OFFICE**

### **OPERATING BUDGET SUMMARY**

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- d. Update IRWD Sewage Conveyance / Treatment Master Plan, including consideration of IBC flows
  - e. Update the Salt Management Plan to assess impacts of seawater desalination on water recycling and other issues
  - f. Perform CEQA, alternatives analysis and preliminary design for the Syphon Reservoir Improvement Project
  - g. Complete preliminary design for diverting SGU discharge into the sewer system and coordinate with Department of the Navy for modification of the El Toro MCAS Record of Decision
  - h. Evaluate treatment of recycled water from seasonal storage reservoirs
  - i. Evaluate reliability of recycled water distribution system for commercial, industrial, and institutional customers
  - j. Determine costs and benefits associated with procuring approximately 700 AF of recycled water storage in Santa Margarita Water District's Upper Oso Reservoir
  - k. Develop IRWD Potable Reuse Conceptual Study to explore opportunities for aquifer and surface water augmentation / storage
5. Maximize resource recovery from fully functional biosolids and other resource recovery facilities:
- a. Biosolids Class A Facilities operational and commissioned
  - b. Secure agreements with multiple outlets for biosolids pellets
  - c. Develop partnerships with others to utilize surplus capacity
  - d. Develop and implement plan to introduce FOG to the IRWD Biosolids Facilities
  - e. Develop plan to introduce food waste to the IRWD Biosolids Facilities
6. Improve energy service reliability, manage demands, and control costs:
- a. Coordinate the construction and commissioning of energy storage installations with Advanced Microgrid Solutions
  - b. Collaborate on the development of micro-grid technologies through a partnership with UCI
  - c. Analyze financial feasibility of photovoltaic installation and energy storage at the Baker WTP
  - d. Evaluate opportunities to install photovoltaic generation at the MWRP
  - e. Finalize contract to outsource operation and maintenance of biogas treatment and micro-turbine systems
  - f. Complete design and installation of compressed natural gas fueling station at the Michelson Operations Center
7. Maximize watershed protection:
- a. Work with the County and others, permit and implement the Selenium TMDL offset trading program





## **GENERAL MANAGER'S OFFICE**

### **OPERATING BUDGET SUMMARY**

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- b. Develop project(s) with the cities of Newport Beach and Irvine to capture and treat urban runoff flows downstream from the San Joaquin Marsh utilizing funding from Measure M
  - c. Identify other projects and partners to qualify for Measure M funding
  - d. Evaluate customer FOG and Pre-treatment programs including assessment of implementation, billing and program requirements
  - e. Obtain regulatory approvals for Local Limits Study
  - f. Continue to work with OC Flood to ensure appropriate capacity in San Diego Creek
  - g. Identify and begin implementing alternatives for diverting recycled water under emergency conditions
  - h. Perfect IRWD's water right(s) in San Diego Creek to ensure continued protection of water quality in the Newport Bay
  - i. Identify and implement treatment process at MWRP to reduce nutrients in treated recycled water process, specifically nitrogen and phosphorous levels
8. Ensure financial and rate stability:
- a. Evaluate development and/or sale opportunities at IRWD properties
  - b. Complete development and leasing on remaining Sand Canyon campus and other facilities
  - c. Update Facility List for the Replacement Planning Model
  - d. Document outstanding deed, access, and other contractual restrictions related to real property
  - e. Update Cost of Service Study for the IRWD sewer system that includes the Biosolids Project operating expenses
  - f. Integrate retail pricing triggers and customer allocation changes stipulated in IRWD's Water Shortage Contingency Plan into the IRWD Rates & Charges
9. Identify, assess and implement new technologies and systems to improve operating efficiency:
- a. Add IRWD facilities, laboratory, and fleet assets to the Enterprise Asset Management system; start linear asset implementation
  - b. Implement findings of IT-related existing/new technology opportunity assessment while maintaining District security
  - c. Establish a plan for addressing cybersecurity awareness, education, and prevention at IRWD
  - d. Assess availability of data systems under certain service outage scenarios and implement program to strengthen systems
10. Enhance customer communications:
- a. Enhance customer communication through an improved customer web access portal
  - b. Develop and implement Phase 2 of the Water Use Efficiency Outreach Program based on findings of the 2017 program



## **GENERAL MANAGER'S OFFICE**

### **OPERATING BUDGET SUMMARY**

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- c. Implement redesigned customer bill to improve customers' understanding of IRWD rate structure; explain IRWD rate structure to customers through direct communications
- d. Develop and implement a Water Quality Outreach Program
- e. Design and implement the Syphon Reservoir Improvement Project Outreach Program from EIR through Design Phase

**11. Maximize water use efficiency in the community:**

- a. Update Water Shortage Contingency Plan based on new State regulations
- b. Conduct a study to assess the potential for additional water use efficiency in IRWD's service area
- c. Evaluate remote meter monitoring program opportunities
- d. Implement automated methodology for quantifying irrigated areas and meter locations by linking aerial image data to meter and parcel data

**12. Recruit, develop, and retain a highly skilled, motivated, and educated work force:**

- a. Work with Employee Development Task Force to develop and implement a staff mentoring program
- b. Develop employee cross training and job rotation guidelines
- c. Assess the experience and training of IRWD employees to ensure a continued supply of highly-skilled labor, and develop programs to close any gaps identified
- d. Plan and conduct triennial Benchmark Salary Survey ensure District salaries remain competitive to market rates
- e. Negotiate a new labor agreement with represented personnel
- f. Conduct District-wide values-based management training program

**13. Guide and lead local, state, and federal policies and legislation:**

- a. Engage productively in legislative discussions regarding the development of a long-term water use efficiency framework for California and related legislation
- b. Engage productively with stakeholders, industry associations, and state agencies to effectively implement any long-term water use efficiency legislation enacted
- c. Advocate for legislation that protects local investments in water recycling and extraordinary supplies, and protects IRWD's ability to access those supplies, without penalty, during times of drought or shortage
- d. Oppose any statewide tax on water that is inconsistent with the Board's adopted policy on a statewide public goods charge
- e. Engage in discussions surrounding water and wastewater rates in order to protect the District's ability to design and use a water budget-based tiered rate structure, including discussions related to Low Income Rate Assistance programs and Proposition 218 reforms consistent with Board direction

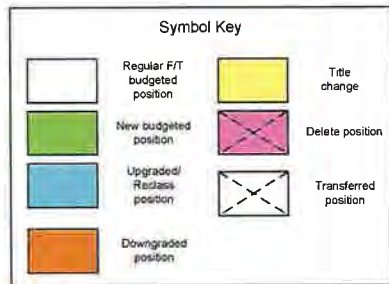


## **GENERAL MANAGER'S OFFICE**

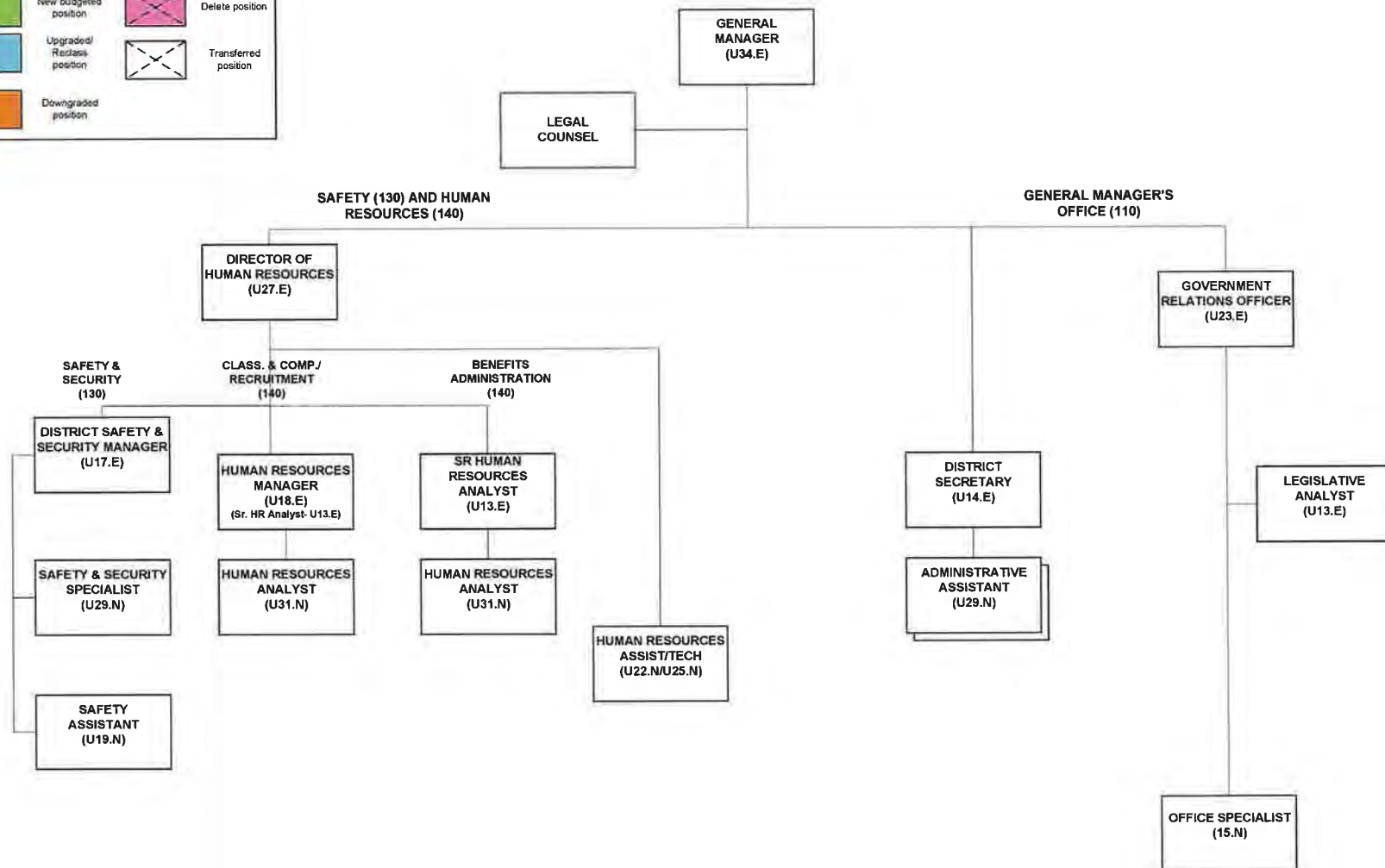
### **OPERATING BUDGET SUMMARY**

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14. Engage and shape policies and regulations put forth by local, state, and federal agencies:
  - a. Provide input to the Department of Water Resources on revisions to the Model Water Efficient Landscape Ordinance (MWELO)
  - b. Provide input to the State Water Resources Control Board on revisions to the Recycled Water Policy
  - c. Seek regulatory changes promoting recycled water use in decorative lakes
  - d. Promote a "fit for purpose" approach to regulation of recycled water for both potable and non-potable uses
15. Increase collaboration with other agencies and entities through leadership and innovation:
  - a. Advocate for IRWD's Desalination Policy Principles
  - b. Evaluate and promote opportunities for shared services such as third party billing for UC Irvine and Tustin
  - c. Support enhanced engagement and leadership roles within ACWA, WaterReuse, CASA, and other District associations
  - d. Evaluate opportunities for reliability sharing including Irvine Lake and the Baker Water Treatment Plant
  - e. Evaluate opportunities to update South County Emergency Interconnect Agreement
  - f. Work with other agencies to maximize Orange County benefits from IRWM processes, including capture of urban runoff by OCSD for use in GWRS
  - g. Coordinate with the County of Orange and OCWD in identifying locations for potential cost effective recharge of recycled and storm water
  - h. Participate in the water efficiency Data Collaborative program
  - i. Work with OCSD to identify mutually beneficial opportunities for use of IRWD sewer flows
  - j. Complete the annexation process to bring sewer flows from Lake Forest into OCSD Revenue Area 14 (RA-14)
  - k. Finalize agreements for a pilot program through which other Orange County water agencies can participate in IRWD's water banking program
16. Implement opportunities that enhance safety, security, and emergency preparedness throughout the District:
  - a. Install security improvements at the MWRP
  - b. Design improvements to eliminate the use of chlorine gas at Preliminary Disinfection Facility
  - c. Update District Emergency Operations Plan, including training for certain high-risk scenarios
  - d. Develop Safety Training Management System
  - e. Assess IRWD's ability to continue operation of key facilities during short- and long-term power outage scenarios



**IRVINE RANCH WATER DISTRICT  
ADMINISTRATION  
FISCAL YEAR 2018-19**



Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Administration		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
<u>Dept No</u>	<u>Expense Name</u>					
<u>General Managers Office</u>						
110	Regular Labor	829,476	451,279	754,188	896,898	142,710
110	Overtime Labor	813	2,151	0	0	0
110	Contract Labor	16,212		0	0	0
110	Operating Supplies	82		0	0	0
110	Printing	76	70	8,000	8,000	0
110	Postage	401	74	100	400	300
110	Permits, Licenses and Fees	71,029	73,799	37,500	55,000	17,500
110	Office Supplies	4,178	327	4,000	4,000	0
110	Legal Fees	715,297	775,718	1,420,000	1,720,000	300,000
110	Personnel Training	283,090	250,125	360,500	412,000	51,500
110	Other Professional Fees	482,035	201,927	641,000	753,880	112,880
110	Directors Fees	151,424	74,529	168,000	168,000	0
110	Mileage Reimbursement	92		0	0	0
110	Election Expense	144,786	110,000	145,000	145,000	0
110	Other	225,000				
<b>Total General Managers Office</b>		<b>2,923,991</b>	<b>1,939,999</b>	<b>3,538,288</b>	<b>4,163,178</b>	<b>624,890</b>





## ***SAFETY AND SECURITY***

### ***OPERATING BUDGET SUMMARY***

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#### **Program Description**

The Safety and Security program provides necessary resources to promote a safe work environment for employees through mandated and pro-active training and education and to ensure the security of all District property and facilities.

With a commitment to provide on-going employee training to facilitate safe job performance and effective security programs to ensure property and facility protection, the Safety and Security function continually monitors and stays abreast of current and pending changes and improvements for safe work practices and security measures in the water industry. Appropriate policies are regularly developed or revised to ensure the constant pursuit and maintenance of a safe and secure operational environment, in compliance with all applicable laws and regulations.

Through the use of safety awareness programs, the Safety and Security function works to increase employee involvement at all organizational levels via All Hands Meetings, Tailgate Safety Meetings, classroom and on-site training sessions, workplace evaluations, industrial hygiene evaluations and employee Safety Committee meetings.

The Safety & Security program administers the Commuter Trip Reduction (Ridesharing) program, coordinates emergency preparedness and disaster response operations and oversees the maintenance and administration of the Emergency Operations Center.

#### **Major Goals**

- Evaluate opportunities that enhance safety and emergency preparedness throughout the District;
- Implement Safety Training Management System to ensure timely safety training of all District staff;
- Complete District Emergency Operations Plan update;
- Provide disaster response training for District staff, including high-risk scenarios; and,
- Install facility security improvements at MWRP.

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Administration		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
<u>Dept No</u>	<u>Expense Name</u>					
<u>Safety and Security</u>						
130	Regular Labor	197,111	124,923	260,254	272,136	11,882
130	Overtime Labor	38,718	9,979	5,000	4,000	(1,000)
130	Contract Labor	33,272		0	0	0
130	Fuel	6		0	0	0
130	Operating Supplies	143,159	93,830	72,500	110,900	38,400
130	Printing	5,063	2,459	2,000	2,000	0
130	Postage	217	170	500	500	0
130	Permits, Licenses and Fees	59,941	36,006	40,000	55,600	15,600
130	Office Supplies	39,668	18,284	30,000	28,100	(1,900)
130	Personnel Training	167,074	66,296	115,000	153,500	38,500
130	Personnel Physicals	10,616	2,247	36,000	21,000	(15,000)
130	Other Professional Fees	205,613	85,389	125,000	187,000	62,000
130	Safety	104,180	59,718	45,000	45,000	0
130	Alarm and Patrol Services	134,757	234,627	520,000	750,560	230,560
130	Commuter Program	124,421	87,460	156,000	0	(156,000)
<b>Total Safety and Security</b>		<b>1,263,816</b>	<b>821,388</b>	<b>1,407,254</b>	<b>1,630,296</b>	<b>223,042</b>



## **HUMAN RESOURCES**

### **OPERATING BUDGET SUMMARY**

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#### **Program Description**

The Human Resources function provides comprehensive organizational development and personnel management services to maximize the potential of the District's human resources and overall employee efficiency, effectiveness and satisfaction. The Human Resources program is responsible for attracting and recruiting a highly qualified work force and working in concert with the organization leadership to develop and sustain a motivated, productive organization.

Human Resources ensures the delivery of a competitive compensation and benefits package; continuous improvement through employee training; fair and consistent employee policies, procedures and guidelines; and an ongoing employee reward and recognition program tied to the achievement of stated goals and objectives. Human Resources is responsible for the employee relations and labor relations processes and facilitates communication and trust with staff through collaboration and the open exchange of ideas.

#### **Major Goals**

- Recruit, develop and retain a highly skilled and educated workforce;
- Develop and implement a staff mentoring program with input from the Employee Development Task Force;
- Plan and conduct triennial benchmark salary survey to ensure market competitive compensation;
- Negotiate successor labor agreements with represented employee groups; and,
- Collaborate with all departments to evaluate need and develop skill development programs.



Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Administration		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
<u>Dept No</u>	<u>Expense Name</u>					
<b>Human Resources</b>						
140	Regular Labor	643,110	247,700	667,174	631,862	(35,312)
140	Overtime Labor	7,532	7,525	5,000	2,000	(3,000)
140	Employee Benefits	19,108,562	8,024,273	17,365,620	18,633,900	1,268,280
140	Contract Labor			2,500	3,000	500
140	Postage		11	100	0	(100)
140	Office Supplies	2,524	981	2,500	2,500	0
140	Rep & Maint IRWD	227		1,000	1,000	0
140	Legal Fees	218,066	81,425	145,000	145,000	0
140	Personnel Training	295,872	82,069	388,800	399,600	10,800
140	Personnel Physicals	13,044	8,324	15,000	20,000	5,000
140	Other Professional Fees	140,763	43,750	179,500	174,200	(5,300)
140	Safety	178		0	0	0
140	Commuter Program				156,000	156,000
<b>Total Human Resources</b>		20,429,878	8,496,058	18,772,194	20,169,062	1,396,868
<b>Total Administration</b>		24,617,685	11,257,445	23,717,736	25,962,536	2,244,800



# **FINANCE, TREASURY AND PROCUREMENT**

## **OPERATING BUDGET SUMMARY**

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### **Program Description**

The Finance Department is responsible for ensuring the financial and rate stability of the District. This includes developing rates and fees that support the long-term sustainability of the District. Finance maintains the official accounting records of the Irvine Ranch Water District and provides financial management of the District's income and real estate investments, new and existing debt issues, and deferred compensation programs. The department provides a wide range of accounting and financial services including payroll, accounts payable, accounts receivable, project accounting, financial analysis, financial reporting, coordination of the District's annual operating budget and preparation of the Comprehensive Annual Financial Report (CAFR). The Finance Department also oversees risk management claims and insurance issues.

The mission of the Finance Department is to safeguard assets and provide financial and accounting services in a timely, reliable, and cost-effective manner that meet the requirements of the District's internal and external customers.

### **Major Goals**

#### **ACCOUNTING AND BUDGETING**

- Prepare and submit accurate financial reports and relevant tax returns to federal, state, county and district agencies within established legal deadlines and requirements;
- Prepare and submit accurate and timely financial reports to the Finance and Personnel Committee and the District's Board of Directors;
- Coordinate the District's annual financial statement audit;
- Prepare the annual CAFR;
- Prepare the Operating Budget for Board of Director approval including setting adequate rates to ensure long-term financial strength and stability;
- Ensure user rates are proportional with costs of service and support the current rate structure;
- Lead customer noticing effort for Proposition 218 compliance (operating budget, rates and charges);
- Ensure all payments and payroll checks are accurate and timely; and,
- Identify and implement enhanced financial reporting and business intelligence capabilities.

#### **LONG-TERM FINANCIAL PLANNING**

- Continue to refine and update the cash flow strategic model to ensure sufficient funding for future capital needs;
- Provide analytical support and analysis to Finance, other departments and outside constituents as requested; and,
- Explore financial modeling for acquisition, financing and construction of major projects.



## **FINANCE, TREASURY AND PROCUREMENT**

### **OPERATING BUDGET SUMMARY**

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#### **INVESTMENTS AND CASH MANAGEMENT**

- Invest District funds in a prudent and professional manner that will provide maximum security of principal, sufficient liquidity to meet working capital requirements and an optimal rate of return;
- Prepare accurate investment reports and the annual investment policy to the Board of Directors and other interested parties within established time frames; and,
- Maintain and enhance short and long-term cash flow models and cash management practices.

#### **REAL ESTATE**

- Monitor and report on the performance of all real estate investment assets;
- Manage leasing and related property management activities for all District commercial and residential real estate investments;
- Evaluate development and disposition opportunities of other District properties;
- Develop plan to invest revenue generated by the sale of the Lake Forest property;
- Complete plans, permitting, development and leasing of the Sand Canyon campus in Irvine;
- Assist with acquisition and agricultural leasing activities related to water reliability properties; and,
- Resolve outstanding deed, access and other contractual restrictions related to real property.

#### **DEBT ISSUANCE AND ADMINISTRATION**

- Issue long-term debt to fund capital projects as needed, and evaluate and recommend refunding opportunities for current District debt issues when appropriate;
- Manage District letters of credit supporting variable rate debt; evaluate new credit support opportunities when appropriate;
- Prepare and submit required continuing disclosure materials for District debt issues to appropriate parties;
- Manage variable rate debt portfolio including periodic remarketings, monitoring remarketing agents of District debt and making adjustments as appropriate; and
- Execute, manage and report on interest rate swap transactions as appropriate.

#### **INSURANCE**

- Ensure the District has adequate insurance to appropriately safeguard assets; and,
- Manage the claims process and coordinate legal matters in a timely manner.

#### **PENSION/DEFERRED COMPENSATION**

- Maintain and invest Pension Benefits Trust assets and report portfolio performance and recommendations to the Retirement Board;
- Evaluate and monitor Trust Advisor performance; recommend changes in advisory services as appropriate; review additional opportunities to optimize Pension Benefits Trust performance; and,
- Oversee investment performance, reporting and employee education activities related to the District's deferred compensation plans.



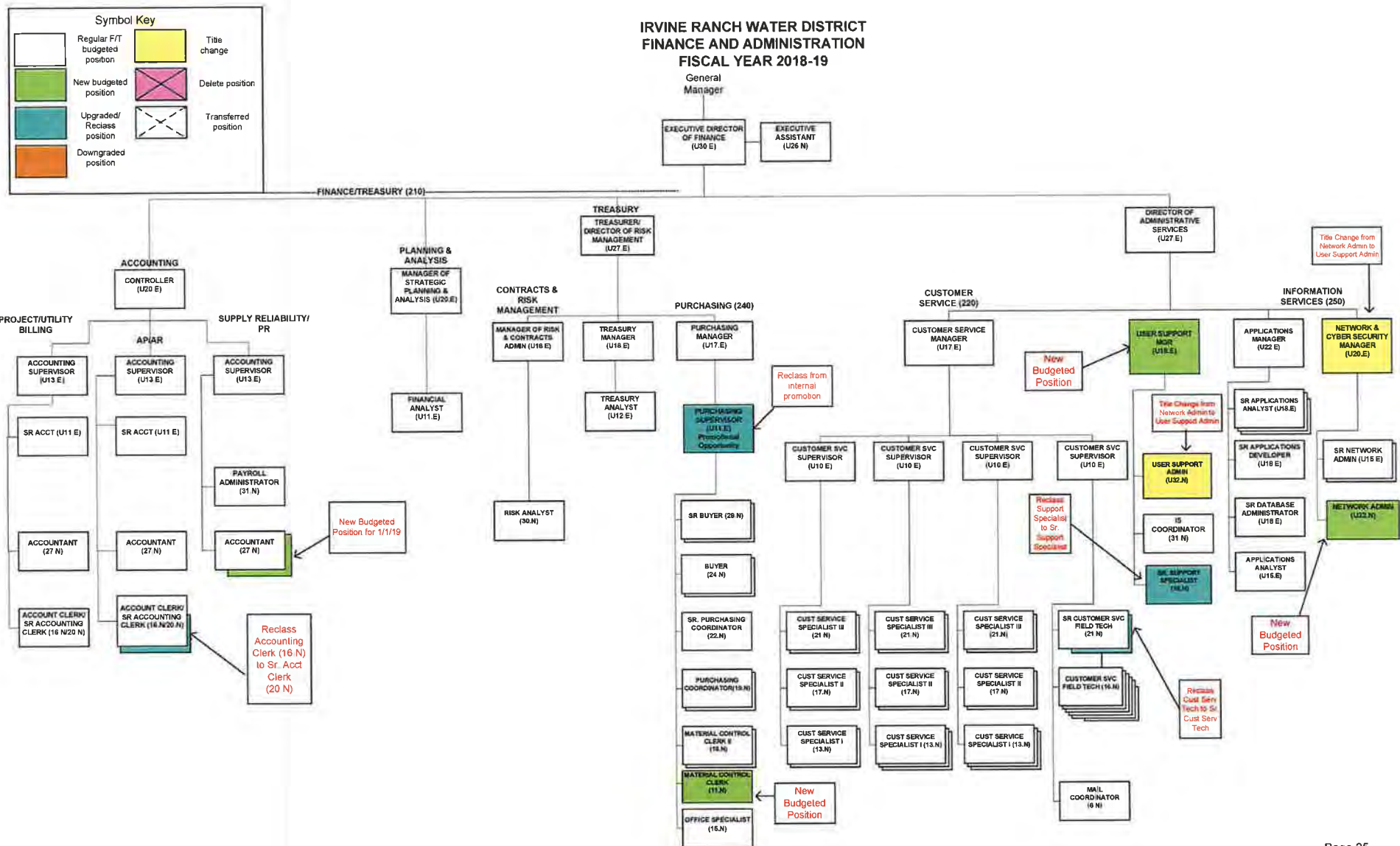
## ***FINANCE, TREASURY AND PROCUREMENT***

### ***OPERATING BUDGET SUMMARY***

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#### **PURCHASING**

- Purchase materials, supplies and services in a timely manner with appropriate consideration given to quality and best pricing;
- Process all material/service requests timely and efficiently;
- Optimize Maximo system; maintain warehouse inventory fill rate at 100% and review/adjust slow moving inventory;
- Streamline business procurement processes and documentation while ensuring appropriate controls on all warehouses;
- Explore opportunities for expanded warehouse capabilities;
- Lead the District record retention efforts;
- Provide ongoing customer support for procurement and inventory systems; and,
- Evaluate and expand participation in cooperative purchasing agreements as appropriate.



Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Finance & Administrative Services		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<b>Finance and Treasury</b>						
210	Regular Labor	2,350,097	1,204,398	2,287,949	2,460,066	172,117
210	Overtime Labor	80,429	15,491	18,000	16,500	(1,500)
210	Contract Labor	87,934	24,283	29,000	39,600	10,600
210	Telecommunication	43		0	0	0
210	Other Utilities		142	0	0	0
210	Operating Supplies	1,869	403	2,800	1,200	(1,600)
210	Printing	65,966		70,000	70,000	0
210	Postage	8,239	3,013	9,000	6,500	(2,500)
210	Permits, Licenses and Fees		539	56,500	15,500	(41,000)
210	Office Supplies	2,689	4,881	5,000	6,000	1,000
210	Insurance	1,016,536	839,447	1,020,900	1,085,400	64,500
210	Accounting Fees	115,828	58,630	95,000	102,000	7,000
210	Data Processing	49,965	25,470	52,000	52,400	400
210	Personnel Training	20,472	8,091	27,000	28,000	1,000
210	Other Professional Fees	255,305	85,934	302,700	272,000	(30,700)
210	Mileage Reimbursement	52		0	0	0
210	Other	618	137	11,000	5,500	(5,500)
<b>Total Finance and Treasury</b>		<b>4,056,042</b>	<b>2,270,859</b>	<b>3,986,849</b>	<b>4,160,666</b>	<b>173,817</b>





## **ADMINISTRATIVE SERVICES**

### **OPERATING BUDGET SUMMARY**

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#### **Program Description**

The Administrative Services group provides a wide range of support services that include Customer Service and Information Services.

The mission of the Customer Service Department is to provide exceptional customer satisfaction by providing reliable, courteous and efficient service. The Customer Service Department provides utility billing, account support and mail distribution services.

The mission of the Information Services Department is to research, develop, integrate and support reliable, cost effective information systems that improve and enhance current and future business requirements of customers and provide a high level of customer satisfaction. The Information Services Department provides implementation, management, security and support for the District's information systems, voice and data communications systems.

#### **Major Goals**

##### **CUSTOMER SERVICE**

- Deliver exceptional customer service both internally and externally;
- Review and resolve billing inquiries and adjustments in a timely manner including education of customers on allocation;
- Receive and process all orders for new service and discontinuation of service;
- Process new meter applications;
- Process payments for temporary construction meters, fire flow tests, and customer water bills;
- Coordinate and process all meter reads to ensure accurate billing;
- Process variance requests for additional water allocations;
- Respond to field problems (leaks, no water complaints, high/low pressure, water quality, sewer problems, line breaks, etc.) with a sense of urgency;
- Manage delinquent customer accounts and perform shut-offs as required;
- Provide customers with an accurate, timely and easy to understand bill;
- Streamline bill printing and distribution process;
- Distribute customer satisfaction surveys and maintain 90% customer satisfaction;
- Receive, route and deliver all District mail; and,
- Lead the implementation efforts of the redesigned customer bill to improve customers understanding of the IRWD rate structure. Streamline business processes for utility bill printing, mailing and eBill services.





## ***ADMINISTRATIVE SERVICES***

### ***OPERATING BUDGET SUMMARY***

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#### **INFORMATION SERVICES**

- Provide helpful, courteous and timely support to all District staff;
- Provide internal and external software training that meets the needs of District staff;
- Provide a reliable network of servers, personal computers, mobile devices, printers and software applications that meet the needs of District staff;
- Provide reliable voice, data and wireless communications services;
- Implement new and improve existing software applications to meet the requirements of District staff;
- Complete scheduled hardware and software upgrades to District servers, personal computers, mobile devices, printers, network equipment and software applications;
- Implement the billing function for the Fats, Oils, and Greases (FOG) permitting and inspection program;
- Begin technical upgrade of Oracle Customer Care and Billing software;
- Begin the migration from GroupWise messaging to Microsoft Office 365 in the cloud;
- Complete development of additional Business Intelligence reports and dashboards;
- Complete the Cyber Security Risk Assessment and Response Plan and implement findings;
- Support Part 2 implementation of the Enterprise Asset Management System (EAM); and,
- Monitor industry trends for best practices and opportunities in improved system related technologies.

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Finance & Administrative Services		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
<u>Dept No</u>	<u>Expense Name</u>					
<u>Customer Service</u>						
220	Regular Labor	1,799,618	839,270	1,974,544	2,056,740	82,196
220	Overtime Labor	83,532	51,593	60,000	60,000	0
220	Contract Labor	222,983	147,107	130,150	215,800	85,650
220	Operating Supplies	10,002	6,806	3,000	15,000	12,000
220	Printing	65,926	30,531	80,000	170,800	90,800
220	Postage	556,401	256,991	570,000	500,000	(70,000)
220	Office Supplies	6,804	1,538	5,500	5,500	0
220	Equipment Rental	38,973	22,430	42,500	0	(42,500)
220	Rep & Maint IRWD	3,085	97	0	0	0
220	Personnel Training	9,756	1,554	8,000	8,000	0
220	Other Professional Fees	1,217	950	2,000	2,000	0
220	Other	1,119	668	1,000	1,000	0
220	Contract Meter Reading	1,354,324	692,070	1,390,000	1,390,000	0
<b>Total Customer Service</b>		<b>4,153,740</b>	<b>2,051,605</b>	<b>4,266,694</b>	<b>4,424,840</b>	<b>158,146</b>

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

**Finance & Administrative Services**

Dept No   Expense Name

		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
<b>Purchasing</b>						
240	Regular Labor	629,970	340,390	792,594	845,870	53,276
240	Overtime Labor	20,406	5,130	8,000	28,000	20,000
240	Contract Labor	65,729		4,000	4,000	0
240	Operating Supplies	46,682	(93,087)	133,000	129,000	(4,000)
240	Printing	8,352	12,845	8,500	8,500	0
240	Postage	3,394	2,510	4,500	6,000	1,500
240	Office Supplies	13,204	5,992	18,000	12,000	(6,000)
240	Duplicating Equipment	174,622	88,289	192,000	174,000	(18,000)
240	Equipment Rental			18,000	18,000	0
240	Personnel Training	4,583	330	6,500	7,000	500
240	Other Professional Fees	222	22	2,000	42,000	40,000
<b>Total Purchasing</b>		967,164	362,421	1,187,094	1,274,370	87,276

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Finance & Administrative Services		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
<u>Dept No</u>	<u>Expense Name</u>					
<b>Information Services</b>						
250	Regular Labor	1,556,207	821,077	1,608,164	1,870,116	261,952
250	Overtime Labor	45,029	8,483	40,000	30,000	(10,000)
250	Contract Labor	307,858	142,383	230,000	240,000	10,000
250	Telecommunication	452,250	250,320	484,500	516,100	31,600
250	Operating Supplies	(54)	25	0	0	0
250	Printing	1,594	206	5,000	1,000	(4,000)
250	Postage			500	0	(500)
250	Office Supplies	15		1,000	1,000	0
250	Rep & Maint IRWD	376,177	126,546	300,000	402,400	102,400
250	Data Processing	3,013,934	1,485,566	2,833,100	2,792,200	(40,900)
250	Personnel Training	3,073	1,251	35,800	35,800	0
250	Other Professional Fees	82,655	775	115,000	150,000	35,000
250	Mileage Reimbursement		87	0	0	0
250	Other	14,816	7,320	12,000	6,000	(6,000)
<b>Total Information Services</b>		5,853,554	2,844,039	5,665,064	6,044,616	379,552
<hr/>						
<b>Total Finance &amp; Administrative Services</b>		15,030,500	7,528,924	15,105,701	15,904,492	798,791



## **ENGINEERING**

### **OPERATING BUDGET SUMMARY**

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#### **Program Description**

The Engineering Department provides planning, design and construction coordination to develop the water, sewage and recycled water facilities necessary to provide the highest level of service to the customers of the District. The Engineering Department also provides technical support to other District departments.

**Planning:** The Planning and Technical Services group of the Department is responsible for all master planning, water, sewage and recycled water demand projections, water supply planning, preliminary facility planning studies for new facilities, and preparation of the District's annual and long-term Capital Programs. The Planning group provides GIS services to other District departments including the development and support of GIS based applications and facility and atlas maps, maintenance of the District's digital record drawings plan system, and spatial analysis. The Planning group is also responsible for managing the District's real property and rights of way.

