

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

**April 14, 2014**

**PLEDGE OF ALLEGIANCE**

**CALL TO ORDER**

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

**ROLL CALL**

Directors Matheis, Reinhart, Swan, Withers and President LaMar

**NOTICE**

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

---

**COMMUNICATIONS TO THE BOARD**

---

1. A. Written:

B. Oral: Mrs. Joan Irvine Smith relative to the Dyer Road Wellfield.

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

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

---

**WORKSHOP**

**Resolution No. 2014-24**

3. **FISCAL YEAR 2014-15 OPERATING BUDGET AND PROPOSED RATES AND CHARGES**

Recommendation: That the Board review and provide comments on the proposed FY 2014-15 Operating Budget and proposed rates and charges.

---

**CONSENT CALENDAR**

**Items 4-8**

4. **MINUTES OF REGULAR BOARD MEETING**

Recommendation: That the minutes of the March 24, 2014, Regular Board meeting be approved as presented.

---

**CONSENT CALENDAR - Continued**

**Items 4-8**

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <p>5.     <u>RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS</u></p> <p>Recommendation: That the Board ratify/approve meetings and events for Steven LaMar, John Withers, Douglas Reinhart and Peer Swan.</p> <p>6.     <u>PENSION PLAN FUNDING STATUS UPDATE</u></p> <p>Recommendation: That the Board authorize staff to transfer District funds in the amount of \$2,236,900 to the Post-employment Retirement Trust (Retirement Trust) no later than June 30, 2014 and that these funds be allocated consistent with the investment policy of the Retirement Trust Board.</p> <p>7.     <u>IRWD PROPERTY INSURANCE FISCAL YEAR 2014-15</u></p> <p>Recommendation: That the Board authorize changing the District's property insurance coverage from Affiliated FM to the CSAC-EIA property insurance program effective April 15, 2014.</p> <p>8.     <u>2014 STATE LEGISLATIVE UPDATE</u></p> <p>Recommendation: That the Board take a "SUPPORT" position on AB 1799 (Gordon); a "SUPPORT" position on AB 2104 (Gonzalez); a "SUPPORT" position on AB 2312 (Nestande); a "SUPPORT" position on AB 2434 (Gomez); and authorize IRWD to send a comment letter on the administration's groundwater management proposal, which is expected to be released in mid-April, upon review and approval of the Water Banking Committee at its April 22, 2014, meeting.</p> |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

---

**OTHER BUSINESS**

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

9.     A. General Manager's Report

---

**OTHER BUSINESS - Continued**

---

9. B. Directors' Comments

C. CLOSED SESSION WITH LEGAL COUNSEL RELATIVE TO:

- 1) Existing litigation - Government Code Section 54956.9(a) – Williams vs. IRWD and MWDSC; Chen vs. IRWD, and
- 2) Anticipated litigation - Government Code Section 54956.9(b) - significant exposure to litigation – 19 cases – 19 claims filed under the Tort Claims Act, on file with the District.

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 14, 2014

Prepared by: Christopher Smithson

Submitted by: Cheryl Clary 

Approved by: Paul Cook 

## WORKSHOP

### FISCAL YEAR 2014-15 OPERATING BUDGET AND PROPOSED RATES AND CHARGES

#### SUMMARY:

The proposed Fiscal Year (FY) 2014-15 Operating Budget for Irvine Ranch Water District is \$131.1 million, representing an increase of \$14.1 million, or 12.1%, when compared with the Operating Budget for FY 2013-14.

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, increases to the District's operating budget have been kept to a minimum by aggressively pursuing reductions in expenses to offset uncontrollable expenses, such as pass-through rate increases from outside agencies. The primary drivers for increases in the FY 2014-15 Operating Budget include increased purchases of imported water due to the on-going drought, along with substantial increases in the rates charged for electricity. The FY 2014-15 Operating Budget also includes the additional expenses associated with operating and maintaining substantial new capital facilities, some currently under construction and others recently completed. The proposed increase over last year's budget is driven primarily by the following:

| <u>Primary Drivers</u>                                                                                                                                                                                                                                                   | <u>Expenses<br/>(millions)</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Increase in the cost of water, primarily due to increased demands and anticipated rate increases from outside agencies.                                                                                                                                                  | \$5.7                          |
| Increase in electricity expense due to a full year of operations for the Michelson Water Recycling Plant (MWRP) as well as an increase in energy rates.                                                                                                                  | \$4.3                          |
| Increases in labor costs (including overtime and contract labor) for additional personnel, primarily in the operations groups for new facilities, along with additional temporary labor required for the integration of the new Customer Care and Billing (CC&B) system. | \$2.2                          |
| Increases in employee benefits primarily due to higher labor costs.                                                                                                                                                                                                      | \$0.6                          |
| Decrease in chemicals resulting from the expansion of the MWRP.                                                                                                                                                                                                          | (\$0.7)                        |
| Higher repair and maintenance expenses due to five new Natural Treatment System (NTS) sites plus higher expenses at other facilities.                                                                                                                                    | \$0.6                          |
| Higher professional fees due primarily to the recycled water site inspection and testing program.                                                                                                                                                                        | \$0.4                          |

|                                                                                                                                             |               |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Higher data processing fees due primarily to CC&B software maintenance fee which was previously capitalized prior to system implementation. | \$0.3         |
| Higher insurance due to premium increases, higher loss experience below deductible limits and associated legal expenses.                    | \$0.3         |
| Lower conservation expenses.                                                                                                                | \$(0.2)       |
| All others less than \$0.2 million individually.                                                                                            | \$0.6         |
| <i>Total proposed budget increases in FY 2014-15:</i>                                                                                       | <i>\$14.1</i> |

Due to the proposed increases in the FY 2014-15 budget, staff recommends utilizing several strategic options in order to control this year's rate increase. These include:

- A change in the reasonable use allocation, reducing the water usage allocation per resident from 55 gallons per day to 50 gallons per day;
- A change in the rate structure tiers, reducing the amount allowed in each of the inefficient, excessive, and wasteful tiers by 20%. Staff also recommends decreasing the commodity rate charged in the low volume tier from \$0.91 per hundred cubic feet (ccf) to \$0.88/ccf. The changes in the reasonable use allocations and tiered rate structure may initially increase some customers' water bills, but the cumulative effect of changes in the tiered rate structure and conservation messaging by the District and others intended to change water use behaviors such that the amount of water purchased for IRWD customers will be reduced by 3,500 acre feet (AF) over the FY 2013-14 forecast in a drought year;
- Utilization of the over-allocation revenues to help fund the imported water costs purchased by the customers in the over-allocation tiers; and
- Utilization of the IRWD Replacement Fund to stabilize rate increases in a drought year.

Rate increases are necessary to fund anticipated shortfalls in both the water and sewer/recycled water systems. In the Irvine and Orange Park Acres rate areas, the proposed increase to the base commodity rate is \$0.09/ccf, with a \$0.75 increase to the water fixed monthly charge (based on a 5/8 X 3/4 inch meter which is the most common residential meter size). In the Los Alisos rate area, the proposed increase to the base commodity rate is \$0.07/ccf, with a \$0.75 increase to the water fixed monthly charge (based on a 5/8 X 3/4 inch meter). The proposed increase to the sewer service charge is \$2.15 per month for an average residential customer, which includes \$0.65 per month to provide additional funding for the Biosolids project.

Based on the recommended increases, the Irvine Ranch rate area will experience an expected rate increase to the average residential customer of \$3.56 or 7.4%, from \$48.23 to \$51.79 per month, the Los Alisos rate area will experience an overall rate increase to the average residential customer of \$3.60 or 4.3%, from \$62.73 to \$66.33 per month, and the Orange Park Acres rate

area will see an expected rate increase to the average residential customer of \$2.37 or 4.4%, from \$53.29 to \$55.66 per month.

In addition, the Finance Committee recommended that the Proposition 218 notice for the rate increase proposed for FY 2014-15 include a schedule for a possible stepped increase during the year of up to \$0.02/ccf in the commodity rate in addition to the recommended increase of \$0.09/ccf for the Irvine Ranch and Orange Park Acres rate areas if water purchases exceed target. The rate impact to the Irvine Ranch and Orange Park Acres rate area is an increase of 0.2% as shown on page 5 of Exhibit “A”. The Los Alisos Rate Area would not include a step up provision because the melded cost of water does not increase with additional purchases. The rates and charges discussed below will focus on the first step increase. Staff will present Proposition 218 notices at the April 28, 2014 Board meeting that will include both stepped increases.

Staff recommends the Board review and provide comments on the proposed Operating Budget, adjustments to the rate structure tiers, and changes to the District’s rates and charges for further review by the full Board at its workshop on April 28, 2014.

#### BACKGROUND:

The 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;
- Operating Sources and Uses of Funds by System;
- Non-Operating Sources and Uses of Funds;
- Projected Changes to Rates and Charges;
- 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:

The following table provides a year-over-year comparison identifying the change by system with the rate increases necessary to meet operating demands:

| Systems Expenses<br>(in thousands)              |           |           |           |           | Conserve/<br>NTS | Capital &<br>Non-<br>Oper. |
|-------------------------------------------------|-----------|-----------|-----------|-----------|------------------|----------------------------|
|                                                 | Treated   | Untreated | Sewer     | Recycled  |                  |                            |
| FY 2013-14                                      | \$54,885  | \$1,285   | \$25,929  | \$11,551  | \$5,460          | \$17,950                   |
| FY2014-15                                       | \$59,435  | \$1,880   | \$27,346  | \$19,274  | \$5,115          | \$ 18,096                  |
| Total Change                                    | (\$4,550) | (\$595)   | (\$1,417) | (\$7,723) | \$345            | (\$146)                    |
| Enhancement and Replacement<br>Revenue Applied: | \$0       |           | (\$1,305) |           |                  |                            |
| Change from Prior Year                          | (\$401)   |           | \$1,853   |           | \$0              |                            |
| Rate Increases                                  | \$4,195   |           | \$5,873   |           | (\$345)          |                            |
| Over Allocation Revenues                        | \$1,111   |           | \$450     |           | \$0              |                            |
| Rate Stabilization                              | \$240     |           | \$2,269   |           | \$0              |                            |
| Total Additional Revenue                        | \$5,145   |           | \$10,445  |           | (\$345)          |                            |
| Net                                             | \$0       |           | \$0       |           | \$0              |                            |

#### Impact on IRWD's Proposed Rates and Charges:

Rate increases are necessary to fund anticipated shortfalls in the water and sewer/recycled water systems. In the Irvine and Orange Park Acres rate areas, the proposed increase to the base commodity rate is \$0.09/ccf, with a \$0.75 increase to the water fixed monthly charge. In the Los Alisos rate area, the proposed increase to the base commodity rate is \$0.07/ccf, with a \$0.75 increase to the water fixed monthly charge. The proposed increase to the sewer service charge is \$2.15 per month for an average residential customer.

While staff has calculated rate increases for a typical residential customer, it is possible that the resulting change in the rate structure tiers and corresponding reductions in allocations allowed within each tier may result in certain customers experiencing a higher water bill increase than the amounts described above. Staff plans to work with customers to communicate the changes to mitigate the impact. It is anticipated that some customers will respond to this messaging quickly while others may respond only after receipt of the initial higher monthly bills. Through the customer outreach described above coupled with the pricing signal that is integral to the IRWD rate structure, staff anticipates that customers will ultimately reduce their usage to stay within their reasonable allocation.

As part of the FY 2014-15 budget process, District staff prepared a cost of service analysis in order to provide expanded written explanation of how the rate setting practice is consistent with industry cost of service principles and state law requirements. The study provides for a review of District costs and comparison to industry standards. The analysis included a review the allocation of costs between commodity and service charge revenue, along with a review of the allocation of costs between the meter sizes for proportionality.

The study concluded that the allocation of costs between commodity and fixed service charge revenue is appropriate. It also identified a need to re-establish the proportionality for certain meter charges. Specifically, certain residential meter charges between 3/4" and 2" require increases and certain larger meter charges will be reduced. All reductions are reflected in this year's rate proposals while any increases will be phased in over a two-year period. The impact of these recommended changes is a reduction in revenues of approximately \$1.5 million.

Prior to consideration of any rate changes for the FY 2014-15, the water system's projected expenses are anticipated to exceed revenue by approximately \$4.4 million and the sewer/recycled water system's projected expenses are anticipated to exceed revenue by approximately \$8.1 million.

Staff has prepared a proposed rate change to meet revenue requirements while including increases for replacement capital project funding. Staff recommends that the rate increase be controlled through the use of several options mentioned above. Page 4 of the budget section of Exhibit "A" identifies the impact to rates for the Irvine Ranch, Los Alisos, and Orange Park Acres rate areas.

#### Water System:

##### *Irvine Ranch Rate Area*

The Irvine Ranch rate area treated system experienced an increase in the cost of purchased water from Metropolitan Water District (MWD) and the Replenishment Assessment (RA) charged by Orange County Water District (OCWD).

Staff recommends an increase to the base commodity rate of \$0.09/ccf, reflecting additional costs derived from an expected rate increase for the purchase of imported water (from \$893 to \$925 per AF) and a \$27.00 per AF increase in the groundwater RA (from \$277 to \$304 per AF). The water fixed monthly charge will increase by \$0.75. Based upon an average residential usage of 18 ccf per month, the recommended increases in the Irvine Ranch rate area will result in an expected rate increase to the average residential customer of \$3.56 or 7.4% from \$48.23 to \$51.79 per month.

##### *Los Alisos Rate Area*

The Los Alisos rate area experienced cost increases in water since almost all source water used in this rate area is imported water purchased from MWD through the Municipal Water District of Orange County (MWDOC). MWD is expected to raise its rates by 3% effective January 1, 2015 and other components (ready to serve and capacity charge) will have a small net increase for IRWD. As a result, staff recommends a commodity rate increase of \$0.07/ccf to the base rate.

Beginning with FY 2010-11, the District began gradually escalating the Los Alisos rate area's larger meter fixed charges to bring them closer to the Irvine Ranch fixed service charges. In some cases, the large meter service charges in the Los Alisos service area still remain lower than equivalent meters in the Irvine Ranch rate area. A cost of service study to be performed in FY 2014-15 will identify the approach to developing consistent charges in these two rate areas.

Based upon average residential usage of 18 ccf per month, the recommended increases in the Los Alisos rate area will result in an overall rate increase to the average residential customer of \$3.60 or 5.7%, from \$62.73 to \$66.33 per month.

### *Orange Park Acres Rate Area*

In FY 2007-08, the District consolidated with the Orange Park Acres Mutual Water Company. The agreement provided that rates within the new Orange Park Acres rate area (OPA) will be changed by the amount necessary to maintain a constant dollar amount of the difference between commodity and fixed charges in relation to the overall District. In other words, rate increases applied to the Irvine Ranch rate area will be applied at the same nominal rate to OPA, rather than matching a percentage increase. Page 4 of the budget section of Exhibit “A” shows the indexed changes to the OPA rates, based upon the proposed changes to the Irvine Ranch rate area.

The following table summarizes the current and proposed water rates for the IRWD rate areas:

| <u>Revenue Source</u>  | <u>Rate Area</u> | <u>Current</u> | <u>Proposed</u> |
|------------------------|------------------|----------------|-----------------|
| Base commodity rate    | Irvine Ranch     | \$ 1.27/ccf    | \$ 1.36/ccf     |
| Base commodity rate    | Los Alisos       | \$ 2.24/ccf    | \$ 2.31/ccf     |
| Base commodity rate    | OPA              | \$ 1.79/ccf    | \$ 1.88/ccf     |
| 5/8” X 3/4” meter rate | Irvine Ranch     | \$ 9.85/meter  | \$ 10.60/meter  |
| 5/8” X 3/4” meter rate | Los Alisos       | \$ 9.85/meter  | \$ 10.60/meter  |
| Meter rate             | OPA              | \$18.35/meter  | \$19.10/meter   |

### *Untreated Water Rates*

The untreated system demands have decreased each year over the last six years and this trend is expected to continue as more customers are converted to using recycled water. The trend of reduced system demands could eventually lead to water needs being met solely by native water. The untreated rate is set annually taking into consideration the availability of native water and is set annually over several years. The native water rate is set to help mitigate fluctuations in the untreated rate.

All untreated demands will be met with imported water for FY 2014-15. Staff recommends increasing the untreated rate from \$1.12/ccf to \$1.21/ccf, keeping the rate above the proposed recycled water rate of \$1.19/ccf.

### Sewer/Recycled Water System:

The FY 2014-15 Operating Budget reflects a full fiscal year of operation of the expanded MWRP. Staff is recommending an increase of \$0.08 to \$1.19/ccf base commodity rate. The recycled water system fixed monthly charge increase is \$0.75 for an average residential meter. For the sewer monthly service charge, staff is recommending an overall increase of \$2.15 per month. These are detailed starting on page 4 of the budget section of Exhibit “A”.

### Tiered Rate Structure Cost Allocation:

In the tables below, staff has provided the detailed methodology for allocating costs to the tiered rates consistent with Proposition 218 requirements.

### *Irvine Ranch Rate Area*

The District moved to an allocation-based rate structure in 1991 and initially established the over allocation use tiers with the rates doubling from tier to tier to incentivize water conservation. This approach immediately resulted in a decrease of water consumption that exceeded 10% and provided the foundation for the efficient use of water by IRWD customers that is firmly established today. In addition to providing a pricing signal, the over allocation use tiers provide funding for many programs that are geared toward preserving the water conservation approach established years ago including funding:

- The difference between the Base Rate and the Low Volume (LV) rate;
- Conservation programs and incentives;
- Conservation outreach efforts that includes identifying and working with Excessive and Wasteful tier users and providing education on conservation for all users; and
- Operation, maintenance, and management of NTS sites.

The methodology utilizes the five tiers beginning with a low volume tier and three over allocation tiers. The allocation of costs associated with the tiers follow:

| IRVINE RANCH RATE AREA METHODOLOGY |                                                                                                               |
|------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Tiers                              | Proposed                                                                                                      |
| Low Volume (LV)                    | 70% of the melded cost of groundwater.                                                                        |
| Base Rate                          | Melded cost of budgeted sales (local groundwater plus imported water purchases)                               |
| Inefficient                        | Increased MWD rate + 20% x (LV differential, Conservation, NTS, and Recycled Conversions) / Inefficient usage |
| Excessive                          | Loaded MWD rate + 30% x (LV differential, Conservation, NTS, and Recycled Conversions) / Excessive usage      |
| Wasteful                           | Loaded MWD rate + 50% x (LV differential, Conservation, NTS, and Recycled Conversions) / Wasteful usage       |

When this approach is applied to the budgeted revenues and expenses within each tier, the resulting proposed rates for the Irvine Ranch rate area for FY 2014-15 follows in the following table:

*Irvine Ranch Rate Area:*

| Tiers       | Current Rate<br>(FY 13-14)<br>(per ccf) | Proposed Rate<br>(FY 14-15)<br>(per ccf) <sup>1</sup> | Difference | Description                                                                 |
|-------------|-----------------------------------------|-------------------------------------------------------|------------|-----------------------------------------------------------------------------|
| Low Volume  | \$0.91                                  | \$0.88                                                | (\$0.03)   | 70% of the pumped water melded cost (DRWF, DATS)                            |
| Base Rate   | \$1.27                                  | \$1.36                                                | \$0.09     | All sources melded cost of budgeted water (\$1.36)                          |
| Inefficient | \$2.86                                  | \$3.91                                                | \$1.05     | Increased MWD rate (\$2.07) + 20% of various conservation programs (\$1.84) |
| Excessive   | \$4.80                                  | \$6.22                                                | \$1.42     | Loaded MWD rate (\$2.07) + 30% of various conservation programs (\$4.15)    |
| Wasteful    | \$9.84                                  | \$12.60                                               | \$2.76     | Loaded MWD rate (\$2.07) + 50% of conservation programs (\$10.53)           |

*Los Alisos Rate Area*

The methodology used for the Los Alisos rate area differs from the one identified for Irvine Ranch in the Low Volume and the Base Rate. This is due primarily to the difference in source water for these rate areas, which is imported water purchased from MWD. The methodology continues to utilize five tiers beginning with a low volume tier and three over allocation use tiers. The allocation of costs associated with the tiers follow:

| LOS ALISOS RATE AREA METHODOLOGY |                                                                                                            |
|----------------------------------|------------------------------------------------------------------------------------------------------------|
| Tiers                            | Proposed                                                                                                   |
| Low Volume                       | 70% of the all-in cost for purchased imported water                                                        |
| Base Rate                        | Melded cost of budgeted sales                                                                              |
| Inefficient                      | Loaded MWD rate + 20% x (LV differential, Conservation, NTS, and Recycled Conversions) / Inefficient usage |
| Excessive                        | Loaded MWD rate + 30% x (LV differential, Conservation, NTS, and Recycled Conversions) / Excessive usage   |
| Wasteful                         | Loaded MWD rate + 50% x (LV differential, Conservation, NTS, and Recycled Conversions) / Wasteful usage    |

The proposed rate structure for the Los Alisos rate area follows:

<sup>1</sup> First step of schedule; possible adjustment during the year of up to \$0.02 per ccf (second step of schedule).

*Los Alisos Rate Area:*

| Tiers       | Current Rate<br>(FY 13-14)<br>(per ccf) | Proposed Rate<br>(FY 14-15)<br>(per ccf) | Difference | Description                                                              |
|-------------|-----------------------------------------|------------------------------------------|------------|--------------------------------------------------------------------------|
| Low Volume  | \$1.54                                  | \$1.51                                   | (\$0.03)   | 70% of the all-in cost for MWDOC                                         |
| Base Rate   | \$2.24                                  | \$2.31                                   | \$0.07     | Melded cost of budgeted sales (\$2.31)                                   |
| Inefficient | \$3.20                                  | \$3.91                                   | \$0.71     | Loaded MWD rate (\$2.07) + 20% of various conservation programs (\$1.84) |
| Excessive   | \$4.80                                  | \$6.22                                   | \$1.42     | Loaded MWD rate (\$2.07) + 30% of various conservation programs (\$4.15) |
| Wasteful    | \$9.84                                  | \$12.60                                  | \$2.76     | Loaded MWD rate (\$2.07) + 50% of conservation programs (\$10.53)        |

*Orange Park Acres Rate Area*

As stated previously, rate increases applied to the Irvine Ranch rate area will be applied at the same nominal rate to OPA, rather than matching a percentage increase. The proposed base commodity rate for the Irvine Ranch rate area is increasing by \$0.09/ ccf; therefore, all three commodity tiers for OPA will increase by the same amount.

| Tiers           | Current Rate<br>(FY 13-14)<br>(per ccf) | Proposed Rate<br>(FY 14-15)<br>(per ccf) <sup>2</sup> | Difference | Description                                                                                |
|-----------------|-----------------------------------------|-------------------------------------------------------|------------|--------------------------------------------------------------------------------------------|
| Standard Tier I | \$1.79                                  | \$1.88                                                | \$0.09     | Existing rate increased by the proposed base rate increase for the Irvine Ranch rate area. |
| Excess Tier II  | \$2.13                                  | \$2.22                                                | \$0.09     | Existing rate increased by the proposed base rate increase for the Irvine Ranch rate area. |
| Excess Tier III | \$2.68                                  | \$2.77                                                | \$0.09     | Existing rate increased by the proposed base rate increase for the Irvine Ranch rate area. |

**FISCAL IMPACTS:**

Planned operating expenses in the FY 2014-15 Proposed Operating Budget reflect an increase of \$14.1 million from the adopted Operating Budget for FY 2013-14. The proposed rate increases will result in a contribution to the enhancement and replacement funds of approximately \$3.8 million and \$15.7 million for water and sewer, respectively.

<sup>2</sup> First step of schedule; possible adjustment during the year of up to \$0.02 per ccf (second step of schedule).

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 4, March 19, and April 1, 2014.

RECOMMENDATION:

THAT THE BOARD REVIEW AND PROVIDE COMMENTS ON THE PROPOSED  
FY 2014-15 OPERATING BUDGET AND PROPOSED RATES AND CHARGES.

LIST OF EXHIBITS:

Exhibit “A” – Proposed Operating Budget for Fiscal Year 2014-15  
Exhibit “B” – Workshop PowerPoint Presentation (draft)

# **Exhibit “A”**

## ***IRVINE RANCH WATER DISTRICT OPERATING BUDGET FISCAL YEAR 2014-15***



***“DRAFT”***

***April 14, 2014***





## OPERATING BUDGET

*Assumptions as of April 14, 2014*  
*Fiscal Year 2014-15*

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 two years, the District's operating budget has increased marginally by aggressively pursuing 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 wastewater and biosolids. With significant additional capital facilities in development in FY 2014-15, the recommended increases in the operating budget reflect additional expenses associated with operating those facilities.

This document is a preliminary summary of the major assumptions driving the development of the operating budget for FY 2014-15 for input by the Board.

### I. REVENUES

#### *Growth Estimates:*

Residential development growth included both apartments and single family homes for FY 2014-15. The unit estimate is based on the most current projections received from the major developers in the service area. Current estimates identify approximately 2,900 mixed units coming on line in FY 2014-15. As a result, the growth factor for residential development was estimated at 1.5% for FY 2014-15.

The District experienced an increase in commercial volume which is helping to meet a return of the base that was lost previously from the economy. Current development projections for the commercial/industrial sector identify nearly 30 acres of development occurring in FY 2014-15 as well as 45 acres developing in the current fiscal year. Staff included a 1% growth rate for commercial and industrial development for FY 2014-15. Revenue assumptions used to estimate sewer revenue match the assumptions included for potable water.

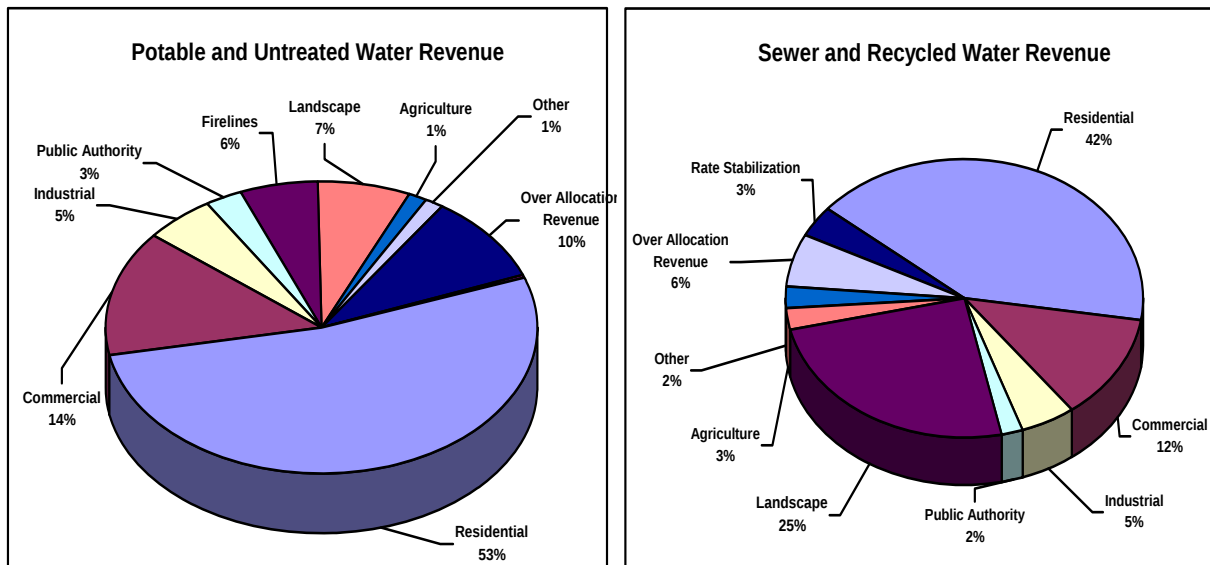
*FY 2014-15 Estimate for Operating Revenue Sources, by Customer Type (in thousands):*

| Customer Type           | Water    | Sewer/ Recycled<br>Water | Total      |
|-------------------------|----------|--------------------------|------------|
| Residential             | \$36,006 | \$ 26,907                | \$62,913   |
| Commercial              | 9,436    | 7,971                    | 17,406     |
| Industrial              | 3,626    | 3,123                    | 6,749      |
| Public Authority        | 2,028    | 1,252                    | 3,281      |
| Fire Protection         | 3,831    | 0                        | 3,831      |
| Landscape Irrigation    | 4,919    | 16,057                   | 20,975     |
| Agriculture Irrigation  | 820      | 1,642                    | 2,462      |
| Other                   | 945      | 1,604                    | 2,549      |
| Over Allocation Revenue | 6,659    | 4,130                    | 10,790     |
| Rate Stabilization      | 240      | 2,269                    | 2,509      |
| Total                   | \$68,510 | \$ 64,955                | \$ 133,465 |



# OPERATING BUDGET

*Assumptions as of April 14, 2014*  
*Fiscal Year 2014-15*



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 approximately 80% of the total operating revenues.

The “Other” category in the chart above includes revenue from the following sources in the order of total estimated receipts:

- Construction/Temporary accounts
- United States Department of the Navy contribution for the Shallow Ground Water Unit identified as Irvine Desalter Project (IDP) Reimbursements
- Recycled water sales to the Santa Margarita Water District
- Green Acres Project (GAP) recycled water sales
- Recycled Water Conversion Loan payments

## *Internal Cost of Service Study:*

Each year, staff reviews the revenue generated from commodity and service charges and proposes rate increases that maintain the District’s approach of connecting the all-in cost of water to the commodity rate and providing for all other operating costs being funded from the fixed rate service charge.

In Fiscal Year (FY) 2013-14, District staff has prepared a cost of service analysis in order to ensure the rate setting practice is consistent with industry cost of service principles and state law requirements. This study provides for a review of District costs and comparison to industry standards. The analysis includes:

- Review the allocation of costs between commodity and service charge revenue; and
- Review of the allocation of costs between the meter sizes for proportionality.

An analysis of the results indicates that the allocation of costs between commodity and fixed service charge revenue is appropriate. It also identifies a need to re-establish the



# OPERATING BUDGET

*Assumptions as of April 14, 2014*  
*Fiscal Year 2014-15*

proportionality for certain meter charges. Specifically, certain residential meter charges between 3/4" and 2" require increases and certain larger meter charges will be reduced. Increasing the charges in one year would be significant for some of the smaller residential meters. Staff included 100% of the reductions identified in the study to existing rates and applied 50% of the increase to the 3/4", 1", 1.5", and 2" residential meters with the remainder to be captured in the following year, prior to any rate increase identified for FY 2014-15.

| Meter Size       | Capacity (gpm) | Factor | Current Rate | Recommended |          | # of Meters |
|------------------|----------------|--------|--------------|-------------|----------|-------------|
|                  |                |        |              | Proposed    | Change   |             |
| 5/8"             | 20             | 1      | 9.85         | 9.85        | 0        | 0           |
| 5/8x3/4          | 20             | 1      | 9.85         | 9.85        | 0        | 69,446      |
| 3/4"             | 30             | 1.5    | 9.85         | 12.32       | 2.47     | 11,702      |
| 1" Residential   | 50             | 2.5    | 9.85         | 17.24       | 7.39     | 9,391       |
| 1" Commercial    | 50             | 2.5    | 19.45        | 24.63       | 5.18     | 1,817       |
| 1.5" Residential | 100            | 5      | 23.2         | 36.23       | 13.03    | 2,082       |
| 1.5" Commercial  | 100            | 5      | 53.85        | 49.25       | -4.60    | 3,544       |
| 2" Residential   | 160            | 8      | 31.75        | 55.28       | 23.53    | 1,750       |
| 2" Commercial    | 160            | 8      | 88.65        | 78.8        | -9.85    | 4,956       |
| 4" compound      | 500            | 25     | 342.2        | 246.25      | -95.95   | 4           |
| 6" compound      | 1000           | 50     | 549.4        | 492.5       | -56.90   | 10          |
| 8" compound      | 1600           | 80     | 1226.65      | 788         | -438.65  | 4           |
| 2" turbo         | 190            | 9.5    | 118.85       | 93.58       | -25.27   | 1,364       |
| 3" turbo         | 435            | 21.75  | 272.95       | 214.24      | -58.71   | 532         |
| 4" turbo         | 750            | 37.5   | 811.15       | 369.38      | -441.77  | 218         |
| 6" turbo         | 1600           | 80     | 1435.7       | 788         | -647.70  | 44          |
| 8" turbo         | 2800           | 140    | 2099.7       | 1379        | -720.70  | 22          |
| 10" turbo        | 4200           | 210    | 3268.35      | 2068.5      | -1199.85 | 15          |
| 16' prop         | 5700           | 285    | 3301.85      | 2807.25     | -494.60  | 3           |
| Totals           |                |        |              |             |          | 106,910     |

The District plans to prepare a more detailed cost of service study on all aspects of the District's rates and charges prior to the rate setting process for FY 2015-16.

## II. OPERATING EXPENSES

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

### A. Treated Water

The state is facing a significant drought and District customers will be receiving this messaging from a variety of sources. In addition, the District will make efforts to do its part in encouraging its customers to conserve.

Staff considered approaches that will apply conservation efforts where possible and to include a price signal in the messaging rewarding those who are conserving.

In a drought year, the District intends to encourage conservation by making customers that use more water pay for it. The District utilized its Demand and Elasticity Model to forecast the impact of various scenarios on conservation:



# OPERATING BUDGET

*Assumptions as of April 14, 2014*

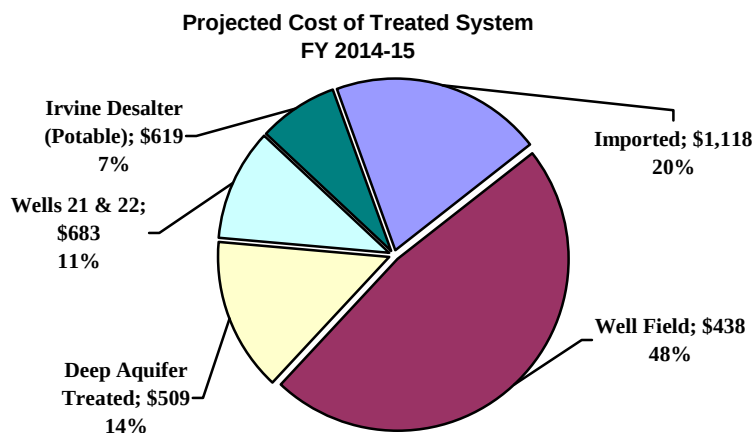
*Fiscal Year 2014-15*

- The Gallons Per Capita per Day (GPCD) was reduced from 55 to 50 because the average residential customer currently uses less than 55 GPCD; and
- Each of the Over Allocation tiers for residential customers were tightened by 20% to match the messaging being promoted. Landscape allocations were not changed because they are significantly tighter.

Other factors that may influence demands within the District include the messaging from outside agencies and changes within rates and charges.

As a result, the District expects the potable sales for FY 2014-15 to be 55,634 acre feet (AF).

The Sources used to meet potable demands, 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.



## **Groundwater Production**

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

- The current Replenishment Assessment (RA) is \$276 per AF and the rate used is \$304 per AF. The District's basin production percentage (BPP) is set at 70%.
- The Dyer Road Well Field (DRWF) pumping costs:
  - o Actual energy usage will be factored with a rate increase of 12%.
  - o Chemical expense is relatively flat.
- Primary changes in costs include a \$28 per AF estimated rate increase for RA and a 12% increase in energy for the Irvine Desalter Project (IDP), the Potable Treatment Plant (PTP), and the Deep Aquifer Treatment System (DATS).



# OPERATING BUDGET

*Assumptions as of April 14, 2014*  
*Fiscal Year 2014-15*

## **Treated Water – Metropolitan Water District of Southern California (MWD)**

- MWD is expected to increase its rates again on January 1, 2015 by 3% and other components will have a small net increase for the District. Readiness-to-Serve (RTS) will increase by 4.7%, the capacity charge (CC) will decrease by 16.7%.
  - o RTS from \$1.29 million to 1.35 million;
  - o CC from \$0.30 million \$0.35 million; and
- Staff assumes no substantial change to the costs associated with the IRWD Reservoir Management Systems.
- Los Alisos rate area demands are met almost entirely from MWD/MWDOC imported water.

## **Untreated Water**

The sources for untreated water for FY 2014-15 will include purchased water.

- MWDOC purchases, and Santiago Aqueduct Commission (SAC) water is expected to be used to meet all untreated demands.
- Any MWDOC increases discussed above also apply to purchases for the untreated system.

## **B. Sewer and Recycled Water**

Sewer:

Production and storage generated from operations at the Michelson Water Recycling Plant (MWRP) and Los Alisos Water Recycling Plant (LAWRP) are expected to provide 22,300 AF of recycled water for FY 2014-15.

Recycled:

- Total recycled demand is estimated at 29,367 AF.
  - o The Irvine Desalter will provide an additional 2,900 AF net of water lost through treatment.
  - o SAC water will provide an additional 282 AF of water.
  - o The recycled water system is expected to purchase 5,355 acre-feet of supplemental water from the untreated system.