**Capital Projects:** The Capital Projects group designs and manages construction of major water, sewage and recycled water treatment, distribution and transmission facilities necessary to provide the quality and reliability of service to existing and future customers of the District. The Capital Projects group is responsible for the expansion and improvement of water and sewage treatment facilities; the design and construction of wells, pipelines, storage facilities, pump stations, and sewage lift stations; and the design and construction of integration facilities for areas acquired through agency consolidations.

**Development Services:** The Development Services group facilitates the land development process within the District by designing and bidding the water, sewage and recycled water facilities necessary to support land development. The construction of these facilities is coordinated to ensure that the facilities are available to meet development schedule requirements. Temporary and interim facilities, when necessary, are also coordinated through this group. The Development Services group also reviews developer submittals for quality and conformance with District requirements and assesses and collects appropriate fees.

**Inspection Services:** The Inspection Services group provides construction inspection services to other groups of the Engineering Department to ensure the highest level of constructed quality. These services include constructability review, pre-construction administration, progress payment processing, field inspection, change order evaluation and processing, and final acceptance coordination. The Inspection Services group is also responsible for coordinating specialized construction support services including surveying and geotechnical testing and inspection.

**Operations Support:** The Operations Support group is responsible for providing engineering support to other District departments. The Operations Support group generally focuses on the expansion and rehabilitation of existing District facilities and provides design and construction management of small to medium size water, sewage and recycled water facilities.



## **ENGINEERING**

### **OPERATING BUDGET SUMMARY**

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This group also includes the process control team that conducts research, develops projects and provides process control and technical support to enhance the performance of the District's domestic and recycled water supply, treatment, distribution, and storage facilities. The process control team also provides similar support to the District's sewage collection/treatment, recycled water and urban runoff treatment systems and supports District-wide regulatory compliance objectives.

Michelson Water Recycling Plant (MWRP) Construction: The MWRP Construction group is responsible for the construction of the MWRP Biosolids and Energy Recovery Facilities. The group ensures that sewage and biosolids treatment facilities are properly designed and constructed to meet District requirements.

### **Major Goals**

#### **PLANNING**

- Provide Inter-agency technical support;
- Develop alternative water supplies;
- Implement Criticality Based Replacement Planning Model;
- Complete the Potable Reuse Alternatives Study;
- Update the Groundwater Workplan; and,
- Expand GIS based applications and cloud infrastructure.

#### **CAPITAL PROJECTS**

- MWRP Biosolids and Energy Recovery Facilities construction;
- Syphon Reservoir Improvements design;
- Irvine Lake Pipeline North Conversion to Recycled Water construction;
- Eastwood Recycled Water Booster Pump Stations construction;
- Zone 1 Reservoir construction;
- Newport Coast Lift Station Improvements construction;
- Primary Disinfection Facility Chlorine Gas Removal design and construction;
- Santiago Canyon Fleming Reservoir and Pump Station design;
- Energy Storage System design and construction at multiple sites; and,
- Water Recycling Treatment Plant Master Plan update.

#### **DEVELOPMENT SERVICES**

- Heritage Fields Infrastructure design and construction;
- Orchard Hills Infrastructure design and construction;
- Los Olivos Infrastructure design and construction;
- Baker Ranch Infrastructure design and construction;
- Tustin Legacy Infrastructure design and construction; and,
- Irvine Business Complex Redevelopment Infrastructure design and construction.



## **ENGINEERING**

### **OPERATING BUDGET SUMMARY**

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#### **OPERATIONS SUPPORT**

- Santiago Canyon Area Pipeline and Pump Stations Improvements design;
- Pipe rehabilitation construction of Culver Drive, Laguna Canyon, Seawatch and Turtle Ridge;
- Michelson Sewer Force Main Rehabilitation construction;
- MWRP Filter Pump Station Discharge Manifold Piping Replacement construction;
- Santiago Dam Sloped Outlet Tower design;
- Well Rehabilitation design and construction;
- Recycled Water Reservoirs Filtration design and construction;
- Evaluate process control and water quality monitoring data to assess, correct or recommend performance improvement of membrane treatment facilities: IDP-SGU, IDP-PAP, IDP-PTP, DATS, CATS and the Wells 21/22 Desalter Plant;
- Develop test protocols, standard operating protocols and procedures, operate, perform sample collection and monitoring of bench, pilot and full-scale process facilities, including pilot and demonstration research projects;
- Act as a liaison and administer reporting IRWD groundwater extraction and treatment operations for removal of the TCE plume from the Irvine sub-basin groundwater at the IDP Principal Aquifer wells, IDP-PAP and IDP-SGU to the Department of the Navy (DON), local and state regulatory agencies; and,
- Assist in the development and coordinate district wide research, pilot and demonstration projects.



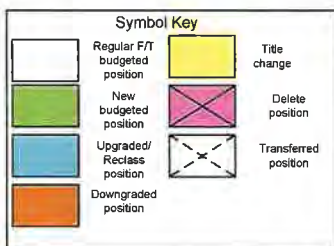
IRVINE RANCH WATER DISTRICT  
ENGINEERING  
FISCAL YEAR 2018-19

General  
Manager

WATER  
QUALITY

EXECUTIVE  
DIRECTOR OF  
ENGINEERING &  
WATER QUALITY  
(U30.E)

EXECUTIVE  
ASSISTANT  
(U26.N)



**CAPITAL PROJECTS (300)**

PRINCIPAL  
ENGINEER  
(U23.E)

SENIOR  
ENGINEER  
(U20.E)

ELECTRICAL/  
INSTRUMENTATION  
DESIGNER  
(34.N)

SENIOR  
ENGINEER  
(U20.E)

DEVELOPMENT  
SVCS SPECIALIST  
(19.N)

SENIOR ENGINEER  
(U20.E)

ASSISTANT/  
ASSOCIATE/  
ENGINEER  
(U17.E/U14.E/U10.E)

SENIOR ENGINEER  
(U20.E)

**INSPECTION  
SERVICES**

CONSTRUCTION  
INSPECTION  
MANAGER  
(U17.E)

CONSTRUCTION  
INSPECTION  
SUPERVISOR  
(S34.N)

CONSTRUCTION  
INSPECTION  
SUPERVISOR  
(S34.N)

SR. CONSTRUCTION  
INSPECTOR  
(S1.N)

SR. CONSTRUCTION  
INSPECTOR  
(S1.N)

CONSTRUCTION  
INSPECTOR  
(28.N)

CONSTRUCTION  
INSPECTOR  
(28.N)

**DEVELOPMENT AND  
INSPECTION SERVICES (300)**

PRINCIPAL  
ENGINEER  
(U23.E)

**DEVELOPMENT  
SERVICES**

ASSISTANT/  
ASSOCIATE/  
ENGINEER  
(U17.E/U14.E/U10.E)

DEVELOPMENT  
SVCS SUPERVISOR  
(U10.E)

DEVELOPMENT  
SVCS SPECIALIST  
(18.N)

**OPERATIONS  
SUPPORT (300)**

PRINCIPAL  
ENGINEER  
(U23.E)

SENIOR  
ENGINEER  
(U20.E)

ASSISTANT/  
ASSOCIATE/  
ENGINEER  
(U17.E/U14.E/U10.E)

ENERGY ANALYST  
(U12.E)

SENIOR  
ENGINEER  
(U20.E)

ASSISTANT/  
ASSOCIATE/  
ENGINEER  
(U17.E/U14.E/U10.E)

**MWRP CONSTRUCTION  
(300)**

PRINCIPAL  
ENGINEER  
(U23.E)

SENIOR  
ENGINEER  
(U20.E)

Reclass  
Assoc  
Engineer  
(U14.E) to  
Engineer  
(U17.E)

**PLANNING AND TECHNICAL  
SERVICES (300)**

PRINCIPAL  
ENGINEER  
(U23.E)

ASSISTANT/  
ASSOCIATE/  
ENGINEER  
(U17.E/U14.E/U10.E)

RIGHT OF WAY  
AGENT  
(U13.E)

GIS SUPERVISOR  
(U13.E)

Reclass GIS  
II (25.N) to  
GIS III (29.N)

GIS  
TECHNICIAN III  
(29.N)

GIS TECH I/II  
(25.N/20.N)

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Engineering		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<b>Engineering</b>						
300	Regular Labor	5,176,864	2,373,890	4,712,004	4,860,622	148,618
300	Overtime Labor	93,870	517	190,000	210,000	20,000
300	Contract Labor	194,986	102,481	411,000	432,000	21,000
300	Operating Supplies	2,967	4,182	8,400	10,000	1,600
300	Printing	10,597	5,261	20,000	20,000	0
300	Postage	2,020	1,441	2,000	2,800	800
300	Permits, Licenses and Fees			2,000	2,000	0
300	Office Supplies	7,567	4,093	9,500	9,900	400
300	Rep & Maint IRWD	222		0	0	0
300	Engineering Fees	39,421	77,121	207,000	152,000	(55,000)
300	Personnel Training	23,884	8,641	30,000	27,000	(3,000)
300	Other Professional Fees	3,333	1,295	63,000	3,000	(60,000)
<b>Total Engineering</b>		5,555,731	2,578,922	5,654,904	5,729,322	74,418
<hr/>						
<b>Total Engineering</b>		5,555,731	2,578,922	5,654,904	5,729,322	74,418



## **WATER QUALITY**

### **OPERATING BUDGET SUMMARY**

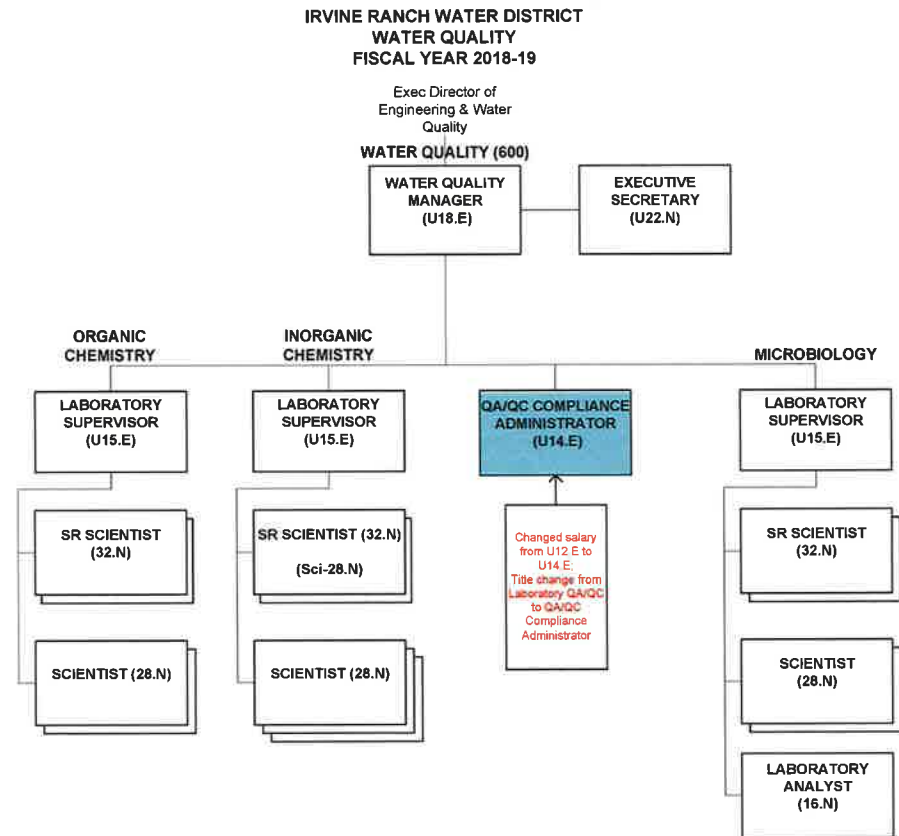
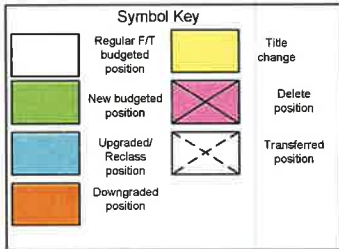
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#### **Program Description**

The Water Quality Department provides water quality related support to the operations and maintenance of the domestic and recycled water distribution and sewer collection systems and treatment facilities, and ensures that all District operations are conducted in a safe, reliable, environmentally sensitive manner to achieve a high level of customer satisfaction. The Water Quality Department provides internal and external customers with reproducible data of known and documented quality for regulatory monitoring and reporting, process control, research projects and capital projects utilizing state-of-the-art, United States Environmental Protection Agency (EPA) and State Water Resources Control Board Division of Drinking Water (DDW) approved analytical methods.

#### **Major Goals**

- Perform necessary analyses to provide data to document the District's compliance status with all applicable federal, state and local environmental and water quality laws and regulations;
- Monitor the development of potential future regulations that may impact District activities;
- Ensure all compliance testing and reporting is completed and submitted by required due dates;
- Provide objective process control and regulatory monitoring data to assist operating groups in meeting their regulatory requirements;
- Complete and submit all regulatory monitoring data by the specified due dates;
- Complete analyses within specified hold times and meet quality control specifications;
- Research and implement new testing methods where justified, specifically methods routinely sent out to contract laboratories and screening methods for system security and general water quality concerns;
- Maintain the laboratory's Environmental Laboratory Accreditation Program (ELAP) certification by successfully completing the site assessment and proficiency testing;
- Prepare the laboratory to implement the new EPA Method Update Rule and the developing new ELAP accreditation standard;
- Successfully complete all required water, sewage, hazardous waste and DMR proficiency testing samples and submit the data by the prescribed due date;
- Research and implement, where appropriate, improved means to communicate water quality data to internal and external customers;
- Implement to the fullest extent possible automated reporting programs;
- Reduce paperwork by maximizing electronic data collection; and,
- Be environmentally responsible in the selection, procurement and disposal of reagents utilized in the laboratory.



Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Water Quality		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
<u>Dept No</u>	<u>Expense Name</u>					
<u>Water Quality</u>						
600	Regular Labor	1,719,789	839,285	1,762,174	1,824,290	62,116
600	Overtime Labor	53,828	22,541	33,600	33,600	0
600	Contract Labor	25,167	49,412	127,000	115,300	(11,700)
600	Operating Supplies	387,787	231,543	391,000	447,000	56,000
600	Postage	2,036	670	3,600	600	(3,000)
600	Permits, Licenses and Fees	9,003	11,251	11,250	15,875	4,625
600	Office Supplies	3,234	1,786	3,000	4,000	1,000
600	Equipment Rental			6,320	0	(6,320)
600	Rep & Maint IRWD	173,743	83,422	224,892	234,200	9,308
600	Engineering Fees	116,809	47,130	85,600	138,000	52,400
600	Personnel Training	14,426	5,840	34,850	35,050	200
600	Other Professional Fees	72,300	767	24,550	24,650	100
600	Safety	1,883	988	7,200	7,200	0
<b>Total Water Quality</b>		2,580,005	1,294,635	2,715,036	2,879,765	164,729
<b>Total Water Quality</b>		2,580,005	1,294,635	2,715,036	2,879,765	164,729



## **WATER OPERATIONS**

### **OPERATING BUDGET SUMMARY**

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#### **Program Description**

The mission of the Water Operations Department is to operate and maintain the District's potable water, recycled water and untreated water systems in an efficient, cost effective and environmentally safe manner that provides a high level of customer satisfaction. The Water Operations Department provides operation, maintenance and repair of the District's domestic water, recycled water and untreated water systems. These systems include the Dyer Road Wellfield, Deep Aquifer Treatment System, The Wells 21/22 Treatment Plant, Irvine Desalter Project (Potable Treatment Plant, Principal Aquifer Plant and Shallow Groundwater Unit) and Baker Water Treatment Plant.

#### **Major Goals**

- Maintain 100% compliance with all regulatory permits;
- Meet the Department's adopted Operations and Maintenance budget;
- Efficient operation of the Baker Water Treatment Plant (BWTP) meeting all regulatory requirements;
- Manage the BWTP to achieve operational and budgetary goals for IRWD and the project Partners;
- Increase the level of certifications for Water Operators;
- Coordinate with the Finance, Engineering and Planning Departments on water supply and water banking opportunities to optimize cost effective operations;
- Achieve zero lost time accidents;
- Modify as needed and track adopted Operational Key Performance Indicators (KPI) to optimize operational efficiency and cost effectiveness;
- Maintain and develop staff competency through a combination of internal and external training;
- Operate and maintain the system to minimize energy consumption;
- Maintain the Dyer Road Well Field and Deep Aquifer Treatment System domestic water flows in accordance with the Ground Water Pumping Plan staying within the Basin Pumping Percentage (BPP) when possible;
- Assist the Engineering Department with the design and startup of domestic and recycled water system facilities;
- Operate the Irvine Desalter Project (Potable Treatment Plant, Principal Aquifer Plant and Shallow Groundwater Unit) in accordance with the joint agency agreement and submit required reports;
- Ensure efficient operation of all District pumping and reservoir facilities;
- Ensure safe dam operation through the monitoring and surveillance program;
- Complete all Cross-Connection Control Program annual inspections and back-flow device Maintenance in accordance with the California Administrative Code, Title 17, Public Health Department Requirements;
- Provide construction and repair services to internal and external customers in a prompt, safe, efficient, cost effective and environmentally sensitive manner;
- Maintain a high level of customer satisfaction by responding promptly to and repairing water leaks with minimal impact to customers;



## **WATER OPERATIONS**

### **OPERATING BUDGET SUMMARY**

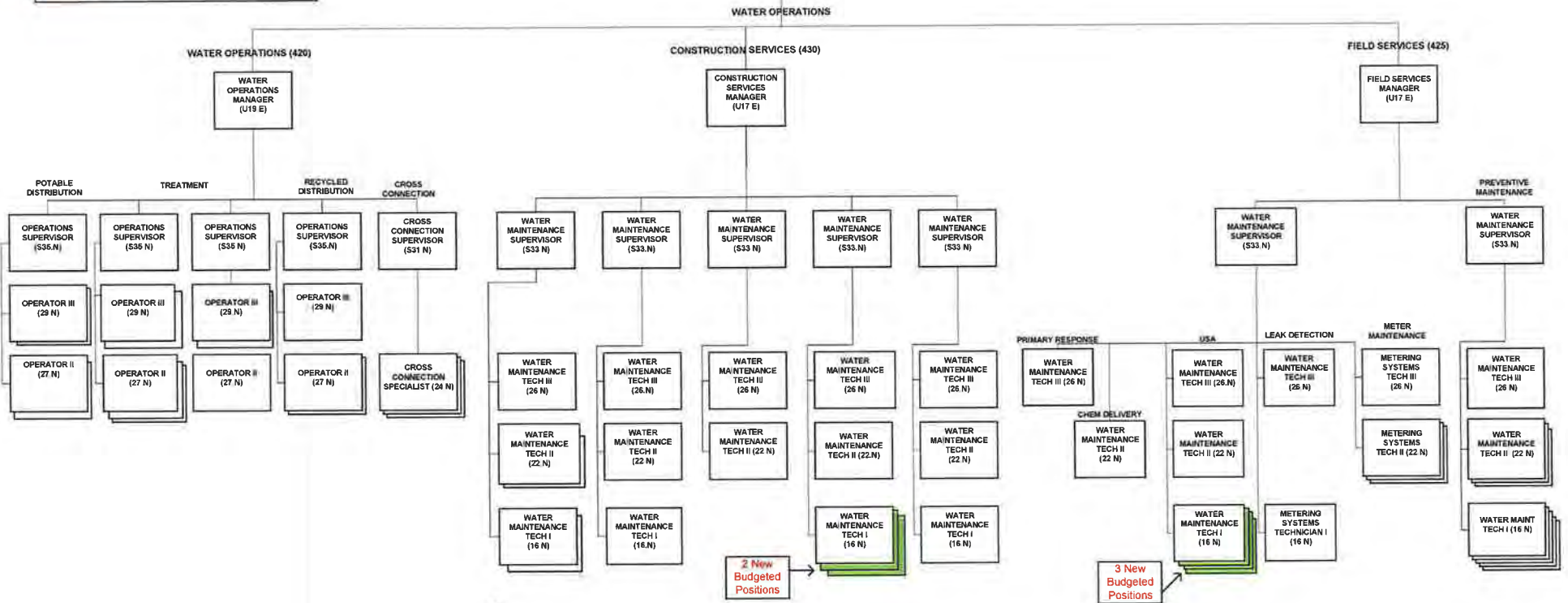
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- Continue the sewer repair project to improve sewer system reliability;
- Meet all preventive maintenance programs for the distribution system;
- Replace residential and commercial meters on the recommended cycle;
- Mark the District's underground facilities in response to Underground Service Alert (USA) tickets to prevent potential damages to the facilities from construction activities;
- Develop and complete annual maintenance goals in accordance with AWWA and industry standards; and,
- Respond promptly to all customer service requests.



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graph TD
    GM[General Manager  
OPERATIONS ADMIN (805)] --> EDO[EXECUTIVE DIRECTOR OF OPERATIONS  
(U00 E)]
    GM --> MA[MANAGEMENT ANALYST  
(U10 E)]
    GM --> EA[EXECUTIVE ASSISTANT  
(U26 N)]
    EDO -.-> ROM[RECYCLING OPERATIONS & MAINTENANCE]
    EDO --> DWO[DIRECTOR OF WATER OPS  
(U27 E)]
    EA --> SOS[SR OFFICE SPECIALIST  
(12 N)]
  
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Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Operations Administration		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
<u>Dept No</u>	<u>Expense Name</u>					
<u>Operations Administration</u>						
805	Regular Labor	1,013,139	515,462	1,005,296	1,073,154	67,858
805	Contract Labor	79		0	0	0
805	Telecommunication	1,840	737	2,000	3,200	1,200
805	Chemicals	202		0	0	0
805	Operating Supplies	5,761	5,292	6,400	7,300	900
805	Printing	756		2,500	3,000	500
805	Postage	82		1,000	1,000	0
805	Office Supplies	10,583	2,272	20,000	15,000	(5,000)
805	Rep & Maint OCSD & Other	(13,975)		0	0	0
805	Rep & Maint IRWD	22,475	26,729	0	0	0
805	Personnel Training	56,148	16,608	164,000	84,800	(79,200)
805	Other Professional Fees	25,131	11,338	163,500	153,500	(10,000)
<b>Total Operations Administration</b>		1,122,221	578,438	1,364,696	1,340,954	(23,742)
<hr/>						
<b>Total Operations Administration</b>		1,122,221	578,438	1,364,696	1,340,954	(23,742)

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Water Operations		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Water Operations</u>						
420	Water Purchases	35,599,308	21,312,805	35,286,508	37,944,116	2,657,608
420	Regular Labor	1,761,426	780,737	2,013,302	2,070,218	56,916
420	Overtime Labor	476,938	219,522	453,300	442,290	(11,010)
420	Electricity	8,320,293	4,573,931	9,863,218	9,905,210	41,992
420	Fuel	34,736	27,772	45,800	57,000	11,200
420	Telecommunication	63,785	44,433	53,900	77,900	24,000
420	Other Utilities	41,986	32,586	34,800	47,000	12,200
420	Chemicals	1,288,069	828,472	1,465,004	1,605,544	140,540
420	Operating Supplies	78,057	15,138	64,960	79,200	14,240
420	Permits, Licenses and Fees	121,058	125,855	204,000	251,500	47,500
420	Office Supplies		77	0	200	200
420	Equipment Rental	13,492	16,837	9,000	17,000	8,000
420	Rep & Maint OCSD & Other	422,600	460,002	824,300	857,100	32,800
420	Rep & Maint IRWD	684,896	282,406	1,274,130	1,489,588	215,458
420	Engineering Fees	144,742	84,871	117,360	124,756	7,396
420	Data Processing			12,500	12,500	0
420	Personnel Training	409	139	340	1,340	1,000
420	Other Professional Fees	10,822	2,611	78,000	78,000	0
420	Safety			3,000	3,000	0
<b>Total Water Operations</b>		49,062,617	28,808,194	51,803,422	55,063,462	3,260,040

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Water Operations		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
<u>Dept No</u>	<u>Expense Name</u>					
<b>Field Services</b>						
425	Regular Labor	1,441,321	767,610	1,542,036	1,757,410	215,374
425	Overtime Labor	198,610	92,398	166,000	213,400	47,400
425	Contract Labor	59,639	96,082	124,800	203,440	78,640
425	Telecommunication	239		0	0	0
425	Chemicals	1,337	810	800	900	100
425	Operating Supplies	105,826	47,462	126,430	117,000	(9,430)
425	Permits, Licenses and Fees	16,804	10,043	14,800	18,000	3,200
425	Equipment Rental	3,036	10,818	2,500	17,500	15,000
425	Rep & Maint IRWD	166,579	133,571	209,800	354,100	144,300
425	Personnel Training		69	680	680	0
425	Other Professional Fees	234	266	1,000	500	(500)
<b>Total Field Services</b>		1,993,625	1,159,129	2,188,846	2,682,930	494,084

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Water Operations		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Construction Services</u>						
430	Regular Labor	1,577,737	737,218	1,646,816	1,726,964	80,148
430	Overtime Labor	245,428	39,541	223,000	241,000	18,000
430	Contract Labor	99,883	54,598	125,800	208,960	83,160
430	Telecommunication	193		0	0	0
430	Chemicals	228	634	400	800	400
430	Operating Supplies	152,146	43,503	164,520	144,800	(19,720)
430	Permits, Licenses and Fees	61,979	31,215	88,000	93,000	5,000
430	Equipment Rental		5,781	10,000	12,000	2,000
430	Rep & Maint IRWD	631,645	198,558	473,000	628,000	155,000
430	Personnel Training		1,301	6,390	6,400	10
430	Other Professional Fees	374				
<b>Total Construction Services</b>		2,769,613	1,112,349	2,737,926	3,061,924	323,998
<b>Total Water Operations</b>		53,825,855	31,079,672	56,730,194	60,808,316	4,078,122



## **RECYCLING OPERATIONS**

### **OPERATING BUDGET SUMMARY**

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#### **Program Description**

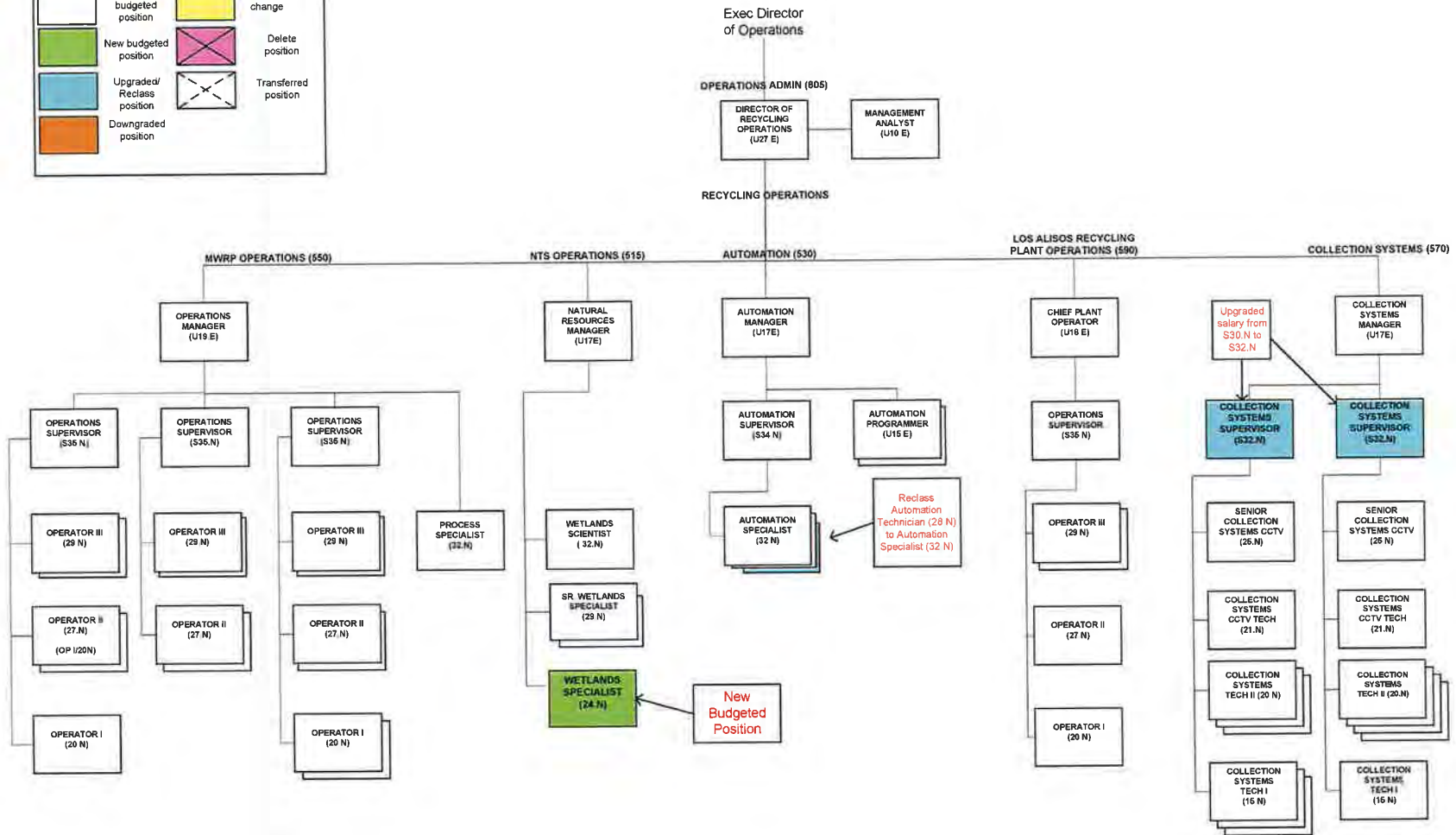
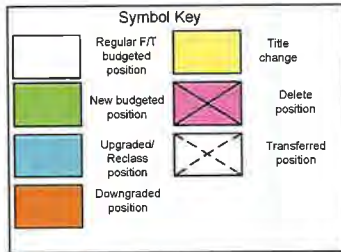
The mission of the Recycling Operations Department is to operate the District's resource recovery systems in a regulatory compliant, efficient, and environmentally safe manner that provides the highest level of customer satisfaction. The Recycling Operations Department provides cost-effective, reliable and compliant operation of the District's Collection Systems, Michelson Water Recycling Plant (MWRP), Los Alisos Water Recycling Plant (LAWRP), Natural Treatment System (NTS), and administrative management to the District Automated Process Control Systems.

#### **Major Goals**

- Maintain 100% compliance with all regulatory requirements;
- Achieve zero lost time accidents;
- Coordinate with Water Operations to optimize production of recycling water and balance with system storage;
- Meet the Department's adopted Operations budget;
- Refine operational Key Performance Indicators (KPIs) to optimize efficiency and cost effectiveness;
- Increase the level of certifications for Recycling Operators;
- Maintain and develop staff competency through a combination of internal and external training;
- Evaluate, optimize, and monitor chemical usage for the collection and recycling facilities systems;
- Evaluate and implement options for clean and inspect large sewer lines within the IRWD service area;
- Develop projects with partners in Newport Bay Executive Committee to develop and implement capture and treatment of urban runoff flows downstream from the San Joaquin Marsh;
- Complete process control and automation improvements such as the conversion of the Water Operations SCADA systems to latest upgraded technology;
- Conduct cyber security volatility assessment of the District's SCADA network;
- Provide operational assistance for functional and start-up testing for the MWRP Biosolids and Energy Recovery Facilities Project;
- Explore participation with other agencies in MWRP Biosolids facilities (brining in class B solids);
- Develop plans and partnerships to introduce food waste to the IRWD Biosolids Facility;
- Finalize and implement options for the marketing and distribution of pellets from the MWRP Biosolids Project; and,
- Continue collaboration efforts with Encina Wastewater Authority on lessons learned, O&M, product marketing and distribution, and resource sharing opportunities related to Operation and Maintenance of their Biosolids Facility.