# OPERATING BUDGET

*Assumptions as of April 14, 2014*

*Fiscal Year 2014-15*

## 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.
  - o Each salary is identified and included in January and then projected forward adding merit increases that are based on prior review ratings where necessary in order to reach a starting July salary base.
  - o New Positions and promotions are added and all salaries are projected forward on a month by month basis.
  - o In December, a COLA and promotional factor are applied to all salaries - Assumed at 2.0% and 0.9%, respectively.
  - o Although staffing is below the current budget, staff anticipates all positions being occupied by FY 2014-15.

| <b>Regular Salaries and Wages</b> |                 |
|-----------------------------------|-----------------|
| FY 2013-14 Labor                  | \$27,221        |
| Additions                         | 861             |
| Promotions                        | 154             |
| COLA                              | 557             |
| Merit                             | 304             |
| <b>Total</b>                      | <b>\$29,097</b> |

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

| <b>Additional Contributions Provided by the District</b> |                 |                   |
|----------------------------------------------------------|-----------------|-------------------|
|                                                          | <b>FY 13-14</b> | <b>FY 14-15</b>   |
| PERS Employer Contribution                               | 16.8%           | 17.7%             |
| PERS in Excess of ARC                                    | <u>8.2%</u>     | <u>7.3%</u>       |
| Combined Total                                           | 25.0%           | 25.0%             |
| <br>District Employee Contribution                       | 1.6%            | 0.0% <sup>1</sup> |
| District's Senior Staff Contribution                     | 0.0%            | 0.0%              |
| 401A Matching Contribution of 3%                         | 2.8%            | 2.8%              |

## III. **USE OF OTHER FUNDS**

### A. Over Allocation Revenue

Over Allocation Revenue is used to offset the following expenses:

<sup>1</sup> The District's employee contribution is 1.6% and it will terminate in March 2015.



# OPERATING BUDGET

*Assumptions as of April 14, 2014*

*Fiscal Year 2014-15*

- o The low volume shortfall is the rate difference between the low volume rate and the base rate. Over allocation revenue is used to offset this differential.
- o Budgeted conservation expenses are funded from over allocation revenue and conservation funds if expense exceeds actual revenue.
- o Urban runoff (NTS) and San Joaquin Marsh maintenance expenses are the third component of expenses funded using over allocation revenue and conservation funds.
- o For FY 2014-15, over allocation tiers will also be used to fund the MWDOC cost of water (approximately \$900 per AF).
- o Total conservation expense is expected to exceed over allocation revenue in FY 2014-15. The conservation fund (\$19.1M) will provide funding for conservation expense that exceeds over allocation revenue.

**B. Enhancement Fund User Rate Component**

The current enhancement fund contribution for both the water and sewer system for FY 2013-14 was a combined \$1.40 per month (\$0.70 each for water and sewer) for the average residential customer. No increase was built into this rate for FY 2014-15.

**C. Replacement Fund User Rate Component**

The current sewer service charge of \$6.05 per month for the average residential customer in FY 2013-14 will increase by \$0.65 to \$6.70, to provide additional funding for the Biosolids project. No increase was assumed for the water service charge replacement component. The combined replacement contribution for FY 2014-15 will be \$7.50 per month for the average residential customer.

**IV. ALLOCATION OF COSTS BETWEEN IRWD & LOS ALISOS RATE AREAS**

- A. Costs that are directly related to providing service or are clearly associated with the Irvine Ranch or Los Alisos rate areas for treated water are allocated to the respective system expenses of that rate area.
- B. Those costs that are attributable to system operations but that are not unique to one rate area are allocated based upon the ratio of the budgeted acre-feet.
- C. All direct labor costs are allocated General & Administrative (G&A) charges based upon the budgeted G&A factor.



**Irvine Ranch Water District**  
**Consolidated Operating Budget for All Departments for FY 2014-15**

| Expense Category / Name     |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop | Incr/(Decr) |
|-----------------------------|----------------------------|-------------------|------------------------------------|------------------------|-----------------|-------------|
| Salaries & Benefits         | Regular Labor              | 18,598,378        | 12,839,909                         | 27,221,420             | 29,097,300      | 1,875,880   |
|                             | Overtime Labor             | 1,095,682         | 725,540                            | 1,131,560              | 1,448,615       | 317,055     |
|                             | Employee Benefits          | 12,023,334        | 5,845,149                          | 15,094,100             | 15,701,750      | 607,650     |
|                             | Contract Labor             | 1,522,426         | 951,820                            | 1,216,550              | 1,282,190       | 65,640      |
|                             | Total                      | 33,239,820        | 20,362,418                         | 44,663,630             | 47,529,855      | 2,866,225   |
| Purchased Water & Utilities | Water Purchases            | 31,285,119        | 16,852,468                         | 26,352,300             | 32,028,050      | 5,675,750   |
|                             | Electricity                | 9,750,931         | 6,720,106                          | 11,686,240             | 16,033,150      | 4,346,910   |
|                             | Fuel                       | 745,365           | 353,512                            | 730,500                | 733,800         | 3,300       |
|                             | Telecommunication          | 334,900           | 192,060                            | 394,300                | 418,700         | 24,400      |
|                             | Other Utilities            | 66,921            | 72,961                             | 110,500                | 137,320         | 26,820      |
|                             | Total                      | 42,183,236        | 24,191,107                         | 39,273,840             | 49,351,020      | 10,077,180  |
| Material & Supplies         | Chemicals                  | 3,068,152         | 1,747,665                          | 2,867,190              | 2,133,340       | (733,850)   |
|                             | Operating Supplies         | 649,200           | 483,353                            | 1,122,760              | 1,205,660       | 82,900      |
|                             | Printing                   | 230,964           | 80,829                             | 362,150                | 337,550         | (24,600)    |
|                             | Postage                    | 515,636           | 295,137                            | 507,720                | 515,060         | 7,340       |
|                             | Permits, Licenses and Fees | 389,027           | 467,402                            | 753,945                | 887,075         | 133,130     |
|                             | Office Supplies            | 71,326            | 33,144                             | 91,600                 | 85,300          | (6,300)     |
|                             | Duplicating Equipment      | 193,496           | 84,991                             | 189,000                | 174,000         | (15,000)    |
|                             | Equipment Rental           | 116,519           | 52,170                             | 114,860                | 118,700         | 3,840       |
|                             | Total                      | 5,234,320         | 3,244,691                          | 6,009,225              | 5,456,685       | (552,540)   |
| Professional Services       | Rep & Maint Other Agencies | 10,121,572        | 5,446,413                          | 11,222,140             | 11,419,560      | 197,420     |
|                             | Rep & Maint IRWD           | 6,666,542         | 3,343,836                          | 6,595,580              | 6,967,620       | 372,040     |
|                             | Insurance                  | 1,065,841         | 577,843                            | 702,500                | 984,500         | 282,000     |
|                             | Legal Fees                 | 417,016           | 170,034                            | 417,500                | 485,000         | 67,500      |
|                             | Engineering Fees           | 221,886           | 289,973                            | 505,800                | 539,100         | 33,300      |
|                             | Accounting Fees            | 60,983            | 33,943                             | 84,500                 | 74,500          | (10,000)    |
|                             | Data Processing            | 1,111,391         | 830,869                            | 1,326,500              | 1,625,500       | 299,000     |
|                             | Personnel Training         | 801,203           | 421,421                            | 895,530                | 968,510         | 72,980      |
|                             | Personnel Physicals        | 19,549            | 20,356                             | 39,000                 | 43,000          | 4,000       |
|                             | Other Professional Fees    | 1,422,785         | 574,098                            | 1,924,420              | 2,361,550       | 437,130     |
|                             | Directors' Fees            | 141,134           | 58,421                             | 142,200                | 142,000         | (200)       |
|                             | Total                      | 22,049,902        | 11,767,207                         | 23,855,670             | 25,610,840      | 1,755,170   |
| Other                       | Mileage Reimbursement      | 123,065           | 48,822                             | 117,000                | 117,000         | 0           |
|                             | Collection Fees            | 30,954            | 1,054                              | 20,000                 | 20,500          | 500         |
|                             | Election Expense           | 100,000           | 15,000                             | 30,000                 | 30,000          | 0           |
|                             | Safety                     | 82,518            | 43,471                             | 100,180                | 96,800          | (3,380)     |
|                             | Alarm and Patrol Services  | 75,349            | 30,095                             | 130,000                | 130,000         | 0           |
|                             | Biosolids Disposal         | 186,386           | 176,352                            | 291,000                | 402,300         | 111,300     |
|                             | Commuter Program           | 88,751            | 81,474                             | 142,000                | 142,000         | 0           |
|                             | Computer Backup Storage    | 19,838            | 8,756                              | 21,000                 | 21,000          | 0           |
|                             | Contract Meter Reading     | 1,109,142         | 615,902                            | 1,230,980              | 1,272,000       | 41,020      |
|                             | Other                      | 28,178            | (3,290)                            | 18,100                 | 21,600          | 3,500       |
|                             | Conservation               | 924,381           | 269,627                            | 1,157,000              | 942,000         | (215,000)   |
|                             | Total                      | 2,768,562         | 1,287,263                          | 3,257,260              | 3,195,200       | (62,060)    |
| GRAND TOTAL                 |                            | 105,475,840       | 60,852,686                         | 117,059,625            | 131,143,600     | 14,083,975  |

# SOURCES AND USES OF FUNDS

## CONSOLIDATED OPERATING BUDGET

Fiscal Year Ending June 30, 2015

(in thousands)

| Revenues:                                                       | Water        | Sewer/<br>Recycled | Total         |
|-----------------------------------------------------------------|--------------|--------------------|---------------|
| Residential                                                     | \$ 33,660    | \$ 24,600          | \$ 58,260     |
| Commercial                                                      | 8,840        | 7,290              | 16,130        |
| Industrial                                                      | 3,330        | 2,860              | 6,190         |
| Public Authority                                                | 1,870        | 1,090              | 2,960         |
| Construction/Temporary                                          | 920          | 1,060              | 1,980         |
| Fire Protection                                                 | 3,700        |                    | 3,700         |
| Landscape Irrigation                                            | 4,550        | 14,060             | 18,610        |
| Agriculture Irrigation                                          | 770          | 1,380              | 2,150         |
| IDP Reimbursements                                              |              | 520                | 520           |
| Over Allocation Revenues                                        | 4,840        | 2,921              | 7,761         |
| Over Allocation Funds                                           | 1,595        | 1,032              | 2,627         |
| <b>Funded by Proposed User Rate Increase</b>                    | <b>4,195</b> | <b>5,873</b>       | <b>10,068</b> |
| <b>Rate Stabilization Fund</b>                                  | <b>240</b>   | <b>2,269</b>       | <b>2,509</b>  |
| Total Revenues                                                  | \$ 68,510    | \$ 64,955          | \$ 133,465    |
| Proposed Enhancement & Replacement Capital Project Contribution | (3,830)      | (15,705)           | (19,535)      |
| Net Revenues                                                    | \$ 64,680    | \$ 49,250          | \$ 113,930    |
| <b>Expenses:</b>                                                |              |                    |               |
| Water                                                           | \$ 37,085    | \$ 17,830          | \$ 54,915     |
| Labor                                                           | 5,675        | 4,135              | 9,810         |
| Materials & Supplies                                            | 8,225        | 7,330              | 15,555        |
| General Plant                                                   | 460          | 420                | 880           |
| OCSD - O & M                                                    |              | 9,800              | 9,800         |
| General and Admin Expense                                       | 10,330       | 7,525              | 17,855        |
| Marsh/NTS/Conservation                                          | 2,905        | 2,210              | 5,115         |
| Total Expenses                                                  | \$ 64,680    | \$ 49,250          | \$ 113,930    |
| Income (Loss) From Operations                                   | \$ 0         | \$ 0               | \$ 0          |



# NON-OPERATING

## *SUMMARY OF SOURCES AND USES*

*(in thousands)*

### **Non-operating Sources:**

|                    | <b>Total</b>    |
|--------------------|-----------------|
| Property Taxes     | \$38,763        |
| Investment Income  | 1,088           |
| Connection Fees    | 16,615          |
| Real Estate Income | 12,086          |
| Other Income       | 5,263           |
| Total Sources      | <u>\$73,815</u> |

### **Non-operating Uses:**

|                     |                 |
|---------------------|-----------------|
| Interest Expense    | \$20,972        |
| Real Estate Expense | 6,271           |
| Other Expenses      | 257             |
| Total Uses          | <u>\$27,500</u> |

### **Net Sources & Uses**

\$46,315



## Selected Comparison of Current and Proposed Residential Rates

|                                              | Irvine Ranch |                             | Los Alisos |                             | Orange Park Acres |                             |
|----------------------------------------------|--------------|-----------------------------|------------|-----------------------------|-------------------|-----------------------------|
| Current Residential Rates:                   | Water        | Sewer/<br>Recycled<br>Water | Water      | Sewer/<br>Recycled<br>Water | Water             | Sewer/<br>Recycled<br>Water |
| Commodity Rate                               | \$1.27       | \$1.11                      | \$2.24     | \$1.11                      | \$1.79            |                             |
| Residential Service                          | \$9.85       | \$18.40                     | \$9.85     | \$18.40                     | \$18.35           |                             |
| Commodity (18 ccf)                           | \$19.98      |                             | \$34.48    |                             | \$34.94           |                             |
| Current Monthly                              | \$48.23      |                             | \$62.73    |                             | \$53.29           |                             |
| <b>Proposed Residential Rate Adjustment:</b> |              |                             |            |                             |                   |                             |
| Base Commodity Rate                          | \$1.36       | \$1.19                      | \$2.31     | \$1.19                      | \$1.88            |                             |
| Operations                                   | \$9.10       | \$13.15                     | \$9.10     | \$13.15                     | \$17.60           |                             |
| Replacements                                 | \$0.80       | \$6.70                      | \$0.80     | \$6.70                      | \$0.80            |                             |
| Enhancements                                 | \$0.70       | \$0.70                      | \$0.70     | \$0.70                      | \$0.70            |                             |
| Total Service Charge                         | \$10.60      | \$20.55                     | \$10.60    | \$20.55                     | \$19.10           |                             |
| Commodity                                    | \$20.64      |                             | \$35.18    |                             | \$36.56           |                             |
| Proposed Monthly                             | \$51.79      |                             | \$66.33    |                             | \$55.66           |                             |
| Current Monthly                              | \$48.23      |                             | \$62.73    |                             | \$53.29           |                             |
| Difference                                   | \$3.56       |                             | \$3.60     |                             | \$2.37            |                             |
| Change %                                     | 7.4%         |                             | 5.7%       |                             | 4.4%              |                             |



## Selected Comparison of Current and Proposed Residential Rates

|                                              | Irvine Ranch * |                             | Los Alisos  |                             | Orange Park Acres * |                             |
|----------------------------------------------|----------------|-----------------------------|-------------|-----------------------------|---------------------|-----------------------------|
| Current Residential Rates:                   | Water          | Sewer/<br>Recycled<br>Water | Water       | Sewer/<br>Recycled<br>Water | Water               | Sewer/<br>Recycled<br>Water |
| Commodity Rate                               | \$1.27         | \$1.11                      | \$2.24      | \$1.11                      | \$1.79              |                             |
| Residential Service                          | \$9.85         | \$18.40                     | \$9.85      | \$18.40                     | \$18.35             |                             |
| Commodity (18 ccf)                           | \$19.98        |                             | \$34.48     |                             | \$34.94             |                             |
| Current Monthly                              | \$48.23        |                             | \$62.73     |                             | \$53.29             |                             |
| <b>Proposed Residential Rate Adjustment:</b> |                |                             |             |                             |                     |                             |
| <b>Base Commodity Rate</b>                   | \$1.38         | \$1.21                      | \$2.31      | \$1.21                      | \$1.90              |                             |
| <b>Operations</b>                            | \$9.10         | \$13.05                     | \$9.10      | \$13.05                     | \$17.60             |                             |
| <b>Replacements</b>                          | \$0.80         | \$6.70                      | \$0.80      | \$6.70                      | \$0.80              |                             |
| <b>Enhancements</b>                          | \$0.70         | \$0.70                      | \$0.70      | \$0.70                      | \$0.70              |                             |
| <b>Total Service Charge</b>                  | \$10.60        | \$20.45                     | \$10.60     | \$20.45                     | \$19.10             |                             |
| <b>Commodity</b>                             | \$20.84        |                             | \$35.18     |                             | \$36.92             |                             |
| <b>Proposed Monthly</b>                      | \$51.89        |                             | \$66.23     |                             | \$56.02             |                             |
| Current Monthly                              | \$48.23        |                             | \$62.73     |                             | \$53.29             |                             |
| Difference                                   | \$3.66         |                             | \$3.50      |                             | \$2.73              |                             |
| <b>Change %</b>                              | <b>7.6%</b>    |                             | <b>5.6%</b> |                             | <b>5.1%</b>         |                             |

\* Includes an additional \$0.02 per ccf for a potential scheduled step-up during the year that will be identified in the Prop 218 notices.



# REVENUE

## BUDGETED REVENUE SUMMARY BY SYSTEM

(in thousands)

### Water

|                         | <u>FY 2013-14</u> | <u>Usage<br/>Change</u> | <u>Proposed<br/>Rate Inc.</u> | <u>FY 2014-15</u> |
|-------------------------|-------------------|-------------------------|-------------------------------|-------------------|
| Service                 | \$ 21,481         | \$ (14)                 | \$ 2,075                      | \$ 23,542         |
| Enhancement             | 1,787             | -                       | -                             | 1,787             |
| Replacement             | 2,042             | -                       | -                             | 2,042             |
| Commodity               | 31,922            | (992)                   | 2,120                         | 33,050            |
| Low Volume              | 1,969             | 443                     | -                             | 2,412             |
| Over Allocation Revenue | 3,201             | (277)                   | 1,111                         | 4,035             |
| Pumping Surcharge       | 749               | 13                      | -                             | 762               |
| Miscellaneous           | 460               | 180                     | -                             | 639               |
| Rate Stabilization      | -                 | -                       | 240                           | 240               |
|                         | <u>\$ 63,611</u>  | <u>\$ (647)</u>         | <u>\$ 5,546</u>               | <u>\$ 68,510</u>  |

### AF Sales

55,837 (204) 55,634

### User Type

|                         |                  |                 |                 |                  |
|-------------------------|------------------|-----------------|-----------------|------------------|
| Residential             | \$ 32,729        | \$ 934          | \$ 2,344        | \$ 36,006        |
| Commercial              | 9,336            | (497)           | 596             | 9,436            |
| Industrial              | 3,741            | (408)           | 293             | 3,626            |
| Public Authority        | 1,974            | (101)           | 155             | 2,028            |
| Construction/Temp.      | 796              | 104             | 44              | 944              |
| Fire Protection         | 3,918            | (222)           | 135             | 3,831            |
| Landscape Irrigation    | 5,083            | (535)           | 370             | 4,919            |
| Agriculture Irrigation  | 863              | (89)            | 45              | 820              |
| Over Allocation Revenue | 5,170            | 166             | 1,323           | 6,659            |
| Rate Stabilization      | -                | -               | 240             | 240              |
|                         | <u>\$ 63,611</u> | <u>\$ (647)</u> | <u>\$ 5,546</u> | <u>\$ 68,510</u> |



# REVENUE

## BUDGETED REVENUE SUMMARY BY SYSTEM

| <i>(in thousands)</i>     | <u>FY 2013-14</u> | <u>Usage<br/>Change</u> | <u>Proposed<br/>Rate Inc.</u> | <u>FY 2014-15</u> |
|---------------------------|-------------------|-------------------------|-------------------------------|-------------------|
| <b>Sewer and Recycled</b> |                   |                         |                               |                   |
| Service                   | \$ 24,541         | \$ 30                   | \$ 3,545                      | \$ 28,116         |
| Enhancement               | 1,485             | 0                       | -                             | 1,486             |
| Replacement               | 12,914            | -                       | 1,305                         | 14,219            |
| Commodity                 | 11,343            | 986                     | 1,023                         | 13,352            |
| Low Volume                | 1,133             | 165                     | -                             | 1,298             |
| Over Allocation Revenue   | 2,207             | 72                      | 450                           | 2,729             |
| Pumping Surcharge         | 436               | (20)                    | -                             | 416               |
| Miscellaneous             | 400               | 150                     | -                             | 550               |
| IDP Reimbursements        | 520               | -                       | -                             | 520               |
| Rate Stabilization        | -                 | -                       | 2,269                         | 2,269             |
|                           | <u>\$ 54,980</u>  | <u>\$ 1,382</u>         | <u>\$ 8,593</u>               | <u>\$ 64,955</u>  |
| <b>AF Sales</b>           | 27,920            | 1,447                   |                               | 29,367            |
| <b>User Type</b>          |                   |                         |                               |                   |
| Residential               | \$ 23,769         | \$ 830                  | \$ 2,308                      | \$ 26,907         |
| Commercial                | 6,698             | 588                     | 685                           | 7,971             |
| Industrial                | 2,791             | 66                      | 266                           | 3,123             |
| Public Authority          | 1,383             | (292)                   | 161                           | 1,252             |
| Landscape Irrigation      | 14,310            | (247)                   | 1,994                         | 16,057            |
| Recycled Loans            | 6                 | (5)                     | 0                             | 1                 |
| Agriculture Irrigation    | 2,111             | (734)                   | 265                           | 1,642             |
| Construction/Temp.        | 53                | 938                     | 92                            | 1,084             |
| IDP Reimbursements        | 520               | -                       | -                             | 520               |
| Over Allocation Revenue   | 3,340             | 237                     | 552                           | 4,130             |
| Rate Stabilization        | -                 | -                       | 2,269                         | 2,269             |
|                           | <u>\$ 54,980</u>  | <u>\$ 1,382</u>         | <u>\$ 8,593</u>               | <u>\$ 64,955</u>  |

# COST OF WATER

## BUDGETED COST OF WATER

| (in thousands)                    | FY 2013-14 |           | FY 2014-15 |           | Change    |          |
|-----------------------------------|------------|-----------|------------|-----------|-----------|----------|
|                                   | Acre Feet  | Total     | Acre Feet  | Total     | Acre Feet | Total    |
| <b>Irvine Ranch Rate Area</b>     |            |           |            |           |           |          |
| <b><u>TREATED</u></b>             |            |           |            |           |           |          |
| Purchased from MWDOC              | 2,467      | \$ 3,457  | 3,488      | \$ 4,643  | 1,021     | \$ 1,186 |
| Dyer Road Well Field              | 28,000     | 10,848    | 28,000     | 12,248    | 0         | 1,400    |
| Deep Aquifer Treatment System     | 8,400      | 3,747     | 8,400      | 4,269     | (0)       | 522      |
| Lost to Production                | (840)      |           | (168)      |           | 672       |          |
| Wells 21 & 22 Desalter            | 6,300      | 4,415     | 6,300      | 4,300     | -         | (115)    |
| Lost to Production                | (630)      |           | (945)      |           | (315)     |          |
| Irvine Desalter Project           | 4,200      | 2,190     | 4,365      | 2,698     | 165       | 508      |
| Lost to Production                | (420)      |           | (655)      |           | (235)     |          |
| Water Banking                     |            | 288       |            | 646       | -         | 358      |
| DATS Capital Cost Refunding       |            | 597       |            | -         |           | (597)    |
| Total Shrinkage                   | (963)      |           | (2,323)    |           | (1,360)   |          |
| <b><u>UNTREATED</u></b>           |            |           |            |           |           |          |
| Purchased from MWDOC              | 1,090      | \$ 653    | 7,434      | 5,111     | 6,343     | \$ 4,458 |
| Native Water                      | 1,367      | 144       | 0          | 0         | (1,367)   | (144)    |
| Santiago Aqueduct Commission      | 180        | 134       | 180        | 111       | -         | (23)     |
| Transfer to RW System             | (258)      | (123)     | (5,355)    | (3,682)   | (5,097)   | (3,559)  |
| Total Shrinkage                   | (132)      |           | (108)      |           | 24        |          |
| Total Irvine Ranch                | 48,761     | \$ 26,350 | 48,614     | \$ 30,345 | (147)     | \$ 3,995 |
| <b>Los Alisos Rate Area</b>       |            |           |            |           |           |          |
| Purchased from MWDOC              | 6,945      | 7,100     | 6,939      | 7,018     | (6)       | (82)     |
| Well Water                        | 432        | 0         | 432        | 23        | -         | 23       |
| Total Shrinkage                   | (301)      |           | (351)      |           | (50)      | -        |
| Total Los Alisos                  | 7,076      | \$ 7,100  | 7,020      | \$ 7,041  | (56)      | \$ (59)  |
| Total Potable and Untreated Water | 55,837     | \$ 33,450 | 55,634     | \$ 37,386 | (203)     | \$ 3,936 |

### Assumptions:

OCWD - replenishment assessment estimate - \$304/acre foot.

MWDOC - Includes a 3.0% increase that will be effective January 1, 2015 from MWD.

# COST OF WATER

## BUDGETED COST OF RECYCLED WATER

|                                      | FY 2013-14 |           | FY 2014-15 |           | Change    |          |
|--------------------------------------|------------|-----------|------------|-----------|-----------|----------|
| <i>(in thousands)</i>                | Acre Feet  | Total     | Acre Feet  | Total     | Acre Feet | Total    |
| Groundwater                          | 0          |           | -          | 0         | -         | -        |
| Irvine Desalter Project              | 3,380      | 1,707     | 2,900      | 1,034     | (480)     | (673)    |
| SAC Water                            | 282        | 337       | 282        | 174       | -         | (163)    |
| MWRP / LAWRP Production              | 25,734     | 8,804     | 22,299     | 8,228     | (3,435)   | (576)    |
| Transfer from Untreated System       | 258        | 122       | 5,355      | 3,682     | 5,097     | 3,560    |
| Total Shrinkage                      | (1,734)    |           | (1,468)    |           | 266       |          |
| Total Recycled                       | 27,920     | \$ 10,970 | 29,367     | \$ 13,117 | 1,447     | \$ 2,147 |
| Total Cost of Water for Billed Usage | 83,757     | \$ 44,420 | 85,001     | \$ 50,504 | 1,244     | \$ 6,084 |





# GENERAL MANAGER'S OFFICE

## OPERATING BUDGET SUMMARY

---

### 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 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;
- Maintains necessary inter-governmental relations;
- Responds to, or directs response to, all media inquiries; and
- Responds to all public information requests.

The General Manager's Office works with the Board of Directors and staff to establish Goals and Objectives for all departments across the District. On January 10, 2014, staff reviewed the Goals and Objectives with the Board for the calendar year. They are summarized as follows:

### **Strategic Objectives: Water Reliability, Cost Effectiveness, Innovation, Water Policy**

#### IRWD Groundwater Development Program:

- Complete the water quality testing, environmental permitting, design and construction of groundwater production facilities and well head treatment, as required, to produce water at or above IRWD's allowable Basin Production Percentage (BPP);
  - Well 115 and OPA Well 1 – Complete construction;
- Advocate for increased availability of replenishment water for local groundwater replenishment efforts and for IRWD water banking efforts;
- Complete the investigation of a joint well project with East Orange County Water District;
- Work with Orange County Water District (OCWD) to complete the annexation of additional IRWD territory through the LAFCO process;
- Work with OCWD to develop a policy clarifying the inclusion of recycled water demands in OCWD's calculation of the BPP; and
- Update the IRWD Groundwater Work Plan.



## **GENERAL MANAGER'S OFFICE**

### **OPERATING BUDGET SUMMARY**

---

#### Potable Water Supply Reliability Study:

- Update IRWD's 2008 Potable Water Supply Reliability Study to include evaluations of system vulnerabilities and both local and import supply vulnerabilities associated with potential earthquakes, Delta levee failures, continued Delta flow restrictions, State Water Project (SWP) pumping plant failures, climate change events and other potential problems.

#### IRWD Water Banking Program:

- Identify, evaluate, and secure additional land to be incorporated into the District's water banking projects in Kern County;
- Deliver IRWD's 2013 and 2014 State Water Project Table A water allocated to the Jackson Ranch inside Dudley Ridge Water District (DRWD) to the Strand Ranch Integrated Banking Project (Strand Ranch) through the executed Multi-Year Unbalanced Exchange and Point of Delivery Agreement between DRWD, Metropolitan Water District of Southern California (MWD), Kern County Water Agency and the California Department of Water Resources (DWR);
- Negotiate an agreement with MWD for the delivery of MWD system water to IRWD's Strand and Stockdale Integrated Banking Projects for the benefit of IRWD and/or for the joint benefit of IRWD and others on an effective 2-for-1 basis;
- Assist MWD in the development and execution of Delivery Agreements with DWR that will allow MWD to deliver MWD system water to and from the Strand Ranch;
- Develop, execute, and obtain MWD's consent for developing long-term unbalanced exchange agreements with Carpinteria Valley Water District and/or Antelope Valley-East Kern Water Agency and initiate the development with DWR of Multi-Year Exchange and Point of Delivery Agreements for the programs;
- Complete a technical and legal review of the exportability the high-flow Kern River water that IRWD has in storage at the Strand Ranch;
- Execute the template IRWD/MWD Wheeling Agreement that has been developed for the recovery, exchange and delivery of non-SWP water from the Strand Ranch Project to IRWD's service area and successfully implement and gain necessary approvals for a pilot project for the exchange and wheeling of 1,000 AF of Kern River Water from the Strand Ranch to IRWD's service area;
- Work with MWD and Municipal Water District of Orange County to develop a standardized framework through which agencies can work through to expedite the approval process for water transfers, storage, and wheeling proposals;
- Complete and certify an Environmental Impact Report for the Stockdale Integrated Banking Project with Rosedale that also incorporates construction and operation of water banking facilities on the Stockdale West and East Properties as well as on additional lands to be secured by IRWD and/or Rosedale in the future;
- Finalize and execute a long-term exchange agreement with Rosedale for a Joint Integrated Stockdale Water Banking and Exchange Project;
- Award a construction contract for drilling and constructing of wells for the Stockdale Integrated Banking Project including additional project wells in the Rosedale service area;



## **GENERAL MANAGER'S OFFICE**

### **OPERATING BUDGET SUMMARY**

---

- Initiate the design of recovery facilities pipelines and wellheads for the Stockdale Integrated Banking Project;
- Develop and obtain approval of a long-term exchange agreement with Buena Vista Water Storage Agreement for the delivery and storage of high flow Kern River Water to the proposed Stockdale Water Banking on a two-for-one basis;
- Develop a master plan for IRWD's water banking projects and programs; and
- Negotiate and execute long-term farm lease agreements for portions of the Jackson Ranch to make use of water to be returned from unbalanced exchanges at the Strand Ranch Project as well as water available to the leasee's from their own water supply portfolios.

#### **Baker Water Treatment Plant:**

- Initiate construction of the Baker Water Treatment Plant and Raw Water Pump Station;
- Coordinate construction with the development of the Serrano Summit project;
- Develop staffing and training plan for operations and maintenance of the Baker Water Treatment Plant; and
- Ensure facilities are constructed to address any potential issues with quagga mussels.

#### **Management of Irvine Lake:**

- Develop a capital improvements needs assessment and an operations plan to maximize the utilization of storage capacity in Irvine Lake, taking into account the use of this water as an alternate source of supply for the Baker Water Treatment Plant;
- Continue discussions with Serrano Water District (SWD) to update the methodology used to account for evaporative losses for water stored in Irvine Lake, execute an amended agreement with SWD to reflect and apply the new methodology prospectively;
- Update Santiago Aqueduct Commission agreements related to Irvine Lake spillage; and
- Complete the seismic analysis of Santiago Creek Dam to determine the extent of the seismic upgrades required for the outlet tower.

#### **Second Lower Cross Feeder:**

- Continue discussions with MWD, MWDOC, and other water agencies in Orange County to determine the benefits of constructing the Second Lower Cross Feeder.



## **GENERAL MANAGER'S OFFICE**

### **OPERATING BUDGET SUMMARY**

---

#### Water Use Efficiency Programs:

- Implement enhanced outreach and cost-effective demand management programs, identified in Water Efficiency Plan (dated December 2013) including:
  - Focus on development and implementation of the CalScape outreach campaign and suite of implementation programs;
  - Expand outreach and assistance to homeowners associations and property managers;
  - 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 train and assist customers to improve their water use efficiency, with an emphasis on outdoor water use;
  - Continue to partner with commercial, industrial and institutional customers to implement cost-effective water use efficiency programs;
  - Expand the use of enhanced customer engagement and reporting such as WaterSmart as a tool to motivate additional water use efficiency;
  - Research and implement, as appropriate, the use of enhanced GIS data to improve customer allocation-setting, outreach and programs targeted toward outdoor water use;
- Actively participate in policy discussions addressing water-energy nexus, Demand management, and exploring concepts for establishing a conservation credit exchange program.

#### Recycled Water Customer Development:

- Complete development of the on-line site supervisor training for recycled water customers;
- Evaluate the feasibility of using satellite recycling plants in remote areas not served by the recycled water distribution system;
- Work with key customers to encourage them use recycled water, including UCI for use in its cooling towers and Royalty Carpet for carpet dying;
- Pursue partnerships with neighboring agencies to sell them recycled water;
- Work with upper Santa Ana River Watershed agencies to develop regional recycled water goals and revising policy position on Santa Ana River Watershed Grant Funding Prioritization as necessary;
- Determine whether recycled water can be cost-effectively served to the remaining Irvine Lake Pipeline customers;
- Pursue new Local Resources Program funding from MWD as well as grant funding for projects that use recycled water; and
- Identify opportunities for cost effective implementation of dual-plumbed condominiums and apartment properties.



## GENERAL MANAGER'S OFFICE

### OPERATING BUDGET SUMMARY

---

#### **Strategic Objectives: Sewer Reliability, Cost Effectiveness, Environmental Commitment, Innovation, Resource Recovery**

##### Biosolids Dewatering and Energy Recovery Facilities:

- Continue construction of the MWRP Biosolids and Energy Recovery Facilities;
- Complete AQMD permitting process while staying within appropriate reporting thresholds;
- Develop odor monitoring and response plan;
- Develop a staffing and training needs plan, evaluate outsourcing options, and initiate phased recruitment for the MWRP Biosolids and Energy Recovery Facilities;
- Develop a marketing plan for the distribution / sale of pellets;
- Begin developing concepts and partnerships relative to implementing a foodwaste recycling program at the MWRP once the new solids handling facilities are completed;
- Collaborate with other agencies including Encina Wastewater Authority on lessons learned, O&M, product marketing and distribution, and resource sharing opportunities; and
- Discuss potential Orange County Sanitation District participation in MWRP Biosolids and Energy Recovery Facilities on an interim basis.

##### Sewage Treatment and Recycled Water Supply Optimization:

- Continue to implement a comprehensive long-term sewage management strategy to minimize treatment costs and maximize the use of recycled water including:

###### *Michelson Water Recycling Plant*

- Complete the improvements and required staffing changes to increase MWRP capacity to 28 MGD and initiate start-up and operations of the new facilities;
- Evaluate alternatives for final effluent operational storage at MWRP;
- Develop a plan to assess the replacement and rehabilitation needs of the existing MWRP facilities;
- Evaluate the viability of supplementing the recycled water system with water treated by the San Joaquin Marsh and then diverted to the MWRP;

###### *Los Alisos Water Recycling Plant*

- Complete study to evaluate short-term options for solids handling at the LAWRP;
- Update the LAWRP Master Plan to identify long term water recycling and solids handling options;

###### *Recycled Water Storage and Distribution System*

- Evaluate procurement of recycled water storage capacity at Santa Margarita Water District's Upper Oso Reservoir;
- Assess on-going use of chlorine gas for disinfection and begin investigation for potential conversion to sodium hypochlorite District-wide;
- Evaluate operational alternatives to enhance recycled water quality from open reservoirs;
- Assess recycled water distribution system reliability along with the costs and benefits to ensure customer needs are met;



## **GENERAL MANAGER'S OFFICE**

### **OPERATING BUDGET SUMMARY**

---

- Develop alternatives for long-term off-season storage/use options of recycled water including:
  - Continue investigating opportunities to expand IRWD's seasonal storage capacity at Syphon Reservoir, Peters Canyon, and other locations based on wet year/dry year supply and demand variations;
  - Initiate conceptual development of indirect potable reuse projects such as an advanced water treatment facility at Peters Canyon to serve replenishment water directly to OCWD's Santiago Pits recharge facility via Handy Creek and other groundwater recharge facilities in the Irvine Sub-basin.

#### **Sewage Collection System Planning:**

- Complete Sewer Flow Factor Study / Flow Monitoring Study so sewer flow factors and sewer demand projections can be updated;
- Update Sewer Collection System Master Plan;
- Prepare for the first Sewer System Management Plan (SSMP) state audit in May 2014;
- Evaluate the need to conduct an Infiltration and Inflow (I&I) Study of the IRWD sewers; and
- Develop and implement enhanced sewage discharge source control (non-flushable materials, expired pharmaceuticals) outreach and enforcement programs to protect the sewage collection system and recovered resources (such as recycled water, biosolids pellets).

#### **Operational Facilities – Asset Management:**

- Initiate data collection and cataloging of assets for entry into the new Enterprise Asset Management (EAM) software;
- Conduct pre-implementation activities for the EAM system implementation that include developing business processes, identifying asset criticality protocols, and initiating procurement of a system implementation consultant;
- Evaluate staffing and resource needs for EAM system implementation and maintenance;
- Update the existing Replacement Planning Model; and
- Identify and evaluate tools, methods, and new technologies to improve the District's electrical and mechanical reliability efforts.

#### **Strategic Objective: Water Quality, Innovation**

##### **Salt Management Plan:**

- Complete the IRWD Recycled Water System Salt Management Plan; and
- Evaluate and implement opportunities, in conjunction with the necessary funding mechanisms, to manage salt loading within IRWD's service area.



# GENERAL MANAGER'S OFFICE

## OPERATING BUDGET SUMMARY

---

### Research Business Plan:

- Continue to support basic research, knowledge management, applied research, and pilot studies to IRWD's ability to provide services safely, reliably, and cost effectively;
- Ensure that resources dedicated to research and/or pilot studies provide a commensurate level of value to address current and/or future IRWD challenges; and
- Assess the value of Isle Utilities' Technology Approval Group (TAG) process to IRWD and recommend whether IRWD should continue to participate in Southern California TAGs for water treatment technologies.

### **Strategic Objective: Employee Satisfaction / Development, Cost Effectiveness**

#### Employee Outreach:

- Further enhance the IRWD intranet and complete transition employee communications to web-based format;
- Develop an Employee Recognition Committee to review and revise the current service award program, develop other (non-monetary) methods to recognize and reward performance, and create a communication plan for the enhanced recognition opportunities;
- Implement a quarterly Managers Meeting program to enhance the sharing of ideas and intra-organization connections; and
- Work with employees to develop a plan for enhancements to the IRWD employee wellness program.

#### Safety Program Improvements:

- Continue with activities associated with the Safety Awareness Program, including:
  - Provide additional personal protective equipment customized to different tasks performed by employees;
  - Recognize employees who consistently work safely in different conditions;
  - Support Operations in specifying safety training requirements for job-specific tasks by developing meaningful operating procedures to address safety hazards associated with tasks performed by field staff;
- Develop return to work/temporary accommodation programs to facilitate employee recovery from injury and/or illness recovery; and
- Expand role of and participation in the IRWD Safety Committee.

#### Security Improvements:

- Develop a comprehensive security assessment plan for significant IRWD facilities including the Sand Canyon Headquarters Building, the MWRP / Operations Center, LAWRP, and other critical facilities.



# **GENERAL MANAGER'S OFFICE**

## **OPERATING BUDGET SUMMARY**

---

### Employee Training:

- Provide employee training which meets all regulatory requirements, results in continuous improvement, and maintains a productive and highly motivated work force including:
  - Project Management Training classes;
  - Management and Supervisory Training;
  - Training on District Policies (various topics) as needed;
  - Retirement Planning;
  - Business Technology (e.g., MS Office Suite)
  - Effective Communications Skills;
- Develop a plan to increase operator certification levels for both Recycling and Water System Operations;
- Conduct a survey of District staff regarding interest areas for optional Enrichment Program sessions and develop programs accordingly; and
- Complete current phase of the IRWD Leadership Development Initiative.

### Performance Management:

- Redesign existing performance appraisal process to ensure employees receive constructive and effective feedback on both job performance and goals and expectations; and
- Conduct training sessions for managers, supervisors and employees on the new process.

### District Operational and Administrative Process Efficiencies:

- Review District Policies and practices to maximize administrative efficiencies while still aligning with the Board's strategic objectives;
- Expand the development of knowledge sharing, staff development, contract services, and mutual aid opportunities with other agencies;
- Develop updated IRWD Key Performance Indicators (KPIs) to monitor and drive improved performance; and
- Evaluate the scope and advantages of a database management system for District Operations.

### Succession Planning:

- Continue succession planning efforts to ensure appropriate staffing and skill levels for all District operations (e.g., Mentoring Program, staffing needs analyses for Baker and Biosolids projects, cross training and job rotation programs); and
- Continue partnerships with outside entities to promote careers in the water industry (e.g., Santiago Canyon College, Irvine Valley College) and to assist in growing IRWD's current employees for future promotional opportunities (e.g., Leadership Tomorrow and Leadership Development for Public Agencies sponsored by California State University, Fullerton).



# **GENERAL MANAGER'S OFFICE**

## **OPERATING BUDGET SUMMARY**

---

### **Strategic Objective: Cost Effectiveness, Water Policy**

#### Enterprise Resource Planning Software Optimization:

- Optimize Oracle eBusiness Suite Enterprise Resource Plan (ERP) implementation for financial and human resources applications, including training and additional reporting ;
- Identify and implement additional business intelligence capabilities;
- Evaluate and implement other business process efficiencies utilizing E Business Suite capabilities;
- Evaluate and implement solutions for improved capital budgeting, planning and reporting;
- Implement appropriate staffing levels resulting from the ERP implementation; and
- Implement changes relative to IRWD's new Improvement District Consolidation structure.

#### Utility Billing Software Implementation:

- Complete Phase 1 of the Oracle CC&B software system implementation;
- Evaluate proceeding with Phase 2 of the Oracle CC&B software system implementation; and
- Develop a high-level scope for providing outside water agencies with utility billing services.

#### State and Federal Funding:

- Secure federal funding authorization under the Water Resources and Reform Development Act (WRRDA) for Army Corps of Engineering funding of the Syphon Reservoir Recycled Water Storage project; and
- Continue to seek grants for renewable energy and other key projects through available sources, such as Cap-and-Trade revenues.

#### IRWD Rates and Charges:

- Update IRWD's Cost of Service Study to support current rate structure.

#### Debt and other Financial Instruments:

- As market conditions warrant, seek authorization from the Finance and Personnel Committee to execute a basis swap trade consistent with the parameters approved by the Board;
- Evaluate financing structures available for the replacement component of the Biosolids Facility capital requirement;
- Provide financing required to implement the Long-Term Financing Strategy; and
- Continue to evaluate opportunities to capture and lock-in historically low interest rates on the District's existing debt and new money needs.



## **GENERAL MANAGER'S OFFICE**

### **OPERATING BUDGET SUMMARY**

---

#### Real Estate Asset Development:

- Lake Forest/Serrano Summit Property:
  - Complete the project's environmental permitting/mitigation requirements related to the City of Lake Forest's civic center site;
  - Complete the revised tentative tract map, Area Plan, EIR and final tract map;
  - Develop project marketing strategy, preferred sale structures and select necessary consultant(s) to manage the project sale process.
- Sand Canyon Office Development:
  - Seek primary build-to-suit tenant to develop a for-lease office building on the remaining vacant site;
- Wood Canyon Villa Apartment Property Partnership:
  - Evaluate partnership buyout opportunities utilizing the District's majority equity position in the property and, if appropriate, propose same to General Partner;
- Completion of the detailed reference guide for the District's real property inventory listing including current use, site description, title restrictions/constraints and property location.

#### Pension and Health Benefits:

- Ensure that IRWD is well positioned to comply with requirements associated with national health care legislation;
- Implement cost effective changes, when identified, to existing health benefits to maintain a competitive compensation structure;
- Review additional opportunities to optimize funding of pension and other post-employment obligation benefit liabilities; and
- Follow the policy principles established by the Board in June 2010 and continue to advocate for appropriate pension reform to eliminate practices that are financially detrimental to IRWD and the CalPERS system.

#### **Strategic Objectives: Environmental Commitment, Innovation**

##### Natural Treatment Systems (NTS) and Watershed Initiatives:

- Prepare final environmental documentation for and design of the Peters Canyon Wash Channel Water Capture and Reuse Pipeline Project facilities;
- Develop and implement an improved data tracking and management system for the NTS that will improve the ability to evaluate the effectiveness of the NTS facilities, as well as prepare necessary regulatory reporting;
- Prepare an Annual Report of NTS Operations including nutrient removal performance at each NTS facility, operational objectives, and recommendations for adaptive changes to the NTS program;
- Evaluate the performance and cost effectiveness of the existing pilot bioretention facility as part of the NTS Program;



## GENERAL MANAGER'S OFFICE

### OPERATING BUDGET SUMMARY

---

- Continue to work with partners in Newport Bay Executive Committee to develop and implement the elements of the Nitrogen Selenium Management Plan; and
- Continue to participate in stakeholder development of TMDLs for the Newport-Bay Watershed for selenium, nutrients and toxics, and advocate for a maximum benefit approach to be applied.

#### Carbon Footprint Minimization:

- Further refine and complete an Embedded Energy Model for IRWD; and
- Investigate transitioning to alternative fuel vehicles in our fleet to ensure compliance with regulations, greenhouse gas reduction, and economic savings.

#### **Strategic Objectives: Communication, Customer Satisfaction, Water Policy**

##### IRWD Legislative Efforts:

- Implement the IRWD 2014 State Legislative Strategy. Conduct advocacy activities on legislation impacting IRWD, the water industry and special district interests, including but not limited to the following:
  - *Recycled Water:* Promote the expanded use of recycled water and its acceptance as a resource and not a waste by advocating for the removal of hindrances to recycled water projects. Advocacy would include promotion of the following:
    - Removing recycled water from being classified as a waste;
    - Updating Title 17 & 22 of the California Code of Regulations;
    - Changes to permitting processes so that recycled water is viewed as a resource and not a problem by State agencies;
    - Changes to permitting processes so that recycled water is viewed as a resource and not a problem by State agencies;
  - *Storm-Induced Overflows:* Seek a change to the State's policy which calls management of any ponds containing recycled water such that no discharge occurs unless the discharge is a result of a 25-year, 24-hour storm event or greater;
  - *Energy and Water Efficiency Partnerships:* Work with industry colleagues (through CMUA, ACWA, and others) to ensure that new laws and regulations related to energy and water efficiency remove barriers to and encourage more partnerships;
  - *Water Supply and Infrastructure Financing*
    - *Water Bond:* Work with water industry colleagues to determine and advocate for the most feasible approach to effectively passing a statewide water bond;
    - *Public Goods Charge for Water:* Continue to oppose imposition of a Public Goods Charge for water. If legislation related to a public goods charge on water moves forward, work with key legislators and industry associations to ensure that the charge is levied and administered fairly. Proceeds of a Public Goods Charge must be allocated within the region from which they originate;



## GENERAL MANAGER'S OFFICE

### OPERATING BUDGET SUMMARY

---

- *San Joaquin Delta:* Continue to support legislation and efforts related to the Bay Delta Conservation Plan consistent with IRWD's BDCP Policy Principles which will provide a long-term solution to California's water crisis, will ensure reliable high-quality water supply to residents, agriculture and businesses across the state, and will protect and improve the Delta ecosystem;
- *Water Governance:* Advocate for sensible statewide water governance proposals such as those detailed in the 2010 Little Hoover Commission report "Managing for Change: Modernizing California's Water Governance."
- *California Budget:* Monitor the California budget process and proposals that impact special districts and the water industry, particularly those that would shift revenues away from special districts;
- *Pension Reform:* Monitor statewide activities related to pension reform including legislation introduced, initiatives filed, and proposals considered as part of the budget;
- *Government Reform:* Work with the California Special Districts Association to monitor and respond to proposed government reform legislation to protect special district autonomy and finances and local control.

#### Government Relations:

- Continue to build relationships with federal, state and local elected and appointed officials and their staff members, as well as community leaders to gain support for IRWD policy efforts and initiatives; and
- Monitor and participate in discussions regarding local governance issues, including potential consolidation of wholesale water service agencies in Orange County.

#### Enhanced Internal and External Communication and Education Programs:

- Community Outreach and Education Program:
  - Implement a coordinated IRWD outreach program for customers, business partners, elected officials, and other government agencies that includes traditional as well as multi-pronged social media and internet programs and is based on measurement tools, metrics and customer feedback;
  - Enhance the IRWD customer tour and education programs;
  - Design and install new community education signage throughout public spaces at IRWD facilities, including District offices, facilities, community rooms, the Joaquin Marsh and Wildlife Sanctuary and the Marsh Campus;
  - Design and install Customer Service wall displays;
  - Install water bottle filling stations at the San Joaquin Marsh and Wildlife Sanctuary to educate customers about water quality and promote environmental stewardship;
  - Develop and implement expanded outreach program with traditional, online and industry media outlets to provide information on IRWD projects and programs.

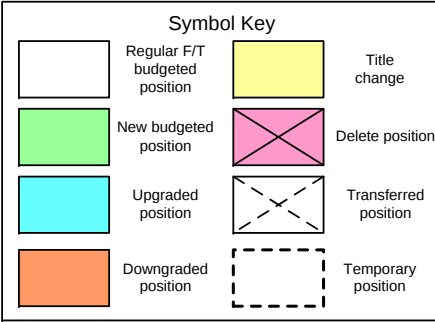


## **GENERAL MANAGER'S OFFICE**

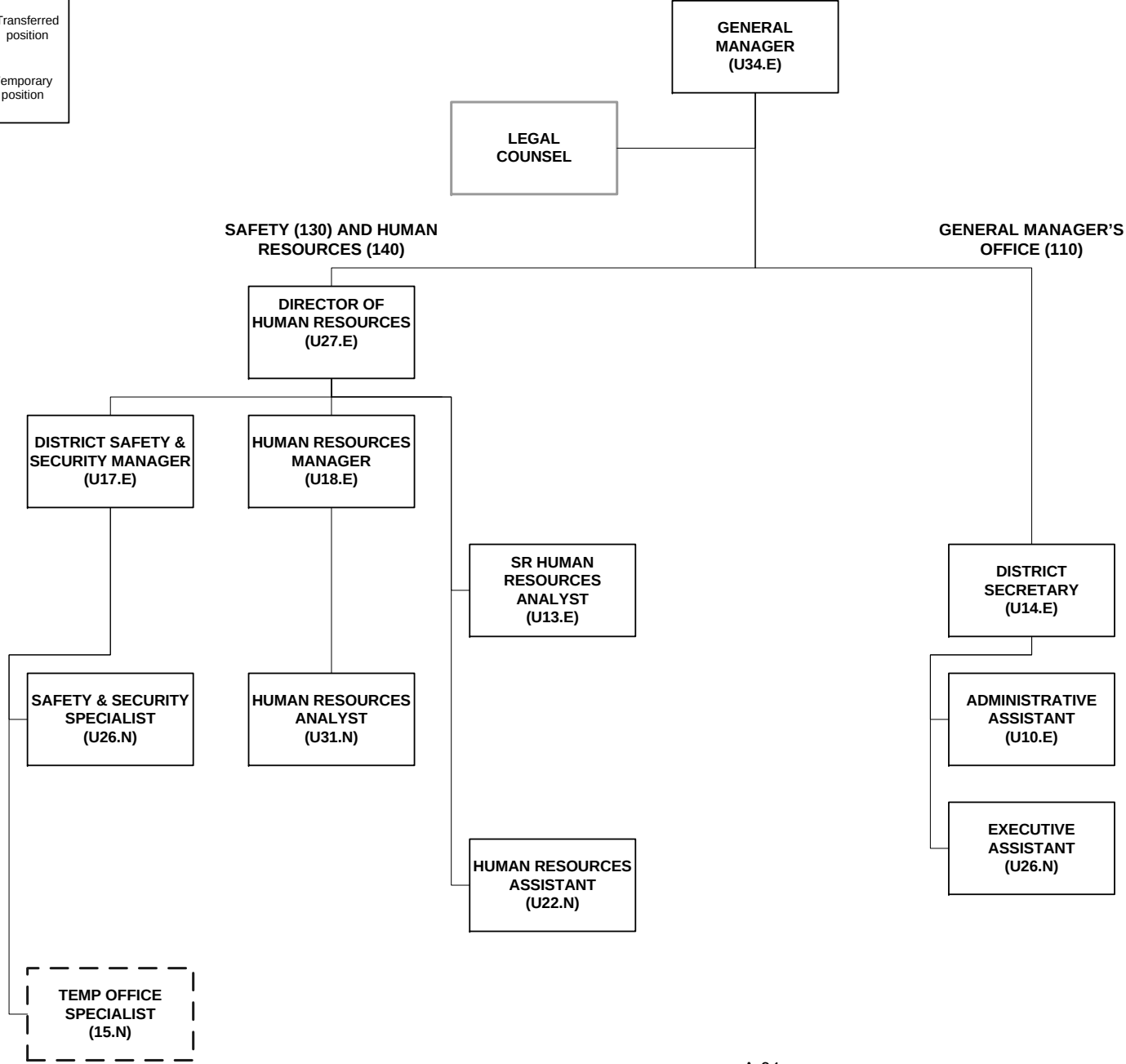
### **OPERATING BUDGET SUMMARY**

---

- Construction Project Community Relations:
  - Implement an outreach program for the completion of the MWRP expansion program including dedication event, media outreach, and videos as well as technical and community tours;
  - Conduct active outreach programs for the Biosolids and Energy Recovery Project and Baker Water Treatment Plant including regular community update meetings.
- Transparency Enhancements:
  - Maintain the online Transparency Center with regular updates and refinements.
- Water Use Efficiency Outreach Programs:
  - Develop and implement an annual outreach plan based on customer feedback, metrics and measurement tools. This plan will include specific outreach campaigns that will be linked to results of measurement tools, and results will drive future outreach and collateral materials.



**IRVINE RANCH WATER DISTRICT  
ADMINISTRATION  
PROPOSED FISCAL YEAR 2014-15**



Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Administration                       |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|--------------------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <u>Dept No</u>                       | <u>Expense Name</u>        |                   |                                    |                        |                        |             |
| <b>General Managers Office</b>       |                            |                   |                                    |                        |                        |             |
| 110                                  | Regular Labor              | 516,235           | 260,323                            | 518,310                | 542,390                | 24,080      |
| 110                                  | Overtime Labor             | 528               | 560                                | 1,000                  | 1,000                  | 0           |
| 110                                  | Employee Benefits          | 113,402           | 0                                  | 0                      | 0                      | 0           |
| 110                                  | Operating Supplies         | 53                | 12                                 | 0                      | 0                      | 0           |
| 110                                  | Postage                    | 51                | 36                                 | 200                    | 100                    | (100)       |
| 110                                  | Permits, Licenses and Fees | 84,999            | 84,495                             | 93,000                 | 94,000                 | 1,000       |
| 110                                  | Office Supplies            | 3,467             | 1,221                              | 4,000                  | 4,000                  | 0           |
| 110                                  | Legal Fees                 | 291,436           | 138,808                            | 317,500                | 390,000                | 72,500      |
| 110                                  | Personnel Training         | 184,632           | 179,736                            | 185,500                | 195,500                | 10,000      |
| 110                                  | Other Professional Fees    | 282,777           | 161,461                            | 280,400                | 260,000                | (20,400)    |
| 110                                  | Directors' Fees            | 141,134           | 58,421                             | 142,200                | 142,000                | (200)       |
| 110                                  | Election Expense           | 100,000           | 15,000                             | 30,000                 | 30,000                 | 0           |
| <b>Total General Managers Office</b> |                            | 1,718,714         | 900,073                            | 1,572,110              | 1,658,990              | 86,880      |





## **SAFETY AND SECURITY**

### **OPERATING BUDGET SUMMARY**

---

#### **Program Description**

The Safety and Security Department provides necessary resources to promote a safe and healthful work environment for District employees through required safety training as mandated in Cal-OSHA Regulations. The Department is committed to ensuring, to the extent possible, that all employees are provided adequate training to safely perform their jobs, both on-site and in the field. The Safety and Security Department continually monitors current and pending legislation affecting the District. Appropriate policies are developed or revised to ensure the constant pursuit and maintenance of a safe and healthful workplace that is in compliance with regulations. The primary goal for the Safety Program is to ensure compliance to HR Policy 33, Illness & Injury Prevention Program.

The Safety “Awareness” program continues to encourage employees to constantly think about safety. The Safety & Security Department works to increase employee involvement throughout at all levels of the District utilizing All Hands Meetings, Tailgate Safety Meetings and safety training sessions, workplace evaluations, industrial hygiene evaluations and the General Safety Committee Meetings. A major component of the Safety Awareness Program is maintenance of electronic message and bulletin boards. Through all of these messaging devices and programs, the intent is to promote safety awareness at all levels within the district toward the common goal of occupational injury and illness prevention.

The Safety & Security Office maintains all required Cal-OSHA record keeping and ensures the annual posting of the Cal-OSHA 300A Form- Summary of Work-Related Illness & Injuries. The department submits required annual reporting to Bureau of Labor and Statistics when requested. The department is responsible for Hazardous Material Disclosures and annual fire prevention inspections.

The Safety & Security office administers the district Commuter Trip Reduction (Ridesharing) Plan under HR Policy 37 including oversight of the vanpool program insuring compliance with Air Quality Management Control District and securing monthly subsidy dollars from Orange County Transit Authority.

The Safety & Security office administers, oversees and coordinates operations and services of IRWD Emergency Operations Center (primary and secondary locations). The office represents IRWD to cities within the service area, Water Emergency Response Orange County (WEROC), the County Operational Area (OA), State Emergency Management and Federal Emergency Management Agencies for emergency management coordination and declarations.

The Safety and Security Department is also tasked with managing the security program for the District. This responsibility includes development and maintenance of security policies in concert



## ***SAFETY AND SECURITY***

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

---

with district staff requirements and federal Threat Level Alerts developed by the U.S. Department of Homeland Security and establishing video surveillance where required for assurance of safety of potable water system and IRWD staff. Additionally, the Safety & Security Department has the responsibility of coordinating security responses as needed to the Vulnerability Assessment under a requirement of the Bioterrorism Act of 2002 and Homeland Security Directive of 2008. The Safety & Security Department chairs the District Security Process Team comprised of several members of Senior Staff. This team is tasked with review and developing district policy changes affecting the security of district assets and its employees.

### **Major Goals**

- Ensure that all employees continue to receive training as required by appropriate regulatory requirements, i.e., CPR/First Aid/Blood Borne Pathogens, Respiratory Protection, Confined Space Entry, Lockout/Tagout, HazMat, Fire/Evacuation, Hazard Communication, Hazardous Materials, Hearing Conservation, Mobile Crane training, Traffic Control etc;
- Submit Hazardous Material Disclosures and update as necessary;
- Update Electronic Message Boards & Bulletin Boards;
- Ensure proper training for HAZMAT team – conducting two Hazmat exercises annually;
- Maintain HAZMAT trailer for “READY” status at all times;
- Edit and distribute Emergency Call Out Directory to all IRWD employees;
- Updates and distribution of IRWD Emergency Plan (red binder);
- Maintain accurate and updated SDS’s (as required by law) and continue to make electronically available;
- Conduct evacuation drills as required for all District facilities;
- Develop and implement required security procedures/policies based on Security Process Team;
- Maintain security training programs tailored to specific audiences;
- Maintain and oversee installation of security monitoring at District facilities (alarms, video surveillance);
- Continue review of Energy Control Procedures with appropriate departments and continue have them available electronically;
- Support Operations in specifying safety training requirements for job-specific tasks by developing meaningful operating procedures to address safety hazards associated with tasks performed by field staff;
- Facilitate emergency exercises and continue compliance activities with National Incident Management System (NIMS) and Standardized Emergency Management System (SEMS);
- Maintain EOC facilities and equipment; standardize and maintain supplies for primary and secondary locations for IRWD’s Emergency Operations Center (EOC);
- Coordinate with the OA Emergency Preparedness for plan specific response; example work with Orange County Fire Authority, the Inter-Canyon League and IRWD Operations to review the Wild Land Interface Response within the IRWD fire and flood plans;



## ***SAFETY AND SECURITY***

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

---

- Conduct Employee New Hire Orientations that includes orientation to NIMS and SEMS Training and familiarization to the Emergency Operations Center (EOC);
- Investigate incidents and provide recommendations as appropriate;
- Maintain rider participation to ensure OCTA subsidy within vanpool program; coordinate with Fleet (for fuel use), Toll Roads (for transponder usage) and IRWD van riders (for participation logs);
- Maintain current agreements of employee participation in the rideshare program;
- (both written record and database);
- Maintain compliance with California Accidental Release Program (Cal-ARP);
- Maintain compliance with Department of Water Resources, Division of Safety of Dams;
- Provide opportunities for employees to obtain vaccinations for potential exposures;
- Ensure IRWD stocks the appropriate Personal Protective Equipment for employees (per SWP 5);
- Maintain and update SWP manual and all included procedures to ensure compliance to CAL OSHA regulations; and
- Record and recognize employee Safety Performance in conjunction with Safety “Awareness” Program.

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Administration                   |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|----------------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| Dept No                          | Expense Name               |                   |                                    |                        |                        |             |
| <b>Safety and Security</b>       |                            |                   |                                    |                        |                        |             |
| 130                              | Regular Labor              | 194,486           | 97,243                             | 248,420                | 201,180                | (47,240)    |
| 130                              | Overtime Labor             | 2,564             | 967                                | 0                      | 2,500                  | 2,500       |
| 130                              | Employee Benefits          | 55,508            | 0                                  | 0                      | 0                      | 0           |
| 130                              | Contract Labor             | 76,351            | 10,402                             | 13,000                 | 54,000                 | 41,000      |
| 130                              | Operating Supplies         | 75,038            | 18,566                             | 86,400                 | 89,800                 | 3,400       |
| 130                              | Printing                   | 4,844             | 886                                | 10,000                 | 9,400                  | (600)       |
| 130                              | Postage                    | 62                | 51                                 | 400                    | 400                    | 0           |
| 130                              | Permits, Licenses and Fees | 18,462            | (4,725)                            | 20,000                 | 40,000                 | 20,000      |
| 130                              | Office Supplies            | 1,161             | 183                                | 2,200                  | 2,200                  | 0           |
| 130                              | Rep & Maint IRWD           | 2,508             | 0                                  | 5,000                  | 5,000                  | 0           |
| 130                              | Personnel Training         | 54,600            | 9,739                              | 81,700                 | 87,650                 | 5,950       |
| 130                              | Personnel Physicals        | 11,791            | 14,774                             | 24,000                 | 28,000                 | 4,000       |
| 130                              | Other Professional Fees    | 24,246            | 2,705                              | 41,000                 | 31,000                 | (10,000)    |
| 130                              | Safety                     | 62,096            | 25,270                             | 50,000                 | 50,000                 | 0           |
| 130                              | Alarm and Patrol Services  | 75,349            | 30,095                             | 130,000                | 130,000                | 0           |
| 130                              | Commuter Program           | 88,751            | 81,474                             | 142,000                | 142,000                | 0           |
| 130                              | Other                      | 11,070            | 5,144                              | 9,600                  | 9,600                  | 0           |
| <b>Total Safety and Security</b> |                            | 758,887           | 292,774                            | 863,720                | 882,730                | 19,010      |



## **HUMAN RESOURCES**

### **OPERATING BUDGET SUMMARY**

---

#### **Program Description**

Human Resources provides comprehensive organizational development and personnel management services District wide to maximize the potential of the District's human resources and overall employee efficiency, effectiveness and satisfaction. Human Resources is responsible for attracting and recruiting a highly qualified work force and working in concert with all management to develop and sustain motivated productive staff. Human Resources ensures that the District provides a competitive compensation and benefits package; continuous improvement through employee training; fair and consistent policies, procedures and guidelines; and a program that rewards and recognizes employees for their contribution to District goals. Human Resources is responsible for both the employee relations and the labor relations processes through the promotion of an open exchange of information and communication to build trust, enhance understanding and provide resolution of issues.

#### **Major Goals**

- Recruit and attract high-performance, high-skill candidates to fill the District's staffing needs;
- Continue stabilization and optimization activities related to new Oracle software;
- Continue succession planning efforts to ensure appropriate staffing and skill levels for all District operations (e.g. Mentoring Program, staffing needs and analyses for Baker Water Treatment and Biosolids projects, cross training and job rotation programs);
- Develop improvements to the existing performance evaluation system. Conduct performance evaluation process training for staff;
- Continue staff development training programs such as supervisory skills training, District Personnel Policy and Procedure training, career planning training and Employee Enrichment programs;
- Continue to develop and enhance partnerships with external educational organizations to promote Water Industry career development, training and education;
- Conduct benchmark salary survey and present recommendations in FY 2014-15 operating budget;
- Continue Safety and Security programs and expand in areas such as employee return-to- work program, expansion of the IRWD Safety Committee role and development of security plan assessment for significant IRWD facilities;
- Continue to monitor cost effectiveness of self-funded Workers' Compensation program;
- Develop an employee involvement committee to review, improve and expand such programs as employee wellness, service recognition and other employee performance acknowledgement programs; and
- Continue to review and monitor all District Personnel Policies and Procedures for appropriateness and ensure compliance with constantly changing laws and regulations.

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Administration               |                         | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|------------------------------|-------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <u>Dept No</u>               | <u>Expense Name</u>     |                   |                                    |                        |                        |             |
| <b>Human Resources</b>       |                         |                   |                                    |                        |                        |             |
| 140                          | Regular Labor           | 532,479           | 239,262                            | 558,740                | 565,770                | 7,030       |
| 140                          | Overtime Labor          | 12,173            | 4,457                              | 5,000                  | 5,000                  | 0           |
| 140                          | Employee Benefits       | 6,790,472         | 5,845,149                          | 15,094,100             | 15,701,750             | 607,650     |
| 140                          | Contract Labor          | 5,752             | 0                                  | 2,500                  | 2,500                  | 0           |
| 140                          | Operating Supplies      | 12                | 0                                  | 0                      | 0                      | 0           |
| 140                          | Printing                | 3,436             | 2,319                              | 4,000                  | 2,500                  | (1,500)     |
| 140                          | Office Supplies         | 1,980             | 3,889                              | 2,500                  | 2,500                  | 0           |
| 140                          | Rep & Maint IRWD        | 0                 | 0                                  | 100                    | 100                    | 0           |
| 140                          | Legal Fees              | 68,205            | 31,226                             | 100,000                | 95,000                 | (5,000)     |
| 140                          | Personnel Training      | 367,469           | 153,152                            | 325,750                | 389,700                | 63,950      |
| 140                          | Personnel Physicals     | 7,758             | 5,582                              | 15,000                 | 15,000                 | 0           |
| 140                          | Other Professional Fees | 92,613            | 27,440                             | 100,500                | 105,500                | 5,000       |
| <b>Total Human Resources</b> |                         | 7,882,349         | 6,312,476                          | 16,208,190             | 16,885,320             | 677,130     |
| <hr/>                        |                         |                   |                                    |                        |                        |             |
| Total Administration         |                         | 10,359,950        | 7,505,323                          | 18,644,020             | 19,427,040             | 783,020     |



# **FINANCE, TREASURY AND PROCUREMENT**

## **OPERATING BUDGET SUMMARY**

---

### **Program Description**

The Finance Department is responsible for the official accounting records of the Irvine Ranch Water District, and for providing all financial management of the District's fixed-income and real estate investments, new and existing debt issues, and deferred compensation programs. In addition, the department provides a wide range of accounting and financial services including payroll, accounts payable, accounts receivable, project accounting, financial analysis, financial reporting and coordination of the District's annual Board-approved operating budget and preparation of the Comprehensive Annual Financial Report. The Finance Department oversees risk management and insurance issues.

The mission of the Finance Department is to safeguard assets and to provide financial and accounting services in a timely, reliable, and cost-effective manner that meets the requirements of the District's 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 Comprehensive Annual Financial Report (CAFR) and submit to the Government Finance Officer's Association (GFOA) for a certificate of award;
- Prepare the Operating Budget for the Board of Directors approval including setting adequate rate levels to ensure financial strength and stability;
- Update the Cost of Service Study to ensure user rates are proportional with costs and support the current rate structure;
- Lead customer noticing effort for Proposition 218 compliance (operating budget, rates and charges);
- Prepare accounts payable and payroll checks and process remittances on a timely basis;
- Simplify the District-wide Financial System, including incorporating the recent improvement district consolidations and improved project reporting capabilities; and
- Identify and implement business intelligence capabilities including District wide key performance indicators and timely reporting to the District's Board of Directors.



# **FINANCE, TREASURY AND PROCUREMENT**

## **OPERATING BUDGET SUMMARY**

---

### **LONG-TERM FINANCING STRATEGY**

- Continue to refine and update the cash flow strategic model to ensure sufficient funding for future capital needs.

### **INVESTMENTS AND CASH MANAGEMENT**

- Invest District funds in a prudent and professional manner that will provide maximum security of principal, an optimal rate of return and sufficient liquidity to meet working capital requirements;
- Prepare and submit accurate investment reports and the annual investment policy to the Board of Directors and other interested parties within established time frames;
- Improve short and long-term cash flow models and cash management practices;
- Execute, monitor and report on interest rate swap transactions as appropriate;

### **REAL ESTATE**

- Monitor and report on the performance of all real estate assets;
- Manage leasing and related property management activities for all District commercial and residential real estate investments;
- Complete final map approval process for property located in Lake Forest; and
- Continue development of the Sand Canyon office project in Irvine, when market conditions warrant.

### **DEBT ISSUANCE AND ADMINISTRATION**

- Issue long-term debt to fund capital facilities as needed;
- Prepare and submit continuing disclosure materials on debt issues to appropriate parties; and
- Monitor variable interest rates set by remarketing agents on District debt and make adjustments as appropriate.

### **INSURANCE**

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

### **PENSION**

- Review additional opportunities to optimize funding of pension and other post-employment benefit obligations.

### **PROCESS EFFICIENCIES AND CONTROLS**

- Review District policies and practices to maximize efficiencies while aligning the Board's strategic objectives and maintaining appropriate internal controls to safeguard assets.



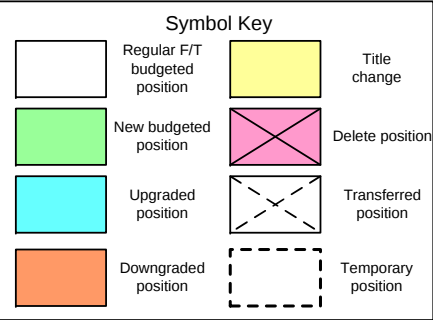
# **FINANCE, TREASURY AND PROCUREMENT**

## **OPERATING BUDGET SUMMARY**

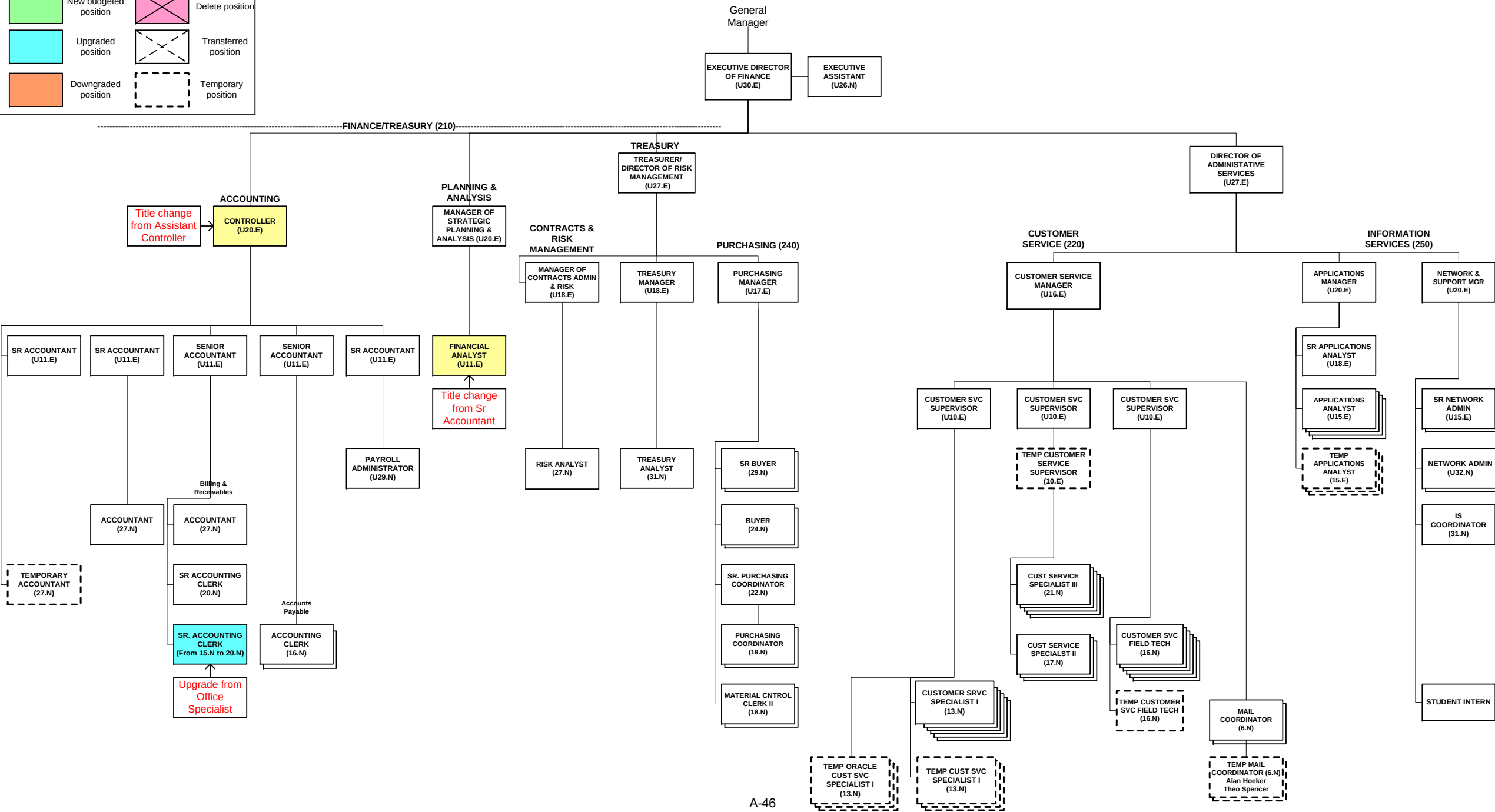
---

### **PROCUREMENT**

- Purchase materials, supplies and services in a timely manner with respect to quality and best pricing;
- Process all material/service requests timely and efficiently;
- Maintain warehouse inventory fill rate at 100% and review/adjust slow moving inventory;
- Continue to update and expand the District website for procurement;
- Provide bi-annual procurement process training for customers;
- Streamline business procurement processes and documentation while ensuring appropriate controls;
- Provide ongoing customer support of Oracle applications for procurement and inventory management;
- Attain the achievement of excellence in purchasing award from the National Purchasing Institute;
- Monitor purchase order status to support the accounting department;
- Continue ongoing evaluation of potential suppliers for IRWD; and
- Review and expand participation in cooperative purchasing agreements.