**IRVINE RANCH WATER DISTRICT  
RECYCLING OPERATIONS  
FISCAL YEAR 2018-19**





Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Recycling Operations		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<b>NTS Operations</b>						
515	Regular Labor	322,381	142,440	358,642	436,036	77,394
515	Overtime Labor	2,738	459	6,000	8,000	2,000
515	Contract Labor	109,466	99,500	85,000	95,000	10,000
515	Electricity	115,634	94,115	267,744	201,000	(66,744)
515	Telecommunication	5,596	4,121	3,500	4,000	500
515	Operating Supplies	9,532	6,112	14,000	14,500	500
515	Printing	165		1,000	1,000	0
515	Postage	1,502	282	0	0	0
515	Permits, Licenses and Fees	9,665	30,508	4,000	4,000	0
515	Equipment Rental	5,738	2,390	6,000	0	(6,000)
515	Rep & Maint OCSD & Other	12,809	14,029	26,000	20,000	(6,000)
515	Rep & Maint IRWD	1,104,879	435,562	1,460,000	1,144,000	(316,000)
515	Engineering Fees	29,385	158,877	192,500	192,500	0
515	Personnel Training	850	560	4,300	3,800	(500)
515	Other	7,883		12,000	14,000	2,000
<b>Total NTS Operations</b>		1,738,223	988,955	2,440,686	2,137,836	(302,850)

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Recycling Operations		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Automation</u>						
530	Regular Labor	0	291,972	657,022	693,522	36,500
530	Overtime Labor		26,142	80,500	66,500	(14,000)
530	Operating Supplies		4,158	8,030	12,630	4,600
530	Postage		131	0	0	0
530	Rep & Maint IRWD		82,622	190,600	190,600	0
530	Personnel Training			170	170	0
530	Other Professional Fees		2,340	120,600	120,600	0
530	Safety		2,156	3,000	3,000	0
<u>Total Automation</u>		0	409,521	1,059,922	1,087,022	27,100

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Recycling Operations		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<b>MWRP Operations</b>						
550	Regular Labor	1,344,503	640,699	1,521,968	1,521,788	(180)
550	Overtime Labor	127,955	53,680	108,900	119,900	11,000
550	Contract Labor			30,000	10,000	(20,000)
550	Electricity	2,197,802	1,546,886	3,220,610	2,774,964	(445,646)
550	Fuel	5,256	14,950	100,617	20,800	(79,817)
550	Telecommunication			1,800	1,800	0
550	Chemicals	460,387	261,500	902,116	648,300	(253,816)
550	Operating Supplies	23,137	8,296	74,900	32,200	(42,700)
550	Permits, Licenses and Fees			250	0	(250)
550	Equipment Rental			12,000	0	(12,000)
550	Rep & Maint OCSD & Other	14,588,928	6,362,957	12,744,000	12,564,000	(180,000)
550	Rep & Maint IRWD	507	724	64,000	11,000	(53,000)
550	Personnel Training		393	4,020	4,020	0
550	Other Professional Fees	39,542	65,798	75,000	120,000	45,000
550	Safety	311		12,000	24,000	12,000
550	Biosolids Disposals			105,840	0	(105,840)
550	Other	90,487	47,843	115,600	115,000	(600)
<b>Total MWRP Operations</b>		<b>18,878,815</b>	<b>9,003,726</b>	<b>19,093,621</b>	<b>17,967,772</b>	<b>(1,125,849)</b>

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Recycling Operations		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Collections Systems</u>						
570	Regular Labor	993,751	580,282	1,259,522	1,273,540	14,018
570	Overtime Labor	145,326	56,134	148,500	148,500	0
570	Electricity	(138,899)	66,162	108,929	136,000	27,071
570	Telecommunication	15,684	10,162	20,000	24,000	4,000
570	Chemicals	82,647	255,173	500,000	600,000	100,000
570	Operating Supplies	55,373	26,413	64,360	70,360	6,000
570	Postage		146	0	0	0
570	Rep & Maint IRWD	374,177	117,810	439,800	490,800	51,000
570	Personnel Training		963	4,720	4,720	0
570	Other Professional Fees		94	80,000	50,000	(30,000)
570	Mileage Reimbursement	1,720		2,000	2,000	0
570	Safety	2,595	6,414	10,000	12,000	2,000
<b>Total Collections Systems</b>		1,532,374	1,119,753	2,637,831	2,811,920	174,089

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Recycling Operations		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<b>LAWRP Operations</b>						
590	Regular Labor	480,851	258,930	611,538	645,138	33,600
590	Overtime Labor	51,359	17,013	66,400	66,400	0
590	Electricity	691,333	447,169	763,452	662,545	(100,907)
590	Fuel	943	132	1,000	1,000	0
590	Chemicals	248,601	156,859	205,500	290,000	84,500
590	Operating Supplies	6,818	3,969	6,600	7,000	400
590	Office Supplies	302	175	0	500	500
590	Rep & Maint OCSD & Other	131,783	192,123	256,000	256,000	0
590	Rep & Maint IRWD	71,025	47,668	104,000	99,000	(5,000)
590	Personnel Training		62	0	0	0
590	Other Professional Fees	640		940	450	(490)
590	Safety			1,700	1,700	0
590	Biosolids Disposals	19,558		25,000	20,000	(5,000)
590	Other		6,923			
<b>Total LARWP Operations</b>		1,703,213	1,131,023	2,042,130	2,049,733	7,603
<hr/>						
<b>Total Recycling Operations</b>		23,852,625	12,652,978	27,274,190	26,054,283	(1,219,907)



## **MAINTENANCE OPERATIONS**

### **OPERATING BUDGET SUMMARY**

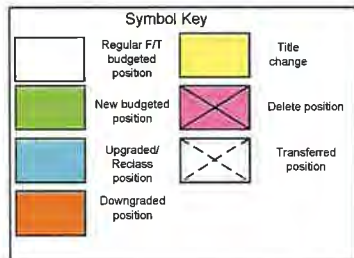
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#### **Program Description**

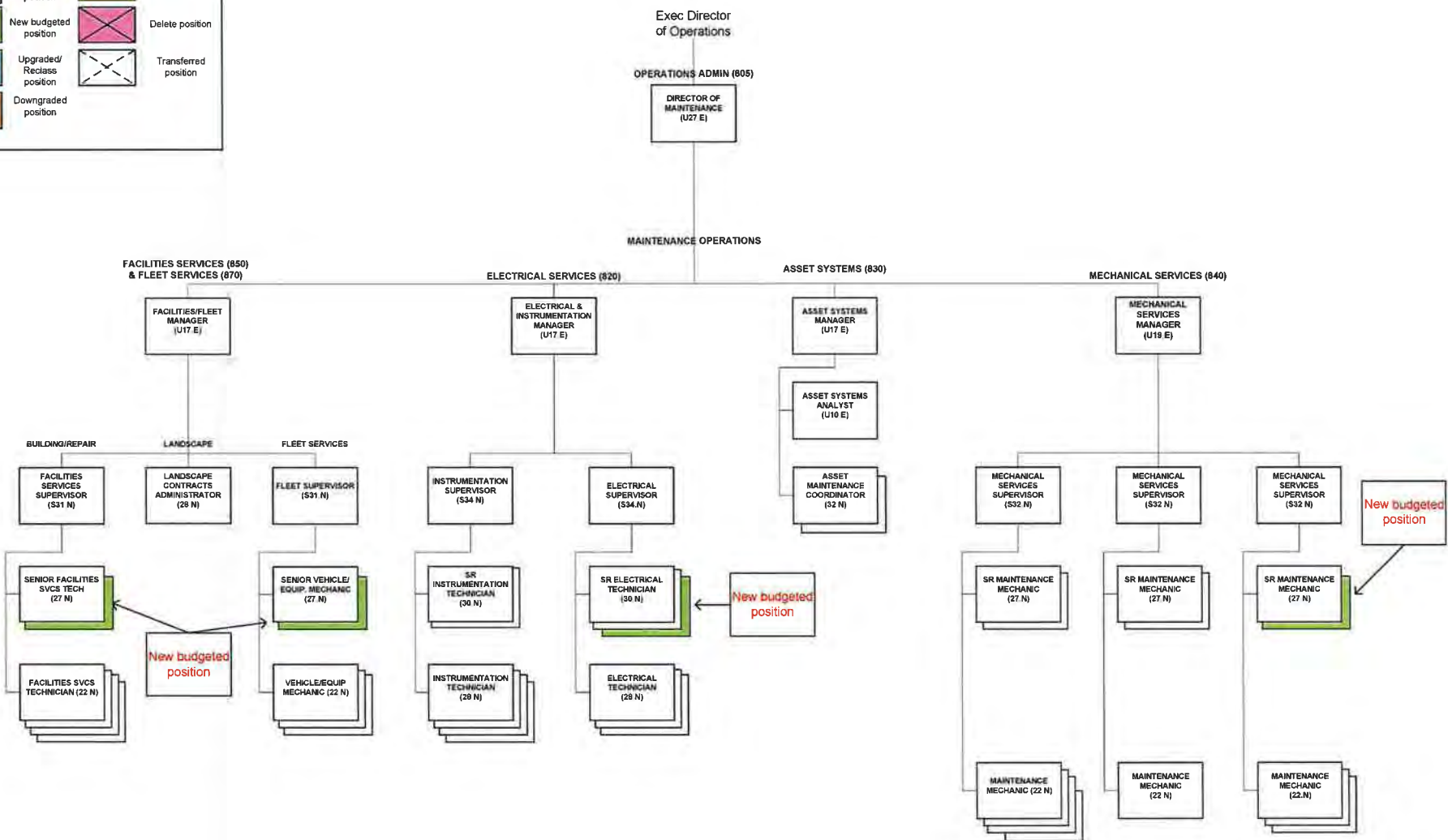
The mission of Maintenance Operations is to manage the District's assets to ensure optimal life expectancy, reliability, efficiency and safety goals while providing the highest level of customer satisfaction. Maintenance Operations coordinates the maintenance and repair of the District's electrical, mechanical, instrumentation, fleet and facility assets by utilizing a comprehensive enterprise asset management system to ensure safe, reliable, and cost effective operation.

#### **Major Goals**

- Complete part two of the IBM Maximo software implementation activities for the Enterprise Asset Management (EAM) system including materials handling, Maximo Scheduler and Maximo Transportation;
- Complete the asset data collection for the MWRP Biosolids and Energy Recovery Facilities;
- Meet the Department's adopted Maintenance and General Plant budgets;
- Achieve zero lost time accidents;
- Maintain 100% compliance with all regulatory requirements;
- Identify and track operational Key Performance Indicators (KPIs) to optimize efficiency and cost effectiveness;
- Issue the request for proposal (RFP) for the operation and maintenance of the biogas cleaning facilities and microturbines. Secure the services of a contractor to perform these services;
- Support the District's battery energy storage systems project through the planning, construction and operational phases;
- Maintain and develop staff competency through a combination of internal and external training;
- Investigate and expand the use of new technology to enhance and increase equipment reliability and staff productivity;
- Complete the design and construction of a compressed natural gas (CNG) filling station at the Operations Center to accommodate the District's growing CNG fueled fleet;
- Provide Engineering support for projects including the Biosolids and Energy Recovery Facilities, and Newport Coast Lift Station improvements;
- Optimize predictive maintenance measures through pump efficiency testing, lube oil analysis, vibration analysis, ultrasound detection, and infrared thermography program;
- Maintain all District buildings and facilities to ensure longevity to include the installation of a new Operations Center roof;
- Perform all required maintenance on schedule to ensure safe and dependable cost effective fleet operation; and,
- Assure the reliable operation of the Rattlesnake Zone A Pump Station with the replacement of the existing natural gas engines with a combination of new engines and conversion to electric motors.



**IRVINE RANCH WATER DISTRICT  
MAINTENANCE OPERATIONS  
FISCAL YEAR 2018-19**





Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Maintenance		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Electrical Services</u>						
820	Regular Labor	1,686,081	607,113	1,202,510	1,312,112	109,602
820	Overtime Labor	168,058	67,043	161,900	141,100	(20,800)
820	Telecommunication	97		0	0	0
820	Operating Supplies	95,443	63,187	105,700	108,400	2,700
820	Rep & Maint IRWD	846,574	371,380	951,600	910,600	(41,000)
820	Personnel Training	172		0	0	0
820	Other Professional Fees	387	4	800	800	0
820	Safety	13,656	9,343	16,800	16,800	0
<b>Total Electrical Services</b>		2,810,468	1,118,070	2,439,310	2,489,812	50,502

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Maintenance		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
<u>Dept No</u>	<u>Expense Name</u>					
<u>Asset Systems</u>						
830	Regular Labor	0	87,570	321,824	387,240	65,416
830	Overtime Labor		2,439	6,000	5,000	(1,000)
830	Operating Supplies		43	9,000	2,000	(7,000)
830	Personnel Training		46	0	100	100
830	Other Professional Fees			75,000	100,000	25,000
830	Safety			1,000	1,000	0
<b>Total Asset Systems</b>		0	90,098	412,824	495,340	82,516

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Maintenance		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<b>Mechanical Services</b>						
840	Regular Labor	1,303,588	525,979	1,308,552	1,392,558	84,006
840	Overtime Labor	82,871	45,003	93,600	96,600	3,000
840	Contract Labor	140		40,000	40,000	0
840	Telecommunication	81		0	0	0
840	Operating Supplies	24,031	2,676	35,500	34,500	(1,000)
840	Rep & Maint IRWD	879,763	396,968	910,400	977,400	67,000
840	Personnel Training	222	392	1,690	0	(1,690)
840	Other Professional Fees	145	334	0	0	0
840	Safety			6,200	6,200	0
<b>Total Mechanical Services</b>		2,290,841	971,352	2,395,942	2,547,258	151,316

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Maintenance		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<b>Facilities Services</b>						
850	Regular Labor	687,743	340,392	640,284	730,898	90,614
850	Overtime Labor	31,287	18,019	26,000	42,000	16,000
850	Contract Labor	19,800	14,400	0	28,800	28,800
850	Electricity	290,135	218,934	397,924	390,833	(7,091)
850	Fuel	57,821	6,442	30,000	30,000	0
850	Telecommunication	238	20	400	400	0
850	Other Utilities	65,300	34,556	74,400	73,600	(800)
850	Operating Supplies	63,412	33,875	83,900	78,500	(5,400)
850	Rep & Maint OCSD & Other	5,005	6,771	0	7,000	7,000
850	Rep & Maint IRWD	1,744,428	953,689	1,642,100	1,780,300	138,200
850	Engineering Fees		66,117	0	0	0
850	Personnel Training	16,086	47	340	120	(220)
850	Mileage Reimbursement	58		0	0	0
<b>Total Facilities Services</b>		2,981,313	1,693,262	2,895,348	3,162,451	267,103

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Maintenance		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<b>Fleet Services</b>						
870	Regular Labor	426,653	210,302	387,176	416,484	29,308
870	Overtime Labor	11,574	6,852	10,300	8,300	(2,000)
870	Fuel	479,159	218,722	450,000	450,000	0
870	Telecommunication	97		0	0	0
870	Other Utilities	54,155	28,977	61,600	61,600	0
870	Operating Supplies	5,404	1,356	7,800	6,950	(850)
870	Postage	15		0	0	0
870	Permits, Licenses and Fees	6,400		8,500	8,500	0
870	Equipment Rental	1,380		8,000	8,000	0
870	Rep & Maint IRWD	529,014	281,302	540,400	580,000	39,600
870	Personnel Training	8,360	316	1,692	1,692	0
870	Mileage Reimbursement	158,999	67,895	138,000	146,000	8,000
<b>Total Fleet Services</b>		1,681,210	815,722	1,613,468	1,687,526	74,058
<b>Total Maintenance</b>		9,763,832	4,688,504	9,756,892	10,382,387	625,495



## **RECYCLED WATER DEVELOPMENT**

### **OPERATING BUDGET SUMMARY**

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#### **Program Description**

The Water Resources and Policy Department is responsible for developing and implementing water resource supply and demand management programs to enhance the reliability of water supplies for District customers. The Department is also responsible for managing the District's environmental compliance program, regulatory requirements and public affairs.

**Recycled Water Development:** IRWD is recognized as a national leader in recycled water based in large part on the many years of experience IRWD has with recycled water, the large number of meters served, and groundbreaking projects IRWD has completed. IRWD currently serves more than 5,900 recycled water meters including more than 90 commercial dual-plumbed buildings where recycled water is used for flushing toilets and urinals, 12 cooling towers, and more than 650 single-family lots where recycled water is used for irrigating both the front and back yards. IRWD is also recognized for its support of recycled water through organizations such as the WaterReuse Association, a national recycled water advocacy group. IRWD, in concert with WaterReuse California, is active in state-wide policy, legislation, regulation, and support for other agencies which face challenges as their programs are initiated or are being expanded. On a regional level, IRWD had a lead role in working with other water recycling agencies and the regulatory agencies in Orange County to establish standards for on-going inspection and testing of recycled water use sites.

Last fiscal year the Recycled Development Water Group worked on some innovative projects. The group worked with Hyatt House Hotel to serve a dual plumbed hotel where each of the 149 guest rooms have toilets that are supplied with recycled water. This is the first such project in California. Additionally, IRWD is currently working with the University of California, Irvine to serve their Central Plant cooling towers with recycled water. Demand for the cooling towers will be approximately 260 acre-feet per year making it the single largest industrial recycled water customer in IRWD's service area. IRWD also operated a Residential Recycled Water Fill Station where residents could get recycled water for landscape irrigation at no cost.

The Recycled water group continues to work to add new recycled water customers by connecting sites which are the result of new construction and by converting existing potable water customers to recycled water.

#### **Major Goals**

##### **RECYCLED WATER DEVELOPMENT**

- Convert a minimum of 100 acre-feet of imported water use to recycled water;
- Implement recycled water service to a large ice skating rink complex at the Great Park;
- Pursue a new *Local Resources Program* funding agreement with MWD which provides a "per-acre foot" financial incentive to increase the use of recycled water;



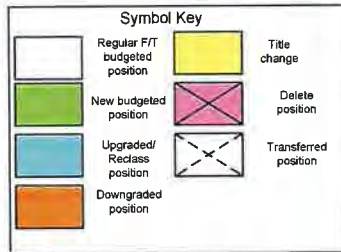
## ***RECYCLED WATER DEVELOPMENT***

### ***OPERATING BUDGET SUMMARY***

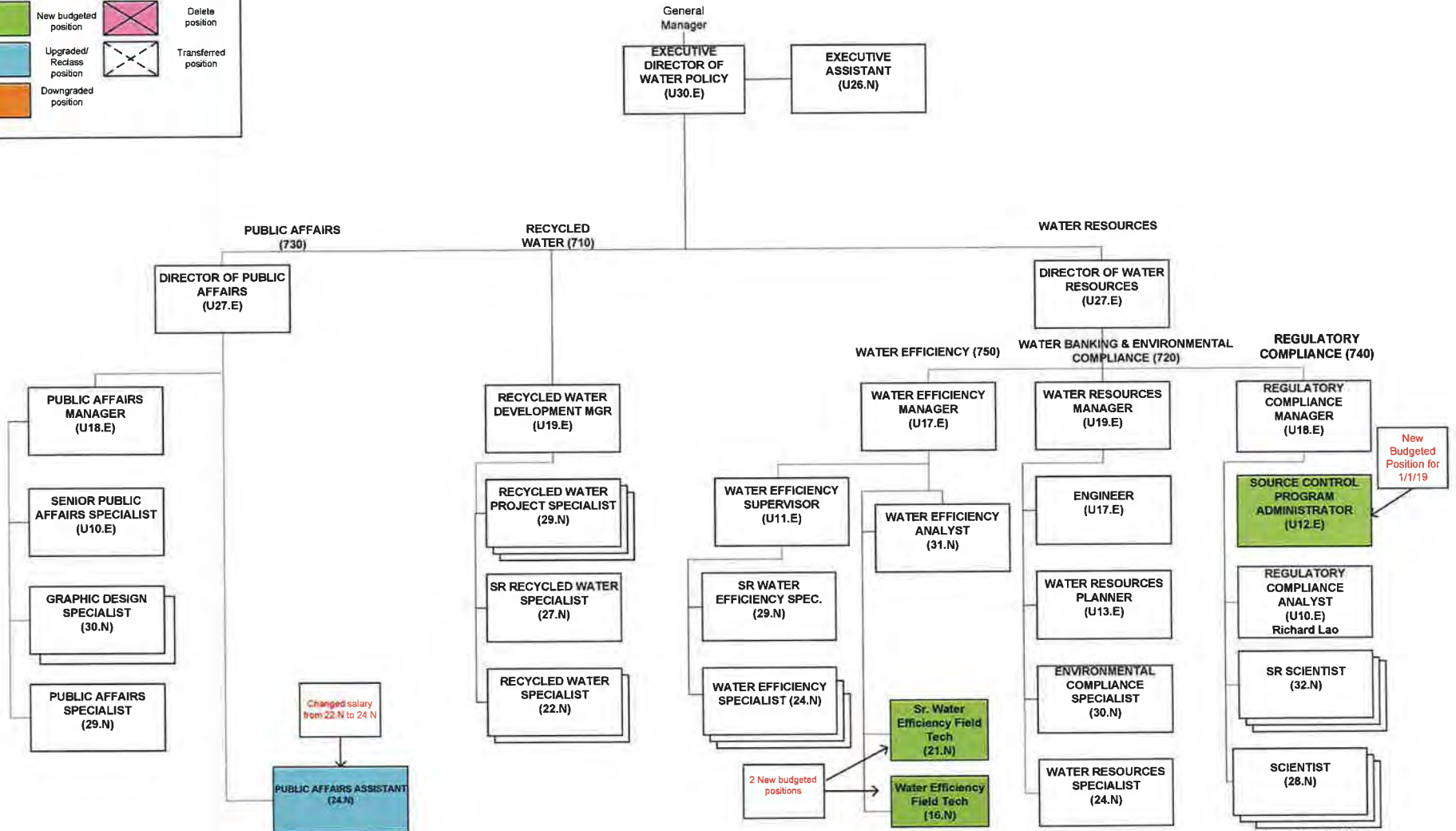
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- Work to increase the reliability of recycled water service for customers that need greater reliability such as dual plumbed commercial buildings and cooling tower customers;
- Assist WaterReuse California with its legislative agenda which includes allowing discharge of recycled water from impoundments during storm events;
- Remain active in the Orange County Chapter of WaterReuse California;
- Open the Residential Recycled Water Fill Station for a portion of the year based on greatest customer demands;
- Fully develop the Recycled Water Use Site Inspection and Testing Program including at single-family lots; and,
- Seek opportunities to dual-plumb hotels, condominiums, and apartment properties.





**IRVINE RANCH WATER DISTRICT  
WATER RESOURCES AND POLICY  
FISCAL YEAR 2018-19**



Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Water Resources and Policy		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
<u>Dept No</u>	<u>Expense Name</u>					
<u>Water Resources and Policy</u>						
710	Regular Labor	948,159	476,726	611,704	637,236	25,532
710	Overtime Labor	2,784	29	4,000	3,500	(500)
710	Contract Labor	23,537	11,942	46,000	70,400	24,400
710	Operating Supplies	79,029	3,141	30,000	5,000	(25,000)
710	Printing	537	255	500	0	(500)
710	Postage	1,836	902	2,000	0	(2,000)
710	Permits, Licenses and Fees	25,264		75,000	50,000	(25,000)
710	Office Supplies	3,408	958	4,000	0	(4,000)
710	Rep & Maint IRWD	73		0	0	0
710	Engineering Fees			115,000	0	(115,000)
710	Personnel Training	13,641	3,390	14,000	14,300	300
710	Other Professional Fees	541,894	136,343	458,600	463,600	5,000
710	Conservation	(10,949)	1,446			
<b>Total Water Resources and Policy</b>		1,629,213	635,132	1,360,804	1,244,036	(116,768)



# **WATER RESOURCES AND ENVIRONMENTAL COMPLIANCE**

## **OPERATING BUDGET SUMMARY**

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### **Program Description**

The Water Resources and Policy Department is responsible for developing and implementing water resource supply and demand management programs to enhance the reliability of water supplies for District customers. The department is also responsible for managing the District's environmental compliance program, regulatory requirements and public affairs.

Water Resources and Environmental Compliance: The Water Resources and Environmental Compliance Department is responsible for the development of water supply programs and banking projects primarily outside of the local Orange County area. These programs and projects are increasing the diversity and reliability of the District's water supplies by securing water supplies from sources outside of Orange County during wet periods and storing them for future use in groundwater banking projects in Kern County. The Department is also responsible for exploring and developing potential local water supply reliability opportunities. The District's efforts in the development of these programs and projects are needed in response to stressors on water supply reliability such as environmental pressures in the Delta, expanding statewide population, climate change, and expanding regulatory requirements.

This department is responsible for the planning and development of the District's water banking programs. In addition, this department is responsible for the negotiation and development of agreements with other agencies and entities throughout the State of California for water transfer and exchanges that facilitate the recharge, storage and recovery of water at the water banking projects. It is also responsible for the negotiation and the development of agreements that facilitate the delivery of water recovered from the water banking projects to IRWD's service area through facilities owned by the California Department of Water Resources, Kern County Water Agency and Metropolitan Water District of Southern California (MWD). This department is also responsible for the participation of IRWD-owned lands located in the Palo Verde Irrigation District (PVID) in the PVID/MWD existing fallowing program and any new water conservation related programs that PVID and MWD implement in the future.

Other responsibilities of the Water Resources and Environmental Compliance department include managing the District's environmental compliance programs, and overseeing the District's salt management, energy efficiency, greenhouse gas reporting and verification, and renewable energy planning activities. The environmental compliance programs focus on fulfilling the District's compliance requirements for the operation of potable water and wastewater systems operations, facility replacements and the construction of new facilities.



# **WATER RESOURCES AND ENVIRONMENTAL COMPLIANCE**

## **OPERATING BUDGET SUMMARY**

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### **Major Goals**

#### **WATER RESOURCES**

- Bank supplemental water for IRWD, develop extraction and additional recharge and storage capacity as needed for IRWD and its water banking partners;
- Pursue Prop 1 Water Storage Investment Program grant funding from the California Water Commission for the Kern Fan Groundwater Storage Project to be developed jointly with Rosedale;
- Negotiate a MWD Policy for the delivery of MWD system water to IRWD's Kern County Banking Projects;
- Finalize agreements for a pilot program through which other Orange County water agencies can participate in IRWD's water banking program;
- Implement long-term unbalanced exchange agreements with Central Coast Water Authority, Carpinteria Valley Water District, and Antelope Valley-East Kern Water Agency and others for Stockdale West;
- Develop a business plan for IRWD's water banking projects and programs;
- Execute long term exchange agreements to facilitate exports of Kern River water to IRWD service area;
- Integrate IRWD's Strand Ranch and Stockdale West properties into the Kern Fan Groundwater Sustainability Agency under SGMA;
- Participate in water conservation programs implemented by MWD and Palo Verde Irrigation District, such as land fallowing, which can make water available for other uses;
- Investigate land fallowing and water transfer opportunities;
- Investigate opportunities to purchase State Water Project Table A entitlement;
- Construct Drought Relief Project recovery and conveyance facilities;
- Increase IRWD's amount of water stored in Southern California; Identify, evaluate and secure land for the additional third property under the Stockdale Integrated Banking Project for joint use with Rosedale; and,
- Prepare and submit grant funding applications for eligible IRWD capital projects including Reclamation's WaterSMART Title XVI funding for the Syphon Reservoir Improvement Project.

#### **ENVIRONMENTAL COMPLIANCE**

- Perfect IRWD's water right(s) in San Diego Creek to ensure continued protection of water quality in the Newport Bay;
- Initiate work and studies associated with the EIR for the Syphon Reservoir Improvement Project; and,
- Fulfill the District's environmental compliance requirements for capital projects, replacements and operations including the development and approval of Mitigated Negative Declarations, Environmental Impact Reports and Notices of Exemption.



# **WATER RESOURCES AND ENVIRONMENTAL COMPLIANCE**

## **OPERATING BUDGET SUMMARY**

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### **ENERGY AND OTHER PLANNING**

- Evaluate and coordinate the implementation of solar and energy storage facilities at Baker Water Treatment Plant and solar development at Michelson Water Recycling Plant.
- Evaluate the impact of varying water supplies on maintaining the District's salt balance;
- Update the Embedded Energy Plan;
- Seek grant opportunities for District energy projects;
- Participate in SCE's Direct Access Program; and,
- Maximize participation in the SCE Water-Energy Pilot Program.

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Water Resources and Policy		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Water Resources and Environmental Compliance</u>						
720	Regular Labor	642,077	333,826	992,638	1,030,956	38,318
720	Overtime Labor	(175)	804	400	400	0
720	Contract Labor	66,327	12,938	0	0	0
720	Electricity	3,678		8,820	466,220	457,400
720	Permits, Licenses and Fees	229,509	662,241	732,000	638,000	(94,000)
720	Office Supplies	32		0	0	0
720	Rep & Maint IRWD	287,555	353,711	608,900	677,900	69,000
720	Personnel Training	1,842	233	0	0	0
720	Other Professional Fees	121,280	74,072	56,000	130,800	74,800
720	Mileage Reimbursement		40	0	0	0
<b>Total Water Resources and Environmental Compliance</b>		1,352,125	1,437,865	2,398,758	2,944,276	545,518



## **PUBLIC AFFAIRS**

### **OPERATING BUDGET SUMMARY**

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#### **Program Description**

The Water Resources and Policy Department is responsible for developing and implementing water resource supply and demand management programs to enhance the reliability of water supplies for District customers. The department is also responsible for managing the District's environmental compliance program, regulatory requirements and public affairs.

Public Affairs: The Public Affairs Department is responsible for communicating accurate and timely information about Irvine Ranch Water District services, projects, activities and programs. The department uses multiple media platforms, including print, personal contact, education programs, publications, tours, as well as electronic and social media outlets. The IRWD communication program serves the District and our customers by:

- Creating and maintaining credibility and public trust;
- Increasing customer awareness of the services we provide;
- Promoting the District's value, activities and events of significance;
- Ensuring that accurate and timely information is conveyed to the public regarding incidents and issues of a controversial and/or sensitive nature; and,
- Promoting transparency and easy to access information.

#### **Major Goals**

##### **WATER EFFICIENCY OUTREACH**

- Educate customers on efficient water use practices using multiple outreach platforms including resident tours of IRWD facilities, open houses, print, electronic media, and the internet;
- Educate customers about reducing outdoor water use with the RightScape program;
- Provide students in the IRWD service area with learning opportunities regarding water supply, water reliability, tap water and water use efficiency programs. Promote water education programs to schools in the IRWD service area; and,
- Implement outreach programs to reach those customers who regularly exceed their monthly water budget.

##### **COMMUNITY OUTREACH AND MEDIA PROGRAMS**

- Refine, update and create effective multi-pronged social media outreach programs aimed at providing extended information channels for IRWD customers, the media, business partners, IRWD employees and other government entities;
- Develop and implement tap water outreach and infrastructure outreach programs;
- Enhance communications with customers through a targeted media outreach and public communications program including consistent and timely updates for construction and maintenance projects; and,
- Provide enhanced customer outreach initiatives based on customer feedback programs.





## ***PUBLIC AFFAIRS***

### ***OPERATING BUDGET SUMMARY***

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#### **BUSINESS OUTREACH PROGRAM**

- Develop strong working relationships with the business community by hosting a series of meetings for area businesses and those who are interested in working with IRWD.

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Water Resources and Policy		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<b>Public Affairs</b>						
730	Regular Labor	624,765	310,383	681,630	689,588	7,958
730	Overtime Labor	29,214	2,412	33,000	8,000	(25,000)
730	Operating Supplies	46	53	700	700	0
730	Printing	51,780	18,614	78,800	117,000	38,200
730	Postage	45	16	200	200	0
730	Office Supplies	1,949	851	6,000	6,000	0
730	Personnel Training	2,414	3,466	11,400	12,122	722
730	Other Professional Fees	643,788	1,223,712	1,402,300	1,999,400	597,100
730	Conservation	9,757	1,278	0	0	0
<b>Total Public Affairs</b>		1,363,758	1,560,785	2,214,030	2,833,010	618,980



## **REGULATORY COMPLIANCE**

### **OPERATING BUDGET SUMMARY**

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#### **Program Description**

The Water Resources and Policy Department is responsible for developing and implementing water resource supply and demand management programs to enhance the reliability of water supplies for District customers. The department is also responsible for managing the District's environmental compliance program, regulatory requirements and public affairs.

**Regulatory Compliance:** The Regulatory Compliance group plans and manages District-wide programs to ensure the District complies with all environmental regulations governing water, sewage and groundwater discharges. This includes the collection of all required samples of water, sewage and recycled water from distribution systems, treatment facilities, storage reservoirs, wetland operations and customer facilities to ensure quality services and products are served to our customers. Regulatory Compliance also responds to customer service issues and concerns regarding water quality.

In addition to water-related programs, Regulatory Compliance staff manages other regulatory compliance programs such as Hazardous Waste, Underground Storage Tanks, Aboveground Petroleum Storage Tanks, Universal Waste, Biosolids Compliance and the Air Quality Program, including MWRP's Title V Permit. The regulatory mandated Fats, Oils and Grease (FOG) Program that requires the District to control FOG from entering its collections system is also managed by Regulatory Compliance. The FOG program consists of permitting, plan checks, inspections and enforcement of Food Service Establishments (FSE) in the District's service area. Regulatory Compliance participates with the Orange County Sanitation District and the South Orange County Wastewater Authority to co-manage the implementation of the District's Industrial Pretreatment Program. Regulatory Compliance is an active participant in representing the District at the Southern California Alliance of Publicly Owned Treatment Works (SCAP) and the California Association of Sanitation Agencies Regulatory Work Group (CASA RWG) Committee meetings for Air and Water Issues.

#### **Major Goals**

##### **REGULATORY COMPLIANCE:**

- Ensure the District operates in full compliance with all applicable federal, state and local environmental, water and air quality laws and regulations;
- Respond to Water Quality Customer Contacts and investigate the customer's concern;
- Determine required monitoring programs to address all regulatory requirements for potable, sewage and recycled water;
- Coordinate with other agencies with respect to Industrial Waste Pretreatment Programs and other projects;
- Implement recommendations for the development of an in-house IRWD Industrial Waste Pretreatment/Source Control Program;



## **REGULATORY COMPLIANCE**

### **OPERATING BUDGET SUMMARY**

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- Implement recommendations to establish full in-house operation of the Fats, Oils and Grease (FOG) Program;
- Plan, organize and supervise the work of the Compliance Monitoring Group;
- Collect potable system distribution and storage samples to comply with the Department of Drinking Water (DDW) monitoring plan and to proactively identify any developing quality issues in the system;
- Collect MWRP and LAWRP samples to assure proper operation of the treatment facilities and compliance with each facilities' NPDES permit;
- Implement and manage the District's School Lead Sampling Program;
- Ensure compliance with the newly mandated Lead Service Lines Inventory requirement;
- Assist and provide resources to other departments with environmental, water and air permitting issues;
- Ensure compliance with all non-major and Title V air permit requirements for testing and reporting;
- Participate in industry stakeholder groups for air, water and biosolids regulatory issues;
- Prepare and submit new and renewal permit applications for routine activities, equipment and projects; and,
- Assist in the development of environmental quality projects and coordinate research activities.

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Water Resources and Policy		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<b>Regulatory Compliance</b>						
740	Regular Labor	731,227	384,771	730,756	842,734	111,978
740	Overtime Labor	70,717	29,195	73,960	67,820	(6,140)
740	Contract Labor	48,854		14,500	16,000	1,500
740	Operating Supplies	57,209	26,219	59,400	61,850	2,450
740	Postage	2,298	806	800	1,600	800
740	Permits, Licenses and Fees	546,396	512,642	523,245	542,270	19,025
740	Office Supplies	611		800	800	0
740	Rep & Maint OCSD & Other	2,147		2,000	0	(2,000)
740	Rep & Maint IRWD	219,573	89,449	258,000	252,800	(5,200)
740	Engineering Fees	155,740	29,353	262,200	359,320	97,120
740	Personnel Training	6,577	1,127	9,400	8,900	(500)
740	Other Professional Fees	1,200	524	2,400	2,400	0
740	Safety			2,000	2,000	0
<b>Total Regulatory Compliance</b>		<b>1,842,549</b>	<b>1,074,086</b>	<b>1,939,461</b>	<b>2,158,494</b>	<b>219,033</b>



## **WATER EFFICIENCY**

### **OPERATING BUDGET SUMMARY**

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#### **Program Description**

The Water Resources and Policy Department is responsible for developing and implementing water resource supply and demand management programs to enhance the reliability of water supplies for District customers. The department is also responsible for managing the District's environmental compliance programs and regulatory requirements and public affairs.

**Water Efficiency:** Demand management programs directly offset the need for developing additional water supplies and are a critical element in meeting the District's water resources/reliability objectives. IRWD has provided industry leadership through the development of innovative and aggressive demand management programs focusing on water use efficiency and sewage resource recycling. An updated Water Use Efficiency Plan was adopted in December 2013. The focus temporarily shifted 2015 from implementing the District's long-term water efficiency programs to responding in 2017 to a state mandated conservation target in response to the statewide drought. As a result of significantly improved hydrologic conditions, the focus has transitioned back to implementing the District's long-term water efficiency programs. Water efficiency programs including the outdoor efficiency program, new data reporting technologies to engage customers, tactical incentives and participation in innovative pilots and research that maintain IRWD's leadership position are incorporated into the fiscal year 2018-19 budget. IRWD will continue to be engaged in the development and implementation of local, regional, state-wide and national water efficiency and demand management policies.