IRVINE RANCH WATER DISTRICT  
FINANCE AND ADMINISTRATION  
PROPOSED FISCAL YEAR 2014-15



Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

**Finance & Administrative Services**

| <u>Dept No</u>                    | <u>Expense Name</u>        | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|-----------------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <b>Finance and Treasury</b>       |                            |                   |                                    |                        |                        |             |
| 210                               | Regular Labor              | 1,887,463         | 1,029,977                          | 2,123,460              | 2,221,290              | 97,830      |
| 210                               | Overtime Labor             | 26,426            | 12,327                             | 32,000                 | 30,000                 | (2,000)     |
| 210                               | Employee Benefits          | 461,123           | 0                                  | 0                      | 0                      | 0           |
| 210                               | Contract Labor             | 290,906           | 103,047                            | 70,000                 | 170,000                | 100,000     |
| 210                               | Operating Supplies         | 256               | 213                                | 0                      | 400                    | 400         |
| 210                               | Printing                   | 48,686            | 0                                  | 67,000                 | 60,000                 | (7,000)     |
| 210                               | Postage                    | 7,163             | 3,920                              | 7,500                  | 8,000                  | 500         |
| 210                               | Permits, Licenses and Fees | 4,016             | 0                                  | 10,000                 | 10,000                 | 0           |
| 210                               | Office Supplies            | 3,865             | 2,620                              | 2,500                  | 5,000                  | 2,500       |
| 210                               | Insurance                  | 1,065,841         | 577,671                            | 702,500                | 984,500                | 282,000     |
| 210                               | Legal Fees                 | 57,375            | 0                                  | 0                      | 0                      | 0           |
| 210                               | Accounting Fees            | 60,983            | 33,943                             | 84,500                 | 74,500                 | (10,000)    |
| 210                               | Data Processing            | 59,964            | 29,985                             | 42,000                 | 48,000                 | 6,000       |
| 210                               | Personnel Training         | 28,776            | 9,211                              | 46,000                 | 45,000                 | (1,000)     |
| 210                               | Other Professional Fees    | 266,216           | 131,932                            | 304,000                | 315,500                | 11,500      |
| 210                               | Collection Fees            | 30,434            | 803                                | 20,000                 | 20,000                 | 0           |
| <b>Total Finance and Treasury</b> |                            | 4,299,493         | 1,935,649                          | 3,511,460              | 3,992,190              | 480,730     |

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Finance & Administrative Services |                         | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|-----------------------------------|-------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| Dept No                           | Expense Name            |                   |                                    |                        |                        |             |
| <b>Purchasing</b>                 |                         |                   |                                    |                        |                        |             |
| 240                               | Regular Labor           | 519,336           | 319,632                            | 652,480                | 700,120                | 47,640      |
| 240                               | Overtime Labor          | 6,734             | 3,605                              | 4,000                  | 4,000                  | 0           |
| 240                               | Employee Benefits       | 148,874           | 0                                  | 0                      | 0                      | 0           |
| 240                               | Contract Labor          | 27,846            | 791                                | 4,000                  | 4,000                  | 0           |
| 240                               | Operating Supplies      | 66,573            | 47,054                             | 94,000                 | 111,500                | 17,500      |
| 240                               | Printing                | 5,849             | 2,831                              | 10,000                 | 10,000                 | 0           |
| 240                               | Postage                 | 3,183             | 1,529                              | 3,500                  | 3,500                  | 0           |
| 240                               | Office Supplies         | 19,779            | 9,652                              | 24,000                 | 24,000                 | 0           |
| 240                               | Duplicating Equipment   | 193,496           | 84,991                             | 189,000                | 174,000                | (15,000)    |
| 240                               | Equipment Rental        | 8,978             | 9,263                              | 16,000                 | 20,000                 | 4,000       |
| 240                               | Personnel Training      | 5,578             | 563                                | 6,500                  | 6,500                  | 0           |
| 240                               | Other Professional Fees | 1,943             | 1,030                              | 2,000                  | 2,000                  | 0           |
| <b>Total Purchasing</b>           |                         | 1,008,169         | 480,941                            | 1,005,480              | 1,059,620              | 54,140      |



## **ADMINISTRATIVE SERVICES**

### **OPERATING BUDGET SUMMARY**

---

#### **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 the highest level of 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 meet the current and future business requirements of customers and provide a high level of customer satisfaction. The Information Services Department provides implementation, management 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;
- Receive and process all orders for new service and discontinuation of service;
- Flow test and verify new meter sets;
- Process payments for processing temporary construction meters, applications for fire flow tests, and customer water bills;
- Coordinate and process all meter reads to ensure accurate billing;
- Process variance requests for additional water allocation;
- Respond to field problems (leaks, no water complaints, high/low pressure, water quality, sewer problems, line breaks, etc.) in a timely manner;
- Manage delinquent customer accounts and perform shut-offs as required;
- Distribute customer satisfaction surveys and maintain 90% customer satisfaction;
- Improve and enhance customer web access, and electronic billing and presentment to ensure ease of use;
- Complete implementation of the Customer Care and Billing (CC&B) system;
- Coordinate with Engineering on the GPS project; and
- Receive, route and deliver all District mail, and process all outgoing mail.



## **ADMINISTRATIVE SERVICES**

### **OPERATING BUDGET SUMMARY**

---

#### **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, printers and software applications that meet the needs of District staff;
- Provide reliable voice, data and wireless communications services;
- Develop new and improved existing software applications to meet the requirements of District staff;
- Complete scheduled hardware and software upgrades to District servers, personal computers, tablets, printers, network equipment and software applications;
- Complete implementation of the Identity and Access Management software system;
- Complete Phase 1 of the Oracle CC&B software system implementation;
- Begin Phase 2 of the Oracle CC&B software implementation – Oracle Utilities Customer Self Service (OUCSS) customer web portal;
- Begin pre-implementation activities for the Enterprise Asset Management Software system (EAMS);
- Begin implementation of the Oracle Improvement District Consolidation; and
- Begin implementation of the Oracle Business Intelligence Dashboard.

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Finance & Administrative Services |                         | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|-----------------------------------|-------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| Dept No                           | Expense Name            |                   |                                    |                        |                        |             |
| <b>Customer Service</b>           |                         |                   |                                    |                        |                        |             |
| 220                               | Regular Labor           | 1,373,304         | 721,020                            | 1,437,010              | 1,588,230              | 151,220     |
| 220                               | Overtime Labor          | 62,903            | 39,264                             | 30,000                 | 64,500                 | 34,500      |
| 220                               | Employee Benefits       | 338,221           | 0                                  | 0                      | 0                      | 0           |
| 220                               | Contract Labor          | 345,098           | 164,161                            | 109,500                | 309,000                | 199,500     |
| 220                               | Operating Supplies      | 2,885             | 353                                | 2,000                  | 1,000                  | (1,000)     |
| 220                               | Printing                | 38,830            | 18,602                             | 42,000                 | 73,500                 | 31,500      |
| 220                               | Postage                 | 502,651           | 286,678                            | 486,000                | 491,560                | 5,560       |
| 220                               | Office Supplies         | 7,604             | 2,870                              | 6,000                  | 6,400                  | 400         |
| 220                               | Equipment Rental        | 33,010            | 29,131                             | 40,000                 | 40,000                 | 0           |
| 220                               | Rep & Maint IRWD        | 801               | 0                                  | 0                      | 0                      | 0           |
| 220                               | Personnel Training      | 2,797             | 1,283                              | 5,000                  | 5,000                  | 0           |
| 220                               | Other Professional Fees | 2,025             | 399                                | 1,000                  | 1,900                  | 900         |
| 220                               | Collection Fees         | 520               | 251                                | 0                      | 500                    | 500         |
| 220                               | Contract Meter Reading  | 1,109,142         | 615,902                            | 1,230,980              | 1,272,000              | 41,020      |
| <b>Total Customer Service</b>     |                         | 3,819,791         | 1,879,914                          | 3,389,490              | 3,853,590              | 464,100     |

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Finance & Administrative Services                  |                         | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|----------------------------------------------------|-------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <u>Dept No</u>                                     | <u>Expense Name</u>     |                   |                                    |                        |                        |             |
| <b>Information Services</b>                        |                         |                   |                                    |                        |                        |             |
| 250                                                | Regular Labor           | 864,240           | 676,343                            | 1,358,130              | 1,440,650              | 82,520      |
| 250                                                | Overtime Labor          | 12,105            | 3,660                              | 15,000                 | 10,000                 | (5,000)     |
| 250                                                | Employee Benefits       | 226,108           | 0                                  | 0                      | 0                      | 0           |
| 250                                                | Contract Labor          | 510,282           | 498,654                            | 368,000                | 368,000                | 0           |
| 250                                                | Telecommunication       | 279,895           | 159,132                            | 332,900                | 360,900                | 28,000      |
| 250                                                | Other Utilities         | 7,561             | 2,931                              | 8,000                  | 8,000                  | 0           |
| 250                                                | Operating Supplies      | 110               | 111                                | 0                      | 0                      | 0           |
| 250                                                | Printing                | 45,424            | 27,909                             | 52,000                 | 20,000                 | (32,000)    |
| 250                                                | Postage                 | 401               | 0                                  | 500                    | 500                    | 0           |
| 250                                                | Office Supplies         | 0                 | 4                                  | 1,000                  | 1,000                  | 0           |
| 250                                                | Rep & Maint IRWD        | 269,637           | 220,076                            | 250,700                | 249,700                | (1,000)     |
| 250                                                | Insurance               | 0                 | 172                                | 0                      | 0                      | 0           |
| 250                                                | Data Processing         | 1,039,367         | 800,884                            | 1,284,500              | 1,577,500              | 293,000     |
| 250                                                | Personnel Training      | 7,595             | 2,497                              | 37,500                 | 35,800                 | (1,700)     |
| 250                                                | Other Professional Fees | 29,527            | 835                                | 31,000                 | 2,000                  | (29,000)    |
| 250                                                | Computer Backup Storage | 19,838            | 8,756                              | 21,000                 | 21,000                 | 0           |
| <b>Total Information Services</b>                  |                         | 3,312,090         | 2,401,964                          | 3,760,230              | 4,095,050              | 334,820     |
| <b>Total Finance &amp; Administrative Services</b> |                         | 12,439,543        | 6,698,468                          | 11,666,660             | 13,000,450             | 1,333,790   |



## **ENGINEERING**

### **OPERATING BUDGET SUMMARY**

---

#### **Program Description**

The Engineering Department provides planning, design and construction coordination to produce the water, sewage and recycled water facilities necessary to provide the highest level of service to the customers of the District. In addition, the Department provides technical support to all other departments including Water Resources, Operations, Water Quality and Finance.

Planning: The Planning and Technical Services group of the Department is responsible for all master planning, water and sewer 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 the other groups of the District, which includes the development and support of GIS based applications, facility and atlas maps, and GIS based analysis and the maintenance of the District's digital record drawings plan system. In addition the Planning group is responsible for managing District property and rights of way.

Capital Projects: The Capital Projects group designs and constructs major water, sewage and recycled water treatment and transmission facilities necessary to improve the quality and reliability of service to existing and future customers of the District. This group is responsible for the expansion and improvement of water and sewage treatment projects; design and construction of wells, pipelines, storage facilities, pump stations, and sewage lift stations; and design and construction of projects to integrate service 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 and sewage facilities necessary to support that development. These facilities are coordinated with development schedules so that projects are not impeded by a lack of water and sewage facilities. Temporary and interim facilities, when necessary, are coordinated through this group. The group also reviews developer submittals for quality and conformance with District specifications and assesses and collects appropriate fees.

Operations Support: The Operations Support group is responsible for providing technical support to the Operations and Water Quality Departments in their projects to expand and rehabilitate existing facilities. This group is also responsible for the design and construction of small to medium size water, sewage and recycled water facilities.

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



## **ENGINEERING**

### **OPERATING BUDGET SUMMARY**

---

Michelson Water Recycling Plant (MWRP) Construction: The MWRP Construction group is responsible for the construction of the MWRP Phase II Expansion and the MWRP Biosolids and Energy Recovery Facilities. The group ensures that sewage and biosolids treatment facilities are properly designed and constructed to meet the requirements of the Operations Department. They also work with the Water Quality Department to acquire air permits for the constructed facilities.

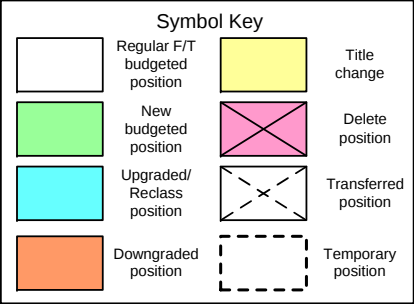
### **Major Goals**

#### **PLANNING**

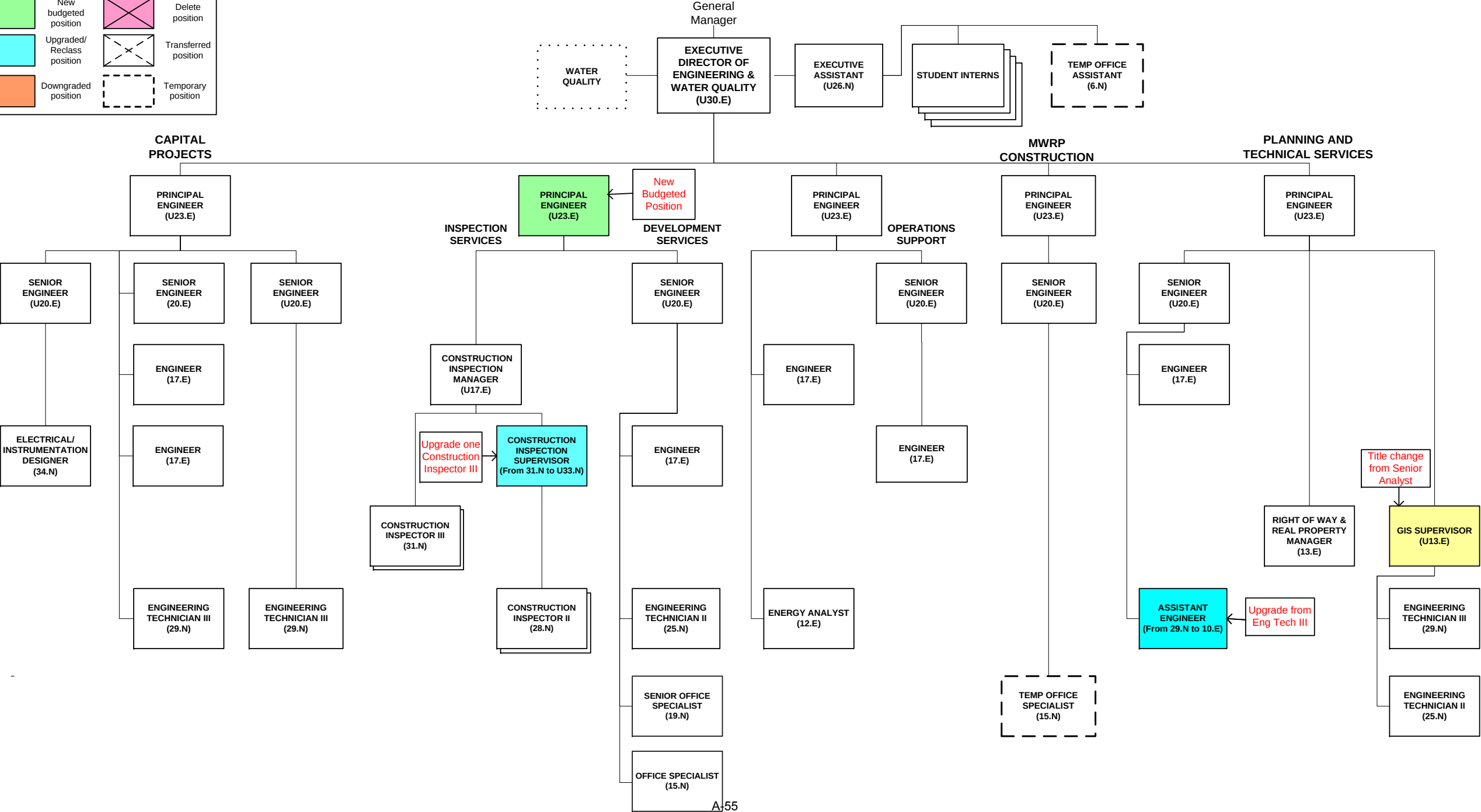
- Domestic and Recycled Water Systems Hydraulic Modeling;
- Irvine Lake Pipeline North Conversion to Recycled Water;
- Water Resources Master Plan update;
- Sewer Collection System Master Plan update;
- Sewage Treatment Facility Master Plan update;
- Provide Inter-agency technical support;
- Continue Great Park planning and coordination; and
- Develop alternative water supplies.

#### **ENGINEERING**

- MWRP Biosolids and Energy Recovery Facilities construction;
- Baker Water Treatment Plant and Pump Station construction;
- Well 115 Replacement construction;
- Orange Park Acres Well OPA-1 construction;
- Michelson Lift Station Relocation construction;
- Rattlesnake Reservoir Chlorine Gas Removal design and construction;
- Hidden Canyon Domestic and Recycled Water Pump Stations construction;
- LAWRP Biosolids Facilities planning;
- Planning Area 5 Pump Stations design; and
- Wells 51, 52 and 53 Feasibility Study.



IRVINE RANCH WATER DISTRICT  
ENGINEERING  
PROPOSED FISCAL YEAR 2014-15



Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Engineering              |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|--------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| Dept No                  | Expense Name               |                   |                                    |                        |                        |             |
| <b>Engineering</b>       |                            |                   |                                    |                        |                        |             |
| 300                      | Regular Labor              | 1,253,537         | 2,012,786                          | 4,145,990              | 4,112,640              | (33,350)    |
| 300                      | Overtime Labor             | 9,248             | 67,759                             | 125,000                | 118,000                | (7,000)     |
| 300                      | Employee Benefits          | 941,832           | 0                                  | 0                      | 0                      | 0           |
| 300                      | Contract Labor             | 68,533            | 52,240                             | 147,500                | 152,100                | 4,600       |
| 300                      | Operating Supplies         | 17,718            | 5,546                              | 16,840                 | 5,840                  | (11,000)    |
| 300                      | Printing                   | 27,496            | 1,343                              | 48,500                 | 34,500                 | (14,000)    |
| 300                      | Postage                    | 1,150             | 378                                | 120                    | 1,000                  | 880         |
| 300                      | Permits, Licenses and Fees | 3,065             | 5,400                              | 2,000                  | 2,000                  | 0           |
| 300                      | Office Supplies            | 10,701            | 3,452                              | 17,000                 | 14,000                 | (3,000)     |
| 300                      | Rep & Maint IRWD           | 27,001            | 8,666                              | 40,200                 | 0                      | (40,200)    |
| 300                      | Engineering Fees           | 0                 | 0                                  | 3,200                  | 6,000                  | 2,800       |
| 300                      | Personnel Training         | 20,047            | 8,480                              | 30,000                 | 29,000                 | (1,000)     |
| 300                      | Other Professional Fees    | 2,277             | 241                                | 4,000                  | 4,000                  | 0           |
| <b>Total Engineering</b> |                            | 2,382,605         | 2,166,291                          | 4,580,350              | 4,479,080              | (101,270)   |
| <hr/>                    |                            |                   |                                    |                        |                        |             |
| <b>Total Engineering</b> |                            | 2,382,605         | 2,166,291                          | 4,580,350              | 4,479,080              | (101,270)   |



# **WATER QUALITY**

## **OPERATING BUDGET SUMMARY**

---

### **Program Description**

The Water Quality Department provides a wide range of support services that include Water Quality Analysis, Regulatory Compliance, and Water Quality Administration and Projects.

Water Quality Analysis: The Water Quality Analysis group provides our internal and external customers with high quality data in a professional and timely manner. The Water Quality Analysis group utilizes state-of-the-art, United States Environmental Protection Agency (EPA) and California Department of Public Health (CDPH) approved analytical methods to provide data for regulatory monitoring and reporting, process control, research projects and capital projects.

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. Staff collects all required samples of water, sewage and recycled water from distribution systems, treatment facilities, storage reservoirs, wetland operations and customer facilities to assure quality services and products are served to our customers. This group 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 and Industrial Waste. The Air Quality Program is also managed by Regulatory Compliance and includes all routine reporting, current and draft rule evaluation and permit application coordination and compliance. Regulatory Compliance also participates with the Orange County Sanitation District and South Orange County Wastewater Authority to address watershed and permit issues including environmental evaluation and permitting. Regulatory Compliance is also an active participant in representing IRWD at SCAP and Tri-TAC Committee meetings for Air and Water.

Water Quality Projects: The Water Quality Projects group conducts research, develops projects and provides process control support and problem solving to enhance the performance of the District's domestic and recycled water supply, treatment, distribution, storage and compliance objectives. It provides similar support to the District's sewage collection/treatment, recycled water and urban runoff treatment systems.

Water Quality Administration: The Water Quality Administration group assists all Water Quality and Environmental group in carrying out their missions; provides Water Quality related support to the operations and maintenance of all water and sewer collections systems; and ensures that all District operations are conducted in a safe, reliable, cost-effective, environmentally sensitive manner to achieve a high level of customer satisfaction.



# **WATER QUALITY**

## **OPERATING BUDGET SUMMARY**

---

### **Major Goals**

#### **WATER QUALITY ANALYSIS**

- Perform necessary analyses to determine compliance with all applicable federal, state and local environmental and water quality laws and regulations;
- Provide process control 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 submitting the renewal application by the prescribed due date and successfully completing the site audit and proficiency testing;
- 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;
- Be environmentally responsible in the selection, procurement and disposal of reagents utilized in the laboratory; and
- Seek to improve established contacts with regulatory agencies.

#### **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 Service Requests 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 Programs and other projects;
- Plan, organize and supervise the work of the Compliance Monitoring Group;
- Collect potable system distribution and storage samples to comply with the CDPH 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;
- Assist and provide resources to other departments with environmental, water and air permitting issues;
- Ensure compliance with all air permit requirements for testing and reporting;
- Participate in industry stakeholder groups for air, water and biosolids regulatory issues;
- Prepare and submit environmental permit applications for routine activities and projects;



## **WATER QUALITY**

### **OPERATING BUDGET SUMMARY**

---

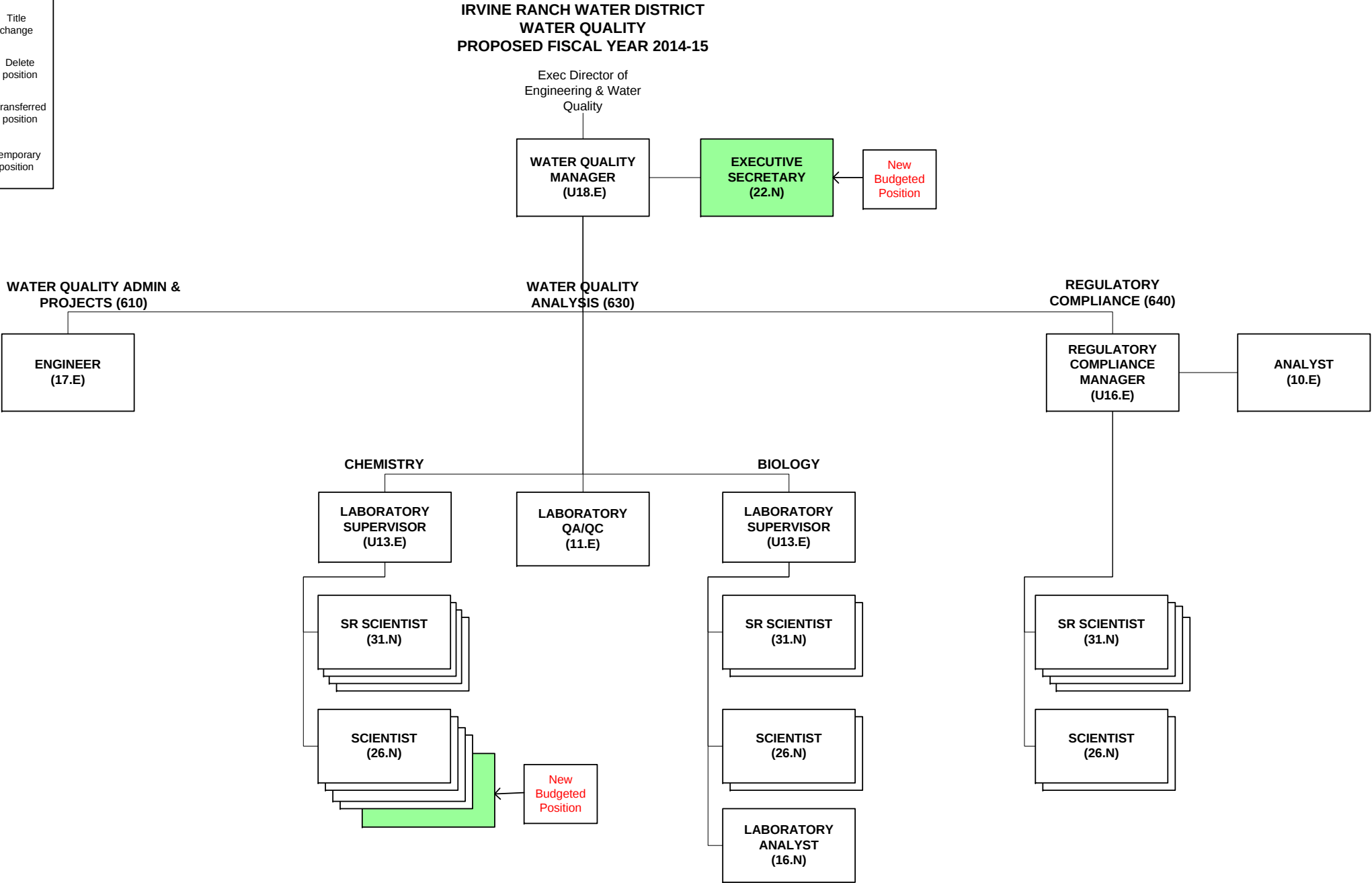
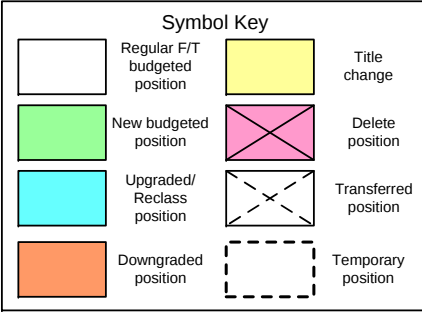
- Administer the environmental reporting on the District's wetlands development and operations; and
- Assist in the development of environmental quality projects and coordinate research and development activities.

#### **WATER QUALITY PROJECTS**

- Evaluate process control and water quality monitoring data to assess, correct or recommend performance improvement of the IRWD membrane treatment facilities, including 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 the Cienega demonstration subsurface filtration project and other applicable IRWD pilot and demonstration research projects;
- Actively monitor operation and perform troubleshooting of full scale and partial RMS installed at 19 IRWD domestic water reservoirs;
- 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;
- Train Plant and Systems Operations staff on process control procedures, monitoring and troubleshooting in the various water treatment and monitoring applications;
- Provide engineering assistance to IRWD staff in the administration, planning, design, construction and operation of water, sewage and irrigation facilities;
- Develop and analyze alternative approaches for meeting water quality regulations; and
- Assist in the development and coordinate district wide research, pilot and demonstration projects.

#### **WATER QUALITY ADMINISTRATION**

- Ensure the District operates in full compliance 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 monitoring and reporting is completed and submitted by required due dates;
- Review new technologies that may be applicable to operations; and
- Prepare water quality data for internal and external customers.



Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Water Quality                                          |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|--------------------------------------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <u>Dept No</u>                                         | <u>Expense Name</u>        |                   |                                    |                        |                        |             |
| <u>Water Quality Administration and Projects</u>       |                            |                   |                                    |                        |                        |             |
| 610                                                    | Regular Labor              | 0                 | 166,953                            | 324,910                | 308,800                | (16,110)    |
| 610                                                    | Operating Supplies         | 0                 | 1,045                              | 1,500                  | 3,000                  | 1,500       |
| 610                                                    | Postage                    | 0                 | 1,414                              | 2,000                  | 2,800                  | 800         |
| 610                                                    | Permits, Licenses and Fees | 0                 | 1,677                              | 0                      | 0                      | 0           |
| 610                                                    | Office Supplies            | 0                 | 1,263                              | 2,500                  | 3,000                  | 500         |
| 610                                                    | Rep & Maint IRWD           | 0                 | 1,064                              | 10,000                 | 10,000                 | 0           |
| 610                                                    | Engineering Fees           | 0                 | 41,675                             | 52,000                 | 52,000                 | 0           |
| 610                                                    | Personnel Training         | 0                 | 7,018                              | 23,800                 | 25,200                 | 1,400       |
| 610                                                    | Other Professional Fees    | 0                 | 13,214                             | 97,850                 | 98,500                 | 650         |
| 610                                                    | Safety                     | 0                 | 0                                  | 100                    | 100                    | 0           |
| <b>Total Water Quality Administration and Projects</b> |                            | 0                 | 235,323                            | 514,660                | 503,400                | (11,260)    |

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Water Quality                       |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|-------------------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <u>Dept No</u>                      | <u>Expense Name</u>        |                   |                                    |                        |                        |             |
| <u>Water Quality Analysis</u>       |                            |                   |                                    |                        |                        |             |
| 630                                 | Regular Labor              | 0                 | 590,233                            | 1,259,500              | 1,351,520              | 92,020      |
| 630                                 | Overtime Labor             | 0                 | 13,613                             | 12,880                 | 13,940                 | 1,060       |
| 630                                 | Contract Labor             | 0                 | 9,965                              | 115,350                | 57,690                 | (57,660)    |
| 630                                 | Operating Supplies         | 0                 | 120,077                            | 336,360                | 343,300                | 6,940       |
| 630                                 | Postage                    | 0                 | 383                                | 6,900                  | 6,000                  | (900)       |
| 630                                 | Permits, Licenses and Fees | 0                 | 5,975                              | 5,975                  | 5,975                  | 0           |
| 630                                 | Equipment Rental           | 0                 | 3,729                              | 5,000                  | 6,400                  | 1,400       |
| 630                                 | Rep & Maint IRWD           | 0                 | 141,473                            | 190,560                | 204,180                | 13,620      |
| 630                                 | Engineering Fees           | 0                 | 65,000                             | 149,000                | 152,100                | 3,100       |
| 630                                 | Personnel Training         | 0                 | 310                                | 2,200                  | 2,200                  | 0           |
| 630                                 | Other Professional Fees    | 0                 | 0                                  | 1,200                  | 1,200                  | 0           |
| 630                                 | Safety                     | 0                 | 2,208                              | 5,880                  | 4,000                  | (1,880)     |
| <u>Total Water Quality Analysis</u> |                            | 0                 | 952,966                            | 2,090,805              | 2,148,505              | 57,700      |

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Water Quality                      |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|------------------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <u>Dept No</u>                     | <u>Expense Name</u>        |                   |                                    |                        |                        |             |
| <u>Regulatory Compliance</u>       |                            |                   |                                    |                        |                        |             |
| 640                                | Regular Labor              | 0                 | 292,752                            | 601,160                | 721,170                | 120,010     |
| 640                                | Overtime Labor             | 0                 | 17,559                             | 55,000                 | 51,975                 | (3,025)     |
| 640                                | Contract Labor             | 0                 | 0                                  | 54,000                 | 18,000                 | (36,000)    |
| 640                                | Operating Supplies         | 0                 | 15,008                             | 52,020                 | 52,020                 | 0           |
| 640                                | Permits, Licenses and Fees | 0                 | 236,890                            | 369,600                | 388,700                | 19,100      |
| 640                                | Rep & Maint Other Agencies | 0                 | 0                                  | 2,000                  | 2,000                  | 0           |
| 640                                | Rep & Maint IRWD           | 0                 | 38,050                             | 83,500                 | 86,500                 | 3,000       |
| 640                                | Engineering Fees           | 0                 | 17,757                             | 39,100                 | 71,000                 | 31,900      |
| 640                                | Personnel Training         | 0                 | 288                                | 4,700                  | 3,500                  | (1,200)     |
| 640                                | Other Professional Fees    | 0                 | 290                                | 1,500                  | 1,500                  | 0           |
| 640                                | Safety                     | 0                 | 0                                  | 2,000                  | 2,000                  | 0           |
| <b>Total Regulatory Compliance</b> |                            | 0                 | 618,594                            | 1,264,580              | 1,398,365              | 133,785     |
| <hr/>                              |                            |                   |                                    |                        |                        |             |
| <b>Total Water Quality</b>         |                            | 0                 | 1,806,883                          | 3,870,045              | 4,050,270              | 180,225     |





## **WATER OPERATIONS**

### **OPERATING BUDGET SUMMARY**

---

#### **Program Description**

The mission of the Water Operations Department is to operate and maintain the District's potable, recycled and untreated 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 Manning Water Treatment Plant.

#### **Major Goals**

- Maintain 100% compliance with all regulatory permits;
- Meet the Department's adopted Operations and Maintenance budget;
- Develop staffing and training plan for the Operations and Maintenance (O&M) of the Baker Water Treatment Plant;
- 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;
- Establish and track 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;
- Assist with the completion Supervisory Control and Data Acquisition (SCADA) upgrade implementation;
- Maintain the Dyer Road Well Field and Deep Aquifer Treatment System domestic water flows in accordance with the Ground Water Pumping Plan;
- 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;
- 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;
- Ensure efficient operation of all District pumping and reservoir facilities;
- Evaluate recycled water distribution system pressures and reliability issues;
- Ensure safe dam operation through the monitoring and surveillance program;
- Provide construction and repair services to internal and external customers in a prompt, safe, efficient, cost effective and environmentally sensitive manner;

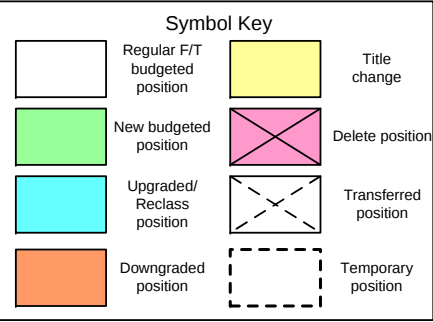


## **WATER OPERATIONS**

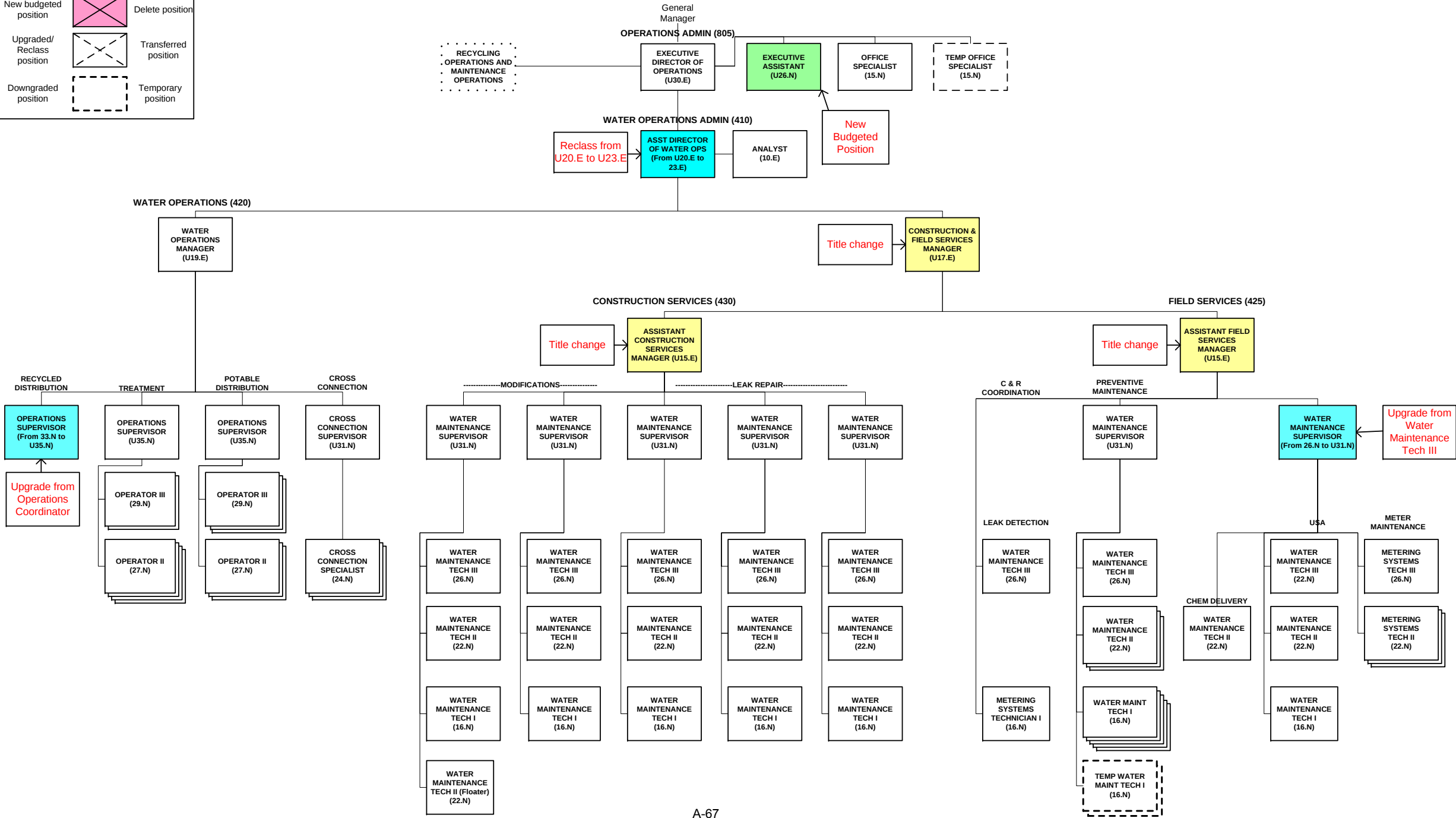
### **OPERATING BUDGET SUMMARY**

---

- Maintain a high level of customer satisfaction by responding promptly to and repairing water leaks with minimal impact to customers;
- Implement the sewer repair program to maintain 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;
- Set and complete annual service goals in accordance with AWWA and industry standards; and
- Respond promptly to all customer service requests (CSR).



IRVINE RANCH WATER DISTRICT  
OPERATIONS ADMINISTRATION AND WATER OPERATIONS  
PROPOSED FISCAL YEAR 2014-15



Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Operations Administration              |                              | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr)    |
|----------------------------------------|------------------------------|-------------------|------------------------------------|------------------------|------------------------|----------------|
| <a href="#">Dept No</a>                | <a href="#">Expense Name</a> |                   |                                    |                        |                        |                |
| <u>Operations Administration</u>       |                              |                   |                                    |                        |                        |                |
| 805                                    | Office Supplies              |                   |                                    |                        | 4,000                  | 4,000          |
| 805                                    | Personnel Training           |                   |                                    |                        | 5,480                  | 5,480          |
| 805                                    | Other Professional Fees      |                   |                                    |                        | 12,800                 | 12,800         |
| 805                                    | Regular Labor                |                   |                                    |                        | 408,640                | 408,640        |
| <b>Total Operations Administration</b> |                              |                   |                                    |                        | <b>430,920</b>         | <b>430,920</b> |
| <b>Total Operations Administration</b> |                              |                   |                                    |                        | <b>430,920</b>         | <b>430,920</b> |

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Water Operations                             |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr)      |
|----------------------------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|------------------|
| <u>Dept No</u>                               | <u>Expense Name</u>        |                   |                                    |                        |                        |                  |
| <u>Water Operations Administration</u>       |                            |                   |                                    |                        |                        |                  |
| 410                                          | Water Purchases            | 6,855             | 0                                  | 0                      | 0                      | 0                |
| 410                                          | Regular Labor              | 324,637           | 128,449                            | 408,940                | 141,750                | (267,190)        |
| 410                                          | Employee Benefits          | 92,417            | 0                                  | 0                      | 0                      | 0                |
| 410                                          | Other Utilities            | 6,403             | 10,507                             | 5,800                  | 21,020                 | 15,220           |
| 410                                          | Operating Supplies         | 2,586             | 175                                | 4,500                  | 3,000                  | (1,500)          |
| 410                                          | Printing                   | 675               | 0                                  | 300                    | 300                    | 0                |
| 410                                          | Postage                    | 0                 | 183                                | 0                      | 400                    | 400              |
| 410                                          | Permits, Licenses and Fees | 83,813            | 23,434                             | 87,550                 | 87,560                 | 10               |
| 410                                          | Office Supplies            | 5,234             | 4,270                              | 8,000                  | 4,000                  | (4,000)          |
| 410                                          | Equipment Rental           | 10,625            | 6,353                              | 0                      | 0                      | 0                |
| 410                                          | Rep & Maint Other Agencies | 689,211           | 408,937                            | 1,060,100              | 1,059,600              | (500)            |
| 410                                          | Engineering Fees           | 83,371            | 88,114                             | 92,000                 | 92,000                 | 0                |
| 410                                          | Personnel Training         | 27,162            | 3,379                              | 19,890                 | 19,720                 | (170)            |
| 410                                          | Other Professional Fees    | 13,667            | 4,613                              | 9,600                  | 0                      | (9,600)          |
| <b>Total Water Operations Administration</b> |                            | <b>1,346,656</b>  | <b>678,414</b>                     | <b>1,696,680</b>       | <b>1,429,350</b>       | <b>(267,330)</b> |

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Water Operations              |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|-------------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <u>Dept No</u>                | <u>Expense Name</u>        |                   |                                    |                        |                        |             |
| <u>Water Operations</u>       |                            |                   |                                    |                        |                        |             |
| 420                           | Water Purchases            | 31,278,264        | 16,852,468                         | 26,352,300             | 32,028,050             | 5,675,750   |
| 420                           | Regular Labor              | 1,490,051         | 737,722                            | 1,594,140              | 1,683,550              | 89,410      |
| 420                           | Overtime Labor             | 280,877           | 156,552                            | 200,000                | 299,000                | 99,000      |
| 420                           | Employee Benefits          | 360,605           | 0                                  | 0                      | 0                      | 0           |
| 420                           | Electricity                | 6,479,936         | 4,578,294                          | 8,077,180              | 10,252,850             | 2,175,670   |
| 420                           | Fuel                       | 25,547            | 10,152                             | 25,500                 | 24,000                 | (1,500)     |
| 420                           | Telecommunication          | 39,531            | 22,760                             | 41,000                 | 41,000                 | 0           |
| 420                           | Other Utilities            | 9,335             | 0                                  | 9,600                  | 9,600                  | 0           |
| 420                           | Chemicals                  | 700,582           | 492,447                            | 1,123,450              | 1,059,600              | (63,850)    |
| 420                           | Operating Supplies         | 46,541            | 33,137                             | 31,490                 | 61,600                 | 30,110      |
| 420                           | Permits, Licenses and Fees | 11,082            | 6,153                              | 6,220                  | 12,000                 | 5,780       |
| 420                           | Equipment Rental           | 0                 | 0                                  | 9,000                  | 9,000                  | 0           |
| 420                           | Rep & Maint Other Agencies | (35,044)          | (16,457)                           | 0                      | 0                      | 0           |
| 420                           | Rep & Maint IRWD           | 118,784           | 48,237                             | 290,000                | 262,000                | (28,000)    |
| 420                           | Engineering Fees           | 11,272            | 8,452                              | 23,000                 | 11,000                 | (12,000)    |
| 420                           | Data Processing            | 12,060            | 0                                  | 0                      | 0                      | 0           |
| 420                           | Personnel Training         | 1,158             | 459                                | 0                      | 0                      | 0           |
| 420                           | Other Professional Fees    | 1,746             | 203                                | 0                      | 0                      | 0           |
| 420                           | Safety                     | 593               | 721                                | 3,000                  | 3,000                  | 0           |
| <b>Total Water Operations</b> |                            | 40,832,920        | 22,931,300                         | 37,785,880             | 45,756,250             | 7,970,370   |

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Water Operations            |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|-----------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| Dept No                     | Expense Name               |                   |                                    |                        |                        |             |
| <b>Field Services</b>       |                            |                   |                                    |                        |                        |             |
| 425                         | Regular Labor              | 1,252,468         | 688,012                            | 1,497,570              | 1,494,140              | (3,430)     |
| 425                         | Overtime Labor             | 130,423           | 62,363                             | 112,000                | 127,500                | 15,500      |
| 425                         | Employee Benefits          | 299,488           | 0                                  | 0                      | 0                      | 0           |
| 425                         | Contract Labor             | 56,404            | 17,296                             | 100,000                | 0                      | (100,000)   |
| 425                         | Chemicals                  | 1,813             | 910                                | 4,000                  | 4,000                  | 0           |
| 425                         | Operating Supplies         | 64,066            | 47,266                             | 88,700                 | 89,200                 | 500         |
| 425                         | Permits, Licenses and Fees | 8,338             | 5,001                              | 11,000                 | 11,000                 | 0           |
| 425                         | Equipment Rental           | 0                 | 0                                  | 2,000                  | 0                      | (2,000)     |
| 425                         | Rep & Maint IRWD           | 257,668           | 218,035                            | 230,000                | 258,000                | 28,000      |
| 425                         | Personnel Training         | 175               | 205                                | 0                      | 0                      | 0           |
| 425                         | Other Professional Fees    | 0                 | 157                                | 0                      | 0                      | 0           |
| 425                         | Safety                     | 53                | 0                                  | 0                      | 0                      | 0           |
| <b>Total Field Services</b> |                            | 2,070,896         | 1,039,245                          | 2,045,270              | 1,983,840              | (61,430)    |

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Water Operations                   |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|------------------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <u>Dept No</u>                     | <u>Expense Name</u>        |                   |                                    |                        |                        |             |
| <b>Construction Services</b>       |                            |                   |                                    |                        |                        |             |
| 430                                | Regular Labor              | 772,925           | 747,025                            | 1,658,570              | 1,695,830              | 37,260      |
| 430                                | Overtime Labor             | 86,797            | 83,089                             | 152,000                | 228,000                | 76,000      |
| 430                                | Employee Benefits          | 341,366           | 0                                  | 0                      | 0                      | 0           |
| 430                                | Contract Labor             | 13,555            | 621                                | 0                      | 0                      | 0           |
| 430                                | Chemicals                  | 238               | 0                                  | 740                    | 740                    | 0           |
| 430                                | Operating Supplies         | 122,527           | 69,989                             | 118,500                | 144,800                | 26,300      |
| 430                                | Permits, Licenses and Fees | 45,615            | 18,016                             | 50,000                 | 67,000                 | 17,000      |
| 430                                | Equipment Rental           | 22,730            | 942                                | 20,000                 | 21,000                 | 1,000       |
| 430                                | Rep & Maint IRWD           | 892,842           | 416,748                            | 500,000                | 667,800                | 167,800     |
| 430                                | Personnel Training         | 1,692             | 100                                | 0                      | 0                      | 0           |
| 430                                | Other Professional Fees    | 0                 | 293                                | 0                      | 0                      | 0           |
| <b>Total Construction Services</b> |                            | 2,300,287         | 1,336,823                          | 2,499,810              | 2,825,170              | 325,360     |
| <hr/>                              |                            |                   |                                    |                        |                        |             |
| <b>Total Water Operations</b>      |                            | 46,550,759        | 25,985,782                         | 44,027,640             | 51,994,610             | 7,966,970   |



# **RECYCLING OPERATIONS**

## **OPERATING BUDGET SUMMARY**

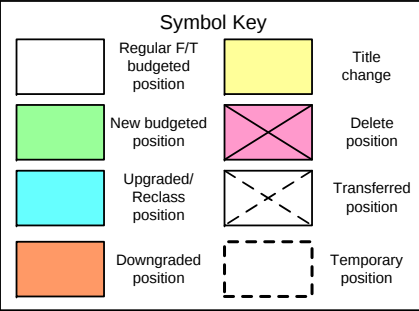
---

### **Program Description**

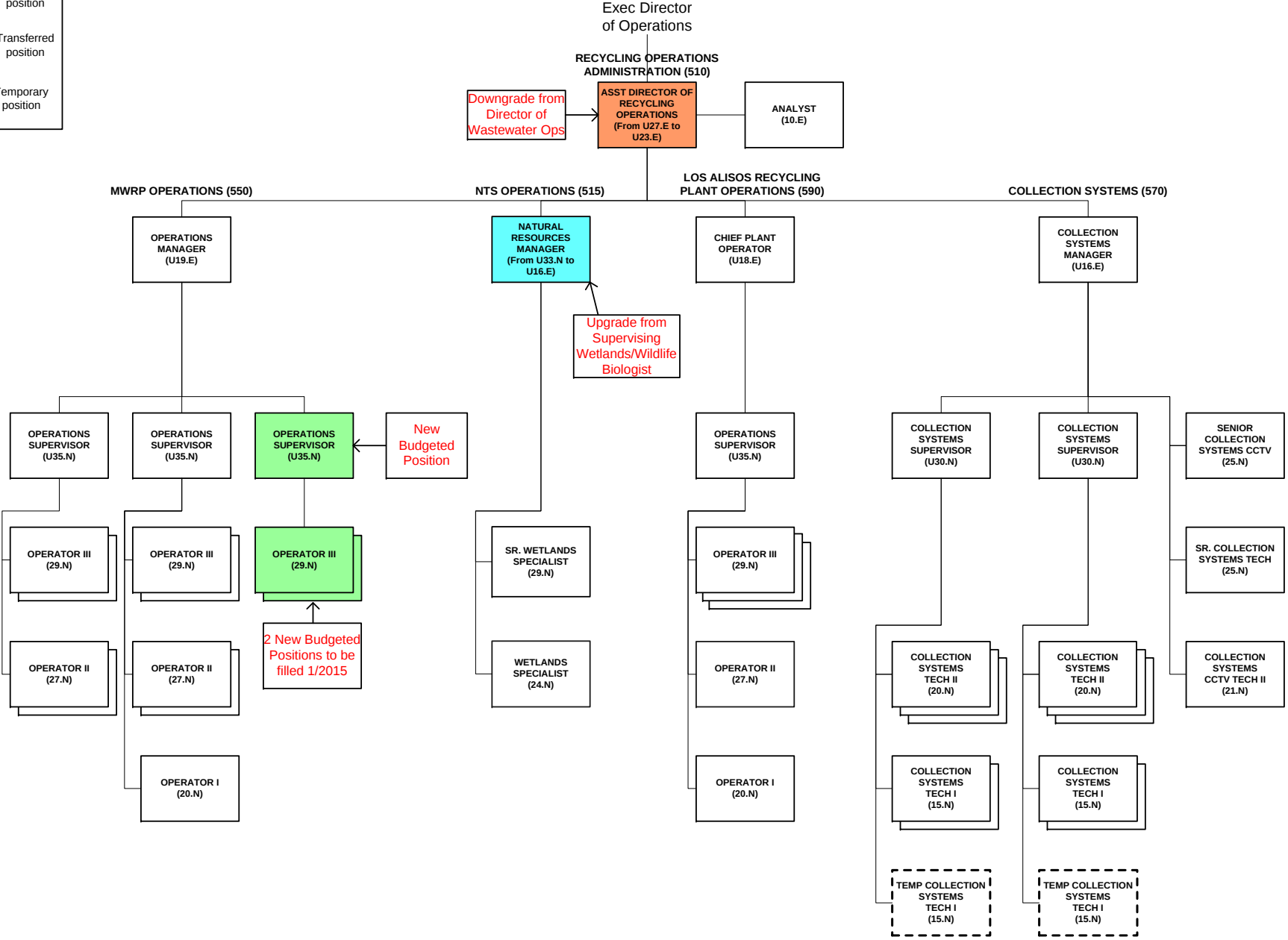
The mission of the Recycling Operations Department is to operate the District's resource recovery systems in a regulatory compliant, efficient, and environmentally safe manner that provides the highest level of customer satisfaction. The Recycling Operations Department provides cost-effective, reliable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

### **Major Goals**

- Meet the Department's adopted Operations budget;
- Achieve zero lost time accidents;
- Maintain 100% compliance with all regulatory requirements;
- Establish and track operational key performance indicators (KPIs) to optimize efficiency and cost effectiveness;
- Complete transition of all operational responsibilities for the MWRP Phase II expansion and upgrade project from construction management to Recycling Operations;
- Initiate implementation of the phased staffing and training plan for the MWRP Biosolids and Energy Recovery Facilities, and evaluate all outsourcing options;
- Maintain and develop staff competency through a combination of internal and external training;
- Evaluate and optimize chemical usage for the collection and recycling facilities systems;
- Perform initial evaluation of options for the marketing and distribution of pellets from the MWRP Biosolids Project;
- Begin developing concepts and partnerships relative to implementing a food waste recycling program at the MWRP once the new solids handling facilities are completed;
- Collaborate with other agencies including Encina Wastewater Authority on lessons learned, O&M, product marketing and distribution, and resource sharing opportunities;
- Discuss potential Orange County Sanitation District (OCSD) participation in MWRP Biosolids facilities on an interim basis;
- Prepare for the first Sewer System Management Plan (SSMP) state audit in May 2014;
- Evaluate the development of an enhanced sewage discharge source control (non-flushable materials, expired pharmaceuticals) outreach and enforcement programs to protect the District's recovered resources;
- Evaluate an improved data tracking and management system for the NTS;
- Prepare an Annual Report of NTS Operations including nutrient removal performance at each NTS facility, operational objectives, and recommendations for adaptive changes to the NTS program;
- Evaluate the performance and cost effectiveness of the existing pilot bioretention facility as part of the NTS Program;
- Continue to work with partners in Newport Bay Executive Committee to develop and implement the elements of the Nitrogen Selenium Management Plan.



IRVINE RANCH WATER DISTRICT  
RECYCLING OPERATIONS  
PROPOSED FISCAL YEAR 2014-15



Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Recycling Operations                             |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr)        |
|--------------------------------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|--------------------|
| Dept No                                          | Expense Name               |                   |                                    |                        |                        |                    |
| <u>Recycling Operations Administration</u>       |                            |                   |                                    |                        |                        |                    |
| 510                                              | Regular Labor              | 248,179           | 108,184                            | 263,500                | 242,240                | (21,260)           |
| 510                                              | Employee Benefits          | 16,402            | 0                                  | 0                      | 0                      | 0                  |
| 510                                              | Contract Labor             | 0                 | 5,911                              | 2,000                  | 14,700                 | 12,700             |
| 510                                              | Electricity                | 2,138,579         | 1,255,883                          | 2,476,600              | 0                      | (2,476,600)        |
| 510                                              | Fuel                       | 3,936             | 4,570                              | 10,000                 | 0                      | (10,000)           |
| 510                                              | Telecommunication          | 1,209             | 604                                | 1,400                  | 1,400                  | 0                  |
| 510                                              | Operating Supplies         | 0                 | 98                                 | 500                    | 500                    | 0                  |
| 510                                              | Printing                   | 0                 | 0                                  | 2,000                  | 1,000                  | (1,000)            |
| 510                                              | Postage                    | 242               | 179                                | 0                      | 0                      | 0                  |
| 510                                              | Office Supplies            | 8,195             | 678                                | 7,200                  | 4,000                  | (3,200)            |
| 510                                              | Rep & Maint Other Agencies | 9,166,738         | 4,916,010                          | 9,831,200              | 2,786,000              | (7,045,200)        |
| 510                                              | Personnel Training         | 5,687             | 1,148                              | 2,000                  | 0                      | (2,000)            |
| 510                                              | Other Professional Fees    | 28,652            | 640                                | 2,200                  | 0                      | (2,200)            |
| <b>Total Recycling Operations Administration</b> |                            | <b>11,617,819</b> | <b>6,293,905</b>                   | <b>12,598,600</b>      | <b>3,049,840</b>       | <b>(9,548,760)</b> |

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Recycling Operations        |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|-----------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| Dept No                     | Expense Name               |                   |                                    |                        |                        |             |
| <b>NTS Operations</b>       |                            |                   |                                    |                        |                        |             |
| 515                         | Regular Labor              | 237,459           | 119,821                            | 257,750                | 250,080                | (7,670)     |
| 515                         | Overtime Labor             | 3,304             | 2,159                              | 4,000                  | 4,000                  | 0           |
| 515                         | Employee Benefits          | 49,608            | 0                                  | 0                      | 0                      | 0           |
| 515                         | Contract Labor             | 0                 | 0                                  | 0                      | 30,000                 | 30,000      |
| 515                         | Electricity                | 4,398             | 2,125                              | 19,700                 | 259,300                | 239,600     |
| 515                         | Operating Supplies         | 6,359             | 1,059                              | 6,520                  | 17,500                 | 10,980      |
| 515                         | Permits, Licenses and Fees | 183               | 0                                  | 0                      | 1,000                  | 1,000       |
| 515                         | Equipment Rental           | 6,279             | 2,752                              | 6,660                  | 7,000                  | 340         |
| 515                         | Rep & Maint Other Agencies | 8,869             | 6,215                              | 14,000                 | 19,500                 | 5,500       |
| 515                         | Rep & Maint IRWD           | 630,234           | 276,989                            | 778,700                | 1,007,160              | 228,460     |
| 515                         | Engineering Fees           | 56,468            | 8,975                              | 27,500                 | 35,000                 | 7,500       |
| 515                         | Personnel Training         | 0                 | (218)                              | 0                      | 1,500                  | 1,500       |
| 515                         | Safety                     | 1,934             | 0                                  | 5,000                  | 6,000                  | 1,000       |
| 515                         | Other                      | 17,108            | (8,434)                            | 8,500                  | 12,000                 | 3,500       |
| <b>Total NTS Operations</b> |                            | 1,022,203         | 411,443                            | 1,128,330              | 1,650,040              | 521,710     |

Previously in department 415

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Recycling Operations         |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|------------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| Dept No                      | Expense Name               |                   |                                    |                        |                        |             |
| <b>MWRP Operations</b>       |                            |                   |                                    |                        |                        |             |
| 550                          | Regular Labor              | 914,289           | 463,581                            | 1,000,780              | 1,207,540              | 206,760     |
| 550                          | Overtime Labor             | 107,995           | 73,890                             | 97,900                 | 108,380                | 10,480      |
| 550                          | Employee Benefits          | 219,399           | 0                                  | 0                      | 0                      | 0           |
| 550                          | Electricity                | 0                 | 0                                  | 0                      | 3,609,200              | 3,609,200   |
| 550                          | Fuel                       | 46,145            | 21,459                             | 27,000                 | 51,800                 | 24,800      |
| 550                          | Chemicals                  | 1,746,688         | 901,698                            | 1,135,000              | 489,600                | (645,400)   |
| 550                          | Operating Supplies         | 13,925            | 12,624                             | 19,200                 | 18,000                 | (1,200)     |
| 550                          | Office Supplies            | 364               | 0                                  | 0                      | 0                      | 0           |
| 550                          | Equipment Rental           | 0                 | 0                                  | 7,200                  | 6,300                  | (900)       |
| 550                          | Rep & Maint Other Agencies | 0                 | 0                                  | 0                      | 7,237,700              | 7,237,700   |
| 550                          | Rep & Maint IRWD           | 265,668           | 19,493                             | 170,360                | 30,360                 | (140,000)   |
| 550                          | Personnel Training         | 6,125             | 935                                | 12,840                 | 12,840                 | 0           |
| 550                          | Other Professional Fees    | 1,956             | 2,053                              | 2,000                  | 2,500                  | 500         |
| 550                          | Safety                     | 3,193             | 9,500                              | 5,500                  | 5,500                  | 0           |
| 550                          | Biosolids Disposal         | 400               | 51,101                             | 63,000                 | 100,000                | 37,000      |
| <b>Total MWRP Operations</b> |                            | 3,326,147         | 1,556,334                          | 2,540,780              | 12,879,720             | 10,338,940  |

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Recycling Operations            |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|---------------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <u>Dept No</u>                  | <u>Expense Name</u>        |                   |                                    |                        |                        |             |
| <u>Collection Systems</u>       |                            |                   |                                    |                        |                        |             |
| 570                             | Regular Labor              | 1,030,932         | 541,208                            | 1,078,810              | 1,124,480              | 45,670      |
| 570                             | Overtime Labor             | 117,792           | 60,979                             | 103,960                | 112,300                | 8,340       |
| 570                             | Employee Benefits          | 227,102           | 0                                  | 0                      | 0                      | 0           |
| 570                             | Contract Labor             | 7,920             | 2,417                              | 41,600                 | 41,600                 | 0           |
| 570                             | Electricity                | 94,343            | 23,537                             | 86,000                 | 109,000                | 23,000      |
| 570                             | Telecommunication          | 14,077            | 9,486                              | 18,600                 | 15,000                 | (3,600)     |
| 570                             | Chemicals                  | 393,735           | 212,074                            | 375,000                | 400,000                | 25,000      |
| 570                             | Operating Supplies         | 63,175            | 23,292                             | 50,800                 | 50,800                 | 0           |
| 570                             | Permits, Licenses and Fees | 1,094             | 0                                  | 0                      | 0                      | 0           |
| 570                             | Rep & Maint IRWD           | 551,488           | 173,808                            | 529,000                | 515,000                | (14,000)    |
| 570                             | Personnel Training         | 2,319             | 5,350                              | 7,500                  | 7,800                  | 300         |
| 570                             | Other Professional Fees    | 1,407             | 561                                | 1,500                  | 1,500                  | 0           |
| 570                             | Safety                     | 882               | 1,284                              | 5,000                  | 5,000                  | 0           |
| <b>Total Collection Systems</b> |                            | 2,506,266         | 1,053,996                          | 2,297,770              | 2,382,480              | 84,710      |

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Recycling Operations              |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|-----------------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| Dept No                           | Expense Name               |                   |                                    |                        |                        |             |
| <b>LAWRP Operations</b>           |                            |                   |                                    |                        |                        |             |
| 590                               | Regular Labor              | 560,767           | 284,964                            | 573,700                | 598,040                | 24,340      |
| 590                               | Overtime Labor             | 77,960            | 34,749                             | 46,820                 | 49,620                 | 2,800       |
| 590                               | Employee Benefits          | 132,589           | 0                                  | 0                      | 0                      | 0           |
| 590                               | Electricity                | 758,698           | 467,519                            | 815,200                | 916,500                | 101,300     |
| 590                               | Fuel                       | 1,255             | 243                                | 1,000                  | 1,000                  | 0           |
| 590                               | Telecommunication          | 0                 | 0                                  | 400                    | 400                    | 0           |
| 590                               | Chemicals                  | 225,096           | 140,536                            | 229,000                | 179,400                | (49,600)    |
| 590                               | Operating Supplies         | 13,354            | 5,835                              | 32,000                 | 8,200                  | (23,800)    |
| 590                               | Permits, Licenses and Fees | 3,000             | 0                                  | 0                      | 0                      | 0           |
| 590                               | Office Supplies            | 91                | 88                                 | 0                      | 0                      | 0           |
| 590                               | Rep & Maint Other Agencies | 291,798           | 131,708                            | 295,440                | 314,760                | 19,320      |
| 590                               | Rep & Maint IRWD           | 130,008           | 98,743                             | 130,000                | 142,000                | 12,000      |
| 590                               | Personnel Training         | 1,427             | 0                                  | 4,300                  | 800                    | (3,500)     |
| 590                               | Other Professional Fees    | 925               | 118                                | 1,500                  | 1,240                  | (260)       |
| 590                               | Safety                     | 631               | 108                                | 8,100                  | 4,600                  | (3,500)     |
| 590                               | Biosolids Disposal         | 185,986           | 125,251                            | 228,000                | 302,300                | 74,300      |
| <b>Total LAWRP Operations</b>     |                            | 2,383,585         | 1,289,862                          | 2,365,460              | 2,518,860              | 153,400     |
| <hr/>                             |                            |                   |                                    |                        |                        |             |
| <b>Total Recycling Operations</b> |                            | 20,856,020        | 10,605,540                         | 20,930,940             | 22,480,940             | 1,550,000   |





## **MAINTENANCE**

### **OPERATING BUDGET SUMMARY**

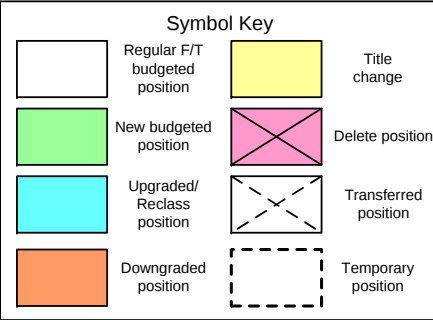
---

#### **Program Description**

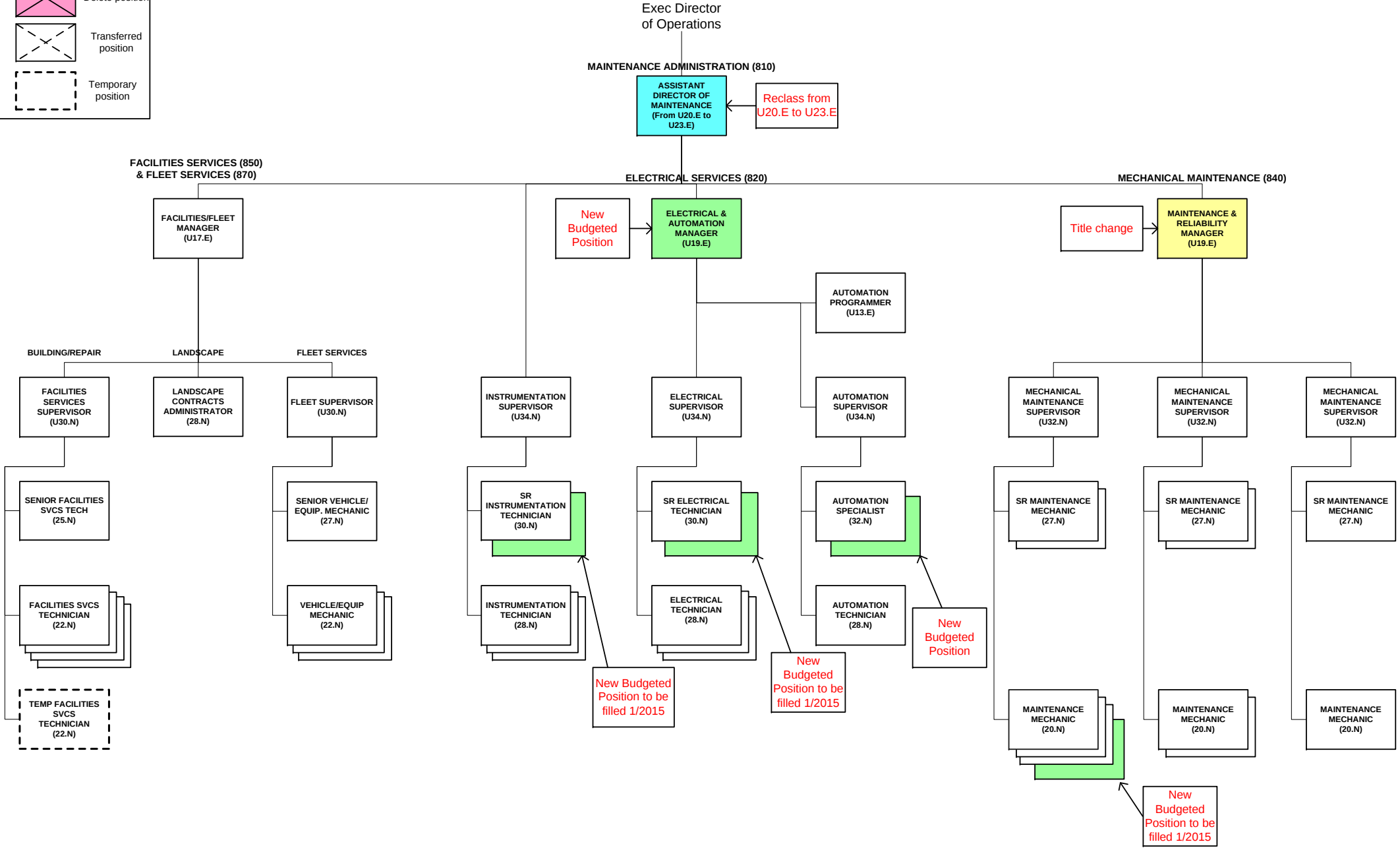
The mission of Maintenance Department is to manage the District's assets to ensure optimal life expectancy, reliability, efficiency and safety that provides the highest level of customer satisfaction. The Maintenance Department provides asset management of the District's electrical, mechanical, instrumentation, automation, supervisory control and data acquisition (SCADA) system, fleet and facility assets to ensure safe, reliable, and cost effective operation.

#### **Major Goals**

- Meet the Department's adopted Maintenance and General Plant budgets;
- Achieve zero lost time accidents;
- Maintain 100% compliance with all regulatory requirements;
- Conduct the pre-implementation activities for the Enterprise Asset Management (EAM) system including data collection, cataloging of assets, developing business processes, and identifying asset criticality protocols;
- Establish and track operational key performance indicators (KPIs) to optimize efficiency and cost effectiveness;
- Complete transition of all maintenance responsibilities for the MWRP Phase II expansion and upgrade project from construction management to maintenance;
- Initiate implementation of the phased staffing and training plan for the MWRP Biosolids and Energy Recovery Facilities, and evaluate all outsourcing options;
- 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;
- Initiate the evaluation for the conversion of the District fleet to alternative fuel;
- Complete the assimilation of the Automation Group and SCADA group into Electrical Services Department;
- Complete SCADA upgrades such as the completion of the Water Operations Transdyn Replacement (WOTR) project;
- Provide Engineering support for projects including the Biosolids and Energy Recovery Facilities, Baker Water Treatment Facility, Michelson Lift Station relocation and Orange Park Acres Well 1;
- Improve predictive maintenance measures through pump efficiency testing, lube oil analysis, vibration analysis, ultrasound detection, and infrared thermography program;
- Provide support regarding evaluation of a short and long term plan for LAWRP; and
- Perform all required maintenance on schedule to ensure safe and dependable cost effective fleet operation.