#### **Major Goals**

##### **WATER EFFICIENCY**

- Develop partnerships with private and public entities to leverage the effectiveness and reach of water efficiency programs;
- Research and implement, as appropriate, new technologies and innovative programs to assist customers with improving their water use efficiency with a special emphasis on outdoor conservation programs;
- Continue to partner with commercial, industrial and institutional customers to implement cost-effective water use efficiency programs;
- Continue to support and expand enhanced customer engagement and reporting as a tool to motivate additional water use efficiency;
- Continue to support and expand educational programs for the professional landscape industry; Implement the use of enhanced GIS data to improve customer allocation-setting, outreach and programs targeted toward outdoor water use;
- Actively participate in statewide policy discussions addressing the water-energy nexus;



## ***WATER EFFICIENCY***

### ***OPERATING BUDGET SUMMARY***

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- Actively engage in discussions with the State Water Resources Control Board, the Department of Water Resources and other stakeholders on implementation of state's Long Term Conservation Framework for efficient water use that balances local conditions and supplies, recycled water, prior conservation, growth and other equity adjustments;
- Establish the appropriate metrics and quantify water efficiency targets;
- Develop a Water Loss Control Plan to define District programs and annual Water Loss Audit Report guidance for data collection and management; and,
- Conduct a Water Conservation Potential Study to identify new opportunities for water savings.



Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2018-19**

Water Resources and Policy		2016-17 Actual	2017-18 Actual thru 12/31/17	2017-18 Orig Budget	2018-19 Prop Budget	Incr/(Decr)
Dept No	Expense Name					
<u>Water Efficiency</u>						
750	Regular Labor	409,005	218,077	542,316	625,254	82,938
750	Overtime Labor	13,375	5,512	16,000	41,000	25,000
750	Contract Labor	225,859	52,198	70,000	124,000	54,000
750	Operating Supplies	943	49	2,500	2,500	0
750	Office Supplies	436		0	0	0
750	Rep & Maint IRWD	15,743	9,378	30,000	30,000	0
750	Engineering Fees	112,163		0	0	0
750	Personnel Training	18,037	12,340	17,500	17,500	0
750	Other Professional Fees	256,796	161,646	238,000	258,000	20,000
750	Mileage Reimbursement	142		0	0	0
750	Conservation	1,421,061	346,534	2,012,000	2,050,000	38,000
Total Water Efficiency		2,473,560	805,734	2,928,316	3,148,254	219,938
<hr/>						
Total Water Resources and Policy		8,661,205	5,513,602	10,841,369	12,328,070	1,486,701
<hr/>						
GRAND TOTAL		145,009,659	77,173,120	153,160,718	161,390,124	8,229,406



# GENERAL PLANT

## *SUMMARY\**

	Fiscal Year 2018-19	Fiscal Year 2017-18	Increase (Decrease)	% Inc/(Dec)
Information Systems	\$ 903,000	\$ 681,800	\$ 221,200	32.44%
Transportation Equipment	671,500	580,000	91,500	15.78%
Laboratory Equipment	363,050	453,060	(90,010)	-19.87%
Office Furniture and Equipment				
Equipment	756,700	587,100	169,600	28.89%
Structures/Improvements- Sand Canyon.MWRP		210,000	(210,000)	-100.00%
Sub-Total	\$ 2,694,250	\$2,511,960	\$182,290	7.26%
Less: Vehicle Salvage Value	(49,200)	(22,000)	(27,200)	-
<b>Total General Plant</b>	<b>\$ 2,645,050</b>	<b>\$ 2,489,960</b>	<b>\$ 155,090</b>	<b>6.23%</b>

### Fiscal Year 2018-19

Funded by User Charges	\$1,715,000	64.84%
Funded by Capital Funds	777,050	29.38%
Funded by Overallocation Rev	153,000	5.78%
<b>Total Fiscal Year 2018-19</b>	<b>\$2,645,050</b>	<b>100.00%</b>

### Fiscal Year 2017-18

Funded by User Charges	\$ 1,627,910	65.38%
Funded by Capital Funds	655,300	26.32%
Funded by Overallocation Rev	206,750	8.30%
<b>Total Fiscal Year 2017-18</b>	<b>\$2,489,960</b>	<b>100.00%</b>

\* General Plant is included in the Capital Budget beginning FY 2016-17. The asset listing detail is included in the Capital Budget book. Staff will continue to include a summary that identifies the funding source in the Operating Budget.



## GENERAL PLANT *ANALYSIS*

Description	Administration	Finance & Administrative Services	Engineering & Planning	Operations	Water Policy	Total
Information Systems and Technology	\$ -	\$ 903,000	\$ -	\$ -	\$ -	\$ 903,000
Laboratory Equipment			311,050	52,000		363,050
Other General Plant						
Office Furniture						
Work Class Equipment				756,700		756,700
Transportation				671,500		671,500
Structures/Improvements - HQ/MWRP						
Subtotal	\$ -	\$ 903,000	\$ 311,050	\$ 1,480,200	\$ -	\$ 2,694,250
Less Vehicle Salvage Value	-	-	-	(49,200)	-	(49,200)
<b>Total Fiscal Year 2018-19</b>	<b>\$ -</b>	<b>\$ 903,000</b>	<b>\$ 311,050</b>	<b>\$ 1,431,000</b>	<b>\$ -</b>	<b>\$ 2,645,050</b>
Total Fiscal Year 2017-18	-	624,800	-	1,490,100	375,060	2,489,960
Increase/(Decrease)	\$ -	\$ 278,200	\$ 311,050	\$ (59,100)	\$ (375,060)	\$ 155,090



# CONSOLIDATED

## GENERAL PLANT BUDGET

<b>TASK</b>	<b>Item Description</b>	<b>Quantity</b>	<b>Price</b>	<b>Proposed 2018-19</b>
<b>Department:</b>	<b>INFORMATION SERVICES</b>			
250 8041.250.1	PC Replacement	115	\$ 1,522	\$ 175,000
250 8041.250.2	Laptop Computer Replacement	37	2,473	91,500
250 8031.250.1	Virtual Private Network (VPN) Replacement	1	15,500	15,500
250 8031.250.2	Network Disk Storage Replacement	1	353,000	353,000
250 8031.250.3	Audio Visual Equipment Replacement - Sand Canyon Board Room	1	21,000	21,000
250 8031.250.4	Network Server File Backup Software Replacement	1	141,000	141,000
250 8031.250.5	Network Server File Backup Local Storage Replacement	1	60,000	60,000
250 8041.250.3	Tablet Computers - Water Quality Department	1	6,500	6,500
250 8030.250.1	Upgrade InfoSewer Software - Engineering Department	1	10,500	10,500
250 8030.250.2	Laboratory Information Management System (LIMS) User Licenses - Water Quality Department	1	29,000	29,000
<b>Sub-Total</b>				<b>\$ 903,000</b>
<b>Department:</b>	<b>NTS OPERATIONS</b>			
515 8036.515.1	Solar Mixers (2)	2	\$ 26,000	\$ 52,000
<b>Sub-Total</b>				<b>\$ 52,000</b>
<b>Department:</b>	<b>WATER QUALITY</b>			
600 8031.600.1	Misc. Laboratory Equipment for Unplanned Projects and Regulatory Requirements	1	\$ 45,000	\$ 45,000
600 8036.600.1	Laboratory Instrumentation for Future Biosolids and Energy Recovery Project.	1	\$ 25,000	\$ 25,000
600 8036.600.2	Existing Laboratory Equipment Replacement	1	\$ 155,000	\$ 155,000
600 8031.600.2	Laboratory Equipment for Biosolids and Energy Recovery Project.	1	\$ 15,000	\$ 15,000
600 8031.600.3	Solid Phase Extraction Equipment for Wastewater and Solid Waste Semi-Volatile Organic Methods.	1	\$ 47,050	\$ 47,050
<b>Sub-Total</b>				<b>\$ 287,050</b>
<b>Department:</b>	<b>REGULATORY COMPLIANCE</b>			
740 8031.740.1	Sigma refrigerated automated sampler used for regulatory compliance sampling at LAWRP.	1	\$8,000	\$ 8,000
740 8031.740.2	Two (2) sigma refrigerated automated samplers used for regulatory compliance sampling at MWRP.	2	\$8,000	\$ 16,000
<b>Sub-Total</b>				<b>\$ 24,000</b>
<b>Department:</b>	<b>FLEET SERVICES</b>			
870 8037.870.1	Vactor HydroExcavator	1	\$ 535,000	\$ 535,000
870 8055.870.1	Light Duty Pickup Truck 4X4	1	\$ 27,500	\$ 27,500
870 8055.870.2	Light Duty Pickup Truck 4X4	1	\$ 27,500	\$ 27,500
870 8055.870.3	Medium Duty Pickup Truck 4X2	1	\$ 27,500	\$ 27,500
870 8055.870.4	Medium Duty Pickup Truck 4X4	1	\$ 27,500	\$ 27,500
870 8055.870.5	Medium Duty Pickup Truck 4X4	1	\$ 27,500	\$ 27,500
870 8055.870.6	Medium Duty Pickup Truck 4X4	1	\$ 27,500	\$ 27,500
870 8037.870.2	CCTV Truck Retrofit	1	\$ 188,000	\$ 188,000
870 8055.870.7	Hybrid Sedan	1	\$ 24,000	\$ 24,000
870 8055.870.8	Hybrid Sedan	1	\$ 24,000	\$ 24,000
870 8055.870.9	Light Duty Pickup Truck 4X2	1	\$ 26,000	\$ 26,000
870 8055.870.10	Light Duty Pickup Truck 4X2	1	\$ 26,000	\$ 26,000

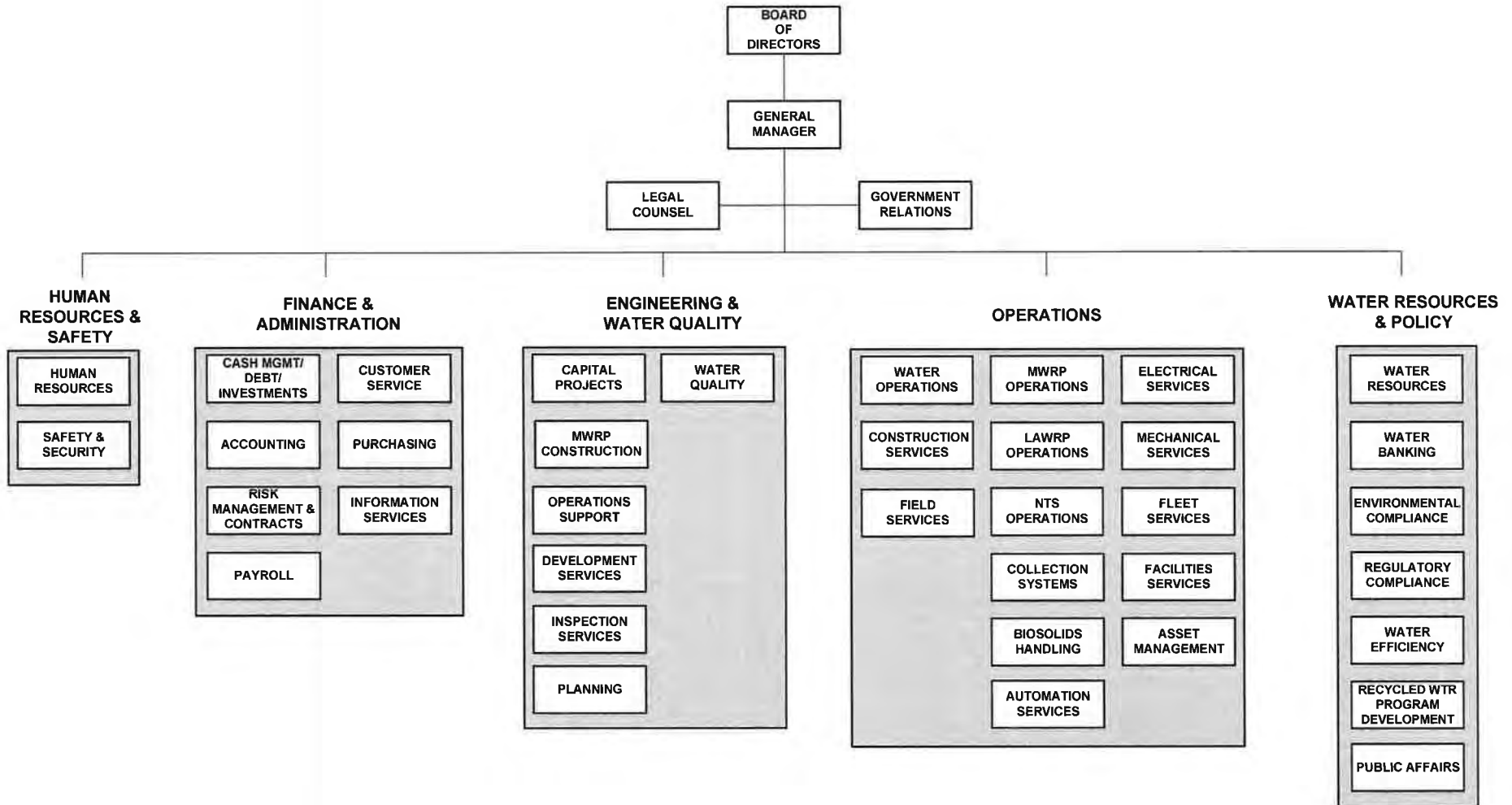


# CONSOLIDATED

## GENERAL PLANT BUDGET

<b>TASK</b>		<b>Item Description</b>	<b>Quantity</b>	<b>Price</b>	<b>Proposed 2018-19</b>
870	8055.870.12	Medium Duty Pickup Truck 4X4	1	\$ 29,500	\$ 29,500
870	8055.870.13	Medium Duty Pickup Truck 4X2 with Utility Body	1	\$ 44,500	\$ 44,500
870	8055.870.14	Medium Duty Pickup Truck 4X2 with Utility Body	1	\$ 44,500	\$ 44,500
870	8055.870.15	Medium Duty Pickup Truck 4X2 with Utility Body	1	\$ 44,500	\$ 44,500
870	8055.870.16	Medium Duty Pickup Truck 4X2 with Utility Body	1	\$ 44,500	\$ 44,500
870	8055.870.17	Medium Duty Pickup Truck 4X2 with Utility Body	1	\$ 44,500	\$ 44,500
870	8055.870.18	Medium Duty Pickup Truck 4X2 with Utility Body	1	\$ 44,500	\$ 44,500
870	8055.870.19	Medium Duty Pickup Truck 4X2 with Utility Body, Compressor, and Crane	1	\$ 110,000	\$ 110,000
870	8036.870.1	Engine Driven Vibratory Compactors (2)	1	\$ 11,200	\$ 11,200
870	8036.870.2	Recyled Water Trailer	1	\$ 22,500	\$ 22,500
Sub-Total					\$1,428,200
Total General Plant					\$2,694,250

**Irvine Ranch Water District  
Organizational Chart  
(By Function)  
Fiscal Year 2018-19**





# POSITIONS BY COST CENTER

## THREE YEAR PERSONNEL COMPARISON

Department	Authorized Positions		
	2016-17	2017-18	2018-19
<b>Administration</b>			
Number of Positions	15.0	16.0	16.0
% change from prior year	7.1 %	6.7 %	0.0 %
<b>Finance and Administrative Services</b>			
Number of Positions	80.0	81.0	84.5
% change from prior year	6.7 %	1.3 %	4.3 %
<b>Engineering</b>			
Number of Positions	42.0	44.0	44.0
% change from prior year	5.0 %	4.8 %	0.0 %
<b>Water Quality</b>			
Number of Positions	20.0	20.0	20.0
% change from prior year	0.0 %	0.0 %	0.0 %
<b>Water Policy</b>			
Number of Positions	36.0	37.0	39.5
% change from prior year	5.9 %	2.8 %	6.8 %
<b>Water Operations</b>			
Number of Positions	73.0	77.0	82.0
% change from prior year	2.8 %	5.5 %	6.5 %
<b>Recycling Operations</b>			
Number of Positions	50.0	55.0	56.0
% change from prior year	4.2 %	10.0 %	1.8 %
<b>Maintenance</b>			
Number of Positions	52.0	48.0	52.0
% change from prior year	4.0 %	(7.7) %	8.3 %
<b>Total Number of Positions</b>	<b>368.0</b>	<b>378.0</b>	<b>394.0</b>
<b>Number of Changed Positions</b>	<b>16.0</b>	<b>10.0</b>	<b>16.0</b>
<b>% Change From Prior Year</b>	<b>4.5 %</b>	<b>2.7 %</b>	<b>4.2 %</b>





# SALARIES AND WAGES

## *SUMMARY OF SALARIES AND WAGES*

(in thousands)

	Total	Administration	Finance & Administrative Services	Engineering	Water Quality	Water Policy	Water Operations	Recycling Operations	Maintenance
Current Authorized: Gross Pay	\$32,855	\$1,681	\$6,722	\$4,562	\$1,725	\$3,619	\$6,174	\$4,328	\$4,044
Annual Increase	1,111	119	184	299	99	9	232	163	5
Sub-Total Regular Salaries & Wages	33,966	1,801	6,907	4,861	1,824	3,629	6,406	4,491	4,048
New Positions: Gross Pay	1,015	\$0	\$326	\$0	\$0	\$197	\$222	\$79	\$191
Total Regular Salaries & Wages	34,981	1,801	7,233	4,861	1,824	3,826	6,628	4,570	4,239
Insurance and Benefits	8,311	428	1,718	1,155	433	909	1,575	1,086	1,007
Employment Tax & PERS Contributions	10,323	531	2,134	1,434	538	1,129	1,956	1,349	1,251
Total Regular Salaries & Wages, health Insurance and employment taxes	\$53,615	\$2,760	\$11,085	\$7,450	\$2,795	\$5,864	\$10,159	\$7,005	\$6,497
Employee Count:	394	16	85	44	20	40	82	56	52



# BENEFITS AND EMPLOYMENT TAX

## *HEALTH INSURANCE AND EMPLOYER CONTRIBUTIONS*

(in thousands)

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>Change</u>
<b>Insurance and Benefits</b>			
Health Ins Actives	\$5,220	\$5,423	\$203
Dental Premiums	421	442	21
Wrkrs Comp Premiums	660	692	32
Wrkrs Comp Paid Claims	612	813	201
Life Ins Actives	150	153	3
LT Disability Premiums	103	136	33
Medical Premiums - Retirees	115	151	36
Vision Benefit Premiums	85	82	(3)
RHCAP Payments - OPEB	325	344	19
Life Ins Retirees	14	11	(3)
Other	63	64	1
	<u>\$7,768</u>	<u>\$8,311</u>	<u>\$543</u>
<b>Employment Tax and PERS</b>			
PERS Employer Portion	\$6,340	\$7,468	\$1,128
PERS In Excess Of ARC	1,872	1,297	(575)
401A Employer Match Portion	734	850	116
401A Employer Direct Portion	126	160	34
Medicare Tax	476	498	22
St Unemployment Tax	50	50	0
	<u>\$9,598</u>	<u>\$10,323</u>	<u>\$725</u>
<b>Total Insurance, Benefits, and Taxes</b>	<u>\$17,366</u>	<u>\$18,634</u>	<u>\$1,268</u>

**FY 2018/19 Budget**  
**Summary of Proposed Budgeted Personnel Changes**

<b>Proposed Changes to Existing Budgeted Positions</b>						
<b>Dept</b>	<b>Job Title</b>	<b>Current Sal Grade</b>	<b>Proposed Action</b>	<b>Proposed Job Title</b>	<b>Proposed Sal Grade</b>	<b>Salary Costs</b>
210	Accounting Clerk	16.N	Reclass 1 Position	Senior Accounting Clerk	20.N	\$5,808
220	Customer Service Field Technician	16.N	Reclass 1 Position	Senior Customer Service Field Technician	21.N	\$7,584
240	Sr. Buyer	29.N	Reclass 1 Position	Purchasing Supervisor	U11.E	\$9,576
250	Network and Support Manager	U20.E	Title Change 1 position	Network and Cybersecurity Manager	U20.E	\$0
250	Network Administrator	U32.N	Title Change 1 position	User Support Administrator	U32.N	\$0
250	Support Specialist*	13.N	Reclass 1 Position	Sr. Support Specialist	18.N	\$6,636
300	Associate Engineer	U14.E	Reclass 1 Position	Engineer	U17.E	\$10,704
300	GIS Technician II	25.N	Reclass 1 Position	GIS Technician III	29.N	\$8,652
530	Automation Technician	28.N	Reclass 1 Position	Automation Specialist	32.N	\$9,432
570	Collection Systems Supervisor	S30.N	Upgrade 2 Positions	Collection Systems Supervisor	S32.N	\$9,720
600	Laboratory QA/QC	U12.E	Upgrade 1 Position	QA/QC Compliance Administrator	U14.E	\$6,552
730	Public Affairs Assistant	22.N	Upgrade 1 Position	Public Affairs Assistant	24.N	\$3,828
Subtotal						<u>\$78,492</u>

\*Support Specialist was underfilling Network Administrator

<b>Proposed New Positions</b>				
<b>Dept</b>	<b>Job Title</b>	<b>Sal Grade</b>	<b>Salary Costs</b>	<b>Number of Positions</b>
210	Accountant	27.N	\$37,062	0.5
240	Material Control Clerk	11.N	\$48,288	1
250	Network Administrator	U32.N	\$85,932	1
250	User Support Manager	U18.E	\$112,452	1
425	Water Maintenance Technician I	16.N	\$164,052	3
430	Water Maintenance Technician I	16.N	\$109,368	2
515	Wetlands Specialist	24.N	\$67,956	1
750	Source Control Program Administrator	U12.E	\$45,654	0.5
750	Water Efficiency Field Technician	16.N	\$54,684	1
750	Sr. Water Efficiency Field Tech	21.N	\$62,268	1
820	Senior Electrical Technician	30.N	\$80,904	1
840	Senior Maintenance Mechanic	27.N	\$74,124	1
850	Senior Facilities Technician	27.N	\$74,124	1
870	Senior Vehicle/Equipment Technician	27.N	\$74,124	1
Subtotal			<u>\$1,090,992</u>	<u>16</u>

To be filled 1/1/19

To be filled 1/1/19

Total \$1,169,484



# LABOR

## *PROPOSED LABOR CHANGES*

### **Proposed Personnel Budget Changes Reflected in the FY 2018/19 Operating Budget**

#### **Title and Salary Grade Changes for Existing Positions/Job Titles:**

##### ***Finance (210):***

Accounting Clerk (From Salary Grade 16.N to Salary Grade 20.N)

This reclass is to flex Account Clerk/Sr. Accounting Clerk and provide flexibility to properly reflect the specific duties and responsibilities of the position.

##### ***Customer Service (220):***

Customer Service Field Technician (Salary Grade 16.N) ➡ Sr. Customer Service Field Technician (Salary Grade 21.N)

This position reclass is being requested to more properly reflect the specific duties and responsibilities of the position.

##### ***Purchasing (240):***

Purchasing Supervisor (Salary Grade U11.E) – one position, no additional staff

This position is to reduce the span of control for the Purchasing Manager. Promotional opportunity.

##### ***Information Services (250)***

Network & Support Manager (Salary Grade U20.E) ➡ Network & Cybersecurity Manager (Salary Grade U20.E)

This title change is being requested to more properly reflect the specific duties and responsibilities of the position.

Network Administrator (underfilled at Support Specialist Salary Grade 13.N) ➡ Sr. Support Specialist (Salary Grade 18.N)

This position reclass is being requested to more properly reflect the specific duties and responsibilities of the position.

Network Administrator (Salary Grade U32.N) ➡ User Support Administrator (Salary Grade U32.N)

This title change is being requested to properly reflect the new user support duties.



# LABOR

## *PROPOSED LABOR CHANGES*

### ***Engineering (300):***

Associate Engineer (Salary Grade U14.E) ➡ Engineer (Salary Grade U17.E) (2 Positions)

This reclass is to flex Assist/Assoc/Engineer and provide flexibility to properly reflect the specific duties and responsibilities of the position.

GIS Technician II (Salary Grade 25.N) ➡ GIS Technician III (Salary Grade 29.N)

This position reclass is being requested to more properly reflect the specific duties and responsibilities of the position.

### ***Automation (530)***

Automation Technician (Salary Grade 28.N) ➡ Automation Specialist (Salary Grade 32.N)

This position reclass is being requested to more properly reflect the specific duties and responsibilities of the position.

### ***Collection Systems (570):***

Collection Systems Supervisor (Salary Grade S30.N to S32.N) – two positions

These position upgrades are being requested to more properly reflect the higher-level duties and responsibilities of this position.

### ***Water Quality (600):***

Laboratory QA/AC (Salary Grade U12.E) ➡ QA/QC Compliance Administrator (Salary Grade U14.E)

This position upgrade and title change is being requested to more properly reflect the specific duties and responsibilities of this position.

### ***Public Affairs (730):***

Public Affairs Assistant (Salary Grade 22.N to 24.N)

This position upgrade is being requested to more properly reflect the higher-level duties and responsibilities of this position.

### **New Positions:**

#### ***Finance (210):***

Accountant (Salary Grade 27.N) – one position, effective 1/1/19

This position is to serve as back up to payroll and payroll accounting functions.



# LABOR

## *PROPOSED LABOR CHANGES*

### ***Purchasing (240):***

Material Control Clerk (Salary Grade 11.N) – one position

This position is required to support Maximo implementation Biosolids.

### ***Information Services (250):***

User Support Manager (Salary Grade U18.E) – one position

This position is to create a formal User/Help Desk department.

Network Administrator (Salary Grade U32.N) – one position

This position is to replace Network Administrator positions moving to new User Support department.

### ***Field Services (425):***

Water Maintenance Technician I (Salary Grade 16.N) – three positions

These positions are required due to the increased workload and reduce the number of temporary employees.

### ***Construction Services (430):***

Water Maintenance Technician I (Salary Grade 16.N) – two positions

These positions are required due to the increased workload in maintenance and repairs.

### ***NTS Operations (515):***

Wetland Specialist (Salary Grade 29.N) – one position

This position is required to assist with the increase workload due to growth in the last year and reduce the number of temporary employees.

### ***Regulatory Compliance (740):***

Source Control Program Administrator (Salary Grade U12.E) – one position, effective 1/1/19

This position is required due to the development of the FOG program.

### ***Water Efficiency (750):***

Water Efficiency Field Technician (Salary Grade 16.N) – one position

This position is required to develop the Water Loss Prevention and Recovery Program.

Sr. Water Efficiency Field Technician (Salary Grade 21.N) – one position

This position is required to develop the Water Loss Prevention and Recovery Program.



# LABOR

## *PROPOSED LABOR CHANGES*

### ***Electrical Services (820):***

Sr. Electrical Technician (Salary Grade 30.N) – one position

This position is required due to the increase workload at Baker and Biosolids.

### ***Mechanical Services (840):***

Sr. Maintenance Machanic (Salary Grade 27.N) – one position

These position is required due to the increase workload at Baker and Biosolids.

### ***Facilities Services (850):***

Sr. Facilities Technician (Salary Grade 27.N) – one position

These position is required due to the increase workload and upcoming projects.

### ***Fleet Services (870):***

Sr. Vehicle/Equipment Technician (Salary Grade 27.N) – one position

These position is required due to the increase workload with expansion of fleet.



April 9, 2018

Prepared and

Submitted by: L. Bonkowski

Approved by: Paul A. Cook

*LB*  
*Paul A. 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

##### Mary Aileen Matheis

March 29 Independent Special Districts of Orange County Quarterly Luncheon Meeting

##### Douglas Reinhart

March 16 IRWD Legal Transition Meeting

##### Peer Swan

March 5 North OC Watershed Management Area Meeting, Orange

April 5 Public Perceptions of Urban Water Sustainability Transitions for the Colorado River Basin, UC Irvine

April 5 MWDOC Board & Member Agency Elected Officials' Forum, Fountain Valley

##### John Withers

March 27 Marriott Spectrum Grand Opening Event

#### RECOMMENDATION:

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

#### LIST OF EXHIBITS:

None.

April 9, 2018

Prepared and

Submitted by: L. Bonkowski

Approved by: P. Cook



## CONSENT CALENDAR

### MINUTES OF BOARD MEETINGS

#### SUMMARY:

Provided are the minutes of the March 26, 2018 Regular Board Meeting and the April 2, 2018 Regular Board meeting for approval.

#### FISCAL IMPACTS:

None.

#### ENVIRONMENTAL COMPLIANCE:

Not applicable.

#### COMMITTEE STATUS:

Not applicable.

#### RECOMMENDATION:

THAT THE MINUTES OF THE MARCH 26, 2018 REGULAR BOARD MEETING AND THE APRIL 2, 2018 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

#### LIST OF EXHIBITS:

Exhibit "A" – March 26, 2018 Minutes of Regular Board Meeting

Exhibit "B" – April 2, 2018 Minutes of Regular Board Meeting

## EXHIBIT "A"

### MINUTES OF REGULAR MEETING – MARCH 26, 2018

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:00 p.m. by President Reinhart on March 26, 2018 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: LaMar, Reinhart, Matheis, Swan, and Withers (arrived at 6:40 p.m.)

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Water Policy Weghorst, Executive Director of Finance and Administration Clary, Director of Public Affairs Beeman, Director of Water Resources Sanchez, Public Affairs Manager Fabris, Director of Human Resources Roney, Director of Treasury and Risk Management Jacobson, Director of Water Operations Zepeda, Director of Maintenance Drake, Director of Water Operations Roberts, Government Relations Officer Compton, Principal Engineer Mori, Principal Engineer Lew, Principal Engineer Malloy, Principal Engineer Cortez, Legal Counsel Collins, Secretary Bonkowski, Assistant Secretary Swan, Asset Systems Manager Meserlian, Natural Resources Manager Swift, Manager of Risk and Contracts Shinbashi, Mr. Christian Kessler, Mr. Dana Wehr, Ms. Martine Wehr, Consultant Bruce Newell and members of the public.

WRITTEN COMMUNICATIONS: None.

ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None

### PRESENTATION – RESOLUTION TO COMMEND DANA WEHR FOR HIS 24 YEARS OF SERVICE TO THE DISTRICT

General Manager Cook presented a resolution to Mr. Dana Wehr for his 24 years of service to the District. On MOTION by Matheis, seconded and carried (4-0) Matheis, Swan, LaMar and Reinhart voting aye and Withers absent), THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

#### RESOLUTION NO. 2018-8

RESOLUTION OF THE BOARD OF DIRECTORS  
OF IRVINE RANCH WATER DISTRICT COMMENDING  
DANA WEHR FOR HIS DEDICATED AND  
OUTSTANDING SERVICE TO THE DISTRICT

### WORKSHOP – WATER SHORTAGE CONTINGENCY PLAN UPDATE

Using a PowerPoint presentation, Director of Water Resources Sanchez provided background on the IRWD Water Shortage Contingency Plan (WSCP) noting that the last significant revision

occurred in 2009 with a slight modification in 2014 during the statewide drought in response to State-mandated reductions.

Ms. Sanchez reported on the proposed long-term water efficiency legislation in 2018 including: 1) requirements and procedures for annual water supply and demand assessments; 2) six standardized shortage stages; 3) anticipated response measures and communication protocols for each shortage stage; 4) requirements for a drought risk assessment and comparison of the total water supply sources available to the total projected water use during a drought period; and 5) an assessment of the potential financial impacts associated with a shortage response. She reviewed the regional shortage and IRWD shortage levels, shortage response measures, a communication plan, and next steps.

Director Matheis said that this item was reviewed by the Water Resources Policy and Communications Committee on February 20, 2018, and the Committee concurs with moving forward with the plan update.

### CONSENT CALENDAR

General Manager Cook noted a typographical error on the March 12, 2018 Regular Board Meeting minutes relative to the recording of how the Board members' votes. There being no further comments, on MOTION by Matheis, seconded and carried, (4-0) Matheis, Swan, LaMar and Reinhart voting aye and Withers absent), CONSENT CALENDAR ITEMS 5 THROUGH 11 WERE APPROVED AS FOLLOWS:

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

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

6. MINUTES OF BOARD MEETINGS

Recommendation: That the minutes of the March 12, 2018 Special Meeting and March 12, 2018 Regular Board Meeting be approved as amended with nonsubstantive changes.

7. UC IRVINE COOLING TOWER RECYCLED WATER CONSERVATION PIPELINE PHASE II BUDGET INCREASE AND CONTRACT CHANGE ORDER

Recommendation: That the Board authorize a budget increase in the amount of \$357,000, from \$1,102,500 to \$1,459,500, for Project 07101, and in the amount of \$110,000, from \$738,100 to \$848,100, for Project 07102; and authorize the General Manager to execute Contract Change Order No. 2 with Sully-Miller Contracting Company in the Amount of \$237,088.70 for the UC Irvine Cooling Tower Recycled Water Conversion Pipeline Phase II, Projects 07101 And 07102.

## CONSENT CALENDAR (CONTINUED)

### 8. FEBRUARY 2018 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate SWAP Summary for February 2018, and Disclosure Report of Reimbursements to Board members and staff; approve the February 2017 Summary of Payroll ACH payments in the total amount of \$1,816,518 and approve the February 2018 Accounts Payable Disbursement Summary Of Warrants 3888884168 through 385061, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$20,760,983.

### 9. 3.7 MG ZONE I RESERVOIR PROJECT FINAL INITIAL STUDY/ MITIGATED NEGATIVE DECLARATION

Recommendation: That the Board find on the basis of the whole record before it (including the Initial Study/Mitigated Negative Declaration and the comments received), that there is no substantial evidence that the 3.7 MG Zone 1 Reservoir will have a significant effect on the environment and that the Mitigated Negative Declaration reflects IRWD's independent judgment and analysis; adopt the proposed Mitigated Negative Declaration for the 3.7 MG Zone 1 Reservoir and the associated Mitigation Monitoring and Reporting Program; approve the project; authorize staff to post and file a Notice of Determination; and submit payment for the California Department of Fish and Wildlife Service filing fee.

### 10. ADDENDUM NO. 4 TO THE MICHELSON WATER RECYCLING PLANT PHASE 2 AND 3 CAPACITY EXPANSION FINAL ENVIRONMENTAL IMPACT REPORT

Recommendation: That the Board approve the proposed Addendum No. 4 to the Michelson Water Recycling Plant Phase 2 and 3 Capacity Expansion Project's Final Environmental Impact Report, including the determinations set forth in Addendum no. 4, and authorize staff to post and file a Notice of Determination.

### 11. 2018 REGULAR LAFCO SPECIAL DISTRICTS REGULAR AND ALTERNATE SEAT ELECTION

Recommendation: That the Board authorize the District Secretary to submit the "Declaration of Qualification to Vote" form designating President Doug Reinhart as IRWD's authorized voting member and Vice President Steve Lamar as IRWD's alternate voting member for the Orange County Special District Selection Committee election; and authorize the District's voting member, or his alternate, to cast the District's ballot before the May 25, 2018, deadline.

## ACTION CALENDAR

### MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES CONTRACT CHANGE ORDER NO. 76

General Manager Cook reported on Contract Change Order No. 76 with Filanc/Balfour-Beatty which contains: 1) power feed to Microturbine Capstone Logic Controllers (CLC) in the amount of \$49,534.35 – additional electrical conduits and cables are required for the CLCs. The single CLC replaces the five individual controllers and was added by the microturbine manufacturer after the bid to allow for better monitoring of the microturbines; 2) upsizing of electrical cables related to the heat drying system in the amount of \$4,670.94 – electrical cables that service the heat drying system were required to be upsized due to changes made by the dryer supplier during the submittal process; 3) additional cables to MCC-1 in the amount of \$5,679.24 – to conform with the heat dryer’s electrical requirements, several modifications to the electrical cabling are required; 4) electrical code area classification change at the digester gas foam separator in the amount of \$8,804.31 – to comply with fire code requirements, it was concluded that all electrical equipment on the biogas foam separator be changed to Class 1, Division 1; 5) addition of water source for the foam separator in the amount of \$8,418.23 – a water source for the biogas foam separator outside the digester control building was required; 6) SCADA modifications in various process areas in the amount of \$47,170.62 – for better monitoring and control, SCADA modifications were made in various process areas based on discussions during programming workshops; and 7) solids handling building stair modifications in the amount of \$26,412.35 – modifications are required to a stair to resolve conflicts with the heat dryer pellet silo structure.

Director Matheis reported that this item was reviewed by the Engineering and Operations Committee on March 20, 2018, and the Committee concurs with staff’s recommendation. She thanked Principal Engineer Malloy for his efforts. On MOTION by Matheis, seconded and carried, (4-0) Matheis, Swan, LaMar and Reinhart voting aye and Withers absent), THE BOARD APPROVED CONTRACT CHANGE ORDER NO. 76 IN THE AMOUNT OF \$150,690.04 WITH FILANC/BALFOUR BEATTY FOR ELECTRICAL, INSTRUMENTATION, CONTROLS, AND STRUCTURAL MODIFICATIONS FOR THE MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES, PROJECT 04286.

### TECHNOLOGY DRIVE AND LAGUNA CANYON ROAD CAPITAL RECYCLED WATER FACILITIES BUDGET INCREASE AND CONTRACT CHANGE ORDER

General Manager Cook reported that the Irvine Community Development Company (ICDC) has constructed the Technology Drive and Laguna Canyon Road Zone B Recycled Water pipeline as part of its Technology Drive Extension project under Master and Supplemental Reimbursement Agreements. The project consists of approximately 6,000 feet of 24-inch cement mortar lined and coated steel pipeline (CMLC) within Laguna Canyon Road and the new Technology Drive extension.

Mr. Cook said that the project encountered numerous field issues that had substantial impacts to the schedule and budget and that Contract Change Order (CCO) No. 9 comprises several Change Requests (CR) that represent added scope of work resulting from field issues and include: 1) utility conflicts in the amount of \$632,997.49 - Southern California Edison (SCE) and IRWD were simultaneously designing projects within Laguna Canyon Road. SCE’s project, which

included installing a conduit bank on the east side of Laguna Canyon between Irvine Center Drive and Technology, started construction prior to the beginning of construction of ICDC's project. As a result, the profile of IRWD's 24-inch steel pipe was required to be lowered to avoid conflicts with the recently-constructed SCE conduit bank (CR No. 7) and air vacuum valve lateral profiles were modified (CR No. 9); 2) brine line relocation in the amount of \$238,801.07 - the pipeline connection location at Laguna Canyon Road and Irvine Center Drive has numerous underground facilities that made it very difficult to connect to the existing 24-inch pipeline within Irvine Center Drive. To simplify the connection, IRWD decided to lower the existing 12-inch brine line serving IRWD's Potable Treatment Plant; 3) recycled water system shutdown in the amount of \$107,505.32 - Several commercial centers in the area are dual plumbed, utilizing recycled water for restrooms and cooling towers. CR No. 12 represents the additional costs associated with the shutdown; and 4) Miscellaneous Issues in the amount of \$151,761.7.

Director Matheis reported that this item was reviewed by the Engineering and Operations Committee on March 20, 2018, and the Committee concurs with the staff recommendation. On MOTION by Matheis, seconded and carried, (4-0) Matheis, Swan, LaMar and Reinhart voting aye and Withers absent), THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$1,736,500, FROM \$3,223,500 TO \$4,960,000, AND APPROVED CONTRACT CHANGE ORDER NO. 9 IN THE AMOUNT \$1,131,065.61 FOR THE TECHNOLOGY DRIVE AND LAGUNA CANYON ROAD RECYCLED WATER FACILITIES, PROJECT 01015.

#### TERMS FOR LONG-TERM EXCHANGE PROGRAM WITH ANTELOPE VALLEY- EAST KERN WATER AGENCY

Executive Director of Water Policy Weghorst reported that staff met with the Antelope Valley-East Kern Water Agency (AVEK) to discuss implementing a mutually beneficial long-term exchange program that would allow AVEK to deliver State Water Project (SWP) water into storage at the Stockdale Water Bank on a two-for-one basis. Mr. Weghorst said that as a result of this meeting, staff prepared proposed draft terms for a Long-Term Exchange Program. He said that AVEK's Board of Directors approved the terms and authorized its General Manager to coordinate the preparation of an agreement based upon the terms which are provided as the Exhibit. He said that in the agreement AVEK would be allowed to deliver water into storage multiple times between now and 2035. The total amount of storage that would be dedicated to the exchange program would be 20,000 AF. IRWD would return half of the water, less a proportional share of losses to AVEK by the end of the seventh full year after each associated recharge event. IRWD and AVEK would each pay for their respective share of recharge and recovery costs. It is expected that AVEK would be able to deliver water to the water bank when the SWP allocation is at or above average conditions. If AVEK does not exercise its rights to deliver water into storage, then IRWD would have the discretion to use AVEK's unused storage capacity for other IRWD programs or to reduce the total storage capacity allocated to AVEK.

Director Reinhart said that this item was reviewed by the Supply Reliability Programs Committee on December 21, 2017. Following discussion, on MOTION by Reinhart, seconded and carried, (4-0) Matheis, Swan, LaMar and Reinhart voting aye and Withers absent), THE BOARD APPROVED THE PROPOSED TERMS FOR A LONG-TERM EXCHANGE PROGRAM BETWEEN ANTELOPE VALLEY-EAST KERN WATER AGENCY AND IRVINE RANCH WATER DISTRICT AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT



BASED ON THE TERMS, SUBJECT TO ANY SUBSTANTIVE CHANGES BEING APPROVED BY IRWD'S SUPPLY RELIABILITY PROGRAMS COMMITTEE.

#### ENTERPRISE ASSET MANAGEMENT IMPLEMENTATION SERVICES

General Manager Cook reported that following a successful implementation of the Maximo Enterprise Asset Management (EAM) software, staff is now seeking to maximize the use of Maximo among various District functions. Mr. Cook said that staff is seeking to extend TRM's services through October 2018 to implement a robust work planning/scheduling tool known as Maximo Scheduler, and to enable the use of Maximo for fleet assets. TRM's scope will include: 1) design, configuration, testing, and training services for the implementation of Maximo Scheduler by June 2018. The Scheduler module focuses on two graphical features that are designed to streamline the work order scheduling and assignment process; and 2) development, integration, testing, and training services to enable fleet assets in Maximo by October 2018.

Director Matheis said that this item was reviewed by the Engineering and Operations Committee on March 20, 2018, and on MOTION by Matheis, seconded and carried, (4-0) Matheis, Swan, LaMar and Reinhart voting aye and Withers absent), THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES VARIANCE WITH TOTAL RESOURCE MANAGEMENT FOR A NOT-TO-EXCEED COST OF \$216,876.80.

#### FISCAL YEAR 2017-18 AND FISCAL YEAR 2018-19 GENERAL COUNSEL AND OTHER LEGAL SERVICES CONTRACTS

General Manager Cook reported that the District has elected to adopt a team approach to the procurement of legal services which divides legal service responsibility for regular issues and matters across multiple law firms.

Mr. Cook highlighted staff recommendations as follows: 1) Ms. Claire Hervey Collins, as general counsel, and on occasion other members of the Lewis Brisbois firm, will provide general counsel legal services for the District focused on municipal law, transactional and non-complex issues, and rate-setting; 2) Alston & Bird will continue to provide legal services to IRWD related to complex issues and litigation matters; and 3) Kronick Moskowitz Tiedemann & Girard will continue to provide legal services to IRWD related to water resources and policy-related matters including matters related to water banking, water transfers, environmental compliance and other regulatory issues.

On MOTION by LaMar, seconded and carried, (4-0) Matheis, Swan, LaMar and Reinhart voting aye and Withers absent), THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH LEWIS BRISBOIS BISGAARD & SMITH LLP FOR GENERAL COUNSEL LEGAL SERVICES FOCUSED ON MUNICIPAL LAW, TRANSACTIONAL AND NON-COMPLEX ISSUES, AND RATE-SETTING WITH A TERM OF MARCH 23, 2018, TO SEPTEMBER 30, 2018, AND A NOT-TO-EXCEED VALUE OF \$375,000 WITHOUT ADDITIONAL AUTHORIZATION FROM THE DISTRICT; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A VARIANCE TO THE LETTER OF ENGAGEMENT WITH ALSTON & BIRD FOR LEGAL SERVICES RELATED TO COMPLEX ISSUES AND LITIGATION WITH A TERM OF APRIL 1, 2018, TO JUNE 30, 2019, AND A NOT-TO-EXCEED VALUE OF \$1,500,000; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A VARIANCE TO THE PROFESSIONAL SERVICES AGREEMENT WITH KRONICK MOSKOVITZ TIEDEMANN & GIRARD FOR

LEGAL SERVICES RELATED TO WATER RESOURCES AND POLICY MATTERS AND ISSUES WITH A TERM OF APRIL 1, 2018, TO JUNE 30, 2019, AND A NOT-TO-EXCEED VALUE OF \$250,000.

#### GENERAL MANAGER'S REPORT

General Manager Cook asked legal counsel Ms. Claire Hervey Collins to introduce both Mr. Paul Beck and Mrs. Sara Atsbaha from Lewis Brisbois to the Board.

Mr. Cook announced that the District received the District Transparency Certificate of Excellence by the Special District Leadership Foundation and thanked staff for its efforts.

#### DIRECTORS' COMMENTS

Director Matheis reported that she and Director LaMar attended an ACWA Legislative Symposium in Sacramento and that she also attended a California Water Policy conference in Davis.

Director LaMar reported on his attendance at an ACWA Legislative Symposium and reception the night prior, a quarterly Natural Communities Coalition meeting, an ACWA-JPIA Executive Committee meeting, and a California Environmental Dialogue meeting. He complimented Public Affairs Director Beeman on the latest version of the Pipelines Newsletter in which the District's rate structure is described.

Director Reinhart reported on his attendance at a MWDOC Administrative and Finance Committee meeting and a MWDOC Board meeting where they voted to support both Mr. Doug Davert and Mr. Jim Fisler for the upcoming LAFCO seats.

Consultant Bruce Newell reported on canyon activities including a pancake breakfast this week.

#### CLOSED SESSION

President Reinhart said that the following Closed Session will be held:

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION- Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2). (One potential case.).

Director Withers arrived at 6:40 p.m.

#### OPEN SESSION

Following the Closed Session, the meeting was reconvened with all Directors present. President Reinhart said that relative to CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION - Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2). (One (1) potential case), there was no action to report.

#### ADJOURNMENT

President Reinhart adjourned the meeting at 7:34 p.m.

APPROVED and SIGNED this 9th day of April, 2018.

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President, IRVINE RANCH WATER DISTRICT

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Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

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Claire Hervey Collins, Legal Counsel – Lewis Brisbois

## EXHIBIT “B”

### MINUTES OF REGULAR MEETING – APRIL 2, 2018

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:00 p.m. by President Reinhart on April 2, 2018 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Water Policy Weghorst, Executive Director of Finance and Administration Clary, Executive Director of Engineering and Water Quality Burton, Director of Public Affairs Beeman, Government Relations Officer Compton, Principal Engineer Akiyoshi, Legal Counsel Collins, Legal Counsel DeMayo, and Secretary Bonkowski.

WRITTEN COMMUNICATIONS: None.

ORAL COMMUNICATIONS: Mr. Fred Adjarian, Board member of El Toro Water District, asked for the Board’s support for his election to a Regular Special District seat on the Local Agency Formation Commission as the term for the current seat expires on June 30, 2018.

ITEMS TOO LATE TO BE AGENDIZED: None

### CLOSED SESSION

President Reinhart said that the following Closed Session will be held:

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION- Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2). (One potential case.).

### OPEN SESSION

Following the Closed Session, the meeting was reconvened with all Directors present. President Reinhart said that there was no action to report.

### ACTION CALENDAR

### CONSIDERATION OF RESOLUTION OF INTENT TO INITIATE THE PROCESS OF ESTABLISHING DIVISIONS AND ELECTIONS BY DIVISIONS

Pursuant to Water Code section 35180, IRWD uses an at-large method to elect the members of its Board of Directors. The California Voting Rights Act favors a by-division method of election instead of an at-large method of election for electing members of local government governing bodies. In a by-division method of election, the elected individual serves as the division’s representative on the board and must reside in that division.

On MOTION by LaMar, seconded by Matheis and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2018 - 9

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT'S INTENT TO INITIATE THE PROCESS OF  
ESTABLISHING DIVISIONS AND ELECTIONS BY DIVISIONS

ADJOURNMENT

Director Matheis noted the passing of Ms. Carolyn McInerney, and asked that the meeting be adjourned in her memory. President Reinhart adjourned the meeting at 5:55 p.m. in memory of Ms. McInerney, founder and former President of the Irvine Public Schools Foundation, and past member of the Irvine School Board.

APPROVED and SIGNED this 9th day of April, 2018.

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President, IRVINE RANCH WATER DISTRICT


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Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

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Claire Hervey Collins, Legal Counsel – Lewis Brisbois

April 9, 2018  
Prepared and  
submitted by: C. Compton  
Approved by: Paul A. Cook 

## CONSENT CALENDAR

### 2018 LEGISLATIVE AND REGULATORY UPDATE – REVISED

#### SUMMARY:

This report provides an update on the 2018 legislative session and IRWD's legislative and regulatory priorities. As legislation and regulations develop, 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 positions:

- *AB 2050 (Caballero, D-Salina): Small Water System Authority Action of 2018 — “SUPPORT”;*
- *AB 1876 (Frazier, D-Fairfield): Sacramento-San Joaquin Delta: Delta Plan 2018 — “OPPOSE”;*
- *AB 2283 (Holden, D- Pasadena): Income Taxes: Exclusion of Turf Removal Rebates — “SUPPORT”;*
- *AB 2890 (Ting, D-San Francisco): Land Use: Accessory Dwelling Units — “SEEK AMENDMENTS”;*
- *AB 2711 (Chen, R-Brea): Property Tax Revenue Allocations: County of Orange — “WATCH”;*
- *AB 3170 (Friedman, D-Glendale): Sales and Use Taxes: Exemptions for Water Efficiency — “SUPPORT”;*
- *SB 831(Wieckowski, D-Fremont): Land Use: Accessory Dwelling Units — “SEEK AMENDMENTS”;*
- *SB 1469 (Skinner, D-Oakland): Land Use: Accessory Dwelling Units — “SEEK AMENDMENTS”;*
- *SB 998 (Dodd, D-Napa): Discontinuation of Residential Water Service — “OPPOSE UNLESS AMENDED”; and*
- “SUPPORT” for Metropolitan Water District to finance the unsubscribed capacity in the 9,000 cfs form of the California WaterFix.

#### BACKGROUND:

Over the past few weeks, the bills introduced this year have met the “30-days in print” requirement, have been amended and are being heard in policy committees. This year, the last day for policy committees to hear fiscal bills is April 27, while May 11 is the policy committee deadline for non-fiscal bills.

A copy of the 2018 Legislative Matrix is attached as Exhibit “A”. Exhibit “B” is the 2018 Legislative Update Report Links to Bill and Regulatory Texts, which contains links to the bills and regulations discussed below, unless a separate exhibit is noted.

#### State Budget Update:

##### *February Revenue Numbers:*

On March 9, 2018, State Controller Betty Yee released her monthly report on the State’s finances. She announced that the State took in \$6.51 billion during the month of February. This was 6.3 percent lower than proposed budget estimates and 8.7 percent lower than projections contained in the FY 2017-2018 Budget Act. Additionally, the Controller reported that:

“For the fiscal year overall, the “big three” sources of General Fund revenue, personal income tax (PIT), retail sales and use tax, and corporation tax, are beating estimates in the enacted budget. For the first eight months of the 2017-18 fiscal year, total revenues of \$81.07 billion are 3.1 percent higher than expected in the January budget proposal, 6.0 percent above the enacted budget’s assumptions, and 10.6 percent higher than the same period in 2016-17.”

The State’s outstanding loan balance was \$9.72 billion, which was 27.9% less than proposed budget estimates during the month of February. Unused borrowable resources exceed projections by 28.3%.

#### 2018 State Legislative Update:

##### *“Making Water Conservation a California Way of Life”:*

Since the beginning of last year, staff has worked with various stakeholders and the Association of California Water Agencies (ACWA) on long-term water use efficiency and drought planning legislation. As reported to the Board, there were a number of bills introduced this year that relate to water use efficiency. The two comprehensive bills that seek to implement “Making Water Conservation a California Way of Life” remain AB 1668 (Friedman, D-Glendale) and SB 606 (Hertzberg, D-Van Nuys/Skinner, D-Oakland).

In late February, the authors released proposed amendments to AB 1668 and SB 606. The proposed amendments are positive in that they resolve several of the issues raised by the water community, but several important issues remain to be resolved. The largest of these issues relate to drought resilient supplies, the need for cost-effectiveness and feasibility to be considered when performance measures are developed for the commercial, industrial and institutional sector, language related to the outdoor standard, and enforcement.

As of the writing of this report, the proposed amendments have yet to be placed into the bills. It is expected that the amendments could be put into the bills as early as this week. Staff continues to work with various stakeholders on the bills in order to seek amendments requested by the water community that would improve the proposals currently before the Legislature and ensure



they can be implemented consistent with the intent of the authors and the Administration. Staff will provide an update on the ongoing discussions taking place on the legislation.

*Water Tax - SB 623 (Monning, D-Santa Cruz) and Budget Trailer Bill Proposal:*

In 2017, Senator Bill Monning (D-Santa Cruz) authored SB 623. SB 623 would have established the Safe and Affordable Drinking Water Fund in the State Treasury and would have provided that the moneys in the fund be continuously appropriated to the State Water Resources Control Board for grants, loans, contracts, or services to assist those without access to safe and affordable drinking water consistent with a fund implementation plan to be adopted annually by the State Board. On August 21, 2017, the bill was amended to include a fee on fertilizer, a fee on milk, and a monthly water tax of the following:

- \$0.95 per month for meters less than or equal to 1”;
- \$4.00 per month for meters less than or equal to 2”;
- \$6.00 per month for meters less than or equal to 4”;
- \$10.00 per month for meters greater than 4”; and
- Customers without a meter would be taxed at a rate of \$0.95.

SB 623 remains in the Assembly Rules Committees. Last year, IRWD adopted an “oppose/oppose unless amended” position on SB 623 and advocated against any water tax inconsistent with the Board-adopted policy on a public good charge/statewide user fee. In addition, earlier this year the Administration released a budget trailer bill labeled as “Safe and Affordable Drinking Water Act” which proposed in the form of a budget trailer bill the agricultural fees and water tax included in SB 623. Given the budget trailer bill’s similarity to SB 623 and its inconsistency with the Board-adopted policy on a public good charge/statewide user fee, IRWD adopted an “oppose/oppose unless amended” position on the budget trailer bill.

On March 14 and 15, the Assembly Budget Subcommittee No. 3 on Resources and Transportation and the Senate Budget Subcommittee No. 2 on Resources, Environmental Protection, Energy and Transportation heard the Administration’s budget trailer bill. Both subcommittees have held the budget trailer bill open to allow further consideration of the water tax. Staff has continued to work with ACWA and the District’s other industry partners to oppose a water tax. Staff will be available to provide an update on any new developments.

*AB 2050 (Caballero, D-Salinas): Small Water System Authority Action of 2018:*

In addition to the discussions taking place on a water tax to address water quality issues within disadvantaged communities, the water community has continued to think about other ways to address the challenges facing many communities in the state. The Eastern Municipal Water District (EMWD), in partnership with the California Municipal Utilities Association (CMUA), has put forth a proposal that would address the management and governance challenges facing water systems within disadvantaged communities. The proposal has been authored and introduced by Assemblymember Anna Caballero (D-Salinas) in AB 2050.

AB 2050 is intended to create a new category of water agency — a Small System Water Authority with unique powers to absorb, improve and competently operate currently non-compliant public water systems with either contiguous or non-contiguous boundaries. Small System Water Authorities would consolidate failing small water systems that are voluntarily donated to the Authority to provide technical, managerial and financial capabilities to ensure the provision of safe, clean, affordable, and accessible water and local governance.

As currently in print, AB 2050 would create the Small System Water Authority Act of 2018. The bill was recently amended to provide more concrete actions for implementation. Specifically, it requires the State Board to issue a written notice to cure by March 1, 2019, to any public agency, private water company, or mutual water company that has less than 3,000 service connections or serves less than 10,000 people, and is not in compliance with applicable drinking water standards as of December 31, 2018. Non-compliant water systems have 180 days to remedy the non-compliance or to prepare a plan to permanently remedy the violations. If the violations are not remedied, the system may be consolidated into a Small System Water Authority.

IRWD had previously taken a “support in concept” position on AB 2050. Given the important role governance will play in California’s ability to address water quality issues within disadvantaged communities, and now that AB 2050 provides clear conditions for consolidation and clear steps for improving water quality, staff recommends a change from “support in concept” to a “support” position on the bill.

In addition to AB 2050, there are several other bills related to consolidations of water or wastewater agencies:

- *AB 2501(Chu, D-Milpitas): Drinking water: Consolidation and Extension of Service-* AB 2501, authored by Assemblymember Kaasen Chu (D-Milpitas), seeks to amend the consolidation authorities granted to the State Board in SB 88 (2015). SB 88 authorized the State Board to order a water system to take over and consolidate with a public water system or a state small water system that consistently fails to provide an adequate supply of safe drinking water within a disadvantaged community in order to ensure that those communities would no longer receive unsafe drinking water. In addition to the authority granted in SB 88, AB 2501 seeks to extend the State Board’s consolidation authority. If enacted, AB 2501 would allow the State Board to order a water system to take over, consolidate or provide service where the disadvantaged community is reliant on a water system that has 200 connections or less, individual domestic wells, or an unregulated water system serving fewer than five connections; and
- *SB 1215 (Hertzberg, D-Van Nuys): Drinking Water Systems and Sewer Systems: Consolidation and Extension of Service -* Senator Bob Hertzberg has authored SB 1215. Like AB 2501, SB 1215 seeks to expand the State Board’s authority for mandatory consolidations past the authority included in SB 88 (2015). Specifically, SB 1215 would authorize the State Board to order a sewer service provider to consolidate with a wastewater system service, or extend sewer service to, a disadvantaged community where the residents of a disadvantaged community are served by an onsite sewage treatment system (e.g., septic systems) than cannot

provide reliable and sustainable onsite sewage treatment service. The bill would also authorize the State Board to order a consolidation where the disadvantaged community is not served by either an onsite sewage treatment system or a sewer system.

Both AB 2050 and SB 1215 have been topics of conversation within IRWD's industry associations. Staff will be available to provide an update on these discussions.

*AB 1876 (Frazier, D-Fairfield): Sacramento-San Joaquin Delta: Delta Plan:*

As he has done for each of the past several years, Assemblymember Jim Frazier (D-Fairfield) has introduced a bill related to the Delta. This year, AB 1876 has been introduced. AB 1876 would increase the size of the Delta Stewardship Council, and would eliminate the council on July 1, 2020. In its place, the bill proposes to establish the Delta Protection Commission as the Council's successor. The Commission would have the authority to review any significant project or proposed project within the scope of the Delta Plan, including the actions of state and federal agencies, that may affect the unique cultural, recreational, and agricultural values. Additionally, the Commission would be authorized to identify, evaluate and adopt measures to address:

- Impacts to the cultural, recreational, and agricultural values of the Delta;
- A project or proposed project's consistency with the resources management plan; and
- Delta community concerns regarding large-scale habitat plan development and implementation.

AB 1876 would change and impede the process for moving the California WaterFix forward. As a result, staff recommends that the Board adopt an "oppose" position on AB 1876 and authorize staff to work with IRWD's industry and association partners should the bill move forward.

*AB 2283 (Holden, D-Pasadena): Income Taxes: Exclusion of Turf Removal Rebates:*

As a means of encouraging greater water use efficiency and conservation, public water agencies throughout California have developed programs offering their customers rebates for the installation of water-saving devices and landscapes. Under state law, these rebates are excluded from the definition of gross income and not taxable. AB 2283, authored by Assemblymember Chris Holden (D-Pasadena), seeks to extend the tax exemption for water conservation rebates related to turf removal. Specifically, AB 2283 would extend the sunset date for the exemption from January 1, 2019, to January 1, 2024.

IRWD has supported federal and state tax exemptions for water conservation rebates. Given the District's past advocacy efforts on conservation rebates and California's ongoing water use efficiency efforts, staff recommends that the Board adopt a "support" position on AB 2283.

*AB 2711 (Chen, R-Brea): Property Tax Revenue Allocations: County of Orange:*

On March 20, Assemblymember Phillip Chen (R-Brea) “gutted and amended” AB 2711 to authorize the County of Orange to increase the total amount of ad valorem property tax revenue that is to be allocated to it each year and to decrease the amount of property tax revenue that is allocated to the county Educational Revenue Augmentation Fund and those revenue otherwise required to be allocated to school districts. AB 2711 is sponsored by the County of Orange and is an attempt to bring more equity to the amount of property tax revenue the County receives compared to other California counties. According to the County, last year the County received six cents per dollar of property tax generated in the county, whereas the average county received 14 cents, and the bill is an attempt to remedy this inequity.

IRWD agrees with the County of Orange that more of Orange County’s property taxes should be retained locally. The Orange County community should not remain a perpetual donor to the State of California continuing to send a larger than average portion of its property taxes to Sacramento. While IRWD understands the County’s desire to increase the share of property taxes it receives and supports policy changes to that effect, the District has not supported the taking of local property taxes to fix Orange County’s property tax imbalance and has advocated that any increase in the County’s property tax percentage should come from the State’s property tax share, as is done throughout the state.

Staff recommends that the Board adopt a “watch” position on AB 2711 and authorize the District to move to an “oppose/oppose unless amended” position should the bill be amended to negatively impact the District’s property tax revenue.

*AB 3170 (Friedman, D-Glendale): Sales and Use Taxes: Exemptions for Water Efficiency:*

As California looks to “Make Water Conservation a California Way of Life,” members of Legislature continue to propose legislation that is aimed at encouraging greater water conservation. AB 3170, authored by Assemblymember Laura Friedman, is no different. The bill proposes a sales tax holiday for water efficiency products sold the last weekend in March of each year. The types of water efficiency products eligible for the sales tax exemption would be soaker and drip irrigation equipment, irrigation system moisture control equipment, mulch, rain barrels, permeable ground covering, and Water Sense products.

Given the District’s past advocacy efforts on conservation rebates and California’s ongoing water use efficiency efforts, staff recommends that the Board adopt a “support” position on AB 3170.

*SB 831 (Wieckowski, D-Fremont): Land Use: Accessory Dwelling Units:*

This year, there have been a number of bills introduced related to accessory dwelling units (ADU). The most prominent is SB 831 authored by Senator Bob Wieckowski (D-Fremont). Senator Wieckowski has been an advocate for ADUs and the elimination of zoning restrictions and development, connection and other fees on such units. SB 831 seeks to continue eliminating zoning and fee burdens on the creation of ADUs.

Relevant to IRWD are the bill's provisions that related to fees and charges. SB 831 provides that an ADU "shall not be subject to impact fees, connection fees, capacity charges, or any other fees levied by a local agency, school district, special district, or water corporation." While IRWD does not charge connection or capacity charges for ADUs, the prohibition is written broadly and as a result, may prevent the District from levying appropriate cost-of-service based rates and charges for services provided to the ADU or due to increased services provided to a property with an ADU. For example, the broad language may prevent the District from charging a higher fixed charge should the property require a larger meter due to the construction on an ADU. Because of the language related to fees and of the potential impact that language may have on IRWD, staff recommends that the Board adopt a "seek amendments" position on SB 831, and authorize staff to seek clarifying amendments to limit any impact the bills may have on a water or wastewater provider's ability to charge cost-of-service based rates and charges.

AB 2890 (Ting, D-San Francisco) and SB 1469 (Skinner, D-Oakland), bills that also deal with ADUs, contain a similar provision regarding impact fees, connection fees, capacity charges, or any other fees levied by a local agency, school district, special district, or water corporation.

Staff recommends that the Board adopt a "seek amendments" position on these bills too, and authorize staff to seek clarifying amendments to limit any impact the bills may have on a water or wastewater provider's ability to charge cost-of-service based rates and charges.

*SB 998 (Dodd, D-Napa): Discontinuation of Residential Water Service:*

SB 998, authored by Senate Bill Dodd (D-Napa), would establish new statutory provisions governing when a public water system may discontinue water service at a residential property. Among its many provisions, the bill would prohibit a public water system from discontinuing residential water service for nonpayment until a customer has been delinquent for at least 60 days and has been provided adequate notice about their options to avoid discontinuation of their water service. The bill also prohibits if certain situations exist including a prohibition on the discontinuation of water service if an individual living at the residence is:

- 65 years of age or older and receiving in-home care;
- Undergoing hospice care;
- Suffering from a life-threatening medical condition that a licensed physician, a person licensed pursuant to the Osteopathic Initiative Act, or a nurse practitioner certifies will worsen if residential service is *discontinued*;
- An infant; or
- A severely disabled child.

Additionally, the bill limits the reconnection fees and interest charges on past due bills.

Currently, ACWA, CMUA, League of Cities, California Water Association and California Special Districts Association have adopted "oppose unless amended" positions on SB 998, but are working with the author to develop amendments that would make the bill more palatable to

the water community. Staff has been participating, and will continue to participate, in the ACWA and CMUA working group on the bill.

At this time, staff recommends that the Board consider an “oppose unless amended” position on SB 998. Staff will continue to work through the District’s associations to seek amendments to the bill and will only communicate the District’s position on the bill should the association’s conversations with the author stop being productive.

#### 2018 State Regulatory Update:

##### *State Water Resources Control Board “Prohibiting Wasteful Water Use Practices” Regulations:*

At the end of last year, the State Board proposed and accepted comments on draft regulations “Prohibiting Wasteful Water Use Practices.” The District, along with many others in the water community, submitted comments on the draft regulations. Of particular interest to the District was the inclusion of recycled water irrigation of publicly-owned or maintained turf within the draft regulations.

At the end of January, the State Board released revised draft regulations. The revised regulations now exclude recycled water irrigation of publicly-owned and maintained turf from the prohibited uses if the recycled water irrigation system serving the landscape was installed prior to January 1, 2018. The State Board considered the revised regulations at its meeting on February 20, and asked its staff to consider revisions to the draft regulations. The release of those revised regulations is expected this month. Staff will provide an update on any new developments related to the regulations.

#### 2018 State Water Bonds:

##### *Proposition 68: The California Clean Water and Safe Parks Act:*

Proposition 68, also known as SB 5 (De León, 2016) and the California Clean Water and Safe Parks Act, is a general obligation bond that will be considered by voters in June. The \$4 billion bond includes park, watershed/habitat, water and flood protection infrastructure funding allocations:

- Parks Funding: \$1.283 billion
  - \$725 million for the creation and expansion of neighborhood parks in park-poor communities;
  - \$218 million for the restoration and preservation of existing state park facilities;
  - \$200 million for per capita grants to local governments for local park rehabilitation and improvements;
  - \$40 million in grants to local jurisdictions whose voters have passed local measures improving local or regional park infrastructure;
  - \$30 million in grants to regional park and open space districts and counties;
  - \$30 million for new or alternate access to parks, waterways, outdoor recreational pursuits, and forested or other natural environments;

- \$25 million competitive grant program for cities, counties, and districts in non-urbanized areas; and
- \$15 million for grants to cities and districts with populations of 200,000 or less in urbanized communities.
- Watershed/Habitat Funding: \$1.547 billion
  - \$767 million to the state conservancies, the Wildlife Conservation Board, California Natural Resources Agency, and the Salton Sea Authority;
  - \$443 million for various climate adaptation and habitat resiliency projects;
  - \$175 million for ocean, bay, and coastal protection;
  - \$162 million for grants for the California River Parkways Act of which \$16 million is available to the Santa Ana River Conservancy Program;
- Water Infrastructure Funding: \$620 million
  - \$290 million for regional sustainability for drought and groundwater recharge investments to achieve regional sustainability;
  - \$250 million is available for clean drinking water and drought programs; and
  - \$80 million for competitive grants for treatment and remediation of groundwater supplies.
- Flood Protection Funding: \$550 million
  - \$550 million shall be available for flood protection and repair.

*Water Supply and Water Quality Act of 2018:*

The Water Supply and Water Quality Act of 2018 is the \$8.877 billion general obligation bond proposed by Jerry Meral for the November 2018 election. The bond, if placed on the ballot and approved by voters, would authorize \$3.03 billion for safe drinking water and water quality; \$2.895 billion for watershed and fisheries improvements; \$940 million for habitat protection; \$855 million for improved water conveyance; \$685 million for groundwater sustainability/storage; and \$472 million for surface water storage/dam repairs. The proposed bond/ballot measure is currently pending signature verification within the Secretary of State's Office.