**IRVINE RANCH WATER DISTRICT  
MAINTENANCE OPERATIONS  
PROPOSED FISCAL YEAR 2014-15**



Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Maintenance                             |                     | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|-----------------------------------------|---------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <u>Dept No</u>                          | <u>Expense Name</u> |                   |                                    |                        |                        |             |
| <u>Maintenance Administration</u>       |                     |                   |                                    |                        |                        |             |
| 810                                     | Regular Labor       |                   |                                    |                        | 138,720                | 138,720     |
| 810                                     | Personnel Training  |                   |                                    |                        | 5,000                  | 5,000       |
| <u>Total Maintenance Administration</u> |                     |                   |                                    |                        | 143,720                | 143,720     |

Previously in department 510

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Maintenance                      |                         | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|----------------------------------|-------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <u>Dept No</u>                   | <u>Expense Name</u>     |                   |                                    |                        |                        |             |
| <u>Electrical Services</u>       |                         |                   |                                    |                        |                        |             |
| 820                              | Regular Labor           | 776,981           | 437,948                            | 914,660                | 1,477,680              | 563,020     |
| 820                              | Overtime Labor          | 70,093            | 38,884                             | 71,300                 | 117,000                | 45,700      |
| 820                              | Employee Benefits       | 189,278           | 0                                  | 0                      | 0                      | 0           |
| 820                              | Operating Supplies      | 41,482            | 29,281                             | 41,800                 | 60,400                 | 18,600      |
| 820                              | Rep & Maint IRWD        | 684,870           | 344,419                            | 466,500                | 633,400                | 166,900     |
| 820                              | Personnel Training      | 10,433            | 9,245                              | 11,250                 | 10,000                 | (1,250)     |
| 820                              | Other Professional Fees | 737               | 780                                | 1,900                  | 2,400                  | 500         |
| 820                              | Safety                  | 8,121             | 3,755                              | 8,000                  | 8,600                  | 600         |
| <u>Total Electrical Services</u> |                         | 1,781,995         | 864,312                            | 1,515,410              | 2,309,480              | 794,070     |

Previously in department 520

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Maintenance                      |                         | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|----------------------------------|-------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| Dept No                          | Expense Name            |                   |                                    |                        |                        |             |
| <b>Mechanical Services</b>       |                         |                   |                                    |                        |                        |             |
| 840                              | Regular Labor           | 957,828           | 530,199                            | 1,145,880              | 1,208,340              | 62,460      |
| 840                              | Overtime Labor          | 26,379            | 17,374                             | 22,100                 | 55,100                 | 33,000      |
| 840                              | Employee Benefits       | 226,270           | 0                                  | 0                      | 0                      | 0           |
| 840                              | Contract Labor          | 75,757            | 5,668                              | 0                      | 0                      | 0           |
| 840                              | Operating Supplies      | 31,641            | 9,533                              | 59,380                 | 50,000                 | (9,380)     |
| 840                              | Equipment Rental        | 5,807             | 0                                  | 4,000                  | 4,000                  | 0           |
| 840                              | Rep & Maint IRWD        | 548,266           | 315,449                            | 691,700                | 716,600                | 24,900      |
| 840                              | Personnel Training      | 5,563             | 6,314                              | 12,400                 | 12,400                 | 0           |
| 840                              | Other Professional Fees | 1,266             | 901                                | 3,120                  | 3,120                  | 0           |
| 840                              | Mileage Reimbursement   | 0                 | 39                                 | 0                      | 0                      | 0           |
| 840                              | Safety                  | 5,015             | 625                                | 7,600                  | 8,000                  | 400         |
| <b>Total Mechanical Services</b> |                         | 1,883,792         | 886,102                            | 1,946,180              | 2,057,560              | 111,380     |

Previously in department 540

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Maintenance                      |                         | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|----------------------------------|-------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <u>Dept No</u>                   | <u>Expense Name</u>     |                   |                                    |                        |                        |             |
| <b>Facilities Services</b>       |                         |                   |                                    |                        |                        |             |
| 850                              | Regular Labor           | 369,560           | 167,072                            | 608,800                | 621,980                | 13,180      |
| 850                              | Overtime Labor          | 9,725             | 4,332                              | 11,200                 | 10,400                 | (800)       |
| 850                              | Employee Benefits       | 136,600           | 0                                  | 0                      | 0                      | 0           |
| 850                              | Contract Labor          | 28,890            | 39,972                             | 25,000                 | 25,000                 | 0           |
| 850                              | Fuel                    | 136               | 74                                 | 0                      | 0                      | 0           |
| 850                              | Telecommunication       | 188               | 78                                 | 0                      | 0                      | 0           |
| 850                              | Other Utilities         | 22,257            | 15,371                             | 17,100                 | 22,200                 | 5,100       |
| 850                              | Operating Supplies      | 15,110            | 11,082                             | 24,000                 | 21,500                 | (2,500)     |
| 850                              | Rep & Maint IRWD        | 1,012,772         | 450,432                            | 938,920                | 873,020                | (65,900)    |
| 850                              | Personnel Training      | 5,735             | 763                                | 0                      | 0                      | 0           |
| 850                              | Other Professional Fees | 0                 | 70                                 | 0                      | 0                      | 0           |
| <b>Total Facilities Services</b> |                         | 1,600,973         | 689,246                            | 1,625,020              | 1,574,100              | (50,920)    |

Previously in department 435

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Maintenance                                  |                     | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|----------------------------------------------|---------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <u>Dept No</u>                               | <u>Expense Name</u> |                   |                                    |                        |                        |             |
| <u>Head Quarters Property Services</u>       |                     |                   |                                    |                        |                        |             |
| 855                                          | Regular Labor       | 71,902            | 19,131                             | 0                      | 0                      | 0           |
| 855                                          | Overtime Labor      | 10,924            | 1,559                              | 6,000                  | 6,000                  | 0           |
| 855                                          | Contract Labor      | 1,527             | 388                                | 0                      | 0                      | 0           |
| 855                                          | Electricity         | 143,255           | 73,349                             | 132,700                | 172,000                | 39,300      |
| 855                                          | Fuel                | 8,848             | 3,571                              | 10,000                 | 10,000                 | 0           |
| 855                                          | Other Utilities     | 5,450             | 3,038                              | 5,000                  | 5,000                  | 0           |
| 855                                          | Operating Supplies  | 17,464            | 8,768                              | 22,000                 | 20,400                 | (1,600)     |
| 855                                          | Rep & Maint IRWD    | 320,699           | 94,897                             | 285,200                | 292,600                | 7,400       |
| <b>Total Head Quarters Property Services</b> |                     | 580,069           | 204,701                            | 460,900                | 506,000                | 45,100      |

Previously in department 440

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Maintenance                                      |                     | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr)    |
|--------------------------------------------------|---------------------|-------------------|------------------------------------|------------------------|------------------------|----------------|
| <u>Dept No</u>                                   | <u>Expense Name</u> |                   |                                    |                        |                        |                |
| <u>Operations Center Property Services</u>       |                     |                   |                                    |                        |                        |                |
| 860                                              | Regular Labor       | 150,195           | 80,850                             | 0                      | 0                      | 0              |
| 860                                              | Overtime Labor      | 5,309             | 3,672                              | 4,000                  | 7,000                  | 3,000          |
| 860                                              | Contract Labor      | 2,875             | 1,234                              | 0                      | 0                      | 0              |
| 860                                              | Electricity         | 0                 | 0                                  | 0                      | 222,900                | 222,900        |
| 860                                              | Fuel                | 14,670            | 2,982                              | 30,000                 | 20,000                 | (10,000)       |
| 860                                              | Other Utilities     | 15,915            | 14,352                             | 20,000                 | 20,000                 | 0              |
| 860                                              | Operating Supplies  | 37,882            | 20,194                             | 20,000                 | 40,000                 | 20,000         |
| 860                                              | Rep & Maint IRWD    | 284,428           | 198,330                            | 244,700                | 271,500                | 26,800         |
| <b>Total Operations Center Property Services</b> |                     | <b>511,274</b>    | <b>321,614</b>                     | <b>318,700</b>         | <b>581,400</b>         | <b>262,700</b> |

Previously in department 445

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Maintenance                 |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|-----------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| Dept No                     | Expense Name               |                   |                                    |                        |                        |             |
| <b>Fleet Services</b>       |                            |                   |                                    |                        |                        |             |
| 870                         | Regular Labor              | 338,119           | 166,421                            | 337,900                | 356,900                | 19,000      |
| 870                         | Overtime Labor             | 15,213            | 6,478                              | 4,000                  | 7,000                  | 3,000       |
| 870                         | Employee Benefits          | 79,292            | 0                                  | 0                      | 0                      | 0           |
| 870                         | Contract Labor             | 3,002             | 0                                  | 0                      | 0                      | 0           |
| 870                         | Fuel                       | 644,828           | 310,461                            | 627,000                | 627,000                | 0           |
| 870                         | Other Utilities            | 0                 | 26,762                             | 45,000                 | 51,500                 | 6,500       |
| 870                         | Operating Supplies         | 7,204             | 2,876                              | 8,550                  | 7,750                  | (800)       |
| 870                         | Permits, Licenses and Fees | 6,650             | 1,920                              | 6,700                  | 5,340                  | (1,360)     |
| 870                         | Equipment Rental           | 29,090            | 0                                  | 5,000                  | 5,000                  | 0           |
| 870                         | Rep & Maint IRWD           | 519,811           | 227,049                            | 490,100                | 459,400                | (30,700)    |
| 870                         | Personnel Training         | 96                | 148                                | 0                      | 0                      | 0           |
| 870                         | Other Professional Fees    | 63                | 77                                 | 0                      | 0                      | 0           |
| 870                         | Mileage Reimbursement      | 122,854           | 48,783                             | 117,000                | 117,000                | 0           |
| <b>Total Fleet Services</b> |                            | 1,766,222         | 790,975                            | 1,641,250              | 1,636,890              | (4,360)     |
| <hr/>                       |                            |                   |                                    |                        |                        |             |
| <b>Total Maintenance</b>    |                            | 8,124,325         | 3,756,950                          | 7,507,460              | 8,809,150              | 1,301,690   |

Previously in department 450





# **WATER POLICY AND RESOURCES**

## **OPERATING BUDGET SUMMARY**

---

### **Program Description**

The Water Policy and Resources 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.

Water Use Efficiency: Demand management programs directly offset the need for developing additional water supplies and are critical elements 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 wastewater recycling. An updated Water Use Efficiency Plan was adopted in December 2013, and staff began implementation efforts in the current fiscal year. Staff anticipates those efforts will continue to be ramped up in fiscal year 2014-15, particularly as IRWD assists its customers in responding to the Governor's call for 20% voluntary conservation in response to the statewide drought. Budget requests associated with the Plan are included in various sections of the budget. Conservation programs including the outdoor efficiency CALscape program, WaterSmart reports, tactical and participation in innovative pilots and research that maintain IRWD's leadership position are also incorporated into the 2013-14 fiscal year 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.

Recycled Water: IRWD is recognized as a national leader in recycled water based in large part on the many years IRWD of experience with recycled water and the number of meters served. IRWD currently serves over 5,000 recycled water meters including over 50 commercial dual-plumbed buildings where recycled water is used for flushing toilets and urinals and over 580 single-family lots where recycled water is used for irrigating both the front and back yards. The Recycled Water Group continues to pursue additional uses for recycled water in the service area and is actively pursuing several additional industrial customers which represent large scale customers for IRWD as well as the conversion several untreated customers to recycled water. IRWD is also recognized for its support of recycled water through organizations such as WaterReuse, a national recycled water advocacy group. IRWD, in concert with WaterReuse, 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. In 2014, the Recycled Water Group will be contracting for recycled water use site inspection and testing services and for the development and hosting of a learning management system for recycled water site supervisor training.

Government Relations: IRWD strives to develop and advocate for policies at the federal, state and local levels that promote a reliable high quality and cost effective water supply for IRWD customers, and demonstrate the efficient use of resources. These efforts enhance IRWD services through federal, state and local government relations and initiatives. The Government Relations staff provides policy leadership and technical expertise to the legislative process, particularly on



# **WATER POLICY AND RESOURCES**

## **OPERATING BUDGET SUMMARY**

---

issue of water recycling, water use efficiency, water supply reliability, and governance, among others.

### **Strategic Initiatives for 2014-15**

#### **RECYCLED WATER/NON-POTABLE WATER**

- Complete development of the on-line Site Supervisor training for recycled water customers;
- Apply for new *Local Resources Program* funding from MWD which provides a “per-acre foot” financial incentive to increase the use of recycled water;
- Assess the feasibility of serving recycled water to UCI for use in their cooling towers;
- Pursue partnerships with neighboring agencies to sell them non-potable water (e.g. City of Orange);
- Assist WaterReuse California with its legislative agenda which includes allowing discharge of recycled water from impoundments during storm events;
- Fully develop the Recycled Water Use Site Inspection and Testing Program;
- Determine whether recycled water can be cost-effectively served to the remaining Irvine Lake Pipeline customers; and
- Obtain approvals for dual-plumbing of condominiums and apartment properties.

#### **WATER USE EFFICIENCY**

- Assist IRWD customers in meeting a voluntary 20% conservation goal through ongoing implementation of enhanced outreach and cost-effective demand management programs;
- 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 the CALscape outdoor conservation program;
- 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;
- Research and implement, as appropriate, 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;
- Actively engage in statewide policy discussions regarding implementation of SBx7-7 (20 x 2020) and implementation of Demand Management Measures required by the Urban Water Management Planning Act;
- Work with the California Urban Water Conservation Council (CUWCC) on statewide conservation issues, refinements to the Best Management Practices (BMP), including the rates BMP, and potential alignment of the CUWCC with state mandated water efficiency targets;



# **WATER POLICY AND RESOURCES**

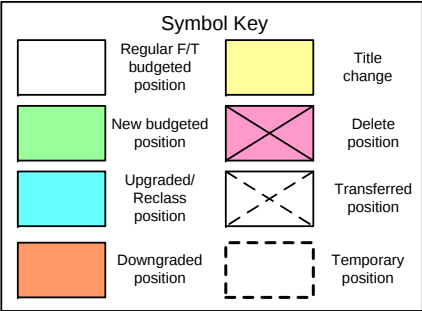
## **OPERATING BUDGET SUMMARY**

---

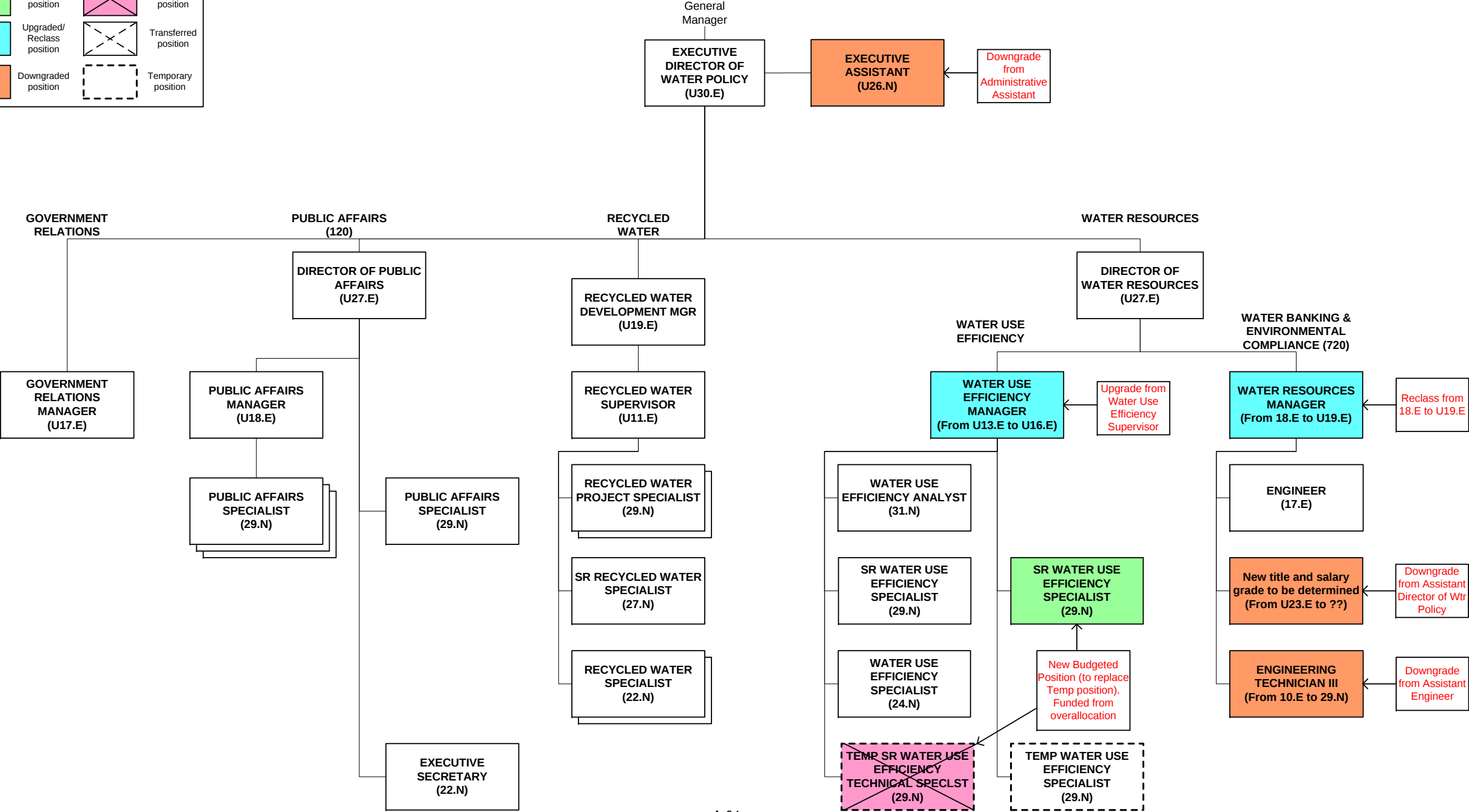
- Evaluate the design, configuration, and maintenance costs of a pilot low-impact development bioretention facility as part of the NTS Program;
- Continue to work with partners in Newport Bay Executive Committee to develop and implement the elements of the San Diego Creek Watershed Selenium BMP Strategic Plan; and
- Prepare an Annual Report of NTS Operations including nutrient removal performance at each NTS facility, operational objectives, and recommendations for adaptive changes to the NTS program.

### **GOVERNMENTAL RELATIONS**

- Implement the state legislative strategy as developed by staff and discussed with the Water Resource Policy and Communications Committee;
- Conduct advocacy activities on legislation impacting IRWD, the water industry and special district interests;
- Secure federal funding authorization under a re-authorized Water Resources Development Act (WRDA) for Army Corps of Engineering funding for the Syphon Reservoir Recycled Water Storage project; and
- Continue to build relationships with federal, state and local elected and appointed officials and their staff members, as well as community leaders to support IRWD initiatives.



IRVINE RANCH WATER DISTRICT  
WATER RESOURCES AND POLICY  
PROPOSED FISCAL YEAR 2014-15



Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Water Resources and Policy              |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|-----------------------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <u>Dept No</u>                          | <u>Expense Name</u>        |                   |                                    |                        |                        |             |
| <u>Water Resources and Policy</u>       |                            |                   |                                    |                        |                        |             |
| 710                                     | Regular Labor              | 1,158,685         | 654,891                            | 1,477,370              | 1,416,660              | (60,710)    |
| 710                                     | Overtime Labor             | 2,343             | 3,272                              | 6,400                  | 6,400                  | 0           |
| 710                                     | Employee Benefits          | 322,208           | 0                                  | 0                      | 0                      | 0           |
| 710                                     | Contract Labor             | 7,728             | 39,053                             | 79,100                 | 35,600                 | (43,500)    |
| 710                                     | Operating Supplies         | 2,291             | 52                                 | 3,600                  | 3,050                  | (550)       |
| 710                                     | Printing                   | 700               | 0                                  | 5,500                  | 5,500                  | 0           |
| 710                                     | Postage                    | 702               | 386                                | 400                    | 600                    | 200         |
| 710                                     | Permits, Licenses and Fees | (5,585)           | 0                                  | 0                      | 65,000                 | 65,000      |
| 710                                     | Office Supplies            | 4,556             | 2,085                              | 8,500                  | 5,000                  | (3,500)     |
| 710                                     | Rep & Maint IRWD           | 22,263            | 8,922                              | 21,500                 | 57,900                 | 36,400      |
| 710                                     | Engineering Fees           | 70,775            | 60,000                             | 120,000                | 120,000                | 0           |
| 710                                     | Personnel Training         | 46,210            | 16,375                             | 47,250                 | 47,400                 | 150         |
| 710                                     | Other Professional Fees    | 268,784           | 33,136                             | 478,900                | 845,120                | 366,220     |
| 710                                     | Mileage Reimbursement      | 49                | 0                                  | 0                      | 0                      | 0           |
| 710                                     | Conservation               | 924,381           | 269,627                            | 1,157,000              | 942,000                | (215,000)   |
| <u>Total Water Resources and Policy</u> |                            | 2,826,090         | 1,087,799                          | 3,405,520              | 3,550,230              | 144,710     |





## **PUBLIC AFFAIRS**

### **OPERATING BUDGET SUMMARY**

---

#### **Program Description**

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

#### **Strategic Initiatives for 2014-15**

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

- Educate customers on efficient water use practices using multiple outreach platforms including resident tours of IRWD facilities, open houses, print and the internet;
- Educate customers about reducing outdoor water use with the CALSCAPE program; and
- Provide students in the IRWD service area with learning opportunities regarding water supply, water reliability and water use efficiency programs. Promote water education programs to schools in the IRWD service area

##### **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;
- 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.

##### **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. Meetings will feature IRWD facilities and projects, procurement/contract program and partnership opportunities as well as information on smart water practices.

##### **EMPLOYEE COMMUNICATION PROGRAM**

- Develop and maintain active employee communication programs; and
- Further develop and implement the District's Intranet.

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Water Resources and Policy  |                         | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|-----------------------------|-------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <u>Dept No</u>              | <u>Expense Name</u>     |                   |                                    |                        |                        |             |
| <u>Public Affairs</u>       |                         |                   |                                    |                        |                        |             |
| 120                         | Regular Labor           | 624,074           | 303,645                            | 675,030                | 687,770                | 12,740      |
| 120                         | Overtime Labor          | 16,676            | 12,142                             | 10,000                 | 10,000                 | 0           |
| 120                         | Employee Benefits       | 145,819           | 0                                  | 0                      | 0                      | 0           |
| 120                         | Contract Labor          | 0                 | 0                                  | 85,000                 | 0                      | (85,000)    |
| 120                         | Operating Supplies      | 948               | 107                                | 2,100                  | 2,100                  | 0           |
| 120                         | Printing                | 55,024            | 26,939                             | 120,850                | 120,850                | 0           |
| 120                         | Postage                 | 31                | 0                                  | 200                    | 200                    | 0           |
| 120                         | Office Supplies         | 4,155             | 869                                | 6,000                  | 6,000                  | 0           |
| 120                         | Personnel Training      | 12,509            | 3,676                              | 20,750                 | 12,520                 | (8,230)     |
| 120                         | Other Professional Fees | 397,928           | 189,921                            | 528,530                | 653,550                | 125,020     |
| 120                         | Mileage Reimbursement   | 148               | 0                                  | 0                      | 0                      | 0           |
| <b>Total Public Affairs</b> |                         | 1,257,312         | 537,299                            | 1,448,460              | 1,492,990              | 44,530      |



# **WATER RESOURCES AND ENVIRONMENTAL COMPLIANCE**

## **OPERATING BUDGET SUMMARY**

---

### **Program Description**

The Water Resources and Environmental Compliance Department is responsible for the development of water supply programs and banking projects 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 District's efforts in the development of these non-local programs and projects are needed in response to risks of water supply interruptions and continued pressure on water supplies from an expanding statewide population as well as legislative requirements tying water supply with new development.

This department is responsible for the design and construction of the District's water banking projects. In addition, this department is responsible for the 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. The department 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 and Metropolitan Water District of Southern California.

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

### **Strategic Initiatives for 2013-14**

#### **WATER RESOURCES:**

- Identify, evaluate, and secure additional land to be incorporated into the District's water banking projects in Kern County;
- Successfully deliver water from the District's Jackson Ranch into the Strand Ranch as part of the executed long-term unbalanced exchange program;
- Negotiate a Policy MWD for the delivery of MWD system water to IRWD's Strand and Stockdale Integrated Banking Projects;
- Implement long-term unbalanced exchange agreements with Carpinteria Valley Water District and/or Antelope Valley-East Kern Water Agency;
- Complete a technical and legal review of the exportability the high-flow Kern River water that IRWD has in storage at the Strand Ranch;
- Execute an IRWD/MWD/MWDOC Wheeling Agreement for the delivery of 1,000 AF of non-SWP water from the Strand Ranch Project to IRWD's service area;



# **WATER RESOURCES AND ENVIRONMENTAL COMPLIANCE**

## **OPERATING BUDGET SUMMARY**

---

- Finalize and execute a long-term exchange agreement with Rosedale for a Joint Integrated Stockdale Water Banking and Exchange Project;
- Award a construction contract for drilling and constructing of wells for the Stockdale Integrated Banking Project;
- Initiate the design of recovery facilities pipelines and wellheads for the Stockdale Integrated Banking Project;
- Develop and execute a long-term exchange agreement with Buena Vista Water Storage Agreement for pre-1914 Kern River water to be delivered to the Stockdale Integrated Banking Project;
- Develop a master plan for IRWD's water banking projects and programs; and
- Negotiate and execute long-term farm lease agreements for portions of the Jackson Ranch.

### **ENVIRONMENTAL COMPLIANCE**

- Complete and certify an Environmental Impact Report for a Joint Integrated Stockdale Water Banking and Exchange Project with Rosedale; and
- Fulfill the District's environmental and regulatory compliance requirements for capital projects, replacements and operations including the development and approval of Mitigated Negative Declarations, Environmental Impact Reports and Notices of Exemption.

### **ENERGY AND OTHER PLANNING**

- Complete the IRWD Recycled Water System Salt Management Plan; and
- Complete an Embedded Energy Plan for the District.

Irvine Ranch Water District  
**Consolidated Operating Expense Budget for FY 2014-15**

| Water Resources and Policy                                |                            | 2012-13<br>Actual | 2013-14<br>Actual thru<br>12/31/13 | 2013-14<br>Orig Budget | 2014-15<br>Prop Budget | Incr/(Decr) |
|-----------------------------------------------------------|----------------------------|-------------------|------------------------------------|------------------------|------------------------|-------------|
| <u>Dept No</u>                                            | <u>Expense Name</u>        |                   |                                    |                        |                        |             |
| <u>Water Resources and Environmental Compliance</u>       |                            |                   |                                    |                        |                        |             |
| 720                                                       | Regular Labor              | 178,247           | 254,262                            | 499,910                | 589,200                | 89,290      |
| 720                                                       | Overtime Labor             | 1,191             | 275                                | 0                      | 0                      | 0           |
| 720                                                       | Employee Benefits          | 109,351           | 0                                  | 0                      | 0                      | 0           |
| 720                                                       | Electricity                | 131,722           | 319,399                            | 78,860                 | 491,400                | 412,540     |
| 720                                                       | Permits, Licenses and Fees | 124,295           | 83,166                             | 91,900                 | 97,500                 | 5,600       |
| 720                                                       | Office Supplies            | 174               | 0                                  | 200                    | 200                    | 0           |
| 720                                                       | Rep & Maint Other Agencies | 0                 | 0                                  | 19,400                 | 0                      | (19,400)    |
| 720                                                       | Rep & Maint IRWD           | 126,794           | 42,956                             | 248,840                | 225,400                | (23,440)    |
| 720                                                       | Personnel Training         | 3,418             | 1,265                              | 8,700                  | 8,000                  | (700)       |
| 720                                                       | Other Professional Fees    | 4,030             | 1,028                              | 30,720                 | 16,220                 | (14,500)    |
| 720                                                       | Mileage Reimbursement      | 14                | 0                                  | 0                      | 0                      | 0           |
| <b>Total Water Resources and Environmental Compliance</b> |                            | 679,236           | 702,351                            | 978,530                | 1,427,920              | 449,390     |
| <b>Total Water Resources and Policy</b>                   |                            | 4,762,638         | 2,327,449                          | 5,832,510              | 6,471,140              | 638,630     |
| <b>GRAND TOTAL</b>                                        |                            | 105,475,840       | 60,852,686                         | 117,059,625            | 131,143,600            | 14,083,975  |





# GENERAL PLANT

## SUMMARY

|                                                | Fiscal Year<br>2013-14 | Fiscal Year<br>2014-15 | Increase<br>(Decrease) | %<br>Inc/(Dec) |
|------------------------------------------------|------------------------|------------------------|------------------------|----------------|
| Information Systems                            | \$ 573,500             | \$ 502,400             | \$ (71,100)            | -12.40%        |
| Transportation Equipment                       | 750,500                | 320,200                | (430,300)              | -57.34%        |
| Tools, Shop and Work Equipment                 | -                      | -                      | -                      | -              |
| Other General Plant Including Safety Equipment | 40,272                 | 86,500                 | 46,228                 | 114.79%        |
| Laboratory, Stores and Communication Equipment | 258,835                | 385,835                | 127,000                | 49.07%         |
| Office Furniture and Equipment                 | -                      | -                      | -                      | -              |
| Structures/Improvements - Sand Canyon/MWRP     | 17,500                 | 55,900                 | 38,400                 | -              |
| Work Equipment/Class IV, V, VI                 | 510,900                | 213,433                | (297,467)              | -58.22%        |
| Sub-Total                                      | 2,151,507              | 1,564,268              | (587,239)              | -27.29%        |
| Less: Vehicle Salvage Value                    | (48,000)               | (22,000)               | 26,000                 | -54.17%        |
| <b>Total General Plant</b>                     | <b>\$ 2,103,507</b>    | <b>\$ 1,542,268</b>    | <b>\$ (561,239)</b>    | <b>-26.68%</b> |

### Fiscal Year 2014-15

|                             |           |        |
|-----------------------------|-----------|--------|
| Funded by Replacement Funds | \$873,327 | 56.63% |
| Funded by Capital Funds     | 668,941   | 43.37% |

**Total Fiscal Year 2014-15** **\$ 1,542,268**

### Fiscal Year 2013-14

|                             |              |        |
|-----------------------------|--------------|--------|
| Funded by Replacement Funds | \$ 1,253,535 | 59.59% |
| Funded by Capital Funds     | 849,972      | 40.41% |

**Total Fiscal Year 2013-14** **\$ 2,103,507**



# GENERAL PLANT

## ANALYSIS

| Description                                | Administration   | Finance & Administrative Services | Engineering, Planning, & Water Quality | Operations        | Water Policy | Total               |
|--------------------------------------------|------------------|-----------------------------------|----------------------------------------|-------------------|--------------|---------------------|
| Information Systems                        | \$ -             | \$ 486,000                        | \$ -                                   | \$ 16,400         | \$ -         | \$ 502,400          |
| Laboratory Equipment                       | -                | -                                 | 297,835                                | 88,000            | -            | 385,835             |
| Other General Plant                        | 68,000           | -                                 | -                                      | 18,500            | -            | 86,500              |
| Office Furniture & Equipment               | -                | -                                 | -                                      | -                 | -            | -                   |
| Work Equipment/Class IV, V, VI             | -                | -                                 | -                                      | 213,433           | -            | 213,433             |
| Transportation Equipment                   | -                | -                                 | -                                      | 320,200           | -            | 320,200             |
| Structures/Improvements - Sand Canyon/MWRP | -                | -                                 | -                                      | 55,900            | -            | 55,900              |
| Subtotal                                   | \$ 68,000        | \$ 486,000                        | \$ 297,835                             | \$ 712,433        | \$ -         | \$ 1,564,268        |
| Less Vehicle Salvage Value                 | -                | -                                 | -                                      | (22,000)          | -            | (22,000)            |
| <b>Total Fiscal Year 2014-15</b>           | <b>\$ 68,000</b> | <b>\$ 486,000</b>                 | <b>\$ 297,835</b>                      | <b>\$ 690,433</b> | <b>\$ -</b>  | <b>\$ 1,542,268</b> |
| Total Fiscal Year 2013-14                  | -                | 573,500                           | -                                      | 1,530,007         | -            | 2,103,507           |
| Increase/(Decrease)                        | \$ 68,000        | \$ (87,500)                       | \$ 297,835                             | \$ (839,574)      | \$ -         | \$ (561,239)        |



# CONSOLIDATED

## GENERAL PLANT BUDGET

|                    | <u>TASK</u>                     | <u>Item Description</u>                                              | <u>Quantity</u> | <u>Price</u> | <u>Proposed<br/>2014-15</u> |
|--------------------|---------------------------------|----------------------------------------------------------------------|-----------------|--------------|-----------------------------|
| <b>Department:</b> | HUMAN RESOURCES                 |                                                                      |                 |              |                             |
| 140                | 8036.140.1                      | Vertical Carousel Filing System                                      | 1               | \$ 68,000    | \$ 68,000                   |
|                    |                                 |                                                                      |                 |              | <u>\$ 68,000</u>            |
| <b>Department:</b> | INFORMATION SERVICES            |                                                                      |                 |              |                             |
| 250                | 8031.250.1                      | Field Mapplet Software                                               | 1               | \$ 20,000    | \$ 20,000                   |
| 250                | 8031.250.2                      | Oracle Configuration Setup Management Software                       | 1               | \$ 45,000    | \$ 45,000                   |
| 250                | 8031.250.3                      | Network Disk Storage Expansion                                       | 1               | \$ 45,000    | \$ 45,000                   |
| 250                | 8031.250.4                      | Enterprise Server Replacement                                        | 1               | \$ 27,000    | \$ 27,000                   |
| 250                | 8031.250.5                      | Network Performance Monitoring Software                              | 1               | \$ 16,000    | \$ 16,000                   |
| 250                | 8031.250.6                      | Document Scanner Replacement                                         | 1               | \$ 6,000     | \$ 6,000                    |
| 250                | 8031.250.7                      | Contract and Insurance Certificate Mangement Software                | 1               | \$ 30,000    | \$ 30,000                   |
| 250                | 8031.250.8                      | Video Editing Work Station and Software Replacement                  | 1               | \$ 7,000     | \$ 7,000                    |
| 250                | 8036.250.1                      | Operations Center Multi-purpose Room Audio-Visual System Replacement | 1               | \$ 35,000    | \$ 35,000                   |
| 250                | 8038.250.1                      | Operations Center Computer Room HVAC Replacement                     | 1               | \$ 80,000    | \$ 80,000                   |
| 250                | 8041.250.1                      | PC Replacement                                                       | 98              | \$ 1,224     | \$ 120,000                  |
| 250                | 8041.250.2                      | Laptop Computer Replacement                                          | 8               | \$ 2,000     | \$ 16,000                   |
| 250                | 8041.250.3                      | Tablet Computers                                                     | 8               | \$ 3,000     | \$ 24,000                   |
| 250                | 8041.250.4                      | GIS Work Station PC Replacement                                      | 5               | \$ 3,000     | \$ 15,000                   |
| Sub-Total          |                                 |                                                                      |                 |              | <u>\$ 486,000</u>           |
| <b>Department:</b> | WATER OPERATIONS ADMINISTRATION |                                                                      |                 |              |                             |
| 410                | 8030.410.1                      | Tablets                                                              | 10              | \$ 940       | \$ 9,400                    |
| Sub-Total          |                                 |                                                                      |                 |              | <u>\$ 9,400</u>             |
| <b>Department:</b> | NTS OPERATIONS                  |                                                                      |                 |              |                             |
| 415                | 8031.415.1                      | Refrigerated Water Quality Sampling Unit                             | 2               | \$ 14,000    | \$ 28,000                   |
| 415                | 8031.415.2                      | Area velocity meter                                                  | 10              | \$ 6,000     | \$ 60,000                   |
| Sub-Total          |                                 |                                                                      |                 |              | <u>\$ 88,000</u>            |



# CONSOLIDATED

## GENERAL PLANT BUDGET

|                    | <u>TASK</u>                      | <u>Item Description</u>                                              | <u>Quantity</u> | <u>Price</u> | <u>Proposed<br/>2014-15</u> |
|--------------------|----------------------------------|----------------------------------------------------------------------|-----------------|--------------|-----------------------------|
| <b>Department:</b> | WATER OPERATIONS                 |                                                                      |                 |              |                             |
| 420                | 8031.420.3                       | Self Contained Breathing Apparatus                                   | 2               | \$ 6,000     | \$ 12,000                   |
| 420                | 8031.420.4                       | Electric Drive Handheld Valve Exerciser                              | 1               | \$ 6,500     | \$ 6,500                    |
| Sub-Total          |                                  |                                                                      |                 |              | \$ 18,500                   |
| <b>Department:</b> | FACILITIES SERVICES              |                                                                      |                 |              |                             |
| 435                | 8011.435.1                       | Gate Operator for PTP                                                | 1               | \$ 18,400    | \$ 18,400                   |
| Sub-Total          |                                  |                                                                      |                 |              | \$ 18,400                   |
| <b>Department:</b> | SAND CANYON PROPERTY MAINTENANCE |                                                                      |                 |              |                             |
| 440                | 8011.440.2                       | Solar Guard Window Film                                              | 1               | \$ 13,500    | \$ 13,500                   |
| 440                | 8011.440.4                       | Restroom Partitions                                                  | 4               | \$ 6,000     | \$ 24,000                   |
| Sub-Total          |                                  |                                                                      |                 |              | \$ 37,500                   |
| <b>Department:</b> | FLEET SERVICES                   |                                                                      |                 |              |                             |
| 450                | 8055.450.1                       | 5350 LB GVW SRW Light Pickup Truck 4X2                               | 1               | \$ 29,500    | \$ 29,500                   |
| 450                | 8055.450.2                       | 12,000 LB GVW SRW Pickup Truck with Service Bed and Ladder Rack 4X2. | 1               | \$ 55,000    | \$ 55,000                   |
| 450                | 8055.450.3                       | 5350 LB GVW SRW Light Pickup Truck 4X2                               | 1               | \$ 29,500    | \$ 29,500                   |
| 450                | 8055.450.4                       | 9,700 LB GVW SRW Pickup Truck 4X4 With Utility Bed.                  | 1               | \$ 36,200    | \$ 36,200                   |
| 450                | 8055.450.5                       | 9,700 LB GVW SRW Pickup Truck 4X4.                                   | 1               | \$ 28,400    | \$ 28,400                   |
| 450                | 8055.450.6                       | 9,700 LB GVW SRW Pickup Truck 4X2.                                   | 1               | \$ 28,400    | \$ 28,400                   |
| 450                | 8055.450.7                       | 9,700 LB GVW SRW Pickup Truck 4X2.                                   | 1               | \$ 27,100    | \$ 27,100                   |
| 450                | 8055.450.8                       | 9,700 LB GVW SRW Pickup Truck 4X2.                                   | 1               | \$ 27,100    | \$ 27,100                   |
| 450                | 8055.450.9                       | 5350 LB GVW SRW Light Pickup Truck 4X2                               | 1               | \$ 29,500    | \$ 29,500                   |
| 450                | 8055.450.10                      | 5350 LB GVW SRW Light Pickup Truck 4X2                               | 1               | \$ 29,500    | \$ 29,500                   |
| Sub-Total          |                                  |                                                                      |                 |              | \$ 320,200                  |



# CONSOLIDATED

## GENERAL PLANT BUDGET

|                    | <u>TASK</u>                  | <u>Item Description</u>                                                           | <u>Quantity</u> | <u>Price</u> | <u>Proposed<br/>2014-15</u> |
|--------------------|------------------------------|-----------------------------------------------------------------------------------|-----------------|--------------|-----------------------------|
| <b>Department:</b> | ELECTRICAL MAINTENANCE       |                                                                                   |                 |              |                             |
| 520                | 8031.520.1                   | 2 each. Additel Pneumatic Test pump with Digital Pressure Calibrator and Carrying | 2               | \$ 4,300     | \$ 8,600                    |
| Sub-Total          |                              |                                                                                   |                 |              | \$ 8,600                    |
| <b>Department:</b> | MECHANICAL MAINTENANCE       |                                                                                   |                 |              |                             |
| 540                | 8031.540.1                   | Vibration Data Collector                                                          | 1               | \$ 31,350    | \$ 31,350                   |
| 540                | 8031.540.2                   | Well Micro-Camera                                                                 | 1               | \$ 18,000    | \$ 18,000                   |
| 540                | 8031.540.3                   | Ultrasound Data Collector                                                         | 1               | \$ 15,000    | \$ 15,000                   |
| 540                | 8034.540.1                   | Tube/Pipe Bending Equipment                                                       | 1               | \$ 22,583    | \$ 22,583                   |
| 540                | 8034.540.2                   | Plasma Cutting Table                                                              | 1               | \$ 28,000    | \$ 28,000                   |
| Sub-Total          |                              |                                                                                   |                 |              | \$ 114,933                  |
| <b>Department:</b> | MWRP OPERATIONS              |                                                                                   |                 |              |                             |
| 550                | 8030.550.1                   | Tablet software                                                                   | 1               | \$ 7,000     | \$ 7,000                    |
| Sub-Total          |                              |                                                                                   |                 |              | \$ 7,000                    |
| <b>Department:</b> | COLLECTION SYSTEMS           |                                                                                   |                 |              |                             |
| 570                | 8031.570.1                   | Portable H2S Gas Monitor                                                          | 1               | \$ 4,900     | \$ 4,900                    |
| 570                | 8055.570.1                   | CCTV Portable Sewer Camera and Vehicle                                            | 1               | \$ 85,000    | \$ 85,000                   |
| Sub-Total          |                              |                                                                                   |                 |              | \$ 89,900                   |
| <b>Department:</b> | WATER QUALITY ADMINISTRATION |                                                                                   |                 |              |                             |
| 610                | 8031.610.1                   | Misc. Laboratory and Field Monitoring Equipment for Unplanned Projects and        | 1               | \$ 42,500    | \$ 42,500                   |
| Sub-Total          |                              |                                                                                   |                 |              | \$ 42,500                   |