2018 Federal Legislation:

*2018 Omnibus Bill:*

On March 20, 2018, President Trump signed the 2018 omnibus bill, which funds the federal government through September 30, 2018. The \$1.3 trillion omnibus appropriation bill included a number of appropriations and provisions of interest to the IRWD:

- Wildfire Funding: The bill included a legislative and appropriations fix to wildfire response and non-fire forest funding. The fix appropriates dedicated funding sources for fire response/firefighting and fire suppression. The fire suppression funding will allow the U.S. Forest Service and U.S. Department of the Interior to pay for forest health and restoration projects to help prevent catastrophic fires. The separation of these two



funding sources will end the regular borrowing of funds from non-fire activities to pay for wildlife response;

- **Water Infrastructure Funding:** The bill also included increased funding for the Clean Water State Revolving Fund (SRF) and the Drinking Water SRF. The Clean Water SRF appropriation was increased from \$1.39 billion for Fiscal Year 2017 to \$1.7 billion for Fiscal Year 2018. The Drinking Water SRF was increased from \$863 million for Fiscal Year 2017 to \$1.16 billion for Fiscal Year 2018. Additionally, the bill included the following appropriations:

<b>FY 2018 and FY 2017 Water Infrastructure Appropriations</b>			
<b>Agency/Program</b>	<b>2017 Omnibus</b>	<b>2018 Omnibus</b>	<b>Difference</b>
WIFIA	\$30 million	\$63 million	\$33 million
DOI, Bureau of Reclamation	\$1.15 billion	\$1.48 billion	\$330 million
Title XVI and WIIN Recycling Programs	\$34.4 million	\$54.4 million	\$20 million
CalFed	\$37 million	\$37 million	\$0
WaterSMART Grants	\$28.5 million	\$34 million	\$5.5 million
Western Drought	\$44 million	\$4 million	-\$40 million
WIIN Desalination	\$6 million	\$12 million	\$6 million
WIIN Water Storage	\$67 million	\$134 million	\$67 million
WIIN Operational Review & Listed Species	\$7 million	\$30 million	\$23 million
U.S. Army Corps (Civil Works) Operations and Maintenance	\$3.15 billion	\$3.63 billion	\$480 million
U.S. Army Corps (Civil Works) Construction	\$1.88 billion	\$2.08 billion	\$200 million

#### California WaterFix:

On April 10, the Metropolitan Water District Board of Directors will consider financing the unsubscribed capacity in the 9,000 cfs, two tunnel form of the California WaterFix. By financing the unsubscribed capacity, Metropolitan could realize substantial benefits including increasing its own water supplies, gaining the ability to sell or lease capacity, generating wheeling revenue, and facilitating transfers of water from north of the Delta. These benefits would improve future water supply reliability to IRWD along with the entire Metropolitan service area. Staff recommends that the IRWD Board indicate its support for Metropolitan financing the unsubscribed capacity in the project.

#### FISCAL IMPACTS:

Not applicable.

#### ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on April 5, 2018.

RECOMMENDATION:

THAT THE BOARD ADOPT A “SUPPORT” POSITION ON AB 2050 (CABALLERO, D-SALINA); AN “OPPOSE” POSITION ON AB 1876 (FRAZIER, D-FAIRFIELD); A “SUPPORT” POSITION ON AB 2283 (HOLDEN, D-PASADENA); A “SEEK AMENDMENTS” POSITION ON AB 2890 (TING, D-SAN FRANCISCO); A “WATCH” POSITION ON AB 2711 (CHEN, R-BREA); A “SUPPORT” POSITION ON AB 3170 (FRIEDMAN, D-GLENDALE); A “SEEK AMENDMENTS” POSITION ON SB 831(WIECKOWSKI, D-FREMONT); A “SEEK AMENDMENTS” POSITION ON SB 1469 (SKINNER, D-OAKLAND); AND AN “OPPOSE UNLESS AMENDED” POSITION ON SB 998 (DODD, D-NAPA); AND “SUPPORT” METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA FINANCING THE UNSUBSCRIBED CAPACITY IN THE 9,000 CFS, TWO TUNNEL FORM OF THE CALIFORNIA WATERFIX.

LIST OF EXHIBITS:

Exhibit “A” – IRWD Legislative Matrix

Exhibit “B” – 2018 Legislative Update Report Links to Bill Texts

**EXHIBIT "A"**  
**IRWD 2016 LEGISLATIVE MATRIX**  
Updated 04/02/2018

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<b><u>AB 18</u></b> Garcia E (D)	Clean Water, Climate, and Coastal Protection Act		Enacts the California Clean Water, Climate, Coastal Protection and Outdoor Access For All Act, which would authorize the issuance of bonds to finance a clean water, climate, and coastal protection and outdoor access for all program. Provides for the submission of these provisions to the voters at the statewide direct primary election.	08/31/2017 - In SENATE. Joint Rule 62(a) suspended.;08/31/2017 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on GOVERNANCE AND FINANCE.;08/31/2017 - From SENATE Committee on GOVERNANCE AND FINANCE: Do pass to Committee on APPROPRIATIONS.
<b><u>AB 161</u></b> Levine (D)	Department of Finance: Infrastructure Investment		Authorizes the Department of Finance to identify infrastructure projects in the state for which the department will guarantee a rate of return on investment for an investment made in that infrastructure project by the Public Employees' Retirement System.	08/21/2017 - In SENATE Committee on APPROPRIATIONS: Not heard.
<b><u>AB 196</u></b> Bigelow (R)	Greenhouse Gas Reduction Fund: Water Supply		Amends the Global Warming Solutions Act, which creates the Greenhouse Gas Reduction Fund and authorizes specified investments, including water use and supply. Authorizes the use of the moneys in the fund for electric pump efficiency, water and wastewater systems, pump and pump motor efficiency improvements, and drinking water transmission and distribution systems' water loss if the investment furthers the regulatory purposes of the act and is consistent with law.	09/01/2017 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<b><u>AB 732</u></b> Frazier (D)	Levee Maintenance		Extends indefinitely the operation of the authorization to advance funds to reimburse local agencies under a program for the maintenance or improvement of project or nonproject levees. Postpones the operation of certain related provisions.	09/01/2017 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<b><u>AB 869</u></b> Rubio (D)	Sustainable Water Use: Recycled Water		Requires long-term standards for urban water conservation and water use to include a credit for recycled water. Prohibits an urban retailer water supplier from being required to reduce the amount of recycled water it produces, sells, or distributes for beneficial	08/24/2017 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;08/24/2017 - In

# IRWD 2016 LEGISLATIVE MATRIX

Updated 04/02/2018

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			potable or nonpotable uses during a period when water conservation measures are in effect.	SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.
<b><u>AB 987</u></b> Calderon I (D)	Water Quality, Supply, and Infrastructure Improvement		Amends existing law relating to the State General Obligation Bond Law. Relates to the capital asset exception provided under Proposition 1. Clarifies that a conflict exists for purposes of that exception if any provision of this division authorizes, either expressly or by necessary implication, a project or program that would not result in the creation of a capital asset, including projects relating to the prevention, cleanup, treatment, or remediation of contaminated groundwater, or other such projects.	09/11/2017 - In SENATE. Read second time. To third reading.;09/11/2017 - Re-referred to SENATE Committee on RULES.
<b><u>AB 1000</u></b> Friedman (D)	Water Conveyance: Unused Facility Capacity	WATCH	Prohibits a transferor of water from using a water conveyance facility that has unused capacity to transfer water from a groundwater basin underlying desert lands that is in the vicinity of specified federal lands or state lands to outside of the groundwater basin unless the State Lands Commission, in consultation with the Department of Fish and Wildlife, finds that the transfer of the water will not adversely affect the natural or cultural resources of those federal and state lands.	09/01/2017 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<b><u>AB 1017</u></b> Santiago (D)	Collective Bargaining Agreements: Arbitration		Amends the existing law, with regard to disputes concerning collective bargaining agreements for private employees. Provides for such provision apply to public employment. Limits liability for attorney's fees under such provisions to a labor organization or employer.	09/15/2017 - In ASSEMBLY. Ordered returned to SENATE. *****To SENATE.
<b><u>AB 1270</u></b> Gallagher (R)	Dams and Reservoirs: Inspections and Reporting		Amends existing law that requires the Department of Water Resources to inspect dams, reservoirs, and appurtenant structures once per fiscal year. Requires the owner of a dam to operate critical outlet and spillway control features on an annual basis and to demonstrate their full operability in the presence of the Department. Provides certain inspection reports may be withheld from public	02/26/2018 - Signed by GOVERNOR.;02/26/2018 - Chaptered by Secretary of State. Chapter No. 2018-3

**IRWD 2016 LEGISLATIVE MATRIX**  
**Updated 04/02/2018**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
			release. Requires the Department to provides specified information on its website.	
<b><u>AB 1273</u></b> Gallagher (R)	Environmental Quality Act: Exemption: Levee Repairs		Amends the California Environmental Quality Act (CEQA). Exempts from the requirements of the CEQA, repairs of critical levees of the State Plan of Flood Control within an existing levee footprint to meet standards of public health and safety. Requires the lead agency to take certain actions regarding the repairs.	07/11/2017 - In SENATE Committee on NATURAL RESOURCES AND WATER: Failed passage.
<b><u>AB 1323</u></b> Weber (D)	Sustainable Water Use and Demand Reduction		Requires the Department of Water Resources to convene a stakeholder workgroup. Requires the workgroup to develop, evaluate, and recommend proposals for establishing new water use targets for urban water suppliers and report to the Governor and the Legislature. Requires all expenses to be the responsibility of the nonstate agency stakeholders.	08/21/2017 - In SENATE Committee on APPROPRIATIONS: To Suspense File.
<b><u>AB 1420</u></b> Aguiar-Curry (D)	Water Rights: Small Irrigation Use		Requires State Water Resources Control Board to give priority to adopting general conditions that permit a registrant to store water for small irrigation use during times of high streamflow in exchange for the registrant reducing diversions during periods of low streamflow. Exempts an entity from the requirement to enter into a lake or streambed alteration agreement with the department under specified circumstances.	09/01/2017 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<b><u>AB 1654</u></b> Rubio (D)	Water Conservation	CO- SPONSOR & SUPPORT	States the intent of the Legislature to enact legislation necessary to help make water conservation a California way of life.	07/19/2017 - Re-referred to SENATE Committee on RULES.
<b><u>AB 1667</u></b> Friedman (D)	Water Management Planning	OPPOSE	Requires the State Water Resources Control Board to adopt long-term standards for urban water conservation and water use on or before the specified date. Requires the board to adopt performance measures for commercial, industrial, and institutional water use on or before that date. Require an urban water supplier to calculate a water use target beginning the calendar year after the board adopts	07/11/2017 - In SENATE Committee on NATURAL RESOURCES AND WATER: Heard, remains in Committee.

**IRWD 2016 LEGISLATIVE MATRIX**  
**Updated 04/02/2018**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
			long-term standards for urban water conservation and water use. Relates to submission of specified information.	
<b><u>AB 1668</u></b> Friedman (D)	Water Management Planning	OPPOSE UNLESS AMENDED	Requires the State Water Resources Control Board to adopt long term standards for the efficient use of water and performance measures for certain water uses. Requires the department to conduct necessary studies. Establishes a specified number of gallons as a standard for indoor residential water use effective until a specified date. Requires use of available data to identify small water suppliers and rural communities that may be at risk of drought and water shortage no later than a specific date.	09/15/2017 - From SENATE Committee on APPROPRIATIONS: Do pass to Committee on RULES.
<b><u>AB 1740</u></b> Daly (D)	Fire Insurance: Valuation of Loss		Deletes the provisions regarding the actual cash value of the claim of total loss to the structure and instead requires that the actual cash value of the claim, for either a total or partial loss to the structure or its contents, be the amount it would cost the insured to repair, rebuild, or replace the thing lost or injured less a fair and reasonable deduction for physical depreciation based upon its condition at the time of the injury or the policy limit, whichever is less.	01/16/2018 - To ASSEMBLY Committee on INSURANCE.
<b><u>AB 1745</u></b> Ting (D)	Vehicles: Clean Cars 2040 Act		Requires all new passenger vehicles to be zero emissions vehicles after a specified date. States that zero emissions vehicles cannot produce exhaust emissions of any criteria pollutant or greenhouse gas under any operational mode or condition. Exempts large commercial vehicles (larger than a specified number of pounds) and does not apply to vehicles owned by people moving into California from other states.	01/16/2018 - To ASSEMBLY Committee on TRANSPORTATION.
<b><u>AB 1748</u></b> Steinorth (R)	Property Taxation: Base Year Value Transfer		Requires, subject to specified procedures, the base year value of property that is eligible for the homeowner's exemption of any person, regardless of age or disability, to be transferred to any replacement dwelling, regardless of the value of the replacement property or whether the replacement property is located within the same county.	02/27/2018 - In ASSEMBLY. Coauthors revised.

**IRWD 2016 LEGISLATIVE MATRIX**  
**Updated 04/02/2018**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
<b><u>AB 1770</u></b> Steinorth (R)	Local Government: Investments		Revises the maximum 5-year maturity requirement regarding investment in securities by a local agency to instead require that the securities have a maximum remaining security of 5 years or less. Eliminates the requirement that the securities issuer be rated A or its equivalent or better for the issuer's debts as provided by an NRSRO.	01/22/2018 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<b><u>AB 1876</u></b> Frazier (D)	Sacramento-San Joaquin Delta: Stewardship Council		Increases the membership of the Delta Stewardship Council. Makes the provisions establishing the Delta Stewardship Council inoperative on a specified date. Provides for the Delta Protection Commission on that date to succeed to, and to be vested with the duties of the previous Council.	03/14/2018 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/14/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
<b><u>AB 1945</u></b> Garcia E (D)	Greenhouse Gas Reduction Fund: Investment Plan		Require the state board to work with state agencies administering grant programs that allocate moneys from the Greenhouse Gas Reduction Fund to add specified cobenefits, to give specified communities preferential points during grant application scoring, and to allow applicants from the Counties of Imperial and San Diego to include daytime population numbers in grant applications. Requires the Department of Finance to include in the investment plan specified information on the applications received.	03/15/2018 - To ASSEMBLY Committee on NATURAL RESOURCES.;03/15/2018 - From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.;03/15/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
<b><u>AB 1989</u></b> Mathis (R)	Water and Wastewater Loan and Grant Program		Appropriates a specified amount to the State Water Resources Control Board. Provides funding to eligible applicants for specified purposes relating to drinking water and wastewater treatment.	03/15/2018 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.;03/15/2018 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/15/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.



**IRWD 2016 LEGISLATIVE MATRIX**  
**Updated 04/02/2018**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
<b><u>AB 1991</u></b> Mathis (R)	Safe Drinking Water State Revolving Fund		Requires the State Water Resources Control Board to post information on its internet web site regarding implementation of the Safe Drinking Water Revolving Fund Law and expenditures from the Fund.	03/15/2018 - To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.;03/15/2018 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS with author's amendments.;03/15/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<b><u>AB 2003</u></b> Daly (D)	Public Contracts: Sanitation Districts	SUPPORT	Relates to existing law which requires a sanitation district, when an expenditure for work exceeds a specified amount, to contract with the lowest responsible bidder after notice. Requires the notice to be published in a manner that the district board determines to be reasonable, which may include, but is not limited to, newspapers, Internet Web sites, radio, television, or other means of mass communication.	02/12/2018 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<b><u>AB 2017</u></b> Chiu (D)	Public Employers: Employee Organizations		Prohibits a public employer from deterring or discouraging prospective public employees from becoming or remaining members of an employee organization. Expands the definition of public employer to include those employers of excluded supervisory employees and judicial council employees.	03/21/2018 - From ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY with author's amendments.;03/21/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.
<b><u>AB 2038</u></b> Gallagher (R)	Countywide Drought and Water Shortage Contingency Plans		Requires the Department of Water Resources, in consultation with the State Water Resources Control Board and other relevant state and local agencies and stakeholders, to use available data to identify small water suppliers and rural communities that may be at	02/16/2018 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.

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			risk of drought and water shortage vulnerability and requires the department to notify counties and groundwater sustainability agencies of those suppliers or communities.	
<b><u>AB 2042</u></b> Steinorth (R)	Personal Income Tax Credits: Graywater Reuse Systems		Allows a credit against the personal income tax equal to a certain percent of the cost of installing a residential graywater reuse system in the taxpayer's residence located in the state. Limits the cumulative amount of the credit. Requires the Franchise Tax Board to receive and evaluate applications that are submitted by taxpayers to receive a residential graywater reuse system credit and to certify to the taxpayer the amount of the credit that is authorized.	03/19/2018 - From ASSEMBLY Committee on REVENUE AND TAXATION with author's amendments.;03/19/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on REVENUE AND TAXATION.
<b><u>AB 2050</u></b> Caballero (D)	Small System Water Authority Act of 2018	SUPPORT IN CONCEPT	Creates the Small System Water Authority Act to authorize the creation of small system water authorities to have powers to absorb, improve, and competently operate noncompliant public water systems. Requires the State Water Resources Control Board to provide certain notices to systems that are not compliant with drinking water standards.	03/19/2018 - To ASSEMBLY Committees on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS and LOCAL GOVERNMENT.;03/19/2018 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS with author's amendments.;03/19/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<b><u>AB 2060</u></b> Garcia E (D)	Water: Grants: Advanced Payments		Requires the Department of Water Resources to provide advanced payment for specified water projects of a specified amount or specified percentage of a grant award, whichever is less. Eliminates the requirement that the grant award for the project be less than a specified amount to obtain advanced payment. Eliminates the repeal of advanced payment provisions.	03/20/2018 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.

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<b><u>AB 2064</u></b> Gloria (D)	Integrated Regional Water Management Plans: Grants		Requires a project proponent, upon completion of the first one-half of a project receiving a regional water management grant award, to provide a first one-half project accountability report to the Department of Water Resources that reports the completion of objectives for the first one-half of the project and documents the expenditure and use of advanced grant funds.	04/02/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<b><u>AB 2065</u></b> Ting (D)	Local Agencies: Surplus Land		Expands the definition of local agency to include sewer, water, utility, and local and regional park districts, joint powers authorities, successor agencies to former redevelopment agencies, housing authorities, and other political subdivisions of this state and any instrumentality thereof that is empowered to acquire and hold real property, thereby requiring these entities to comply with the requirements for the disposal of surplus land.	02/22/2018 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<b><u>AB 2071</u></b> Bloom (D)	Accessory Dwelling Units: Improvements: Liability		Provides that a public entity, public officer, or an employee of a public entity, is not liable for any personal injury, death, property damage, or inverse condemnation, that has arisen from or is related to the use of an accessory dwelling unit and that is proximately caused by any utility system that the public entity owns, operates, or maintains if the legislative body of a local agency has permitted the equipment, or accessory dwelling unit, to remain in the same location prior to a specified date.	02/22/2018 - To ASSEMBLY Committees on LOCAL GOVERNMENT and JUDICIARY.
<b><u>AB 2072</u></b> Quirk (D)	State Water Resources Control Board: Contaminants		Requires the State Water Resources Control Board to establish and maintain a dedicated program to research the potential effects of constituents of emerging concern in water sources on human and ecosystem health.	03/20/2018 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on APPROPRIATIONS.
<b><u>AB 2077</u></b> Limon (D)	Electricity: Net Energy Metering: Eligible Customer		Relates to net energy metering of eligible customer-generators of electricity.	02/16/2018 - To ASSEMBLY Committee on UTILITIES AND ENERGY.
<b><u>AB 2123</u></b> Cervantes (D)	District-Based Elections		Permits a political subdivision and a prospective plaintiff bringing an action under the state Voting Rights Act to enter into a written	03/20/2018 - From ASSEMBLY Committee on ELECTIONS AND

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			agreement to extend the time period during which a prospective plaintiff is prohibited from commencing an action for up to an additional 90 days in order to provide additional time to conduct public outreach, encourage public participation, and receive public input.	REDISTRICTING with author's amendments.;03/20/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ELECTIONS AND REDISTRICTING.
<b><u>AB 2154</u></b> Bonta (D)	Public Employment: Labor Relations: Release Time		Prescribes requirements relating to release time that would apply to all of the public employers and employees subject to specified public employee acts and would generally repeal the provisions relating to release time in those acts.	04/02/2018 - From ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY with author's amendments.;04/02/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.
<b><u>AB 2179</u></b> Gipson (D)	Municipal Corporations: Public Utility Service		Authorizes a municipal corporation to utilize the alternative procedures to lease, sell, or transfer that portion of a municipal utility used for furnishing sewer service outside the boundaries of the municipal corporation.	03/01/2018 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<b><u>AB 2225</u></b> Limon (D)	Government: Storing and Recording Electronic Media		Requires the Department of Technology and the Secretary of State to approve and adopt appropriate uniform statewide standards for the purpose of storing and recording permanent documents in electronic media, and specifies that cloud computing shall be defined by the Department of Technology based on industry-recognized standards.	03/19/2018 - To ASSEMBLY Committee on PRIVACY AND CONSUMER PROTECTION.;03/19/2018 - From ASSEMBLY Committee on PRIVACY AND CONSUMER PROTECTION with author's amendments.;03/19/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on PRIVACY AND CONSUMER PROTECTION.
<b><u>AB 2241</u></b> Rubio (D)	The Open and Transparent Water Data Act		Amends the Open and Transparent Water Data Act. Requires the Department of Water Resources to work to improve the open and	03/15/2018 - To ASSEMBLY Committee on WATER, PARKS AND

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			transparent access to data by reducing the fractured or duplicative reporting of the same data to multiple governmental agencies and departments, and by reducing the reporting burden on entities providing data to governmental agencies.	WILDLIFE.;03/15/2018 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/15/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
<b><u>AB 2242</u></b> Rubio (D)	Urban Water Management Planning		Amends the Urban Water Management Planning Act. Requires an urban water supplier, to include in its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry years, including a repeat of consecutively historic driest years the urban water supplier has experienced.	03/15/2018 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.;03/15/2018 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/15/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
<b><u>AB 2249</u></b> Cooley (D)	Public Contracts: Local Agencies: Alternative Procedure		Authorizes public projects of a specified amount or less to be performed by the employees of a public agency, authorize public projects of a specified amount or less to be let to contract by informal procedures, and require public projects of more than a specified amount to be let to contract by formal bidding procedures.	03/01/2018 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<b><u>AB 2266</u></b> Bigelow (R)	Urban Water Management Plans: Adoption		Requires urban water suppliers to prepare and adopt urban water management plans within a specified number of years after becoming urban water suppliers.	03/15/2018 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.;03/15/2018 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/15/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
<b><u>AB 2277</u></b> Mathis (R)	Solid Waste Facilities: Pharmaceutical Waste		Vests the Department of Resources Recycling and Recovery with the primary responsibility for the disposal of home- generated pharmaceutical waste and would require the Department of	03/01/2018 - To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.

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			Resources Recycling and Recovery, in collaboration with the State Department of Public Health, the Department of Toxic Substances control, and the California State Board of Pharmacy, to adopt regulations authorizing the incineration of home- generated pharmaceutical waste by solid waste facilities.	
<b><u>AB 2278</u></b> Berman (D)	Local Government Renewable Energy Self Generation		Amends the Local Government Renewable Energy Self Generation Program. Revises how the bill credit is calculated. Requires the electrical corporation to use the time of use periods and certain seasonal definitions. Requires the PUC and an electrical corporation to consider climate change benefits when determining whether to propose any rate tariff, bill credit, or otherwise, that impacts the ability of local government to operate renewable generating facilities.	03/21/2018 - From ASSEMBLY Committee on UTILITIES AND ENERGY with author's amendments.;03/21/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on UTILITIES AND ENERGY.
<b><u>AB 2283</u></b> Holden (D)	Income Taxes: Exclusion: Turf Removal Program		Extends the operation of existing law which provides an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a local water agency or supplier for participation in a turf removal water conservation program.	03/19/2018 - From ASSEMBLY Committee on REVENUE AND TAXATION: Do pass to Committee on APPROPRIATIONS.
<b><u>AB 2341</u></b> Mathis (R)	California Environmental Quality Act		Specifies that, except as provided, the aesthetic effects of projects meeting certain requirements are not significant effects on the environment for the purposes of California Environmental Quality Act and that the lead agency is not required to evaluate the aesthetic of those projects.	03/01/2018 - To ASSEMBLY Committee on NATURAL RESOURCES.
<b><u>AB 2370</u></b> Holden (D)	Lead Exposure: Child Daycare Facilities		Amends existing law relating to the State Safe Drinking Water Act. Repeals requirements for a community water system that serves certain schoolsites and licensed child day care facilities for the testing of lead in the potable water system. Requires the Department of Social Services to adopt regulations for the testing of drinking water at licensed child care centers for lead and that results be submitted to the Department. Provides that child care facilities may apply for funding of possible renovations.	04/02/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.

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<b><u>AB 2379</u></b> Bloom (D)	Waste Management: Polyester Microfiber		Requires that clothing made from fabric that is more than a specified percentage of polyester bear a conspicuous label stating that the garment sheds plastic microfibers when washed and recommending hand washing. Prohibits a person from selling or offering for sale clothing made from fabric that is more than a specified percentage polyester that does not bear that label.	03/08/2018 - To ASSEMBLY Committees on NATURAL RESOURCES and ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<b><u>AB 2432</u></b> Oberholte (R)	California Voting Rights Act		Prohibits the courts under the California Voting Rights Act, from imposing district-based elections unless the plaintiff has established that district-based elections would remedy the dilution of abridgment of voting rights and that alternatives to district-based elections would not achieve greater voting rights and other benefits.	03/05/2018 - To ASSEMBLY Committees on ELECTIONS AND REDISTRICTING and JUDICIARY.
<b><u>AB 2434</u></b> Bloom (D)	Strategic Growth Council: Health in All Policies		Establishes the Health in All Policies Program, to be administered by the Strategic Growth Council, for the purposes of incorporating health, equity, and sustainability considerations into decision making across sectors and policy areas.	03/21/2018 - From ASSEMBLY Committee on HEALTH with author's amendments.;03/21/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on HEALTH.
<b><u>AB 2441</u></b> Frazier (D)	Sacramento-San Joaquin Delta Abandoned Vessel Removal		Excludes from the deposit in the State Treasury to the credit of the General Fund requirements relating to the use of rental income received from surface uses of public lands, all rental income from surfaces uses for lands in the Sacramento-San Joaquin Delta. Creates the Sacramento-San Joaquin Delta Abandoned Vessel Removal Account and requires that moneys in the account to the commission for the removal of abandoned and derelict commercial vessels from lands and waterways.	03/13/2018 - From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.;03/13/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
<b><u>AB 2447</u></b> Reyes (D)	California Environmental Quality Act: Land Use		Requires the Office of Environmental Health Hazard Assessment by a specific date to publish a list of subject land uses, and a map that identifies disadvantaged communities and areas within 1/2 mile radius of the disadvantaged communities. Requires a lead agency to provide certain notices required by CEQA to owners and occupants	03/15/2018 - To ASSEMBLY Committees on NATURAL RESOURCES and ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.;03/15/2018 -



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			of property located within one-half mile of any parcel or parcels, and to any schools located within one mile of any parcel or parcels, involving a subject of land use.	From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.;03/15/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
<b><u>AB 2464</u></b> Harper (R)	California Coastal Act: Port of Newport Beach		Relates to a port master plan for the port of Hueneme, Long Beach, Los Angeles, or San Diego Unified Port District located within the coastal zone. Applies this port master plan provision to the Port of Newport Beach located within the coastal zone, except as provided.	03/05/2018 - To ASSEMBLY Committee on NATURAL RESOURCES.
<b><u>AB 2470</u></b> Grayson (D)	Invasive species: Greenhouse Gas Reduction		Establishes the Invasive Species Council of California, composed as prescribed, to help coordinate a comprehensive effort to exclude invasive species already established in the state. Establishes a California Invasive Species Advisory Committee to advise the council on a broad array of issues related to preventing the introduction of invasive species and providing for their control or eradication, as well as minimizing the economic, ecological, and human health impacts that invasive species cause.	03/05/2018 - To ASSEMBLY Committees on AGRICULTURE and NATURAL RESOURCES.
<b><u>AB 2501</u></b> Chu (D)	Drinking Water: Consolidation and Extension of Service		Redefines small public water system for purposes of the California Safe Drinking Water Act as a system with 200 connections or less. Authorizes the State Water Resources Control Board to order consolidation with a receiving water system where a disadvantaged community is reliant on a state small water system, an individual well, or an unregulated water system serving fewer than five connections.	03/08/2018 - To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<b><u>AB 2516</u></b> Eggman (D)	Dams: Reservoir Restrictions		Requires the Department of Water Resources to post, and update quarterly, on its Internet Web site a report containing the name of each reservoir subject to restriction, the effective date of the reservoir restriction, the reason for the restriction, and actions that would allow the restrictions to be removed, if no reservoir	03/05/2018 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.

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			restrictions are in effect, would require the department to post this fact on its Internet Web site.	
<b><u>AB 2528</u></b> Bloom (D)	Climate Adaptation		Relates to existing law that requires the Natural Resources Agency to update the state's climate adaptation strategy to identify vulnerabilities to climate change by sectors. Specifies that the water sector includes the component of habitat resiliency areas. Requires state agencies to maximize the objective of protecting and enhancing habitat resiliency areas.	03/05/2018 - To ASSEMBLY Committee on NATURAL RESOURCES.
<b><u>AB 2541</u></b> Salas (D)	Safe Drinking Water State Revolving Fund		Relates to existing laws grant funding, and principal forgiveness and 0% financing on loans, from the Safe Drinking Water State Revolving Fund to a project for a water system with a service area that qualifies as a severely disadvantaged community. Authorizes the board, to the extent permitted by federal law, to provide up to 100% grant funding, and principal forgiveness and 0% financing on loans, from the Safe Drinking Water State Revolving Fund.	03/15/2018 - To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.;03/15/2018 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS with author's amendments.;03/15/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<b><u>AB 2551</u></b> Wood (D)	Forest and Wildland Health Improvement		Requires the Department of Forestry and Fire Prevention to establish, implement, and administer the Forest and Wildland Health Improvement and Fire Prevention Program, which is intended to promote forest and wildland health, restoration, and resilience, and improve fire prevention and preparedness throughout the state. Requires the department to take specified actions to improve forest and wildland health and resilience, including evaluating and proposing changes to statewide fire suppression goals.	03/05/2018 - To ASSEMBLY Committee on NATURAL RESOURCES.

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<b><u>AB 2571</u></b> Gonzalez (D)	Public Employee Retirement Systems: Investments		Restricts new, additional, or renewed investments by a public investment fund to an alternative investment vehicle where, if the investment vehicle is managed by an investment manager, the investment manager has adopted and committed to comply with a race and gender pay equity policy consistent with requirements established in the bill.	03/19/2018 - To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.
<b><u>AB 2649</u></b> Arambula (D)	Water Rights: Temporary Permit: High Precipitation		Requires the State Water Resources Control Board to prioritize a temporary permit for a project that enhances the ability of a local or state agency to capture high precipitation events for local storage or recharge, consistent with water rights priorities and protections for fish and wildlife. Exempts temporary permits for these projects from the Environmental Quality Act. Requires the Board to set a reduced application fee for a temporary permit applicant for these projects.	03/22/2018 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.;03/22/2018 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/22/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
<b><u>AB 2697</u></b> Gallagher (R)	Wildlife, Bird, and Waterfowl Habitat		Requires the Wildlife Conservation Board to establish a program, which may include direct payments or other incentives, to encourage landowners to voluntarily cultivate or retain cover crops or natural vegetation on idled lands to provide waterfowl, upland game bird, and other wildlife habitat cover for purposes, including, but not limited to, encouraging the use of idle agricultural lands for wildlife habitat.	03/08/2018 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<b><u>AB 2711</u></b> Chen (R)	Property Tax Revenue Allocations: County Of Orange		Requires the auditor of the County of Orange to increase the total amount of ad valorem property tax revenue that is otherwise required to be allocated to the county by the county equity amount and to commensurately decrease the amount of ad valorem property tax revenue that is otherwise required to be allocated to the county Educational Revenue Augmentation Fund and, if necessary, the amount of those revenue otherwise required to be allocated to school districts.	03/20/2018 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;03/20/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.

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<b><u>AB 2728</u></b> Chen (R)	Replacement Of Corroded Or Lead-containing Plumbing		Authorizes the State Water Resources Control Board to establish a grant program to provide funding to a county or qualified nonprofit organization, as specified, to provide low-interest loans to defined property owners for the replacement of corroded or lead-containing plumbing and service lines that adversely impact drinking water standards for the installation of a point-of-use or point-of-entry water treatment system, as specified.	03/14/2018 - In ASSEMBLY. Coauthors revised.
<b><u>AB 2812</u></b> Limon (D)	Data Storage and Protection Standards: Local Agencies		Creates the Office of Cloud Migration in the Department of Technology. Requires the office to promote cloud-based data storage as an efficient and cost-effective means of data storage and protection for local agencies and to assist local agencies in integrating cloud-based storage into their information technology systems and their technology recovery plans. Requires the office to operate in partnership with private industry and the nonprofit community to maximize the assistance provided to local agencies.	03/23/2018 - From ASSEMBLY Committee on PRIVACY AND CONSUMER PROTECTION with author's amendments.;03/23/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on PRIVACY AND CONSUMER PROTECTION.
<b><u>AB 2815</u></b> Gray (D)	Water Rights: Appropriations of Water		Makes nonsubstantive changes in provisions of the State Water Resources Control Board water rights program.	02/16/2018 - INTRODUCED.
<b><u>AB 2828</u></b> Friedman (D)	Waste Discharge Requirements: Produced Water		Requires the State Water Resources Control Board to conduct a public hearing, as specified, to determine whether using produced water from an oil and gas operation for specified water uses would pose a hazard to the public, employees that regularly interact with the produced water, or the environment.	03/08/2018 - To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<b><u>AB 2890</u></b> Tine (D)	Land use: accessory dwelling units		Authorizes accessory dwelling units to be created in areas that are developed with single-family or multifamily units. Limits the types of restrictions a local agency may impose on accessory dwelling units, and revises the standards required for accessory dwelling units. Specifies that an accessory dwelling unit is not subject to certain fees levied by local governments.	From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT with author's amendments.

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<b><u>AB 2898</u></b> Gloria (D)	Emergency Services: Local Emergencies		Requires a review of a local emergencies by the governing body of a city or county to occur at specified time intervals under the Emergency Services Act .	03/19/2018 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<b><u>AB 2957</u></b> Gallagher (R)	Water: Institute for Water Innovation and Technology		Requests the Board of Governors of the California Community Colleges to establish the California Institute for Water Innovation and Technology in order to achieve specified goals, including developing the state's next generation of water professionals and technicians and growing the state's economy by creating new opportunities for jobs in water research, management, and technology. Provides for the location of the Institute.	03/20/2018 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/20/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
<b><u>AB 2966</u></b> Aguiar-Curry (D)	Disaster Relief		Provides that the state share for the removal of dead and dying trees in connection with the Governor's proclamation of a state of emergency issued on a specified date is no more than 90 percent of total state eligible costs.	03/08/2018 - To ASSEMBLY Committee on GOVERNMENTAL ORGANIZATION.
<b><u>AB 2970</u></b> Cooper (D)	Public Employees: New Employee Orientations		Requires that the date, time, and place of a new employee orientation by a state or local public employer be confidential and not be shared with anyone other than employees or the exclusive representative.	03/20/2018 - From ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY with author's amendments.;03/20/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.
<b><u>AB 2975</u></b> Friedman (D)	Wild and Scenic Rivers		Takes action to remove or delist any river or segment of a river in California that is included in the national wild and scenic rivers system and not in the state wild and scenic rivers system, requires the Secretary of the Natural Resources Agency, after holding a public hearing on the issue, to take any necessary action to add the river or segment of a river to the state wild and scenic rivers system and to classify that river or segment of a river.	03/08/2018 - To ASSEMBLY Committee on NATURAL RESOURCES.

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
<b><u>AB 3027</u></b> Chavez (R)	California Environmental Quality Act: Attorneys Fees		Limits the awarding of attorney's fees to certain entities for a prevailing party that is a plaintiff or petitioner in an action or proceeding under the California Environmental Quality Act (CEQA).	03/12/2018 - To ASSEMBLY Committees on NATURAL RESOURCES and JUDICIARY.
<b><u>AB 3031</u></b> Quirk (D)	Safety in Employment: Power Tools: Training		Requires an employer whose employees are involved in using power tools or other equipment for the cutting, grinding, coring, or drilling of concrete or masonry materials to provide specified training to those employees to reduce health hazards associated with the inhalation or ingestion of dust arising from those operations.	03/12/2018 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.
<b><u>AB 3045</u></b> Gallagher (R)	Natural Resources Agency: Division of Safety		Establishes within the Natural Resources Agency the Division of Safety of Dams. Transfers authority over dams and reservoirs from the Department of Water Resources to the division.	03/12/2018 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<b><u>AB 3155</u></b> Cooper (D)	Public Works: Definition		Expands the meaning of the term public works for purposes of requirements regarding the payment of prevailing wages, to include warranty work, and would include warranty work within the definition of construction as it is used to define "public works".	03/12/2018 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.
<b><u>AB 3170</u></b> Friedman (D)	Sales and Use Taxes: Exemptions: Water Efficiency		Exempts from sales and use taxes the gross receipts from the sale of, and the storage, use, or other consumption of, qualified water efficiency products sold or purchased during a 3-day period, for which a layaway agreement is entered into, a raincheck is issued, or other specified orders are placed, during this period.	03/12/2018 - To ASSEMBLY Committee on REVENUE AND TAXATION.
<b><u>AB 3187</u></b> Grayson (D)	Biomethane: Solid Waste Facility Permits: Rates		Requires the Department of Resources Recycling and Recovery to streamline the permitting process for anaerobic digestion facilities to allow holders of solid waste facility permits to modify those permits to include anaerobic digestion facilities. Authorizes gas corporations to include in their rate bases all reasonable costs	03/19/2018 - To ASSEMBLY Committees on NATURAL RESOURCES and UTILITIES AND ENERGY.;03/19/2018 - From ASSEMBLY Committee on NATURAL RESOURCES with

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
			incurred to interconnect biomass conversion facilities and anaerobic digestion facilities to their common carrier pipelines.	author's amendments.;03/19/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
<b><u>AB 3206</u></b> Friedman (D)	Water Conservation: Water Meters: Accuracy		Requires the State Energy Resources Conservation and Development Commission to adopt regulations setting standards for the accuracy of water meters purchased, repaired, or reconditioned on and after the effective date of specified regulations, including water meters installed pursuant to the Water Measurement Law.	03/15/2018 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<b><u>AB 3222</u></b> O'Donnell (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 charter school, as defined, when the project is paid for, in whole or in part, with the proceeds of conduit revenue bonds, as defined, that were issued on or after a specified date.	03/12/2018 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.
<b><u>AB 3253</u></b> Banking and Finance Cmt	Local Government: Financial Affairs		Increases the percentage of a local agency's funds that can be invested of the agency's surplus funds in deposits at specified types of financial institutions that use a private sector entity to assist in the placement of deposits and in certificates of deposit at specified types of financial institutions.	03/22/2018 - To ASSEMBLY Committees on LOCAL GOVERNMENT and BANKING AND FINANCE.;03/22/2018 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;03/22/2018 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
<b><u>AB 3254</u></b> Local Government Cmt	Local Government Organization: Omnibus		Revises the definitions of affected territory and inhabited territory under the Local Government Reorganization Act of 2000 to include territory that is to receive extended services from a local agency, and additionally defines the term uninhabited territory for purposes of the Act.	03/22/2018 - To ASSEMBLY Committee on LOCAL GOVERNMENT.



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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
<b><u>ACA 24</u></b> Waldron (R)	Property Taxation: Transfer of Base Year Value		Requires the Legislature to provide for the transfer of base year value of property that is substantially damaged or destroyed by a disaster, as declared by the Governor, occurring on or after a specified date through a specified date, to comparable property located within the same or a different county that is acquired or newly constructed as a replacement for the substantially damaged or destroyed property.	02/14/2018 - INTRODUCED.
<b><u>ACA 28</u></b> Mathis (R)	Water: Projects: Funding		Provides that, from specified state revenues, there shall be set apart, in unspecified percentages, moneys to be applied by the state for the payment of principal and interest on bonds authorized pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 and, of the amount remaining, for specified water projects of the Department of Water Resources and the State Water Resources Control Board.	02/26/2018 - INTRODUCED.
<b><u>SB 5</u></b> de Leon (D)	California Drought, Water, Parks, Climate		Enacts the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018. Authorizes the issuance of bonds of a specified sum pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all programs. Reallocates a specified portion of the unissued bonds to finance the purposes of drought, water, parks, climate, coastal protection, and outdoor access, upon voter approval.	10/15/2017 - Signed by GOVERNOR.;10/15/2017 - Chaptered by Secretary of State. Chapter No. 2017-852
<b><u>SB 24</u></b> Portantino (D)	Political Reform Act of 1974: Economic Interest		Amends the Political Reform Act which requires certain disclosures to include a statement indicating the fair market value of investments or interests in real property and the aggregate value of income received from each reportable source. Revises the dollar amounts associated with these ranges.	08/31/2017 - In ASSEMBLY. To Inactive File.
<b><u>SB 45</u></b> Mendoza (D)	Political Reform Act: Mass Mailing Prohibition		Prohibits a mass mailing from being sent within a specified number of days preceding an election by or on behalf of a candidate whose name will appear on the ballot, except as otherwise required by law.	10/15/2017 - Chaptered by Secretary of State. Chapter No. 2017-827

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<b><u>SB 49</u></b> de Leon (D)	Environmental and Workers' Defense Act		Relates to the California Environmental, Public Health, and Workers Defense Act of 2017. Relates to clean air, drinking water, discharge of pollutants into the atmosphere and waters, and endangered species. Requires specified agencies to take prescribed actions to maintain and enforce standards pertaining to air, water, and protected species. Prohibits a state agency from amending rules to be less stringent in protection of workers' rights and workers' safety than established by federal law.	09/12/2017 - From ASSEMBLY Committee on RULES with author's amendments.;09/12/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on RULES.
<b><u>SB 57</u></b> Stern (D)	Natural Gas Storage: Moratorium		Amends an existing law which requires the State Oil and Gas Supervisor to continue a prohibition against a specified natural gas injection into the Aliso Canyon natural gas storage facility. authorizes the Governor during a state of emergency, which may include a sudden and severe energy shortage, to suspend any regulatory statute, or statute prescribing the procedure for conduct of state business, or the orders, rules, or regulations of any state agency.	02/01/2018 - Died on Inactive File.
<b><u>SB 210</u></b> Leyva (D)	Heavy Duty Vehicle Inspection and Maintenance Program		Authorizes the State Air Resources Board to develop and implement a Heavy-Duty Vehicle Inspection and Maintenance Program for nongasoline heavy-duty on road motor vehicles. Authorizes the state board to assess a fee and penalty as part of the program. Creates the Truck Emission Check Fund and the Diesel Emission System Inspection and Smoke Test Account in the fund, with all the moneys deposited in each fund to be available upon appropriation.	08/28/2017 - In ASSEMBLY. Suspend Assembly Rule 96.;08/28/2017 - Re-referred to ASSEMBLY Committee on RULES.
<b><u>SB 224</u></b> Jackson (D)	Personal Rights: Sexual Harassment		Amends existing law which establishes liability for sexual harassment when the plaintiff proves specified elements and existing law which states that a relationship may exist between a plaintiff and certain persons. Includes an investor, elected official, lobbyist, director, and producer among those listed persons who may be liable to a plaintiff for sexual harassment.	01/22/2018 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<b><u>SB 473</u></b> Hertzberg (D)	California Endangered Species Act		Amends the California Endangered Species Act which prohibits the taking of an endangered or threatened species. Provides that the accidental take of candidate, threatened, or endangered species resulting from acts that occur on a farm or a ranch in the course of otherwise lawful routine and ongoing agricultural activities is not prohibited by the act.	09/08/2017 - In ASSEMBLY. To Inactive File.
<b><u>SB 606</u></b> Skinner (D)	Water Management Planning	OPPOSE UNLESS AMENDED	Requires an urban retail water supplier to calculate an urban water use objective and its actual urban water use by specified dates and requires a report. Imposes civil liability for a violation of an order or regulation issued pursuant to certain provisions. Authorizes the State Water Resources Control Board to issue a regulation or information order requiring a wholesale water supplier, urban retail water supplier, or distributor of a public water supply to provide a monthly report of certain information.	09/13/2017 - Withdrawn from ASSEMBLY Committee on RULES.;09/13/2017 - In ASSEMBLY. Ordered to third reading.;09/13/2017 - In ASSEMBLY. Suspend Assembly Rule 96.
<b><u>SB 623</u></b> Monning (D)	Water Quality: Safe and Affordable Drinking Water Fund	OPPOSE/ OPPOSE UNLESS AMENDED	Establishes the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the state board. requires the state board to expend moneys in the fund for grants, loans, contracts, or services to assist eligible applicants with projects relating to safe and affordable drinking water.	09/01/2017 - Re-referred to ASSEMBLY Committee on RULES.
<b><u>SB 771</u></b> de Leon (D)	California Environmental Quality Act		Relates to The California Environmental Quality Act. Establishes a continuing education requirement for employees of public agencies who have primary responsibility to administer the act.	09/13/2017 - In ASSEMBLY. To Inactive File.
<b><u>SB 778</u></b> Hertzberg (D)	Safe Drinking Water Fund		Requires the State Water Resources Control Board to track and publish on its Internet Web site an analysis of all voluntary and ordered consolidations of water systems that have occurred on or after a certain date. Requires the published information to include the resulting outcomes of the consolidations and whether the consolidations have succeeded or failed in providing an adequate	09/01/2017 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			supply of safe drinking water to the communities served by the consolidated water systems.	
<b><u>SB 831</u></b> Wieckowski (D)	Land use: accessory dwelling units		Relates to accessory dwelling units in single-family and multi-family residential zones. Deletes the requirement that the area be zoned to allow single-family and multi-family use. Revises standards for local ordinances to include a prohibition on considering the square footage of a proposed accessory dwelling unit when calculating an allowable floor-to-area ratio for the lot.	03/13/2018 - From SENATE Committee on TRANSPORTATION AND HOUSING with author's amendments.;03/13/2018 - In SENATE. Read second time and amended. Re-referred to Committee on TRANSPORTATION AND HOUSING.
<b><u>SB 919</u></b> Dodd (D)	Water Resources: Stream Gages		Requires the Department of Water Resources to develop a plan to deploy a network of stream gages that includes a determination of funding needs and opportunities for reactivating existing gages. Requires the Department develop the plan to address significant gaps in information necessary for water management. Requires the Department to give priority in the plan to placing or reactivating stream gages where lack of data contributes to conflicts in water management actions.	03/15/2018 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<b><u>SB 952</u></b> Anderson (R)	Water Conservation: Local Water Supplies		States the intent of the Legislature to enact legislation that would require the State Water Resources Control Board to recognize local water agency investment in water supply and ensure that local agencies receive sufficient credit for these investments in meeting any water conservation or efficiency mandates.	02/08/2018 - To SENATE Committee on RULES.
<b><u>SB 963</u></b> Allen (D)	Water Replenishment Districts		Repeals a reserve fund authorization for a water replenishment district. Repeals certain requirements.	03/21/2018 - Re-referred to SENATE Committee on GOVERNANCE AND FINANCE.
<b><u>SB 966</u></b> Wiener (D)	Onsite Treated Nonpotable Water Systems		Requires the State Water Resources Control Board, in consultation with the California Building Standards Commission, to adopt regulations for risk based water quality standards for the onsite treatment and reuse of nonpotable water. Authorizes the Board to contract with public or private entities regarding the content of the	03/21/2018 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;03/21/2018 - In SENATE. Read second time and amended. Re-

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
			standards and exempts those contracts from review and approval of the Department of General Services.	referred to Committee on ENVIRONMENTAL QUALITY.
<b><u>SB 998</u></b> Dodd (D)	Discontinuation Of Residential Water Service		Requires an urban and community water system as a public water system that supplies water to more than a certain number service connections, to have a written policy on discontinuation of water service to certain types of residences for nonpayment available in specified languages of the people residing in its service area. Requires certain aspect to be available on it's system web site and be provided annually to customers in writing.	03/22/2018 - From SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS with author's amendments.;03/22/2018 - In SENATE. Read second time and amended. Re-referred to Committee on ENERGY, UTILITIES AND COMMUNICATIONS.
<b><u>SB 1032</u></b> Moorlach (R)	California Public Employees' Retirement System		Authorizes a contracting agency to terminate its contract with the Board of Administration of the Public Employees' Retirement System the agency's will and would not require the contracting agency to fully fund the board's pension liability upon termination of the contract. Authorizes the board to reduce the member's benefits in the terminated agency pool by the percentage of liability unfunded.	02/22/2018 - To SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
<b><u>SB 1033</u></b> Moorlach (R)	Public Employees Retirement: Reciprocal Benefits		Requires an agency participating in the public employees retirement system that increases the compensation of a member who was previously employed by a different agency to bear all actuarial liability for the action, if it results in an increased actuarial liability beyond what would have been reasonably expected for the member. Requires the increased liability be in addition to reasonable compensation growth that is anticipated for a member who works for employer or employers over an extended time.	02/22/2018 - To SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
<b><u>SB 1147</u></b> Hertzberg (D)	Natural Resources Agency; Database: Lands and Easements		Requires the Natural Resources Agency to maintain an interactive statewide map of those lands and easements that would be made available, as feasible, to the public on the agency's Internet Web site. Makes additional nonsubstantive changes to the Natural Resources Agency regulations.	02/22/2018 - To SENATE Committee on NATURAL RESOURCES AND WATER.

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
<b><u>SB 1167</u></b> Anderson (R)	Eminent Domain: Final Offer of Compensation		Provides that if a court finds, on motion of a defendant that a plaintiff's offer was lower than a specified percentage of the compensation awarded in the proceeding, then the court would be required to include the defendant's litigation costs in the costs allowed.	02/22/2018 - To SENATE Committee on JUDICIARY.
<b><u>SB 1215</u></b> Hertzberg (D)	Drinking Water Systems and Sewer Systems: Consolidation		Authorizes the State Water Resources Control Board to set timeline and performance measures to facilitate completion of extension of service of drinking water under the Safe Drinking Water Act. Authorizes ordered consolidation with a receiving sewer system for, or extension of sewer service to, a disadvantaged community under specified circumstances.	03/01/2018 - To SENATE Committees on ENVIRONMENTAL QUALITY and GOVERNANCE AND FINANCE.
<b><u>SB 1226</u></b> Bates (R)	Building Standards: Accessory Dwelling Units		Authorizes the enactment of a local ordinance to authorize, when a record of the issuance of a building permit for an accessory dwelling unit does not exist, specified enforcement officials to make a determination of when the accessory dwelling unit was constructed and apply the State Housing Law, the building standards published in the California Building Standards Code, and other specified rules and regulations in effect when the accessory dwelling unit was determined to be constructed.	03/01/2018 - To SENATE Committee on TRANSPORTATION AND HOUSING.
<b><u>SB 1284</u></b> Jackson (D)	Employers: Annual Report: Pay Data		Requires that, on or before a certain date annually, an employer that is incorporated under the laws of this state a specified number of employees is to submit a pay data report to the Department of Industrial Relation. Requires the Department to make the reports available to certain agencies.	03/15/2018 - Re-referred to SENATE Committees on LABOR AND INDUSTRIAL RELATIONS and JUDICIARY.
<b><u>SB 1301</u></b> Beall (D)	State Permitting: Environment: Processing Times		Requires the department of Fish and Wildlife, the San Francisco Bay Conservation and Development Commission, the California Coastal Commission, the State Water Resources Control Board, and a California Regional Water Quality Control Board, for certain permits that each entity administers, to keep an accurate record of permit processing times.	03/01/2018 - To SENATE Committees on NATURAL RESOURCES AND WATER and ENVIRONMENTAL QUALITY.

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
<b><u>SB 1364</u></b> Vidak (R)	Safe, Clean, Reliable Water Supply Act		Makes a nonsubstantive change in findings and declarations of the Safe, Clean, Reliable Water Supply Act.	03/08/2018 - To SENATE Committee on RULES.
<b><u>SB 1433</u></b> Moorlach (R)	Public Employees' Pension Reform Act		Makes nonsubstantive changes to the state's Public Employees' Pension Reform Act.	04/02/2018 - From SENATE Committee on RULES with author's amendments.;04/02/2018 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.
<b><u>SB 1469</u></b> Skinner (D)	Land Use: Accessory Dwelling Units		Authorizes accessory dwelling units to be created in areas that are developed with single-family or multifamily units. Limits the types of restrictions a local agency may impose on accessory dwelling units. Revises the standards required for accessory dwelling units. Specifies that an accessory dwelling unit is not subject to impact fees and other fees.	03/22/2018 From SENATE Committee on RULES with author's amendments. 03/22/2018
<b><u>SB 1496</u></b> Governance and Finance Cmt	Validations		Enacts the Second Validating Act of 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.	03/15/2018 - To SENATE Committee on GOVERNANCE AND FINANCE.
<b><u>SB 1497</u></b> Governance and Finance Cmt	Validations		Enacts the First Validating Act of 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.	03/15/2018 - To SENATE Committee on GOVERNANCE AND FINANCE.
<b><u>SB 1498</u></b> Governance and Finance Cmt	Local Government Omnibus Act of 2018		Relates to existing law which sets forth various provisions governing cities that reference various officers and employees. Makes these references gender neutral.	03/15/2018 - To SENATE Committee on GOVERNANCE AND FINANCE.
<b><u>SB 1499</u></b> Governance and Finance Cmt	Validations		Enacts the Third Validating Act of 2018, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.	03/15/2018 - To SENATE Committee on GOVERNANCE AND FINANCE.

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>
<b><u>SB 1502</u></b> Environmental Quality Cmt	South Coast Air Quality Management District: Notice		Authorizes the South Coast Air Quality Management District board to send electronically a notice of proposed regulatory action, to publish the notice on its Internet Web site not less than 30 days prior to the public hearing.	03/21/2018 - To SENATE Committee on ENVIRONMENTAL QUALITY.
<b><u>SCA 4</u></b> Hertzberg (D)	Water Conservation		Declares the intent of the Legislature to amend the California Constitution to provide a program that would ensure that affordable water is available to all Californians and to ensure that water conservation is given a permanent role in California's future.	02/16/2017 - To SENATE Committee on RULES.
<b><u>SCA 18</u></b> Allen (D)	Elections: Recalls and Legislative Vacancies		Repeals the provision of the constitution that prohibits the officer who is the subject of a recall election from being a candidate in the recall election, thereby enabling an officer who is the subject of a recall to be removed from, and elected to, his or her office in the same election. Requires the Governor to fill a vacancy in either house of the Legislature by appointment within 45 days of the date of the vacancy or by a special election.	03/15/2018 - To SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.



## Exhibit “B”


2018 Legislative Update Report:  
Links to Bill & Regulatory Texts  
(as of April 2, 2018)


Bill Number/Version Date	Link to Bill Text
AB 1668 (Friedman) as amended	<a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1668">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1668</a>
AB 1876 (Frazier) as amended	<a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1876">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1876</a>
AB 2050 (Caballero) as amended	<a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2050">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2050</a>
AB 2283 (Holden) as introduced	<a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2283">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2283</a>
AB 2501 (Chu) as introduced	<a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2501">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2501</a>
AB 2711 (Chen) as amended	<a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2711">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2711</a>
AB 2890 (Ting) as introduced	<a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2890">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2890</a>
AB 3170 (Friedman) as introduced	<a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB3170">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB3170</a>
SB 5 (De León, 2016) as enacted	<a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB5">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB5</a>

SB 606 (Hertzberg/Skinner), as amended	<a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB606">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB606</a>
SB 623 (Monning), as amended	<a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB623">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB623</a>
SB 831 (Wieckowski) as amended	<a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB831">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB831</a>
SB 998 (Dodd) as amended	<a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB998">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB998</a>
SB 1215 (Hertzberg)	<a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1215">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1215</a>
SB 1469 (Skinner)	<a href="https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1469">https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1469</a>
“Safe and Affordable Drinking Water” Budget Trailer Bill	<a href="http://dof.ca.gov/Budget/Trailer_Bill_Language/documents/SafeandAffordableDrinkingWater.pdf">http://dof.ca.gov/Budget/Trailer_Bill_Language/documents/SafeandAffordableDrinkingWater.pdf</a>

April 9, 2018

Prepared by: T. Lynch/J. Moeder/R. Mori

Submitted by: K. Burton 

Approved by: Paul A. Cook 

## CONSENT CALENDAR

### INITIAL DISINFECTION FACILITY SODIUM HYPOCHLORITE STORAGE AND FEED SYSTEM FINAL ACCEPTANCE

#### SUMMARY:

Construction of the Initial Disinfection Facility Sodium Hypochlorite Storage and Feed System project is complete. The District's contractor, Pascal & Ludwig Constructors, completed the required work and all punch list items. The project has received final inspection and acceptance of construction is recommended.

#### BACKGROUND:

The project included replacement of the existing chlorine gas system with new liquid sodium hypochlorite storage and feed facilities. Constructed facilities include two 9,000 gallon fiberglass reinforced plastic chemical storage tanks, metering pumps, concrete chemical containment area, and associated site and electrical improvements. The project also included the installation of a 23,500 gallon surge tank to improve surge protection for the Dyer Road Wellfield. The construction contract was awarded to Pascal & Ludwig Constructors on September 28, 2016, and the facilities were placed into service in February 2018. At the end of the project, staff requested Pascal & Ludwig to add a chemical splash screen along the chemical feed pumps to provide a higher degree of safety. This addition late in the project added a significant amount of time to the overall project schedule.

Project Title:	Initial Disinfection Facility Sodium Hypochlorite Storage and Feed System
Project No.:	06213
Design Engineer:	Carollo Engineers
Construction Management by:	IRWD Staff
Contractor:	Pascal & Ludwig Constructors
Original Contract Cost:	\$1,829,451.20
Final Contract Cost:	\$1,931,593.75
Original Contract Days:	385
Final Contract Days:	558
Final Change Order Approved On:	March 28, 2018

FISCAL IMPACTS:

Project 06213 is included in the FY 2017-18 Capital Budget. The existing budget is sufficient to complete 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 October 29, 2015.

COMMITTEE STATUS:


This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO ACCEPT CONSTRUCTION OF THE INITIAL DISINFECTION FACILITY SODIUM HYPOCHLORITE STORAGE AND FEED SYSTEM, PROJECT 06213; 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.

April 9, 2018  
Prepared by: J. Bertsch  
Submitted by: T. Mossbarger / C. Clary  
Approved by: Paul A. Cook 

## ACTION CALENDAR

### ENTERPRISE SERVER AND STORAGE REPLACEMENT

#### SUMMARY:

Staff requested proposals from three firms for enterprise server and storage replacement equipment. Based on a thorough evaluation of the proposals, staff recommends that the Board approve a General Plant expenditure of \$334,943 with Sirius Computer Solutions for purchase, installation, and configuration of enterprise server and storage replacement equipment.

#### BACKGROUND:

The current enterprise server and storage equipment, purchased and installed in 2011, provides server processing and storage for the District's enterprise applications and files and is nearing end of service. The applications include Oracle Financials (EBS), Oracle Business Intelligence (BI), Oracle Customer Care and Billing (CC&B), Maximo, and Micro Focus file storage services.

Staff requested proposals for enterprise server and storage equipment from three pre-qualified vendors that are certified providers of Nutanix server and storage equipment. Nutanix is a leader in hyper-converged systems which provide both virtual memory processing and storage services. The District currently uses virtualized servers as part of its existing infrastructure and hyper-converged systems are the newest enterprise technology. Proposals were received from Carahsoft Technology Corp, Sirius Computer Solutions, and Nutanix Inc. The results were as follows:

<u>Vendor</u>	<u>Proposal Amount</u>
Sirius Computer Solutions	\$334,943
Nutanix Inc	\$439,259
Carahsoft Technology Corp	\$462,898

Sirius Computer Solutions had the best overall pricing for the enterprise server and storage replacement equipment, providing the District significant discounts from list pricing and has extensive experience providing equipment installation and implementation services to the District.

#### FISCAL IMPACTS:

Funds for the enterprise server and storage replacement are included in the FY 2017-18 Capital Budget for General Plant replacement.

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 April 3, 2018.

RECOMMENDATION:

THAT THE BOARD APPROVE A GENERAL PLANT EXPENDITURE OF \$334,943 WITH SIRIUS COMPUTER SOLUTIONS TO PURCHASE AND IMPLEMENT THE ENTERPRISE SERVER AND STORAGE REPLACEMENT EQUIPMENT.

EXHIBITS:

None.

April 9, 2018

Prepared by: T. Mossbarger

Submitted by: C. Clary

Approved by: Paul A. Cook 

## ACTION CALENDAR

### ANNUAL ORACLE SOFTWARE MAINTENANCE AND SUPPORT AGREEMENT RENEWAL

#### SUMMARY:

The Oracle Software Maintenance and Support Agreements, which expire in May 2018, provide for upgrades and maintenance of the District's Oracle Customer Care and Billing (CC&B) software, Oracle eBusiness Suite (EBS) Financial software, and Oracle Technology software. These agreements provide pricing for software maintenance and licenses contained in the CC&B and Technology Software License Agreement executed with Oracle in May 2014 as well as the EBS Financial Software Agreement executed with Oracle in May 2010. Staff recommends the Board approve renewal of the annual Oracle Software Maintenance and Support Agreements, and additional licenses and support in the amount of \$903,000, which will become effective on May 30, 2018 for Technology/CC&B and on May 22, 2018 for EBS.

#### BACKGROUND:

The Board approved a software agreement with Oracle in May 2014 for Technology software and additional CC&B software licenses. The District uses Oracle Technology software to run the servers and databases that support the Oracle EBS Financial applications, Oracle CC&B applications, Oracle Business Intelligence, and Maximo Enterprise Asset Management applications software. The agreements cover all versions of Oracle Technology software products, CC&B software products, and EBS Financial products purchased by the District, and allows for upgrade to new versions as they become available. Included in the agreement was a zero percent increase in software and support maintenance for renewals commencing after 2015 and through 2021. The renewal amount remains unchanged from 2017.

The Board approved a software agreement with Oracle in May 2010 for EBS Financial software licenses. The agreement includes an annual increase in software and support maintenance for renewals commencing in 2011. The renewal amount remains unchanged from 2017.

Several of the EBS software programs are licensed by enterprise based on operating revenue. For the District, this value is the audited operating revenue before adjustments for expenses and taxes generated during a fiscal year. The agreement provides that if the operating revenues increase, the District is required to order additional licenses and technical support for such licenses. The formula, as required by the agreement, did not generate an increase for additional licenses and support for this year.

The following table provides a summary of costs for the Oracle software maintenance and support agreements and additional licenses and support:



Description	Cost
Oracle Technology (ULA) Software & Support Maintenance	\$ 639,300
Oracle CC&B Software & Support Maintenance	\$ 132,300
Oracle EBS Financial Software & Support Maintenance	\$ 131,400
Oracle EBS Financial Software Additional Licenses & Support Based on \$M Revenue (No increase this year)	
Total Oracle Software Maintenance and Support Agreements & Additional Licenses & Support	\$ 903,000

Staff recommends renewal of the annual Oracle Software Maintenance and Support Agreements and additional licenses and support in the amount of \$903,000.

**FISCAL IMPACTS:**

Oracle Software Maintenance and Support Agreements are included in the FY 2018-19 Operating Budget.

**ENVIRONMENTAL COMPLIANCE:**

Not applicable.

**COMMITTEE STATUS:**

This item was reviewed by the Finance and Personnel Committee on April 3, 2018.

**RECOMMENDATION:**

THAT THE BOARD APPROVE RENEWAL OF THE ANNUAL ORACLE SOFTWARE MAINTENANCE AND SUPPORT AGREEMENTS AND ADDITIONAL LICENSES AND SUPPORT IN THE AMOUNT OF \$903,000.

**LIST OF EXHIBITS.**

None.



April 9, 2018

Prepared by: Eileen Lin

Submitted by: Cheryl Clary

Approved by: Paul A. Cook



## ACTION CALENDAR

### AUDITOR SELECTION FOR FIVE-YEAR CONTRACT COMMENCING IN FISCAL YEAR 2018-19

#### SUMMARY:

In 2012, the Board approved a five-year professional services contract with Mayer Hoffman McCann P.C. (MHM) for financial statement audit services. In 2015, key principals at MHM left the firm and formed a new firm, Davis Farr LLP (Davis Farr). The Board approved a two-year audit services contract with Davis Farr, commencing with the fiscal year ended June 30, 2015. In April 2017, the Board authorized a one-year contract extension with Davis Farr to perform audit services for the fiscal year ended June 30, 2017.

Staff solicited proposals from 12 qualified audit firms and received proposals from seven firms for a five-year contract commencing with the fiscal year 2018. After evaluating the proposals received and conducting interviews of the top three scoring firms, staff recommends the retention of Davis Farr at an annual cost commencing at \$63,540 for fiscal year ending 2018, escalating to an annual cost of \$68,760 for the fiscal year ending 2022, for a total amount of \$330,620.

#### BACKGROUND:

Historically, the District has retained the services of an independent accounting firm to provide audit services for the District. Best industry practice encourages solicitation of proposals for audit services every five years. The contract with the District's most recent auditor, Davis Farr, has expired. Staff sent a Request for Proposal (RFP) to 12 qualified audit firms and received proposals from the following: Davis Farr LLP, White Nelson Diehl Evans LLP (WNDE), Lance, Soll & Lunghard, LLP, Vasquez & Company LLP, Vavrinek, Trine, Day & Co., LLP (VTD), The Pun Group, LLP, and Badawi & Associates.

In addition to audit services, the RFP included services for a single audit of federal grants (if required), agreed-upon procedures to review the Orange County Sanitation District Revenue Area 14 (RA-14) billings to the District as well as procedures for handling Proposition 218 matters.

Staff evaluated the proposals based upon the following primary criteria:

- Experience, expertise, qualifications, and references with similar projects;
- Qualifications of the firm and individuals assigned to perform the work; familiarity and experience with audits of water / sewer agencies; availability and level of commitment of the proposed project team and key personnel; and
- Understanding of project scope, approach to accomplish the work, and project timeline; the consultant's ability to present a detailed, comprehensive scope of work; technical approach and methodology to provide the requested services; and ability to provide the requested services within the proposed schedule.

Based upon the criteria and preliminary review of the proposals, staff elected to interview the teams from Davis Farr, WNDE and VTD. Each of these firms provided an overview of its audit approach and answered a series of questions relating to its proposal, team, experience and approach to problem-solving and all demonstrated strong technical proficiency particularly at the partner level. Staff believed that the bench strength of the Davis Farr team members was more apparent as it demonstrated a deep understanding of the District's complex accounting. In response to the District's desire to have a "fresh look" at its financial audit, the Davis Farr firm addressed its proposed changes to its audit approach in certain audit areas. In addition, Davis Farr addressed the government requirement to rotate the primary partner during the five-year contract. Government Code section 12410.6.(b) states that "commencing with the 2013-14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. For purposes of calculating the six consecutive fiscal years, the local agency shall not take into account any time that a public accounting firm was employed by that local agency prior to the 2013-14 fiscal year".

Based upon the proposals and interviews, staff recommends that the Board approve a five-year professional services contract with Davis Farr. A copy of the Davis Farr proposal is attached as Exhibit "A". Staff bases the recommendation on the superior knowledge that the Davis Farr firm has of the District, as well as the following additional considerations:

- Changing audit firms can have a negative connotation to banks, rating agencies, bondholders or other external consumers of financial information. The assumption can be that the change is driven by disagreements or poor performance, rather than driven by fee or quality control concerns. As addressed above, Government Code section 12410.6.(b) requires a rotation of audit partners, but it does not require a rotation of the audit firm. The Davis Farr team proposes to keep Jennifer Farr as the primary partner for the first two or three years of the contract. Jennifer Farr will then rotate off the engagement. Davis Farr will recommend another qualified primary audit partner to complete the remaining contract years, but will retain other key staff members. Staff believes that the District will retain the knowledge and experience that the Davis Farr team has with the District, but still obtain the "fresh look" approach to the audit and review of financial statements.
- By changing auditors, District staff would need to devote a significant amount of time to educating a new audit firm and its staff about the District's internal controls and critical processes and procedures, as well as to develop working processes for sharing audit schedules and other information. In addition, there would be significant staff time to provide key contracts to the new firm and assist it with understanding its impact to the District. Staff estimates internal labor costs of over \$30,000 for a first-year audit changeover, and while this would subside over time, staff expects that the learning curve for a new firm would be extremely steep and costly to the District.

Exhibit “B” summarizes the fee portion of the proposals submitted. The Davis Farr firm is competitive with the WNDE and VTD firms, with an average cost per year over the five-year contract term of \$66,124. Although Davis Farr is not the least expensive firm for the standard audit and financial reporting work, staff contends the additional average annual cost of less than \$7,000 per year from the lowest bid is outweighed by the internal costs noted above as well as the audit quality that comes with continuity and institutional knowledge of the District.

**FISCAL IMPACTS:**

The contract for a five-year agreement totals \$330,620 and is included in the FY 2018-19 Operating Budget with inclusion in future budgets accordingly.

**ENVIRONMENTAL COMPLIANCE:**

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

**COMMITTEE STATUS:**

This item was reviewed by the Finance and Personnel Committee on April 3, 2018.

**RECOMMENDATION:**

THAT THE BOARD APPROVE A FIVE-YEAR CONTRACT WITH DAVIS FARR LLP AT A COST OF \$330,620 COMMENCING IN FISCAL YEAR 2018-19.

**LIST OF EXHIBITS:**

Exhibit “A” – Proposal from Davis Farr LLP  
Exhibit “B” – Evaluation Matrix and Cost Summary



## **IRVINE RANCH WATER DISTRICT**

### **PROPOSAL FOR PROFESSIONAL AUDITING SERVICES**

**Prepared By:**

Davis Farr LLP  
2301 Dupont Drive, Suite 200  
Irvine, CA 92612

**February 23, 2018**

**Contact Person:**

Jennifer Farr, CPA, MBA | Partner  
Main: 949.474.2020 | Direct: 949.783.1740  
Email: [jfarr@davisfarr.com](mailto:jfarr@davisfarr.com)

# **Irvine Ranch Water District**

## **PROPOSAL FOR PROFESSIONAL AUDITING SERVICES**

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#### **APPENDIX**

##### **Peer Review Report**



**Davis Farr LLP**  
2301 Dupont Drive | Suite 200 | Irvine, CA 92612  
Main: 949.474.2020 | Fax: 949.263.5520

**February 23, 2018**

Irvine Ranch Water District  
Attn: Cheryl Clary, Executive Director of Finance and Administration  
15600 Sand Canyon Avenue  
Irvine, CA 92618

Dear Ms. Clary,

We are pleased to provide our proposal to perform audit services to the Irvine Ranch Water District (the "District") for the fiscal years ending June 30, 2018 through 2022.