# CONSOLIDATED

## GENERAL PLANT BUDGET

|                     | <u>TASK</u>            | <u>Item Description</u>                                                      | <u>Quantity</u> | <u>Price</u> | <u>Proposed<br/>2014-15</u> |
|---------------------|------------------------|------------------------------------------------------------------------------|-----------------|--------------|-----------------------------|
| <b>Department:</b>  | WATER QUALITY ANALYSIS |                                                                              |                 |              |                             |
| 630                 | 8031.630.1             | Laboratory Equipment for Biosolids and Energy Recovery Project.              | 1               | \$ 40,000    | \$ 40,000                   |
| 630                 | 8036.630.1             | Laboratory Instrumentation for Future Biosolids and Energy Recovery Project. | 1               | \$ 75,000    | \$ 75,000                   |
| 630                 | 8036.630.2             | Existing Laboratory Equipment Replacement                                    | 1               | \$ 125,000   | \$ 125,000                  |
| Sub-Total           |                        |                                                                              |                 |              | \$ 240,000                  |
| <b>Department:</b>  | REGULATORY COMPLIANCE  |                                                                              |                 |              |                             |
| 640                 | 8031.640.1             | Two (2) Portable discrete samplers with pH and conductivity sensor options.  | 2               | \$ 7,668     | \$ 15,335                   |
| Sub-Total           |                        |                                                                              |                 |              | \$ 15,335                   |
| Salvage Value       |                        |                                                                              |                 |              | \$ (22,000)                 |
| Total General Plant |                        |                                                                              |                 |              | \$ 1,542,268                |

**General Plant Description and Justification  
FY 2014-15 Operating Budget**

|                     |                         |              |              |      |          | Allocation  |         |         |                |                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------|-------------------------|--------------|--------------|------|----------|-------------|---------|---------|----------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     |                         | Updated Task | Life (Years) | Dept | Cost     | Fund Source |         | System  |                | Asset Description                              | Justification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| General Plant Asset |                         |              |              |      |          | New         | Replace | % Water | %Sewer/Recycle |                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 1                   | Machinery & Equipment   | 8036.140.1   | 10           | 140  | \$68,000 | 50%         | 50%     | 50%     | 50%            | Vertical Carousel Filing System                | The Human Resources Department wishes to upgrage and modernize the filing system for all District personnel related district files and documents in conjunction with the update to the District wide record retention system. Personnel files and documents are currently stored in multiple locations and cabinets throughout the department work area as well as offsite in District storage buildings. Ugrading and modernizing the filing system equipment will allow the files to be consolidated and stored more efficiently; maintain all Personnel files and documents in a single location and will consume less than 50% of the floor space of the existing file system. The new system will be more ergonomic and feature a more advanced filing system security. Staff is working with a vendor to evaluate several modes and methods of secure consolidated state of the art record and document storage systems. Although a specific system has not yet been selected, it is anticipated the cost will be in the range of \$40k - \$68k and have a useful life in excess of 15 years. It is anticipated that this project will be the flagship file storage and record retention system for improved and enhanced record and document storage solutions throughout the organizaiton. |
| 2                   | Machinery and Equipment | 8031.250.1   | 5            | 250  | \$20,000 | 100%        |         | 50%     | 50%            | Field Mapplet Software                         | Eight licenses are requested to support a GIS based application requested by System Operations staff.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 3                   | Machinery and Equipment | 8031.250.2   | 5            | 250  | \$45,000 | 100%        |         | 50%     | 50%            | Oracle Configuration Setup Management Software | Software is requested that will allow efficient management of the District's Oracle Financial system configuration setup. This software will automate the process of generating the documentation required for installation of patches and version upgrades.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

**General Plant Description and Justification  
FY 2014-15 Operating Budget**

|                        |                         |              |      |      |          | Allocation  |         |         |                    |                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------|-------------------------|--------------|------|------|----------|-------------|---------|---------|--------------------|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        |                         |              |      |      |          | Fund Source |         | System  |                    |                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                        |                         |              |      |      |          | New         | Replace | % Water | %Sewer/<br>Recycle |                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| General<br>Plant Asset | Updated Task            | Life (Years) | Dept | Cost |          |             |         |         |                    | Asset Description                       | Justification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 4                      | Machinery and Equipment | 8031.250.3   | 5    | 250  | \$45,000 | 100%        |         | 50%     | 50%                | Network Disk Storage Expansion          | Additional storage is needed to on the District's storage area network (SAN) system. The SAN supports the majority of the District's Enterprise applications, including Oracle, E-Mail, shared network files, Laboratory Information Management (LIMS), Tabware Work Orders, Geographical Information Systems (GIS), and Fleet Management. As the Oracle system is expanded and transactions are accumulated, additional storage is needed. Expanded E-mail and shared files also require additional storage. The storage requirement for these systems is doubled due to the High Availability system that stores a mirrored copy of the production data at a second location. This provides the District with a swift recovery from a server or storage failure. |
| 5                      | Machinery and Equipment | 8031.250.4   | 5    | 250  | \$27,000 |             | 100%    | 50%     | 50%                | Enterprise Server Replacement           | Replacements are needed for the District's Enterprise Network Server systems purchased between 2009 and 2010 This meets the District's replacement criteria of five years for Network Server systems. These servers are used to support Virtualized Servers System, Security Management System, Password Synchronization System, Patch Management System, and Computer Inventory Management System. The replacement systems will utilize blade based servers, a Storage Area Network (SAN) system, and Server Virtualization that will consolidate multiple servers onto a single server blade.                                                                                                                                                                    |
| 6                      | Machinery and Equipment | 8031.250.5   | 5    | 250  | \$16,000 | 50%         | 50%     | 50%     | 50%                | Network Performance Monitoring Software | An upgrade is requested for the Networking Software used to monitor the servers and other critical devices connected to the District's network infrastructure. The upgrade will allow up to 2000 network connections.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 7                      | Machinery and Equipment | 8031.250.6   | 5    | 250  | \$6,000  |             | 100%    | 50%     | 50%                | Document Scanner Replacement            | A document scanner is requested to replace the existing unit purchased in 2007. This scanner is used by staff to scan accounts payable invoice images to the document image management system (WebDocs).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

**General Plant Description and Justification  
FY 2014-15 Operating Budget**

|                        |                         |              |      |      |           | Allocation  |         |         |                     |                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------|-------------------------|--------------|------|------|-----------|-------------|---------|---------|---------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        |                         |              |      |      |           | Fund Source |         | System  |                     |                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| General<br>Plant Asset | Updated Task            | Life (Years) | Dept | Cost |           | New         | Replace | % Water | % Sewer/<br>Recycle | Asset Description                                                    | Justification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                        |                         |              |      |      |           |             |         |         |                     |                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 8                      | Machinery and Equipment | 8031.250.7   | 5    | 250  | \$30,000  | 100%        |         | 50%     | 50%                 | Contract and Insurance Certificate Mangement Software                | Contract and Insurance Certificate Management Software is requested to track recurring District contracts and insurance certificates. This software is an additional module provided by lonwave, the provider of the District's On-Line Bidding software. Currently, tracking contract and insurance certificate renewal is a manual process. This software will automate the process and provide timely notifications in advance of the contract or insurance certificate expiration date.                                             |
| 9                      | Machinery and Equipment | 8031.250.8   | 5    | 250  | \$7,000   |             | 100%    | 50%     | 50%                 | Video Editing Work Station and Software Replacement                  | A Video editing station and software is requested to replace the existing unit purchased in 2001. This station is used by staff to edit on-line video clips for the District's website and social media pages.                                                                                                                                                                                                                                                                                                                          |
| 10                     | Machinery and Equipment | 8036.250.1   | 10   | 250  | \$35,000  |             | 100%    | 50%     | 50%                 | Operations Center Multi-purpose Room Audio-Visual System Replacement | A replacement Audio Visual System for the Operations Center Multi-purpose is requested. The current system, installed in 1994, no longer meets the presentation needs for work shops, training sessions, and all hands meetings. The replacement system will provide for a more effective delivery of presentations for all possible room configurations. The system will include an 80" LCD display for the main room, two 60" displays for the lunch, and an replacement interface and control system for computer and digital media. |
| 11                     | Machinery and Equipment | 8038.250.1   | 20   | 250  | \$80,000  |             | 100%    | 50%     | 50%                 | Operations Center Computer Room HVAC Replacement                     | A replacement HVAC system is requested for the Operations Center Computer Room. The existing system, installed a a stand alone unit in the room in 1994, does not provide enough cooling capacity for current and future computer equipment, The replacement unit, with a larger cooling capacity, will require rooftop installation.                                                                                                                                                                                                   |
| 12                     | Machinery and Equipment | 8041.250.1   | 4    | 250  | \$120,000 |             | 100%    | 50%     | 50%                 | PC Replacement                                                       | Ninety-eight personal computers are needed to replace systems purchased between 2010-2011. This meets the District's replacement criteria of four years for personal computer systems. The systems are used for accessing District applications.                                                                                                                                                                                                                                                                                        |

## General Plant Description and Justification FY 2014-15 Operating Budget

|                            |              |              |      |          |      | Allocation  |         |         |                 |                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------|--------------|--------------|------|----------|------|-------------|---------|---------|-----------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            |              |              |      |          |      | Fund Source |         | System  |                 |                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| General Plant Asset        | Updated Task | Life (Years) | Dept | Cost     |      | New         | Replace | % Water | %Sewer/ Recycle | Asset Description                        | Justification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 13 Machinery and Equipment | 8041.250.2   | 4            | 250  | \$16,000 |      |             | 100%    | 50%     | 50%             | Laptop Computer Replacement              | Eight laptop computers are needed to replace systems purchased between 2010-2011. This meets the District's replacement criteria of four years for personal computer systems. The laptop computer systems are used in the field by Administration, Water Operations, Wastewater Operations, Water Quality, and Water Resources. The systems are used in the office for accessing District applications. In the field, the systems are used to collect data and access the District's SCADA Systems. |
| 14 Machinery and Equipment | 8041.250.3   | 4            | 250  | \$24,000 |      |             | 100%    | 50%     | 50%             | Tablet Computers                         | Eight tablet computers are requested to support a GIS based application requested by System Operations staff.                                                                                                                                                                                                                                                                                                                                                                                       |
| 15 Machinery and Equipment | 8041.250.4   | 4            | 250  | \$15,000 |      |             | 100%    | 50%     | 50%             | GIS Work Station PC Replacement          | Five GIS PC Work Station computers are needed to replace systems purchased between 2010-2011. This meets the District's replacement critieraea of four years. The systems are used for for hydrallic modeling and GIS analysis activities.                                                                                                                                                                                                                                                          |
| 16 Machinery and Equipment | 8030.410.1   | 3            | 410  | \$9,400  | 100% |             |         | 50%     | 50%             | Tablets                                  | The Operations department is requesting funds for the purchase of ten tablets for Operations Staff. These will be used to equip personnel in the Systems Operations, Plant Operations, and Natural Treatment Systems sub-departments. These tablets will enable staff to remotely access all Supervisory Control and Data Aquisition (SCADA) sytems, instrument calibration data collection applications, and enhance on-call staff response capability.                                            |
| 17 Machinery and Equipment | 8031.415.1   | 5            | 415  | \$28,000 | 50%  | 50%         | 100%    |         |                 | Refrigerated Water Quality Sampling Unit | The NTS section is requesting funds to purchase two composite samplers for the Orchard meadows NTS site. There are currently no samplers at the site, and they are required by regulatory guidelines to be used in water quality samples.                                                                                                                                                                                                                                                           |
| 18 Machinery and Equipment | 8031.415.2   | 5            | 415  | \$60,000 | 50%  | 50%         | 100%    |         |                 | Area velocity meter                      | Currently, flow at NTS sites is measured by hand 1x week. These meters will allow flow to be measured continuously and accurately, increasing the amounts of pollutant removal. The following sites will be included: Forge Meadow, Lower Eastfoot, Orchard Meadow, Old Laguna, Los Olivos Meadow. 10 flow meters will be purchased (5 influent and 5 effluent meters).                                                                                                                             |
| 19 Machinery and Equipment | 8031.420.3   | 5            | 420  | \$12,000 |      |             | 100%    | 50%     | 50%             | Self Contained Breathing Apparatus       | The Systems Operations Department is requesting funds to purchase two self contained breathing units. The SCBU's are required to support one additional staff members and two replace one unserviceable unit.                                                                                                                                                                                                                                                                                       |

## General Plant Description and Justification FY 2014-15 Operating Budget

|                     |                             |              |      |      |          | Allocation  |         |         |                  |                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------|-----------------------------|--------------|------|------|----------|-------------|---------|---------|------------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     |                             |              |      |      |          | Fund Source |         | System  |                  |                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| General Plant Asset | Updated Task                | Life (Years) | Dept | Cost |          | New         | Replace | % Water | % Sewer/ Recycle | Asset Description                                                    | Justification                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                     |                             |              |      |      |          |             |         |         |                  |                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 20                  | Machinery and Equipment     | 8031.420.4   | 5    | 420  | \$6,500  |             | 100%    | 50%     | 50%              | Electric Drive Handheld Valve Exerciser                              | The Systems Operations Department is requesting funds to purchase one electric drive hand held valve operator. The valve operator will increase operator efficiency while reducing the possibility of strain and fatigue.                                                                                                                                                                                                             |
| 21                  | Structures and Improvements | 8011.435.1   | 10   | 435  | \$18,400 |             | 100%    | 100%    |                  | Gate Operator for PTP                                                | The Facilities Services is requesting funds to retrofit the East gate at PTP with a conventional electric gate operator. The current operator is an hydraulic over electric system that has required constant repair. It is currently inoperable with needed repairs exceeding \$9,000. A conventional operator will reduce maintenance costs and improve reliability.                                                                |
| 22                  | Structures and Improvements | 8011.440.2   | 10   | 440  | \$13,500 |             | 100%    | 50%     | 50%              | Solar Guard Window Film                                              | The Facilities Services Department is requesting funds to replace the window film in the atrium of the headquarters building. The original film is scratched, peeling, and delaminated in several areas. The proposed replacement film is rated to block 99% of UV light and up to 80% of solar energy.                                                                                                                               |
| 24                  | Structures and Improvements | 8011.440.4   | 10   | 440  | \$24,000 |             | 100%    | 50%     | 50%              | Restroom Partitions                                                  | The Facilities Services Department is requesting funds to replace the restroom partitions in the four headquarters building restrooms. The existing partions are original to the building and require replacement due to wear and appearance.                                                                                                                                                                                         |
| 25                  | Vehicles                    | 8055.450.1   | 10   | 450  | \$29,500 | 50%         | 50%     | 50%     | 50%              | 5350 LB GVW SRW Light Pickup Truck 4X2                               | The Fleet Services Department is requesting funds to replace and downsize unit 2062, a 2000 Ford F150 with approximately 180,000 miles. Unit 2062 is in use by a Water Use Efficiency Analyst and requires replacement due to age and condition.                                                                                                                                                                                      |
| 26                  | Vehicles                    | 8055.450.2   | 10   | 450  | \$55,000 | 50%         | 50%     | 50%     | 50%              | 12,000 LB GVW SRW Pickup Truck with Service Bed and Ladder Rack 4X2. | (New staff member)A new 12,000 GVW full size truck with utility bed is required by the Electrical Maintenance Dept. for field work. The truck will be utilized by the Electrician whose position was authorized in the FY 13/14 budget year. The electrician has been carrying out independent field assignments through the use of a "loaner" truck from the Fleet Dept. Surplus pool.                                               |
| 27                  | Vehicles                    | 8055.450.3   | 10   | 450  | \$29,500 | 50%         | 50%     | 50%     | 50%              | 5350 LB GVW SRW Light Pickup Truck 4X2                               | (New staff member)A new 5,350 GVW light pickup truck is required by a Water Maintenance Technician I in the Preventative Maintenance Department for field work. The truck will be utilized by the Water Maintenance Technician I whose position was authorized in the FY 13/14 budget year. The technician has been carrying out independent field assignments through the use of a "loaner" truck from the Fleet Dept. surplus pool. |

**General Plant Description and Justification  
FY 2014-15 Operating Budget**

|                        |              |              |      |      |          | Allocation  |         |         |                    |                                                     |                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------|--------------|--------------|------|------|----------|-------------|---------|---------|--------------------|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        |              |              |      |      |          | Fund Source |         | System  |                    |                                                     |                                                                                                                                                                                                                                                                                                                                                                                            |
|                        |              |              |      |      |          | New         | Replace | % Water | %Sewer/<br>Recycle |                                                     |                                                                                                                                                                                                                                                                                                                                                                                            |
| General<br>Plant Asset | Updated Task | Life (Years) | Dept | Cost |          |             |         |         |                    | Asset Description                                   | Justification                                                                                                                                                                                                                                                                                                                                                                              |
| 28                     | Vehicles     | 8055.450.4   | 10   | 450  | \$36,200 | 50%         | 50%     | 50%     | 50%                | 9,700 LB GVW SRW Pickup Truck 4X4 With Utility Bed. | The Fleet Services Department is requesting funds to replace unit 2165, a 2008 Ford F250 with approximately 130,000 miles. Unit 2165 is the standby program first responder truck and requires replacement due to age and condition.                                                                                                                                                       |
| 29                     | Vehicles     | 8055.450.5   | 10   | 450  | \$28,400 | 50%         | 50%     | 50%     | 50%                | 9,700 LB GVW SRW Pickup Truck 4X4.                  | The Fleet Services Department is requesting funds to replace unit 2104, a 2004 Ford F150 with approximately 126,000 miles. Unit 2104 is in use by a Senior Scientist in the Regulatory Compliance Dept. and requires replacement due to age and condition.                                                                                                                                 |
| 30                     | Vehicles     | 8055.450.6   | 10   | 450  | \$28,400 | 50%         | 50%     | 50%     | 50%                | 9,700 LB GVW SRW Pickup Truck 4X2.                  | The Fleet Services Department is requesting funds to replace and downsize unit 2105, a 2004 Ford F150 with approximately 128,000 miles. Unit 2062 is used by the Water Maintenance Supervisor in the Preventative Maintenance Department and requires replacement due to age and condition.                                                                                                |
| 31                     | Vehicles     | 8055.450.7   | 10   | 450  | \$27,100 | 50%         | 50%     | 50%     | 50%                | 9,700 LB GVW SRW Pickup Truck 4X2.                  | The Fleet Services Department is requesting funds to replace and downsize unit 2097, a 2004 Ford F250 with approximately 117,000 miles. Unit 2062, which is used for meter maintenance, requires replacement due to age and condition.                                                                                                                                                     |
| 32                     | Vehicles     | 8055.450.8   | 10   | 450  | \$27,100 | 50%         | 50%     | 50%     | 50%                | 9,700 LB GVW SRW Pickup Truck 4X2.                  | The Fleet Services Department is requesting funds to replace and downsize unit 2122, a 2006 Ford F250 with approximately 122,000 miles. Unit 2122 which is used in Construction and Repair Coordination, requires replacement due to age and condition.                                                                                                                                    |
| 33                     | Vehicles     | 8055.450.9   | 10   | 450  | \$29,500 | 50%         | 50%     | 50%     | 50%                | 5350 LB GVW SRW Light Pickup Truck 4X2              | (New staff member)A new 5,350 GVW light pickup truck is required by a Customer Service Specialist I for field work. The truck will be utilized by the Customer Service Specialist I, whose position was authorized in the FY 13/14 budget year. This specialist has been carrying out independent field assignments through the use of a "loaner" truck from the Fleet Dept. Surplus pool. |
| 34                     | Vehicles     | 8055.450.10  | 10   | 450  | \$29,500 | 50%         | 50%     | 50%     | 50%                | 5350 LB GVW SRW Light Pickup Truck 4X2              | (New staff member)A new 5,350 GVW light pickup truck is required for a Water Maintenance Supervisor. The truck will be utilized by the Water Maintenance Supervisor. whose position is being requested in the FY 14/15 budget. This Supervisor will be responsible for field supervision of preventative maintenance personnel.                                                            |

# General Plant Description and Justification

## FY 2014-15 Operating Budget

|                     |                         |              |      |      |          | Allocation  |         |         |                  |                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------|-------------------------|--------------|------|------|----------|-------------|---------|---------|------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     |                         |              |      |      |          | Fund Source |         | System  |                  |                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| General Plant Asset | Updated Task            | Life (Years) | Dept | Cost |          | New         | Replace | % Water | % Sewer/ Recycle | Asset Description                                                                      | Justification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                     |                         |              |      |      |          |             |         |         |                  |                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 35                  | Machinery and Equipment | 8031.520.1   | 5    | 520  | \$8,600  |             | 100%    | 50%     | 50%              | 2 each. Additel Pneumatic Test pump with Digital Pressure Calibrator and Carrying Case | There are an increasing number of facilities where the ability to accurately calibrate pressure transmitters and transducers in excess of 300 psi is required. These sites include our treatment facilities (DATS, IDP PTP, Tustin Wells 21 & 22) and certain pump stations (Foothill Zone 6-8 and Coastal OC-63 for example). The requested pneumatic calibrator and pump would allow instrumentation technicians to perform these calibrations quickly and safely without the need to carry a compressed air cylinder.                             |
| 36                  | Machinery and Equipment | 8031.540.1   | 5    | 540  | \$31,350 |             | 100%    | 50%     | 50%              | Vibration Data Collector                                                               | Existing vibration data collection tool software is no longer supported by the manufacturer. The replacement unit requires no special software support or annual service contract.                                                                                                                                                                                                                                                                                                                                                                   |
| 37                  | Machinery and Equipment | 8031.540.2   | 5    | 540  | \$18,000 |             | 100%    | 50%     | 50%              | Well Micro-Camera                                                                      | Well video technology has greatly improved over the past 10 years. Today micro-cameras are less than one inch in diameter and are used to assess well condition without equipment removal. This purchase will provide staff the tools needed to evaluate well conditions in-house saving time and money.                                                                                                                                                                                                                                             |
| 38                  | Machinery and Equipment | 8031.540.3   | 5    | 540  | \$15,000 | 100%        |         | 50%     | 50%              | Ultrasound Data Collector                                                              | Noise is the first condition indicator to identify when performing predictive maintenance. This purchase will provide the tools and training needed to work beyond existing rudimentary acoustic testing practices.                                                                                                                                                                                                                                                                                                                                  |
| 39                  | Machinery and Equipment | 8034.540.1   | 8    | 540  | \$22,583 | 50%         | 50%     | 50%     | 50%              | Tube/Pipe Bending Equipment                                                            | This product will improve the safety and efficiency when fabricating curved conveyance piping, guards, hand railing, ladders and gates. Today radius bends are made manually through brute force and leverage. This machine will remove the potential for injury while bending metals and is recommended by the safety office.                                                                                                                                                                                                                       |
| 40                  | Machinery and Equipment | 8034.540.2   | 8    | 540  | \$28,000 | 50%         | 50%     | 50%     | 50%              | Plasma Cutting Table                                                                   | The need for parts fabrication of unique or obsolete applications has doubled over the last five years. This tool will improve plasma cutting safety, efficiency, and effectiveness in the fabrication shop. Once programmed, this machine can cut both ferrous and non-ferrous metals of any shape with surgical precision while optimizing energy use. This purchase is recommended by the safety office as it will allow the operator to remove themselves from the cutting process, effectively engineering out the potential for fume exposure. |

**General Plant Description and Justification  
FY 2014-15 Operating Budget**

|                        |                         |              |      |      |          | Allocation  |         |         |                     |                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------|-------------------------|--------------|------|------|----------|-------------|---------|---------|---------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        |                         |              |      |      |          | Fund Source |         | System  |                     |                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                        |                         |              |      |      |          | New         | Replace | % Water | % Sewer/<br>Recycle | Asset Description                                                                                  | Justification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| General<br>Plant Asset | Updated Task            | Life (Years) | Dept | Cost |          |             |         |         |                     |                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 41                     | Machinery and Equipment | 8030.550.1   | 3    | 550  | \$7,000  | 100%        |         |         | 100%                | Tablet software                                                                                    | Software needed for tablets to enable them to log on to facility SCADA system.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 42                     | Machinery and Equipment | 8031.570.1   | 5    | 570  | \$4,900  | 100%        |         |         | 100%                | Portable H2S Gas Monitor                                                                           | Utilized to quantify H2S levels and odor compliants within the collection system                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 43                     | Vehicles                | 8055.570.1   | 5    | 570  | \$85,000 | 100%        |         |         | 100%                | CCTV Portable Sewer Camera and Vehicle                                                             | Camera used to locate and identify sewer system failures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 44                     | Machinary and Equipment | 8031.610.1   | 5    | 610  | \$42,500 | 50%         | 50%     | 33%     | 67%                 | Misc. Laboratory and Field Monitoring Equipment for Unplanned Projects and Regulatory Requirements | Laboratory planning and method development associated with new contaminants, more stringent discharge limits, developing new recycled water users, and supporting treatment and supply related projects. Field monitoring equipment for unplanned projects or regulatory requirements. Funds budgeted last fiscal years as seperate GPC line items for Dept. 630 and 640 are consolidated this year into a single line item in department 610.                                                                                                                                                                                |
| 45                     | Machinery and Equipment | 8031.630.1   | 5    | 630  | \$40,000 | 100%        |         |         | 100%                | Laboratory Equipment for Biosolids and Energy Recovery Project.                                    | A portion of the funds necessary to acquire equipment to implement the proposed process control monitoring program for the future biosolids and energy recovery facilities. Funds accrued in fiscal years ending 2015 and 2016 will be carried forward to purchase general plant capital equipments as needed to meet analytical needs at various project milestones.                                                                                                                                                                                                                                                         |
| 46                     | Machinary and Equipment | 8036.630.1   | 10   | 630  | \$75,000 | 100%        |         |         | 100%                | Laboratory Instrumentation for Future Biosolids and Energy Recovery Project.                       | A portion of the funds necessary to acquire equipment and instrumentation to implement the proposed monitoring program for the future biosolids and energy recovery facilities. Funds accrued in fiscal years ending 2013, 2014 and 2015, and carried forward to future fiscal years for expenditure prior to the beginning of facility operations so the laboratory will have method development completed in time to provide process control data when the facility is active. <b>ACCRUED FUNDS THROUGH FY ENDING 2014 = \$150,000, NEW FUNDS FY ENDING 2015 = \$75,000, TOTAL ACCRUED FUNDS FY ENDING 2015 = \$225,000</b> |

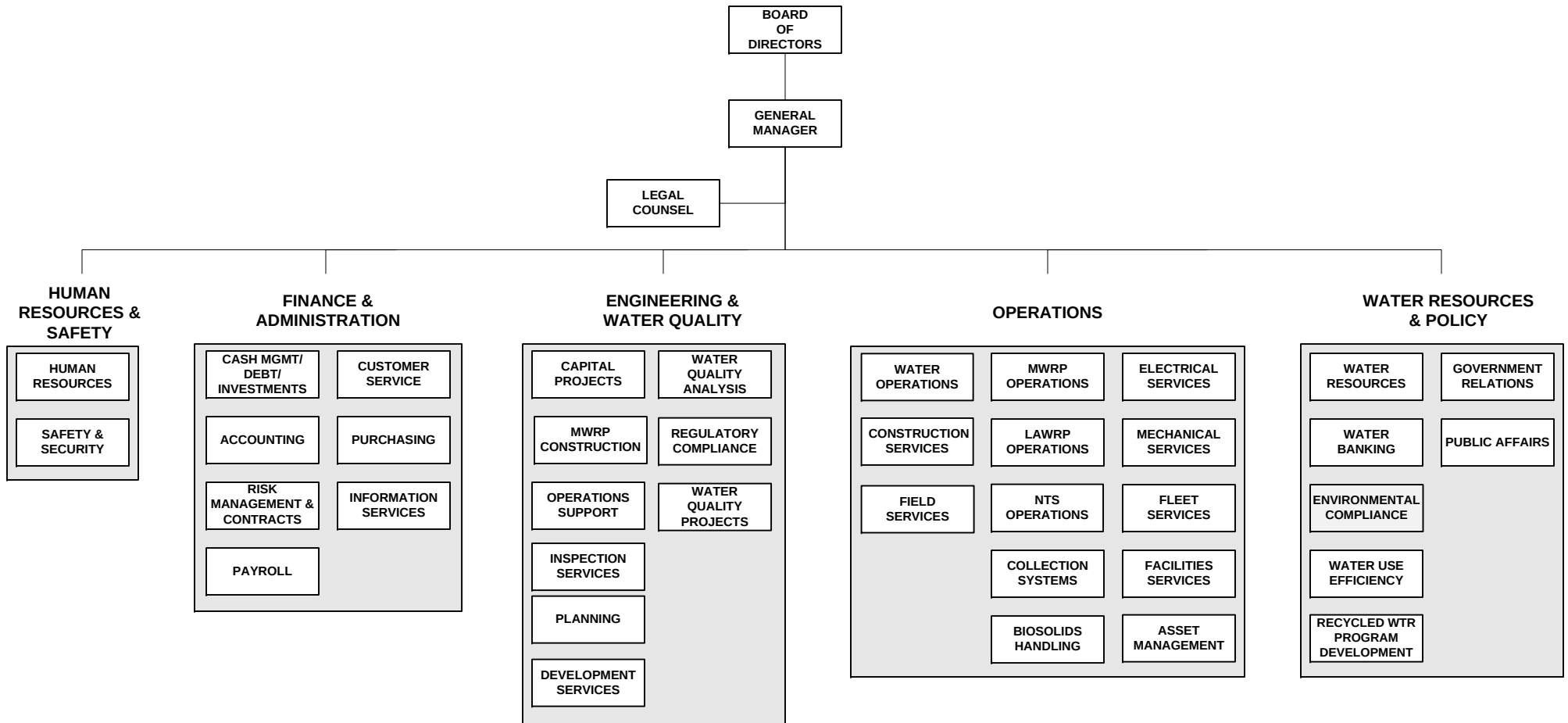
# General Plant Description and Justification

## FY 2014-15 Operating Budget

|                        |                         |              |         |      |                    | Allocation  |         |         |                     |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------|-------------------------|--------------|---------|------|--------------------|-------------|---------|---------|---------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        |                         |              |         |      |                    | Fund Source |         | System  |                     |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                        |                         |              |         |      |                    | New         | Replace | % Water | % Sewer/<br>Recycle | Asset Description                                                           | Justification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| General<br>Plant Asset | Updated Task            | Life (Years) | Dept    | Cost |                    |             |         |         |                     |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 47                     | Machinery and Equipment | 8036.630.2   | 5 to 20 | 630  | \$125,000          |             | 100%    | 50%     | 50%                 | Existing Laboratory Equipment Replacement                                   | Existing laboratory instrumentation (such as GC/MSs, LC/ICP/MS, etc.) purchased in prior years with General Plant Capital funds have certain useful life and will ultimately need replacement. The budgeted dollars accrued in this fiscal year will carry forward with funds accrued since FY ending 2013 into future fiscal years with additional funds budgeted each fiscal year to build a pool of funds to purchase replacement equipment as needed, funds to be expended on a first-in-first-out basis. The on-going accumulation of funds over multiple fiscal years will eliminate peaks and valleys in the Department 463 General Plant Capital budget. The amount requested this FY is based on the amount allocated last FY adjusted to current dollars. <b>ACCRUED FUNDS THROUGH FY ENDING 2014 = \$219,800, EXPENDED FUNDS THROUGH FY ENDING 2014 = \$30,141.37, NEW FUNDS FY ENDING 2015 = \$125,000, FUND BALANCE THROUGH FY ENDING 2015 = \$314,658.63</b> |
| 48                     | Machinery and Equipment | 8031.640.1   | 5       | 640  | \$15,335           |             | 100%    |         | 100%                | Two (2) Portable discrete samplers with pH and conductivity sensor options. | All four (4) of the District's Portable samplers utilized for the Industrial Waste Program are more than five years old, with one being 12 years old, and the manufacturer date of the other three being unknown. It has been determined that at least two new samplers will be needed to replace two of the oldest samplers that are nearest to failure. These items were not purchased in FY13/14 as we were informed of a new change over in technology by various manufacturers and did not want to purchase technology that would be outdated within a year.                                                                                                                                                                                                                                                                                                                                                                                                          |
| Sub-total              |                         |              |         |      | \$1,564,268        |             |         |         |                     |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Salvage Value          |                         |              |         |      | (\$22,000)         |             |         |         |                     |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Total General Plant    |                         |              |         |      | <u>\$1,542,268</u> |             |         |         |                     |                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |



**Irvine Ranch Water District  
Organizational Chart  
(By Function)  
Fiscal Year 2014-15**





# LABOR

## THREE YEAR PERSONNEL COMPARISON

| Department                          | Authorized Positions |         |           |
|-------------------------------------|----------------------|---------|-----------|
|                                     | 2012-13              | 2013-14 | 2014-15   |
| Administration                      |                      |         |           |
| Number of Positions                 | 13.0                 | 12.0    | 11.0      |
| % change from prior year            | (38.1) %             | (7.7) % | (8.3) %   |
| Finance and Administrative Services |                      |         |           |
| Number of Positions                 | 69.0                 | 71.0    | 71.0      |
| % change from prior year            | 7.8 %                | 2.9 %   | 0.0 %     |
| Engineering                         |                      |         |           |
| Number of Positions                 | 40.0                 | 41.0    | 38.0      |
| % change from prior year            | 21.2 %               | 2.5 %   | (7.3) %   |
| Water Quality                       |                      |         |           |
| Number of Positions                 | 26.0                 | 26.0    | 28.0      |
| % change from prior year            | 4.0 %                | 0.0 %   | 7.7 %     |
| Maintenance                         |                      |         |           |
| Number of Positions                 | 36.0                 | 38.0    | 48.0 *    |
| % change from prior year            | 0.0 %                | 5.6 %   | 26.3 %    |
| Water Operations                    |                      |         |           |
| Number of Positions                 | 66.0                 | 69.0    | 70.0 * ** |
| % change from prior year            | 0.0 %                | 4.5 %   | 1.4 %     |
| Recycling Operations                |                      |         |           |
| Number of Positions                 | 39.0                 | 40.0    | 43.0 *    |
| % change from prior year            | 0.0 %                | 2.6 %   | 7.5 %     |
| Water Policy                        |                      |         |           |
| Number of Positions                 | 26.0                 | 26.0    | 27.0      |
| % change from prior year            | 0.0 %                | 0.0 %   | 3.8 %     |
| Total Number of Positions           | 316.0                | 323.0   | 336.0     |
| Number of Changed Positions         | 9.0                  | 7.0     | 13.0      |
| % Change From Prior Year            | 2.9 %                | 2.2 %   | 4.0 %     |

\*The budgeted labor dollars anticipates 1/2 year of salaries for five positions; the position count identifies the additional bodies.

\*\* Operations Administration is included in Water Operations.