Our service philosophy is one of open and constant communication, a proactive approach and responsive, value-added services. We will listen to your ideas and concerns and will bring creative solutions to you in both financial and other operational areas. We are aware that while the District has solicited numerous proposals, Davis Farr LLP would be your best selection for the following reasons which are set forth in greater detail in our proposal:

- Our Partners have been providing audit services to Governmental Water agencies for over 40 years. Davis Farr currently provides audit services to many large water agencies in Southern California including the San Diego County Water Authority, Eastern Municipal Water District, West Basin Water District, Municipal Water District of Orange County, Metropolitan Water District of Southern California and others as listed further in our proposal. Our firm performs over 70 financial statement audits a year.
- We take a proactive leadership role in local government accounting and auditing issues. Our Partners serve on the Government Accounting and Audit Committee of the Cal CPA Society and are frequent speakers on technical topics at conferences and training events throughout California. In addition Davis Farr LLP provides an annual Governmental Accounting Standards Board (GASB) Technical Update each spring for our clients.
- Irvine Ranch Water District has complex accounting issues related to interest rate swaps, joint operations with OCSD, real estate investment transactions, water banking, and other transactions. We have developed an in-depth understanding of these complex transactions and agreements that allows us to advise you on the related accounting issues in a manner that would not be possible for a new firm.

We appreciate the opportunity to share our credentials and look forward to continuing to serve as the District's auditors. We are committed to perform the services within the time frame specified. I look forward to you contacting me so that I may answer further any questions which you may have. You may contact me at (949) 783-1740.

Very truly yours,

**Jennifer Farr, CPA, MBA**  
**Partner**



## Irvine Ranch Water District

### PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

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#### EXPERIENCE

**Background Information** – Davis Farr LLP is a full service accounting firm that specializes in providing attest and advisory services to federal, state, and local governments as well as non-profit entities. Our personnel have served governmental agencies for over 40 years. A breakdown of our audit personnel by classification is as follows:

Classification	Number of Employees
<i>Partners</i>	6
<i>Managers</i>	10
<i>Supervisors/Seniors</i>	16
<i>Staff</i>	18
<i>Administrative</i>	3
<i>Total personnel</i>	53

Davis Farr LLP is a leader in the local government sector throughout Southern California. Currently, we serve approximately 70 local, state, and federal government entities. Davis Farr LLP services routinely provided to our clients include, but are not limited to:

- **Financial statement audits** prepared in accordance with generally accepted auditing standards (GAAS) and *Government Auditing Standards*.
- **Financial statement reviews & compilations** prepared in accordance with Statements on Standards for Accounting and Audit Services (SSARS), issued by the American Institute of CPAs.
- **Attestation engagements involving internal control** related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- **Compliance audits** of federally-funded assistance agreements and negotiated contracts as well as all engagements involving internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulation, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

We typically supplement these services by providing management with sound recommendations to strengthen internal controls and/or improve operating efficiencies.

## **Irvine Ranch Water District**

### ***PROPOSAL FOR PROFESSIONAL AUDITING SERVICES***

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Among the special districts that the professionals of Davis Farr LLP have served recently are the following:

Bighorn Desert Water District  
City and County of Fresno Housing Authority  
City of San Bernardino Water Department  
Cucamonga Valley Water District  
Eastern Municipal Water District  
Irvine Ranch Water District  
Leucadia Wastewater Authority  
Local Agency Formation Commissions (Orange County, Los Angeles, San Diego,  
Riverside, San Bernardino, and Imperial County)  
Metropolitan Water District of Southern California (LRP audits)  
Municipal Water District of Orange County (Consulting)  
Oxnard Housing Authority  
Placer County Water District  
Puente Basin Water District  
Rancho California Water District  
Salton Sea Authority  
San Diego Association of Governments  
San Diego County Water Authority  
San Diego Pooled Insurance Authority  
South Coast Water District  
South Orange County Wastewater Authority  
Sunny Slope Water Company  
Sweetwater Authority  
Tahoe Regional Planning District  
Tahoe Transportation District  
Ventura Housing Authority  
Walnut Valley Water District  
West Basin Municipal Water District

Additionally, Davis Farr LLP serves California cities and related entities and performs compliance and internal control audit services for several US Government Agencies.



## Irvine Ranch Water District

### PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

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**Independence** – Davis Farr LLP is independent with respect to Irvine Ranch Water District as defined by U.S. General Accounting Office's *Government Auditing Standards* and Generally Accepted Auditing Standards. Neither Davis Farr LLP nor the key personnel have any potential or real conflicts of interest.

**License to Practice in California** – Davis Farr LLP and all key personnel are licensed with the California State Board of Accountancy to practice as independent certified public accountants.

**Quality Control** – Davis Farr LLP and its Partners are members of the American Institute of Certified Public Accountants (AICPA) and is a member of the AICPA's Government Audit Quality Center. Our firm is a voluntary participant in the AICPA Peer Review Program. Included in the appendix is our most recent Peer Review report where our firm received a *Pass*. A *Pass* demonstrates the highest level of quality control in a Peer Review. The Peer Review included a review of government engagements.

Davis Farr LLP has not had any federal or state desk reviews or field reviews during the past three years. Additionally, there has been no disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations.

**Training** – Every professional of the firm must enroll in continuing professional education courses. Each person is required to take at least 80 hours of training over a two-year period including 24 hours a year specific to government accounting and audit topics. Courses cover a wide spectrum of professional and technical subjects, and include Fraud Auditing, Professional Ethics and Governmental Accounting and Auditing topics to help the practitioner maintain his/her professional expertise. All member of the audit team are current and in compliance with the State of California continued professional education requirements.

## Irvine Ranch Water District

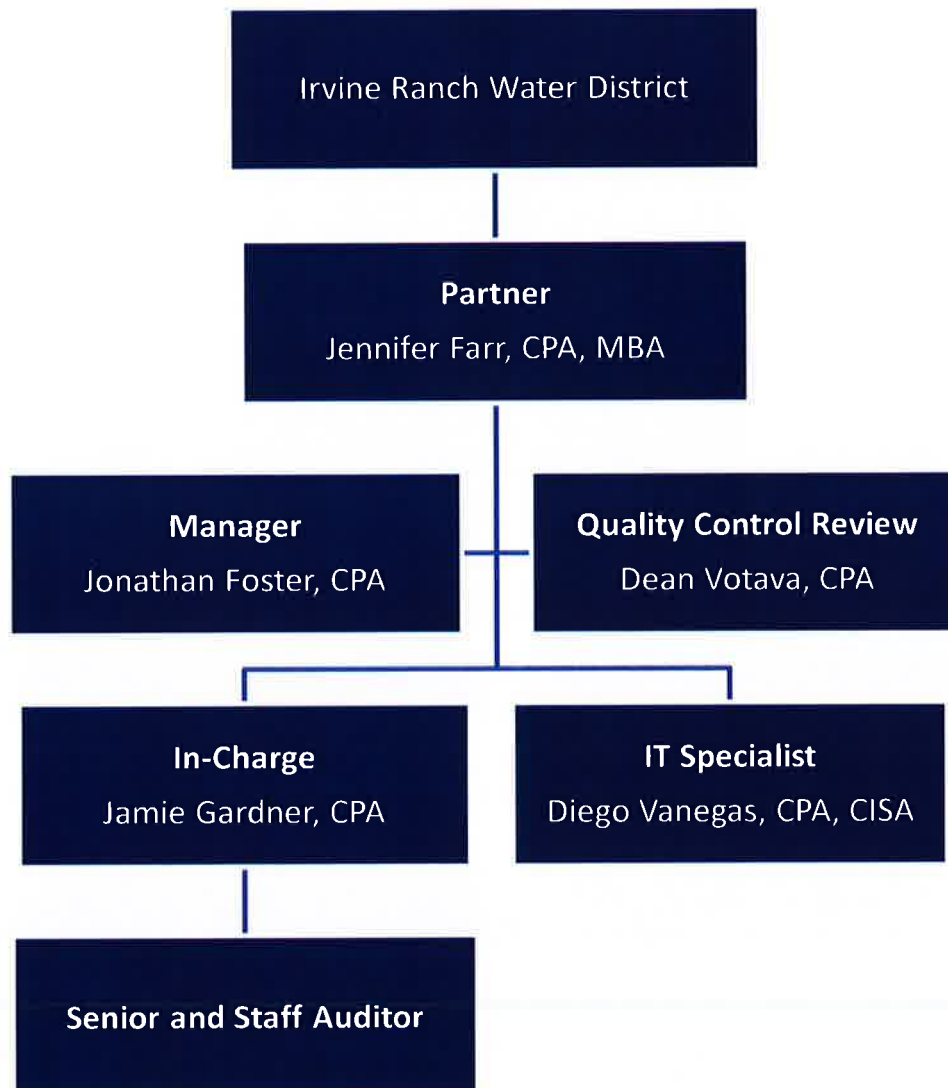
### PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

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#### ENGAGEMENT TEAM

The successful outcome of any audit requires personnel with the managerial and technical skills to perform the work required. The engagement team who will serve Irvine Ranch Water District have served together as a team of professionals on numerous financial audit examinations of local government entities.

We believe that efficient administrative management and supervision of the audits is an extremely critical factor in achieving the desired results for Irvine Ranch Water District. In that regard, our proposal organizational structure for providing independent auditing services is as follows:



## Irvine Ranch Water District

### PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

**JENNIFER FARR, CPA, MBA**  
**PARTNER**

California CPA Certificate No. 76292, October 1998

Ms. Farr will serve as the Partner on this audit. She will oversee the project to ensure all required deadlines are met, provide technical assistance to the audit teams, and review the final reports before they are released. Ms. Farr is a Certified Public Accountant with 20 years of experience in local government auditing. Ms. Farr is a frequent speaker on matters pertaining to technical issues and new GASB pronouncements.



#### PROFESSIONAL AFFILIATIONS & AWARDS

- Member of Cal CPA Government Audit & Accounting Committee
- Recipient of the Cal CPA Women to Watch award in the Experienced Leader category
- GFOA CAFR Reviewer
- California Society of Municipal Finance Officers
- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

#### EDUCATION

- Bachelor of Arts - Business Administration/Accounting (*California State University, Fullerton*)
- Bachelor of Arts - English (*California State University, Fullerton*)
- Masters of Business Administration (*California State University, Fullerton*)

#### AUDITS OF SIMILAR SPECIAL DISTRICTS

Coachella Valley Assoc of Govts

Eastern Municipal Water District

Irvine Ranch Water District

Orange County Sanitation District

Placer County Water District

Mesa Water District

South Montebello Irrigation District

San Diego Association of Governments

South Coast Water District

Southern California Assoc of Governments

Sweetwater Authority

Walnut Valley Water District

Cucamonga Valley Water District

Inland Empire Utilities District

Leucadia Wastewater District

Orange County Water District

Puente Basin Water Agency

Moulton Niguel Water District

Los Angeles Homeless Services Authority

Salton Sea Authority

So. Orange County Wastewater Authority

San Diego County Water Authority

Vista Irrigation District

West Basin Municipal Water District

## **Irvine Ranch Water District**

### **PROPOSAL FOR PROFESSIONAL AUDITING SERVICES**

**DEAN VOTAVA, CPA**

**QUALITY CONTROL REVIEWER**

California CPA Certificate No. 64413

Mr. Votava has 30 years of government audit experience. Mr. Votava has performed financial statement audits of cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with the Uniform Guidance, and compliance audits. As a second reviewer, Mr. Votava will be involved in approving the audit plan, reviewing key audit workpapers, reviewing all reports, and acting as a second technical resource to the District.



#### **PROFESSIONAL AFFILIATIONS**

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

#### **EDUCATION**

Bachelor of Business Administration – Accounting  
University of North Dakota, Grand Forks

#### **AUDITS OF CALIFORNIA GOVERNMENTS**

Mr. Votava has managed numerous financial statement audits, redevelopment agency audits and OMB Circular A-133 Single Audits for a number of significant local government entities. Some of the audit engagements managed by Mr. Votava include the following:

- |                                       |  |
|---------------------------------------|--|
| ▪ Orange County Water District        | ▪ Irvine Ranch Water District          |
| ▪ LA Park and Open Space District     | ▪ San Diego Association of Governments |
| ▪ Encina Wastewater Authority         | ▪ Costa Mesa Sanitary District         |
| ▪ Fresno Housing Authority            | ▪ Coachella Valley Water District      |
| ▪ Housing Authority of the City of LA | ▪ Tahoe Transportation District        |
| ▪ City of Carlsbad                    | ▪ City of Torrance                     |
| ▪ City of Santa Ana                   | ▪ City of Palm Springs                 |
| ▪ City of El Segundo                  | ▪ City of Upland                       |
| ▪ Tahoe Regional Planning Agency      | ▪ City of Garden Grove                 |
| ▪ Walnut Valley Water District        | ▪ Puente Basin Water Authority         |

## Irvine Ranch Water District

### PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

**JONATHAN FOSTER, CPA**  
**MANAGER**

California CPA Certificate No. 117853

Mr. Foster has ten years of accounting experience with local government, spending the majority of that time on audits for water agencies. In addition to performing financial statement and Single Audits for his government clients, Mr. Foster is involved in a variety of special projects. Mr. Foster is a frequent trainer on GASB and OMB technical topics. Mr. Foster would serve in the role of a Manager on the Financial Statement audit and the in-charge on the OCSD Agreed-Upon-Procedures.



#### **PROFESSIONAL AFFILIATIONS**

American Institute of Certified Public Accountants

California Society of Certified Public Accountants

#### **EDUCATION**

Bachelor of Accounting, *University of San Diego*

#### **EXPERIENCE WITH SPECIAL DISTRICTS**

Irvine Ranch Water District

Inland Empire Utilities Agency

Big Bear Area Regional Wastewater Area

Leucadia Wastewater District

West Basin Municipal Water District

City of San Bernardino Municipal  
Water Department

Cucamonga Valley Water District

Orange County Sanitation District

Municipal Water District of Orange County

Santiago Aqueduct Commission

Big Bear City Community Services District

Vista Irrigation District

Mr. Foster has also worked on audits for the Special Inspector General for Afghanistan Reconstruction (SIGAR) and the Centers for Medicare and Medicaid Services. In addition to this he has been involved in SOC1 Type II audits (formerly SAS 70) for various government benefits administrators.

## Irvine Ranch Water District

### PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

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**JAMIE GARDNER, CPA  
IN-CHARGE**

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#### **INTRODUCTION**

Jamie Gardner was recently promoted to a Manager with the Firm and will serve as the In-Charge Auditor on this engagement. She has 5 years of experience in government auditing and accounting. She has been assigned responsibility for audit and special assignments. This experience has encompassed financial statement audits, compliance audits of grants and contracts, single audits and agreed-upon procedures of governmental and non-profit engagements.

#### **EMPLOYMENT HISTORY**

Davis Farr LLP: Manager – June 2015 to present

Mayer Hoffman McCann P.C.: Associate – July 2013 to June 2015

#### **EDUCATION**

Bachelor of Science in Business Administration: Accounting, Biola University

#### **RELEVANT EXPERIENCE**

- |                              |   |
|------------------------------|---|
| ▪ City of Fontana            | ▪ Irvine Ranch Water District                   |
| ▪ City of Jurupa Valley      | ▪ Placer County Water Agency                    |
| ▪ City of Costa Mesa         | ▪ Los Angeles Local Agency Formation Commission |
| ▪ City of Inglewood          | ▪ Orange Local Agency Formation Commission      |
| ▪ City of Woodland           | ▪ Riverside Local Agency Formation Commission   |
| ▪ City of Victorville        | ▪ San Diego Association of Governments          |
| ▪ County of San Diego        | ▪ San Diego Pooled Insurance Program Authority  |
| ▪ Fresno Housing Authorities | ▪ San Diego Local Agency Formation Commission   |
| ▪ Hass Avocado Board         | ▪ South Orange County Wastewater Authority      |

## **Irvine Ranch Water District**

### **PROPOSAL FOR PROFESSIONAL AUDITING SERVICES**

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**DIEGO VANEGAS, CPA, CISA, CITP  
PARTNER**

#### **INTRODUCTION**

Diego Vanegas, CPA, CISA, CITP has over 13 years of progressive governmental accounting and audit experience, including extensive compliance audit experience for governmental and non-profit agencies. He has been involved in financial/compliance audits, internal control audits and assessments, operational/performance audits, and cost proposal analysis/price reviews for various governmental agencies. Mr. Vanegas has served in many capacities depending on the size and requirements of the engagements. He has participated in audits of federal agencies such as NSF, CMS, and CNCS, among others. Additionally, Mr. Vanegas has been involved in agreed-upon-procedures and audit engagements of state/local agencies. These engagements have often times combined both financial and compliance aspects of the audit as well as Information Technology (IT). Furthermore, he has strong internal control audit experience through the performance of SSAE 16 Service Organization Controls (formerly known as SAS 70) audits of the internal controls of service organizations, as well as knowledge of *Government Auditing Standards*, Office of Management and Budget (OMB) Circular A-87 and the Federal Acquisition Regulations (FAR).

#### **EMPLOYMENT HISTORY**

- Davis Farr LLP: Partner –June 2015
- Top 10 National CPA Firm.: May 2005 to June 2015

#### **EDUCATION**

- Bachelor of Science in Business Administration, with an emphasis in Accounting  
California State University - Los Angeles.
- Bachelor of Science in Computer Information Systems, with an emphasis in Business  
Systems California State University - Los Angeles.

#### **PROFESSIONAL CERTIFICATIONS**

- Certified Public Accountant, State of California, No. 113040
- Certified Information Technology Professional, No. 3298
- Certified Information Systems Auditor



## Irvine Ranch Water District

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#### PROJECT APPROACH AND TIMELINE

Davis Farr plans and conducts our engagements in the most efficient manner possible, and our audit approach is unique with regard to the following:

- Our firm is sensitive to the priorities and work requirements of our clients. We work around the schedules of our clients when scheduling segments of the audit or requesting documentation in order to minimize disruption of District staff and to complete the audit in a timely manner.
- Whenever possible, we use accounting support already prepared by the District staff in order to avoid duplication or unnecessary requests for audit supporting schedules.
- Our firm's expertise is in governmental auditing. Our auditors are GASB experts and skilled at addressing audit issues that are specific to local governments. You will not spend time training our personnel.
- When formulating internal control recommendations, we obtain a thorough understanding of the specific circumstances at your District in order to provide a tailored, practical recommendation.
- Throughout the year we are a resource to our clients in providing accounting advice, researching technical questions, dealing with tax problems, and helping with other problems as they arise.

**Audit Software** - We utilize Caseware audit software for the electronic management of workpapers. We have the ability to accept audit documentation in either hard copy or electronic format. Caseware allows us the ability to import trial balances that can be provided in either excel or a text document. Some of the benefits of using Caseware trial balance software are as follows:

- We can create our own lead sheets (i.e., analytical review comparison schedules). This limits the amount of time finance staff spends creating audit schedules. Our software automatically generates analytical review reports by account number for ease of analyzing significant fluctuations between fiscal years.
- We can link the financial statement schedules directly to the Caseware trial balances. As a result, we can provide the District with financial statements almost immediately after receiving the trial balance from the District. Additionally, journal entries are easy to post to the financial statement schedules and the risk of data entry error is minimized.



## **Irvine Ranch Water District**

### ***PROPOSAL FOR PROFESSIONAL AUDITING SERVICES***

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- We can provide the District with reports showing the coding of the financial statement schedules for ease of review by District staff. These reports show each account coded to a specific financial statement line item as well as journal entries that are posted during the audit.
- Creating color PDF's of final reports is a seamless process for our audit staff.
- We can provide the District with draft audit reports soon after audit fieldwork is completed.

### **Data Mining Software**

We have a dedicated team of personnel trained to use special data mining software. Our software uses source data from your accounting system to search for anomalies, such as duplicate or voided checks, cross-referencing vendor addresses with employee addresses, detecting accounting transactions recorded on the weekend, reviewing journal entry postings for unauthorized individuals. The software identifies specific transactions for the auditors to review for potential fraud or error.

### **Internal Control Methodology**

Our approach to evaluating internal controls involves observation and inquiry. We spend time with the personnel responsible for the accounting cycles to gain an understanding of the processes. We also carefully evaluate your policies and procedures. After our initial evaluation, we identify key controls in your processes and design test to evaluate the effectiveness of those processes.

In the initial year of the audit, we will focus on the following accounting cycles:

- Billing and cash receipting
- Capital assets
- Purchase and disbursements
- Payroll
- Investment and cash controls
- Information systems

In future years, we will review the accounting cycles noted above but also look at other processes such as credit card transactions, petty cash, inventory controls, employee reimbursements, contract compliance, and other areas. Our goal is to modify our audit approach every year to further evaluate your internal controls.

## Irvine Ranch Water District

### PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Audit Stage	Procedures Performed
<b>Planning and inquiry</b>	<p>During the planning phase of the audit, we plan to perform the following procedures:</p> <ul style="list-style-type: none"> <li>• Meet with finance personnel to obtain an understanding of significant transactions during the year</li> <li>• Communicate with the Board of Directors in regards to fraud, compliance with laws, and any concerns they have regarding the finances of the District</li> <li>• Perform internal control evaluations as noted previously</li> <li>• Determine materiality levels that will be used in selecting audit transactions</li> <li>• Perform a risk assessment to develop the audit plan for the year</li> <li>• Review minutes of Board of Directors meetings</li> <li>• Review important new contracts, bond documents, and agreements</li> <li>• Evaluate compliance with investments</li> <li>• Test purchase orders and contract management</li> <li>• Test a sample of cash disbursements to determine adherence to policies and internal controls</li> <li>• Review internal controls over real estate transactions and perform on-site testing of transactions of management companies utilized by the District</li> <li>• Our in-house IT specialist will perform a review of the organizations information systems and controls</li> <li>• Perform compliance testing of federal grants, as necessary</li> <li>• Provide an update to finance staff on new accounting standards and provide templates for recording journal entries or new footnote examples to assist with implementation</li> <li>• Provide suggestions for improvements to the financial statements based on the GFOA review and new best practices</li> </ul>
<b>Year-End Testing</b>	<p>After the books are closed and ready for audit, we will perform our year-end procedures which include the following:</p> <ul style="list-style-type: none"> <li>• We will confirm 100% of all cash and investment balances and test market values provided by your investment custodians.</li> <li>• We will test for proper cutoffs of accounts receivable and grants receivable.</li> <li>• We will test water inventory by reviewing records supporting amounts, performing recalculations, and observing parts inventory if material.</li> <li>• We plan to test capital asset additions and deletions each year. This testing will involve meeting with engineering staff to understand the significant capital projects, testing vendor invoices, evaluating amounts capitalized, testing capitalized interest calculations, and evaluating whether deletions have been recorded for replaced assets.</li> <li>• </li> </ul>

## Irvine Ranch Water District

### PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Audit Stage	Procedures Performed
<b>Year-End Testing</b>	<ul style="list-style-type: none"> <li>• we will periodically recalculate depreciation and accumulated depreciation for every asset using our data mining software.</li> <li>• We will independently test the fair value of interest rate swaps and evaluate hedge effectiveness.</li> <li>• We will evaluate the fair value of real estate investments through review of appraisals and roll forward techniques.</li> <li>• We will evaluate the receivable or payable from OCSD by rolling forward information from the last agreed-upon-procedures report and evaluating the reasonableness of transactions recorded during the year.</li> <li>• We will test current liabilities and perform a search for unrecorded liabilities.</li> <li>• We will test the balances of accrued payroll and employee related liabilities.</li> <li>• We will confirm long-term debt and letters of credit with independent parties.</li> <li>• In years of new debt issuances, we will review the journal entry to record the debt to ensure the accuracy of the accounting.</li> <li>• We will perform tests of compliance with bond covenants.</li> <li>• External verification of bond compliance through the Electronic Municipal Market Access (EMMA) database.</li> <li>• We will test actuarial valuations and calculations related to OPEB obligations. Our testing will include an evaluation of the assumptions used by the actuary and testing of underlying census data supporting the calculations. We will provide you with a template for recording the GASB 75 entries.</li> <li>• We will test actuarial valuations and GASB 68 calculations related to Pension obligations. Our testing will include an evaluation of the assumptions used by the actuary and testing of underlying census data supporting the calculations. We will provide you with a journal entry workbook to assist you with recording the GASB 68 entries.</li> <li>• We will evaluate insurance retention limits, claim registers, and claims payable balances.</li> <li>• We will evaluate the classifications of net position and recalculate certain amounts.</li> <li>• We will analytically test water and sewer revenues utilizing information about volume sold and rates in effect.</li> <li>• Test the reasonableness of interest income, realized, and unrealized gains/losses on investments.</li> <li>• We will evaluate water purchases and charges by selecting a sample of invoices and reviewing the invoices for proper cutoffs.</li> </ul>

## Irvine Ranch Water District

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Audit Stage	Procedures Performed
<b><i>Year-End Testing</i></b>	<ul style="list-style-type: none"> <li>• Select a sample of grant expenditures and test for allowability and compliance with the grant agreement.</li> <li>• We will analytically and substantively test other revenues and expenses reported in the financial statements.</li> <li>• We will incorporate an element of unpredictability every year that will focus on an audit area that is not typically considered a high or significant risk area such as petty cash, credit card purchases, new vendors, travel expenses, etc.</li> </ul> <p>The aforementioned tests are only a few of the tests performed during the examination and by no means is it meant to be all inclusive. During the final stage of the audit we will meet with Finance staff to review our audit findings and any adjusting journal entries.</p>
<b><i>Completion of the Audit and Preparation of Financial Statements</i></b>	<p>The nature and extent of the work required is dependent on our assessment of the likelihood of misstatements in the financial statements together with our conclusions from the planning and testing stages of the audit. All of the audit information is then used to reach a conclusion on whether the financial statements taken as a whole conform with generally accepted accounting principles.</p> <ul style="list-style-type: none"> <li>• We will review significant events after year end</li> <li>• We will review attorney letters for significant legal matters</li> <li>• We will review the District prepared draft the financial statements.</li> <li>• We will meet with the Finance &amp; Personnel Committee to present the results of the audit.</li> </ul>
<b><i>Prop 218 AUP</i></b>	<p>We have demonstrated our ability to handle the Prop 218 AUP in a manner that is both professional and accurate. We understand the importance of these procedures and will continue to provide excellent service to the District.</p>
<b><i>OCSD AUP</i></b>	<p>The District's many agreements with Orange County Sanitation District are complex and difficult to interpret. We have spent years obtaining a deep understanding of the agreements as well as the practical application of the agreements. We have annually uncovered OCSD errors and saved IRWD customers money in the process. While we believe a new firm could eventually understand the complexities of this engagement, we believe we are in the best position to assess OCSD's continued compliance with the agreements.</p>
<b><i>Consultations Throughout the Year</i></b>	<p>We always recommend our clients reach out to us during the year to discuss any complex or unusual transactions such as new debt, annexations, and complex capital projects. We also provide our clients templates for recording GASB 68 pension entries and the new GASB 75 OPEB transactions. We will provide training on how to use our templates and will review the transactions as part of our service to our clients prior to the start of audit fieldwork.</p> <p>We believe regular communication of complex issues allows for a smoother audit process and no surprises for either party.</p>

## Irvine Ranch Water District

### PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

#### Implementation of New Standards

We believe an important part of our service to the District is advising you on upcoming accounting and auditing standards. Some of the new GASB pronouncements planned or proposed for local governments that we believe will impact the District are mentioned below:

<b>GASB</b>	<b>Description</b>
<b><i>GASB Statements No. 75 OPEB</i></b>	Similar to the new Pension Standards, GASB approved the release of GASB Statements 75 in June 2015. This standard changes the calculation of the Other Post Employments Benefit liability and requires additional disclosures. The standard will be effective for the June 30, 2018 financial statements. We will provide the District with templates for recording the OPEB journal entries as well as provide a disclosure example for the CAFR. We will work with the District's actuary to ensure the information necessary for the audit is provided by the actuary.
<b><i>GASB 83: Asset Retirement Obligations</i></b>	This statement addresses accounting and financial reporting for certain asset retirement obligations. We will meet with you each year to determine if you have any obligations subject to this standard. The standard will be effective for the year ending December 31, 2019.
<b><i>GASB 84: Fiduciary Activities</i></b>	This statement establishes criteria for identifying fiduciary activities. We will evaluate the District's activities to determine if any fiduciary reporting is necessary. The standard will be effective for the year ending December 31, 2018.
<b><i>GASB 85: Omnibus</i></b>	Effective for the June 30, 2018 financial statements, this statement addresses a variety of topics including related to blending component units, goodwill, fair value measurement and application and postemployment benefits. We will evaluate the applicability of the standard for the District.
<b><i>GASB 86: Debt Extinguishments</i></b>	This statement provides guidance for debt refunding when a government uses its own resources, rather than proceeds of refunding debt. We believe this standard will have limited applicability to the District. The standard will be effective for the year ending December 31, 2020.
<b><i>GASB 87: Leases</i></b>	The objective of this statement is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. The standard will be effective for the fiscal year ending June 30, 2021.



## Irvine Ranch Water District

### PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

#### DISTRICT'S CAFR

We have reviewed the District's CAFR and have not identified any issues or technical disagreements with the existing presentation.

#### SCHEDULE

The following proposed timing for the fiscal year ending June 30, 2018 audit is subject to the District's revision and approval:

Task	Year Ending June 30, 2018
<i>Interim Audit Request List Provided</i>	April 2018
<i>Entrance Conference</i>	April 2018
<i>Interim Audit Procedures</i>	April 23 – May 4, 2018
<i>Final Audit Request List</i>	May 4, 2018
<i>OCSD RA14 AUP</i>	May 2018, as scheduled by OCSD
<i>Prop 218 AUP</i>	May 2018, as scheduled by IRWD
<i>Final Audit Fieldwork</i>	September 3-14, 2018
<i>Exit Meeting</i>	September 14
<i>Review Draft Financial Statements*</i>	By Oct 1
<i>Meeting with F&amp;P</i>	November 2018
<i>Finalization of Audit Reports</i>	Upon approval of F&P

\*The District's financial statements will be subjected to a 5 level review: a review of mathematical accuracy and tie out to the audit workpapers, a review by the in-charge, a review by the Manager, a review by the quality control reviewer, and a review by the Partner. These reviews occur concurrently and recommended report changes are provided at the same time on one document. The reviews are typically completed within 5 business days.

#### Segmentation of the Audit

The following is our estimate of time needed to complete the engagement:

Personnel	Hours	Percentage
<i>Partner</i>	60	10%
<i>Manager</i>	120	20%
<i>In-Charge/Senior</i>	220	37%
<i>Staff Auditor</i>	200	33%
<i>Total</i>	600	100%

## Irvine Ranch Water District

### PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

#### REFERENCES

For your convenience, we have listed below references with regard to audit work currently being performed by Davis Farr LLP personnel throughout Southern California. For each of the references, we currently serve as independent auditors and have served these agencies for a number of years.

	Client	Audit Hours	Client Contact	Telephone/Email
1.	<b>Eastern Municipal Water District</b> 2270 Trumble Road Perris, CA 92570	500	Debby Cherney, Deputy General Manager	951.928.3777 cherneyd@emwd.org
2.	<b>San Diego County Water Authority</b> 4677 Overland Avenue San Diego, CA 92123	550	Christopher Woidzik, Controller	858.522.6679 cwoidzik@sdewa.org
3.	<b>West Basin Water District</b> 17140 South Avalon Blvd Carson, CA 90746	400	Margaret Moggia, Chief Financial Officer	310.660.6256 Margaretm@westbasin.org

#### JOINT VENTURE, CONFLICT OF INTEREST, AND INSURANCE

No joint ventures or subcontractors will be used on this engagement.

There are no personal or organizational conflicts of interest prohibited by law.

Davis Farr LLP can and will comply with IRWD insurance requirements as stated in the request for proposal.

## **APPENDIX**



System Review Report

**DAVIS FARR LLP**

Irvine, California;  
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Davis Farr LLP (the firm) in effect for the year ended May 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and an examination of a service organization control (SOC) 1 Type 2.

In our opinion, the system of quality control for the accounting and auditing practice of Davis Farr LLP in effect for the year ended May 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Davis Farr LLP has received a peer review rating of *pass*.

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*GYL Decauwer LLP*

Ontario, California  
June 29, 2016

*your*  
*Success*  
*is our*  
**DESTINATION**

# Exhibit "B"

## Irvine Ranch Water District Audit Services RFP FY2018 - FY2022 Evaluation Matrix and Cost Summary

		Davis Farr	White Nelson	Lance, Soll	Vasquez &	Vavrinek	The Pun	Badawi &
	Points	LLP	Diehl Evans	& Lunghard	Company	Trine, Day &	Group,	Associates
TECHNICAL PROPOSAL						Co., LLP	LLP	
Experience, expertise, qualifications, and references with similar projects.	20.0	20.0	17.5	11.3	17.5	15.0	13.8	12.5
Qualifications of the firm and individuals assigned to perform the work; familiarity and experience with audits of water / sewer agencies; availability and level of commitment of the proposed project team and key personnel.	40.0	40.0	35.0	25.0	27.5	30.0	31.3	25.0
Understanding of project scope, approach to accomplish the work, and project timeline; consultant's ability to present a detailed, comprehensive scope of work; technical approach and methodology to provide the requested services; ability to provide the requested services within the proposed schedule.	40.0	40.0	30.0	25.0	27.5	32.5	27.5	26.3
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>82.5</b>	<b>61.3</b>	<b>72.5</b>	<b>77.5</b>	<b>72.5</b>	<b>63.8</b>

Ranking	1	2	3
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### COST PROPOSAL

FY2018	\$63,540	\$64,980	\$62,690	\$59,080	\$66,800	\$60,500	\$56,760
FY2019	\$64,810	\$66,930	\$64,257	\$60,852	\$66,800	\$61,710	\$58,460
FY2020	\$66,100	\$68,940	\$65,864	\$62,678	\$66,800	\$62,944	\$60,210
FY2021	\$67,410	\$71,000	\$67,510	\$64,558	\$68,136	\$64,203	\$60,210
FY2022	\$68,760	\$73,130	\$69,198	\$66,495	\$69,498	\$65,488	\$60,210
<b>TOTAL</b>	<b>\$330,620</b>	<b>\$344,980</b>	<b>\$329,519</b>	<b>\$313,663</b>	<b>\$338,034</b>	<b>\$314,845</b>	<b>\$295,850</b>
<b>Average Cost per Year</b>	<b>\$66,124</b>	<b>\$68,996</b>	<b>\$65,904</b>	<b>\$62,733</b>	<b>\$67,607</b>	<b>\$62,969</b>	<b>\$59,170</b>