# LABOR

## SUMMARY OF SALARIES AND WAGES

| <i>(in thousands)</i>                                                 | Total    | Administration | Finance & Administrative Services | Engineering | Water Quality | Water Operations | Recycling Operations | Maintenance | Water Policy |
|-----------------------------------------------------------------------|----------|----------------|-----------------------------------|-------------|---------------|------------------|----------------------|-------------|--------------|
| Current Authorized:                                                   |          |                |                                   |             |               |                  |                      |             |              |
| Gross Pay                                                             | \$27,500 | \$1,252        | \$5,701                           | \$3,943     | \$2,247       | \$5,339          | \$3,165              | \$3,270     | \$2,584      |
| Annual Increase                                                       | 737      | 58             | 250                               | 43          | 17            | 146              | 87                   | 101         | 35           |
| Sub-Total Regular Salaries & Wages                                    | 25,617   | 1,309          | 5,950                             | 3,986       | 2,264         | 5,485            | 3,252                | 3,371       | 2,619        |
| New Positions:                                                        |          |                |                                   |             |               |                  |                      |             |              |
| Gross Pay                                                             | 861      | 0              | 0                                 | 127         | 117           | 69               | 164                  | 309         | 75           |
| Total Regular Salaries & Wages                                        | 26,478   | 1,309          | 5,950                             | 4,113       | 2,381         | 5,554            | 3,416                | 3,680       | 2,694        |
| Health Insurance and Workers Comp                                     | 6,420    | 300            | 1,400                             | 1,000       | 600           | 1,300            | 800                  | 900         | 700          |
| Employment Tax & PERS Contributions                                   | 8,899    | 400            | 2,000                             | 1,400       | 800           | 1,900            | 1,100                | 1,200       | 900          |
| Total Regular Salaries & Wages, health Insurance and employment taxes | \$41,798 | \$2,009        | \$9,350                           | \$6,513     | \$3,781       | \$8,754          | \$5,316              | \$5,780     | \$4,294      |
| Employee Count:                                                       | 336      | 11             | 71                                | 38          | 28            | 70               | 43                   | 48          | 27           |

| Regular Salaries and Wages Labor |          |
|----------------------------------|----------|
| FY 2013-14 Labor                 | \$27,221 |
| Additions                        | 861      |
| Promotions                       | 154      |
| COLA                             | 557      |
| Merit                            | 304      |
| Total                            | \$29,097 |



# BENEFITS AND EMPLOYMENT TAX

## HEALTH INSURANCE AND EMPLOYER CONTRIBUTIONS

|                               | <u>FY 2013-14</u>  | <u>FY 2014-15</u>  | <u>Change</u>    |
|-------------------------------|--------------------|--------------------|------------------|
| <b>Insurance and Benefits</b> |                    |                    |                  |
| Health Ins Actives            | \$4,514,000        | \$4,574,700        | \$60,700         |
| Dental Premiums               | 455,000            | 440,500            | (14,500)         |
| Wrkrs Comp Premiums           | 405,000            | 564,000            | 159,000          |
| Wrkrs Comp Paid Claims        | 350,000            | 291,800            | (58,200)         |
| Life Ins Actives              | 192,000            | 201,500            | 9,500            |
| LT Disability Premiums        | 117,500            | 134,500            | 17,000           |
| Medical Premiums - Retirees   | 103,000            | 121,500            | 18,500           |
| Vision Benefit Premiums       | 79,000             | 77,500             | (1,500)          |
| Life Ins Retirees             | 13,000             | 14,000             | 1,000            |
|                               | <u>\$6,228,500</u> | <u>\$6,420,000</u> | <u>\$191,500</u> |

### Employment Tax and PERS

|                       |                    |                    |                  |
|-----------------------|--------------------|--------------------|------------------|
| PERS Employer Portion | \$4,582,900        | \$5,161,000        | \$578,100        |
| PERS In Excess Of ARC | 2,236,900          | 2,113,400          | (123,500)        |
| 401A Employer Portion | 750,200            | 800,200            | 50,000           |
| PERS Employee Portion | 409,200            | 398,600            | (10,600)         |
| Medicare Tax          | 367,200            | 406,200            | 39,000           |
| St Unemployment Tax   | 43,600             | 20,000             | (23,600)         |
|                       | <u>\$8,390,000</u> | <u>\$8,899,400</u> | <u>\$509,400</u> |

### Benefits

|                                                                       |             |             |                  |
|-----------------------------------------------------------------------|-------------|-------------|------------------|
| Health, Dental, and Vision                                            | \$5,151,000 | \$5,214,200 | \$63,200         |
| Due to staff additions.                                               |             |             |                  |
| Life Insurance & LTD                                                  | \$322,500   | \$350,000   | \$27,500         |
| Due to staff additions.                                               |             |             |                  |
| Workers Compensation                                                  | \$755,000   | \$855,800   | \$100,800        |
| Premium Increase based on early estimate and is expected to decrease. |             |             |                  |
| Total variance                                                        |             |             | <u>\$191,500</u> |

### Employment Taxes

|                                                               |  |          |                  |
|---------------------------------------------------------------|--|----------|------------------|
| District 25% Contribution Based on Labor                      |  | 454,600  |                  |
| District's Employee Contribution                              |  | (10,600) |                  |
| 401A Contribution Based on 2.75% of Salaries                  |  | 50,000   |                  |
| Medicare Tax 1.45% of most employees Salaries                 |  | 39,000   |                  |
| State Unemployment tax reduced based on outstanding accounts. |  | (23,600) |                  |
| Total variance                                                |  |          | <u>\$509,400</u> |

**FY 2014/15 Budget**  
**Summary of Proposed Budgeted Personnel Changes**

| Proposed Changes to Existing Budgeted Positions |                                    |                   |                      |                                       |                    |              |
|-------------------------------------------------|------------------------------------|-------------------|----------------------|---------------------------------------|--------------------|--------------|
| Dept                                            | Job Title                          | Current Sal Grade | Proposed Action      | Proposed Job Title                    | Proposed Sal Grade | Salary Costs |
| 210                                             | Sr Accountant                      | U11.E             | Title Change only    | Financial Analyst                     | U11.E              | \$0          |
| 210                                             | Office Specialist                  | 15.N              | Upgrade 1 Position   | Sr. Accounting Clerk                  | 20.N               | \$4,920      |
| 210                                             | Assistant Controller               | U20.E             | Title Change only    | Controller                            | U20.E              | \$0          |
| 300                                             | Construction Inspector III         | 31.N              | Upgrade 1 Position   | Construction Inspection Supervisor    | U33.N              | \$3,864      |
| 300                                             | Engineering Technician III         | 29.N              | Upgrade 1 Position   | Assistant Engineer                    | 10.E               | \$3,684      |
| 300                                             | Senior Analyst                     | U13.E             | Title Change only    | GIS Supervisor                        | U13.E              | \$0          |
| 410                                             | Asst Director of Water Ops         | U20.E             | Reclass 1 Position   |                                       | U23.E              | \$6,108      |
| 420                                             | Operations Coordinator             | U33.N             | Upgrade 1 Position   | Operations Supervisor                 | U35.N              | \$3,840      |
| 425                                             | Water Maintenance Technician III   | 26.N              | Upgrade 1 Position   | Water Maintenance Supervisor          | U31.N              | \$5,220      |
| 510                                             | Director of Wastewater Operations  | U27.E             | Downgrade 1 Position | Assistant Director of Recycling Ops   | U23.E              | \$0          |
| 515                                             | Supervising Wetlands Biologist     | U33.N             | Upgrade 1 Position   | Natural Resources Manager             | U16.E              | \$6,924      |
| 710                                             | Administrative Assistant           | U10.E             | Downgrade 1 Position | Executive Assistant                   | U26.N              | -\$9,600     |
| 710                                             | Water Use Efficiency Supervisor    | U13.E             | Upgrade 1 Position   | Water Use Efficiency Manager          | U16.E              | \$2,916      |
| 720                                             | Water Resources Manager            | U18.E             | Reclass 1 Position   |                                       | U19.E              | \$1,200      |
| 720                                             | Assistant Director of Water Policy | U23.E             | Downgrade 1 Position | Title & salary grade to be determined |                    | -\$30,000    |
| 720                                             | Assistant Engineer                 | 10.E              | Downgrade 1 Position | Engineering Technician III            | 29.N               | -\$3,600     |
| 810                                             | Asst Director of Maintenance       | U20.E             | Reclass 1 Position   |                                       | U23.E              | \$5,760      |
| Subtotal                                        |                                    |                   |                      |                                       |                    | \$1,236      |

| Proposed New Positions |                                     |           |              |
|------------------------|-------------------------------------|-----------|--------------|
| Dept                   | Job Title                           | Sal Grade | Salary Costs |
| 300                    | Principal Engineer                  | U23.E     | \$122,844    |
| 610                    | Executive Secretary                 | U22.N     | \$59,244     |
| 630                    | Scientist                           | 26.N      | \$66,540     |
| 410                    | Executive Assistant                 | U26.N     | \$66,540     |
| 550                    | Operations Supervisor               | U35.N     | \$86,376     |
| 550                    | Operator III                        | 29.N      | \$36,288     |
| 550                    | Operator III                        | 29.N      | \$36,288     |
| 710                    | Sr. Water Use Efficiency Specialist | 29.N      | \$0          |
| 820                    | Electrical & Automation Manager     | U19.E     | \$107,280    |
| 820                    | Automation Technician               | 32.N      | \$79,236     |
| 820                    | Sr Electrical Technician            | 30.N      | \$37,374     |
| 820                    | Sr Instrumentation Technician       | 30.N      | \$37,374     |
| 840                    | Maintenance Mechanic                | 20.N      | \$27,942     |
| Subtotal               |                                     |           | \$763,326    |

Hire 1/1/2015  
Hire 1/1/2015  
Funded from overallocation funds

Hire 1/1/2015  
Hire 1/1/2015  
Hire 1/1/2015

A-123



# LABOR

## PROPOSED LABOR CHANGES

### Proposed Personnel Budget Changes Reflected in the FY 2014/15 Operating Budget

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

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

Office Specialist (Salary Grade 15.N) ➡ Sr. Accounting Clerk (Salary Grade 20.N)

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

Sr. Accountant (Salary Grade U11.E) ➡ Financial Analyst (Salary Grade U11.E)

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

Assistant Controller (Salary Grade U20.E) ➡ Controller (Salary Grade U20.E)

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

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

Construction Inspector III (Salary Grade 31.N) ➡ Construction Inspection Supervisor (Salary Grade U33.N)

This position upgrade is being requested due to the increase in the use of consultants and the high number of construction projects currently underway. This upgrade will provide a promotional opportunity for one Construction Inspector which will provide needed support in the field, especially in overseeing the consultant inspectors.

Engineering Technician III (Salary Grade 29.N) ➡ Assistant Engineer (Salary Grade 10.E)

This position upgrade is being requested to more properly reflect the advanced analysis and modeling duties and responsibilities of the position.

Sr. Analyst (Salary Grade U13.E) ➡ GIS Supervisor (Salary Grade U13.E)

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



# LABOR

## PROPOSED LABOR CHANGES

### **Water Operations Administration (410):**

Assistant Director of Water Operations (Salary Grade U20.E) ➡ Assistant Director of Water Operations (Salary Grade U23.E)

This salary grade reclassification is being requested to more consistently align the Assistant Director positions throughout the organization.

### **Water Operations (420):**

Operations Coordinator (Salary Grade U33.N) ➡ Operations Supervisor (Salary Grade U35.N)

This position upgrade is being requested in order to redistribute current workload and begin the realignment needed in preparation for the Baker Treatment Plant.

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

Water Maintenance Technician III (Salary Grade 26.N) ➡ Water Maintenance Supervisor (Salary Grade U31.N)

This position upgrade is being requested in order to redistribute current workload in PM group and realign number of direct reports to Assistant Manager for more effective and efficient supervision.

### **Recycling Administration (510):**

Director of Wastewater Operations (Salary Grade U27.E) ➡ Assistant Director of Recycling Operations (Salary Grade U23.E)

This downgrade is being requested to more consistently align the Assistant Director positions throughout the organization.

### **Natural Treatment System (515):**

Supervising Wetlands/Wildlife Biologist (Salary Grade U33.N) ➡ Natural Resources Manager (Salary Grade U16.E)

This position upgrade is being requested due to the increased responsibilities and high visibility for the District. Additional responsibilities include expansion of the Natural Treatment System, high level interaction with internal and external stakeholders and providing support to several District departments.

### **Water Resources and Policy (710):**

Administrative Assistant (Salary Grade 10.E) ➡ Executive Assistant (Salary Grade 26.N)

This position downgrade is being requested to more properly reflect the duties and responsibilities of the position and to align administrative support position throughout the organization.



# LABOR

## ***PROPOSED LABOR CHANGES***

Water Use Efficiency Supervisor (Salary Grade U13.E) ➡ Water Use Efficiency Manager (Salary Grade U16.E)

This position upgrade is being requested to more properly reflect the duties and responsibilities of the position due to the downgrade and reorganization of the Assistant Director of Water Policy that previously acted as manager of the Water Use Efficiency group.

### ***Water Resources and Environmental Compliance (720):***

Water Resources Manager (Salary Grade 18.E) ➡ Water Resources Manager (Salary Grade 19.E)

This salary grade reclassification is being requested to more properly reflect the work being performed and the addition of supervisory responsibilities.

Assistant Director of Water Policy (Salary Grade U23.E) ➡ New job title (title and salary grade to be determined)

This position downgrade is being requested to more properly reflect the new duties and responsibilities that will be assigned to the new position. Position will be transferred from Department 710 to Department 720.

Assistant Engineer (Salary Grade 10.E) ➡ Engineering Technician III (Salary Grade 29.N)

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

### ***Maintenance Administration (810):***

Assistant Director of Maintenance (Salary Grade U20.E) ➡ Assistant Director of Maintenance (Salary Grade U23.E)

This salary grade reclassification is being requested to more consistently align the Assistant Director positions throughout the organization.

### **New Positions:**

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

Principal Engineer (Salary Grade U23.E) – one position

This position will oversee the Development Services group and the Construction Inspection group and will assist with increased workload and coordination of hundreds of projects. The new position will be located at Sand Canyon and will be filled as an in-house promotional opportunity.



# LABOR

## ***PROPOSED LABOR CHANGES***

### ***MWRP Operations (550):***

Operations Supervisor (Salary Grade U35.N) – one position

The Biosolids and Energy Recovery Facilities are currently under construction and the initial phase of staffing for the facilities will begin in FY2014-15. Facility training classes have been scheduled and startup, testing, and commissioning will be occurring this year. This position will oversee the Biosolids and Energy Recovery staff that will be hired later in the fiscal year and in subsequent years.

Operator III (Salary Grade 29.N) – two positions

The Biosolids and Energy Recovery Facilities are currently under construction and the initial phase of staffing for the facilities will begin in FY2014-15. Facility training classes have been scheduled and startup, testing, and commissioning will be occurring this year. These positions will be filled no earlier than January 1, 2015.

### ***Water Resources and Policy (710):***

Sr. Water Use Efficiency Specialist (Salary Grade 29.N) – one position

This new position is necessary to support the Water Use Efficiency Analyst and provide customer support to commercial, industrial, and institutional customers. This position will replace a current full-time temporary position. It is funded by overallocation funds and is not included in the Operating budget.

### ***Operations Administration (805):***

Executive Assistant (Salary Grade 26.N) – one position

This position will help meet the administrative needs of the Operations department which are currently being handled by one administrative support position. The addition of this position will allow senior management team members and other staff to focus on primary duties rather than performing administrative tasks.

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

Electrical and Automation Manager (Salary Grade U19.E) – one position

This position will replace the Electrical Services Manager position which was not backfilled when the incumbent was promoted. The title has been updated to include the addition to the group of SCADA automation group, which was transferred to Department 520 in fall 2013. The Electrical Services group requires a full-time manager to ensure continued levels of customer service and equipment reliability.

Automation Specialist (Salary Grade 32.N) – one position

This position will fulfill staffing needs associated with the MWRP Phase II plant expansion and Wells 21/22 Treatment Facility. It is also needed to meet the needs of



# LABOR

## *PROPOSED LABOR CHANGES*

facilities still under construction, including Biosolids and Energy Recovery Facilities and the Baker Treatment Facility.

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

This position will fulfill staffing needs associated with the MWRP Phase II plant expansion and Wells 21/22 Treatment Facility. It is also needed to meet the needs of facilities still under construction, including Biosolids and Energy Recovery Facilities and the Baker Treatment Facility. This position will be filled no earlier than January 1, 2015.

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

This position will fulfill staffing needs associated with the MWRP Phase II plant expansion and Wells 21/22 Treatment Facility. It is also needed to meet the needs of facilities still under construction, including Biosolids and Energy Recovery Facilities and the Baker Treatment Facility. This position will be filled no earlier than January 1, 2015.

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

Maintenance Mechanic (Salary Grade 20.N) – one positions

This position will fulfill staffing needs associated with the MWRP Phase II plant expansion and Wells 21/22 Treatment Facility. It is also needed to meet the needs of facilities still under construction, including Biosolids and Energy Recovery Facilities and the Baker Treatment Facility.



## Board Workshop Operating Budget and Rate Setting April 14, 2014



### Board Workshop Agenda

#### Budget Highlights

- Revenues

- Significant factors effecting rate setting

- Operating expenses by system

- Cost of service study

- Sources and Uses

- Funding operating increases

- Comparison of proposed rates

- Outstanding external rate setting factors

- Non-Operating Sources and Uses

- Schedule for Budget & Rate Adoption for FY 2014-15

Irvine Ranch Water District

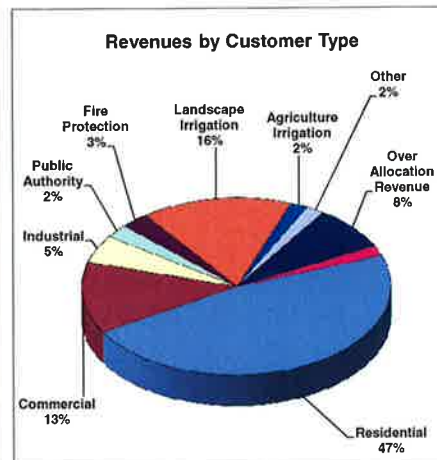


## Revenues

Revenue growth assumptions:

|                    |      |
|--------------------|------|
| Residential Growth | 1.5% |
| Commercial         | 1.0% |
| Industrial         | 1.0% |

Residential, commercial, industrial, and landscape make up approximately 80% of the total revenue.



Irvine Ranch Water District

3

## Revenue

### Budgeted Water Sales, Acre Feet

| Irvine Ranch Rate Area   |               |               |              |
|--------------------------|---------------|---------------|--------------|
| Potable                  | FY 14-15      | FY 13-14      | Change       |
| Treated                  | 47,035        | 47,006        | 29           |
| Untreated                | 2,152         | 1,755         | 397          |
| <b>Total</b>             | <b>49,187</b> | <b>48,761</b> | <b>426</b>   |
| Recycled*                | 29,367        | 27,920        | 1,447        |
| <b>Grand Total</b>       | <b>78,554</b> | <b>76,681</b> | <b>1,873</b> |
| <b>Forecast Estimate</b> |               | <b>81,181</b> |              |

| Los Alisos Rate Area |              |              |            |
|----------------------|--------------|--------------|------------|
| Potable              | FY 14-15     | FY 13-14     | Change     |
| Potable              | 7,020        | 7,076        | -56        |
| <b>Total</b>         | <b>7,020</b> | <b>7,076</b> | <b>-56</b> |

\* Includes all recycled water sales.

Irvine Ranch Water District



## Commodity Sales Estimate

Steps taken to mitigate the increase in potable demands during a drought:

| Action                        | Reduction (AF) |
|-------------------------------|----------------|
| Demand Elasticity Model       | 1,700          |
| Drought Messaging (statewide) | 1,000          |
| Water Loss Reduction Measures | <u>800</u>     |
| Total Reduction               | 3,500          |

## FY 2014-15 Operating Budget

Proposed 2014-15 operating budget is \$131.1M  
4 key drivers comprise 87% of total:

|                                 | Millions    | %            |
|---------------------------------|-------------|--------------|
| Salaries and Benefits           | \$47.5      | 36.2%        |
| Purchased Water                 | 32.0        | 24.4%        |
| Repairs and Maintenance         | 18.4        | 14.0%        |
| Electricity                     | <u>16.0</u> | <u>12.2%</u> |
| Total of Key Drivers            | \$113.9     | 86.9%        |
| Total Proposed Operating Budget | \$131.1     |              |



## Significant Budget Increases

| Primary Drivers                                     | Expenses<br>(millions) |
|-----------------------------------------------------|------------------------|
| Cost of Water                                       | \$5.7                  |
| Electricity                                         | \$4.3                  |
| Labor costs (including overtime and contract labor) | \$2.2                  |
| Benefits                                            | \$0.6                  |
| Chemicals                                           | (\$0.7)                |
| Repairs and maintenances                            | \$0.6                  |
| Professional fees                                   | \$0.4                  |
| Data processing                                     | \$0.3                  |
| Insurance                                           | \$0.3                  |
| Conservation                                        | (\$0.2)                |
| All others less than \$0.2 million                  | \$0.6                  |
| <i>Total proposed increases in FY 2014-15:</i>      | <i>\$14.1</i>          |

Irvine Ranch Water District

7

## Budget Review FY 2014-15

### Water

| (millions)                  | FY<br>2015    | FY<br>2014    | Change       |                                          |
|-----------------------------|---------------|---------------|--------------|------------------------------------------|
| Water Purchases - Imported  | \$14.3        | \$9.5         | \$4.8        |                                          |
| Supplemental Water          | 3.6           | 0.1           | 3.5          | Additional supplemental water – 5,097 af |
| Groundwater                 | 15.2          | 13.8          | 1.4          | 10% rate Increase from OCWD              |
| MWDOC Meter Surcharge       | 0.8           | 0.7           | 0.1          | Rate & meter count increase              |
| Capacity Charge             | 0.3           | 0.3           | 0.0          |                                          |
| Readiness to Serve          | 1.4           | 1.4           | 0.0          |                                          |
| DATS Capital Cost Refunding | 0.0           | 0.6           | (0.6)        | Removed due to lost Basin Equity Assess. |
| Supplemental Purchase Reim  | (3.6)         | (0.1)         | (3.5)        |                                          |
| Grand Total                 | <u>\$32.0</u> | <u>\$26.3</u> | <u>\$5.7</u> |                                          |

Irvine Ranch Water District

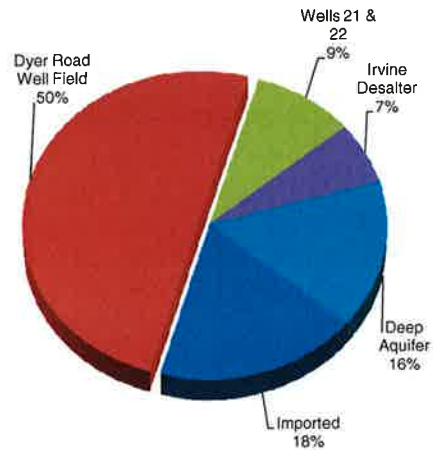


## Budget Review FY 2014-15

Cost per AF from available sources:

|                      |         |
|----------------------|---------|
| Imported             | \$1,118 |
| Dyer Road Well Field | \$437   |
| Wells 21 & 22        | \$803   |
| Irvine Desalter      | \$727   |
| Deep Aquifer         | \$483   |

### Treated Source Water



Irvine Ranch Water District

9

## Budget Review FY 2014-15

### Electricity

| (millions)                | Budget |                                      |
|---------------------------|--------|--------------------------------------|
| FY 2013-14                | \$11.7 | Included an assumed increase of 5%.  |
| Unbudgeted rate increase  | 1.9    | Actual increase was 16% (16%-5%=11%) |
| Usage                     | (0.7)  | Delay of MWRP Expansion              |
| Forecast 2013-14          | \$12.9 |                                      |
| Projected rate increase   | 1.5    | 12%                                  |
| Usage                     | 1.2    | Full year MWRP expansion             |
| Increase for Strand Ranch | 0.4    | Based on projected pumping           |
| FY 2014-15                | \$16.0 |                                      |

Irvine Ranch Water District



## Budget Review FY 2014-15

### Salaries & Benefits

| <i>(millions)</i>     | <u>Budget</u> |                                                        |
|-----------------------|---------------|--------------------------------------------------------|
| FY 2013-14            | <u>\$44.7</u> |                                                        |
| Additions             | 0.9           | The addition of 13 positions with 5 effective mid-year |
| COLA                  | 0.6           | Assumes 2% effective December 1, 2014                  |
| Merit & Promotions    | 0.3           |                                                        |
| Overtime labor        | 0.3           |                                                        |
| Contract labor        | 0.1           |                                                        |
| Benefits              | 0.2           | Workers compensation premium and insurance             |
| Employment Tax & PERS | 0.4           | Primarily PERS contribution based on labor dollars     |
| FY 2014-15            | <u>\$47.5</u> |                                                        |

Irvine Ranch Water District

## Budget Review FY 2014-15

### Repairs and Maintenance

| <i>(millions)</i>   | <u>Budget</u> |                                                                                                                                                           |
|---------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| FY 2013-14          | <u>\$17.8</u> |                                                                                                                                                           |
| NTS Operations      | 0.2           | 5 new NTS sites coming online in FY14/15, in addition to one new site that came online in FY13/14. This represents a 50% increase in the number of sites. |
| Electrical Services | 0.2           | Increased cost of generator, circuit breaker & control repair. Increased cost of motor starter service & repair.                                          |
| Other               | 0.2           |                                                                                                                                                           |
| FY 2014-15          | <u>\$18.4</u> |                                                                                                                                                           |

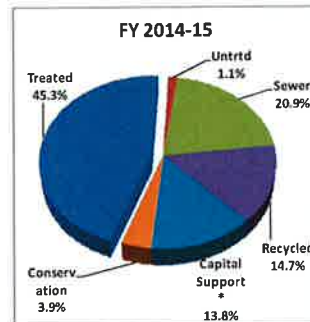
Irvine Ranch Water District



## Operating Expense Budget by System

(in thousands)

|                         | <u>FY 2013-14</u> | <u>FY 2014-15</u> | <u>Increase/<br/>(Decrease)</u> | <u>%</u>     |
|-------------------------|-------------------|-------------------|---------------------------------|--------------|
| Treated                 | \$ 54,885         | \$ 59,435         | \$ 4,550                        | 8.3%         |
| Untreated               | 1,285             | 1,880             | 595                             | 46.3%        |
| Sewer                   | 25,929            | 27,346            | 1,417                           | 5.5%         |
| Recycled                | 11,551            | 19,274            | 7,723                           | 66.9%        |
| <b>Systems Subtotal</b> | <b>\$ 93,650</b>  | <b>\$ 107,935</b> | <b>\$ 14,285</b>                | <b>15.3%</b> |
| Capital Support*        | \$17,950          | \$18,096          | \$ 146                          | 0.8%         |
| Conservation            | 5,460             | 5,115             | (345)                           | -6.3%        |
| <b>Total</b>            | <b>\$ 117,060</b> | <b>\$ 131,146</b> | <b>\$ 14,086</b>                | <b>12.0%</b> |



\* Capital Support consists of Labor and related Overhead Charges which are funded by Capital sources or non-operating sources; these charges are not recovered through monthly rates and charges.

Irvine Ranch Water District

## COST OF SERVICE STUDY



## Cost of Service Study

### IRWD Rate Setting

- Legal requirement to perform a cost of service study every 10 years.
- Comprehensive cost of service study performed by Brown & Caldwell in 1977 (Financial Requirements Study)
- Commodity charge based on unit cost of water and operational costs
- Fixed charge based on connected capacity covers maintenance, repair, and administrative costs
- Some fixed charges gradually evolved from original philosophy

Irvine Ranch Water District

## Cost of Service Study

### Fixed Cost Nexus

- Internal resources reviewed commodity costs related to cost of service and determined proportionality. Certain allocation of fixed costs were not proportional
- Connected capacity nexus for meter charge gradually diminished for larger residential meters
- Large commercial meters absorbed greater proportion of cost over time
- Small residential meters continue to pay low rate
- Need for readjustment to reestablish original nexus to connected capacity
- Initiate detailed Cost of Service Study to be completed by spring 2015.

Irvine Ranch Water District



## Cost of Service Study

### Fixed Rate Adjustment

Significant increases needed for residential ¾, 1", 1.5",  
and 2" meters needed to reestablish fixed cost nexus

Decreases for largest meters

Phase in increases over two years - Half of increase  
each year

Rate stabilization fund to ease implementation

Cost impact for changes - \$1.5 Million

Irvine Ranch Water District



## Cost of Service Study

Irvine Ranch Water District

### Fixed Rate Increase with Phase in

| Meter Size       | Meters | Capacity (gpm) | Current Rate | Prpsd Rate | Change | % Change |
|------------------|--------|----------------|--------------|------------|--------|----------|
| 5/8              |        | 20             | 9.85         | 10.60      | 0.75   | 8%       |
| 5/8x3/4          | 69,324 | 20             | 9.85         | 10.60      | 0.75   | 8%       |
| 3/4              | 11,512 | 30             | 9.85         | 15.55      | 5.70   | 58%      |
| 1" Residential   | 9,232  | 50             | 9.85         | 18.00      | 8.15   | 83%      |
| 1" Commercial    | 1,309  | 50             | 19.45        | 26.15      | 6.70   | 34%      |
| 1.5" Residential | 1,481  | 100            | 23.2         | 38.10      | 14.90  | 64%      |
| 1.5" Commercial  | 1,805  | 100            | 53.85        | 53.00      | -0.85  | -2%      |
| 2" Residential   | 1,715  | 160            | 31.75        | 58.28      | 26.53  | 84%      |
| 2" Commercial    | 3,210  | 160            | 88.65        | 84.80      | -3.85  | -4%      |

18





## Cost of Service Study

Irvine Ranch Water District

### Fixed Rate Increase with Phase in

| Meter Size  | Meters | Capacity (gpm) | Current Rate | Prpsd Rate | Change  | % Change |
|-------------|--------|----------------|--------------|------------|---------|----------|
| 4" compound | 4      | 450            | 342.2        | 318.00     | -24.20  | -7%      |
| 6" compound | 10     | 750            | 549.4        | 530.00     | -19.40  | -4%      |
| 8" compound | 4      | 1450           | 1226.65      | 1024.67    | -201.98 | -16%     |
| 2" turbo    | 1364   | 160            | 118.85       | 113.07     | -5.78   | -5%      |
| 3" turbo    | 532    | 360            | 272.95       | 254.40     | -18.55  | -7%      |
| 4" turbo    | 218    | 1000           | 811.15       | 706.67     | -104.48 | -13%     |
| 6" turbo    | 44     | 2000           | 1435.7       | 1413.33    | -22.37  | -2%      |
| 6" mag      | 1      | 2000           | 1435.7       | 1413.33    | -22.37  | -2%      |
| 8" mag      | 1      | 3500           | 2099.7       | 2473.33    | 373.63  | 18%      |
| 6" prop     | 3      | 1450           | 1226.65      | 1024.67    | -201.98 | -16%     |
| 8" prop     | 1      | 1600           | 1361.3       | 1130.67    | -230.63 | -17%     |
| 16" prop    | 3      | 5500           | 3301.85      | 3886.67    | 584.82  | 18%      |

19

## SOURCES AND USES



**FISCAL YEAR ENDING JUNE 30, 2015**  
**CONSOLIDATED SOURCES & USES OF FUNDS**  
(in thousands)

|                                        | <b>Water</b> | <b>Sewer/<br/>Recycled</b> | <b>Total</b> |
|----------------------------------------|--------------|----------------------------|--------------|
| <b>Revenues:</b>                       |              |                            |              |
| Operating                              | \$60,245     | \$41,108                   | \$101,353    |
| Enhancement & Replacement Contribution | 3,830        | 15,705                     | 19,535       |
| Proposed Rate Increase                 | 4,195        | 5,873                      | 10,068       |
| Rate Stabilization                     | 240          | 2,269                      | 2,509        |
| Total Revenues                         | \$68,510     | \$64,955                   | \$133,465    |
| <b>Expenses:</b>                       |              |                            |              |
| Water                                  | \$37,085     | \$17,830                   | \$54,915     |
| Labor                                  | 5,675        | 4,135                      | 9,810        |
| Materials and Supplies                 | 8,225        | 7,330                      | 15,555       |
| OCSD – O & M                           |              | 9,800                      | 9,800        |
| General and Admin Expense              | 10,330       | 7,525                      | 17,855       |
| General Plant                          | 460          | 420                        | 880          |
| Marsh/NTS/Conservation                 | 2,905        | 2,210                      | 5,115        |
| Total Expenses                         | \$64,680     | \$49,250                   | \$113,930    |
| Net Operating Position                 | \$3,830      | \$15,705                   | \$19,535     |
| Enhancement & Replacement Contribution | 3,830        | 15,705                     | 19,535       |
| Budgeted Year-End Position             | \$0          | \$0                        | \$0          |

Irvine Ranch Water District

21

## Mitigation Measures

Strategic options used to control rate increase:

1. A change in the reasonable use allocation – 55 to 50 gallons per day per person
2. Reduce the water usage for the three highest tiers by 20%
3. Assume over allocation tiers will pay for related imported water
4. Utilize the Replacement Fund for rate stabilization
5. User rate increase

Irvine Ranch Water District

22



# PROPOSED RATES



## Proposed Rates

Summary of current and proposed water rates for the IRWD rate areas:

| Revenue Source         | Rate Area    | FY 2013-14    | FY 2014-15     |
|------------------------|--------------|---------------|----------------|
| Base commodity rate    | Irvine Ranch | \$ 1.27/ccf   | \$ 1.36/ccf    |
| Base commodity rate    | Los Alisos   | \$ 2.24/ccf   | \$ 2.31/ccf    |
| Standard Tier I        | OPA          | \$ 1.79/ccf   | \$ 1.88/ccf    |
| 5/8" X 3/4" meter rate | Irvine Ranch | \$ 9.85/meter | \$ 10.60/meter |
| 5/8" X 3/4" meter rate | Los Alisos   | \$ 9.85/meter | \$ 10.60/meter |
| Meter rate             | OPA          | \$18.35/meter | \$19.10/meter  |



## Proposed Rates

Conservation allocation change:

| Tiers       | FY 2013-14          |                      |  | FY 2014-15          |                      |
|-------------|---------------------|----------------------|--|---------------------|----------------------|
|             | Indoor Usage in ccf | Landscape Usage by % |  | Indoor Usage in ccf | Landscape Usage by % |
| Low Volume  | 0.0-3.7             | 0-40                 |  | 0.0-3.2             | 0-40                 |
| Base Rate   | 3.8-9.0             | 41-100               |  | <b>3.3-8.0</b>      | 41-100               |
| Inefficient | 9.1-14.0            | 101-150              |  | 8.1-13.0            | 101-130              |
| Excessive   | 14.1-19.0           | 151-200              |  | 13.1-18.0           | 131-160              |
| Wasteful    | 19 +                | 201+                 |  | 18 +                | 161+                 |

Irvine Ranch Water District

25

## Proposed Rates

Summary of current and proposed tiered rates per ccf for the Irvine Ranch rate area:

| Tiers       | FY 2013-14 | FY 2014-15 | Change   | Description                                                                 |
|-------------|------------|------------|----------|-----------------------------------------------------------------------------|
| Low Volume  | \$0.91     | \$0.88     | (\$0.03) | 70% of the pumped water melded cost (DRWF, DATS)                            |
| Base Rate   | \$1.27     | \$1.36     | \$0.09   | All sources melded cost of budgeted water (\$1.36)                          |
| Inefficient | \$2.86     | \$3.91     | \$1.05   | Increased MWD rate (\$2.07) + 20% of various conservation programs (\$1.84) |
| Excessive   | \$4.80     | \$6.22     | \$1.42   | Loaded MWD rate (\$2.07) + 30% of various conservation programs (\$4.15)    |
| Wasteful    | \$9.84     | \$12.60    | \$2.76   | Loaded MWD rate (\$2.07) + 50% of conservation programs (\$10.53)           |

Irvine Ranch Water District

26





### Comparison of the Irvine Ranch Rate Area Proposed Rates – FY 13-14 to FY 14-15

#### Typical Residential Customer

|                                               | Current Rate<br>FY 13-14 | Proposed Rate<br>FY 14-15 | Rate Change    | % Change    |
|-----------------------------------------------|--------------------------|---------------------------|----------------|-------------|
| <b>Water</b>                                  |                          |                           |                |             |
| Service Charge *                              | \$ 9.85                  | \$ 10.60                  | \$ 0.75        |             |
| Commodity Charge **                           | <u>19.98</u>             | <u>20.64</u>              | <u>0.66</u>    |             |
| <b>Total Water Charge</b>                     | <b>\$ 29.83</b>          | <b>\$ 31.24</b>           | <b>\$ 1.41</b> |             |
| <b>Sewer</b>                                  |                          |                           |                |             |
| Service Charge *                              | \$ 18.40                 | \$ 20.55                  | \$ 2.15        |             |
| <b>Total Typical Residential Monthly Bill</b> | <b>\$ 48.23</b>          | <b>\$ 51.79</b>           | <b>\$3.56</b>  | <b>7.4%</b> |

\* Treated water service charge assumes a 5/8" x 3/4" meter and includes enhancement and replacement components of \$0.70 and \$0.80, respectively. Sewer service charge includes enhancement and replacement components of \$0.70 and \$6.70, respectively. This includes an additional \$0.65 for Biosolids Project phase in.

\*\* Commodity charges for a typical residential customer are based on 18 ccf (average used in MWDOC rate survey).

27



### Comparison of the Irvine Ranch Rate Area Proposed Rates – FY 13-14 to FY 14-15

#### Typical Residential Customer Assuming Higher Commodity Rate

|                                               | Current Rate<br>FY 13-14 | Proposed Rate<br>FY 14-15 | Rate Change    | % Change    |
|-----------------------------------------------|--------------------------|---------------------------|----------------|-------------|
| <b>Water</b>                                  |                          |                           |                |             |
| Service Charge *                              | \$ 9.85                  | \$ 10.60                  | \$ 0.75        |             |
| Commodity Charge **                           | <u>19.98</u>             | <u>20.84</u>              | <u>0.86</u>    |             |
| <b>Total Water Charge</b>                     | <b>\$ 29.83</b>          | <b>\$ 31.34</b>           | <b>\$ 1.61</b> |             |
| <b>Sewer</b>                                  |                          |                           |                |             |
| Service Charge *                              | \$ 18.40                 | \$ 20.45                  | \$ 2.05        |             |
| <b>Total Typical Residential Monthly Bill</b> | <b>\$ 48.23</b>          | <b>\$ 51.89</b>           | <b>\$3.66</b>  | <b>7.6%</b> |

\* Treated water service charge assumes a 5/8" x 3/4" meter and includes enhancement and replacement components of \$0.70 and \$0.80, respectively. Sewer service charge includes enhancement and replacement components of \$0.70 and \$6.70, respectively. This includes an additional \$0.65 for Biosolids Project phase in.

\*\* Commodity charges for a typical residential customer are based on 18 ccf (average used in MWDOC rate survey).

28



## Proposed Rates

Summary of current and proposed tiered rates per ccf for the Orange Park Acres rate area:

| Tiers           | FY 2013-14 | FY 2014-15 | Change | Description         |
|-----------------|------------|------------|--------|---------------------|
| Standard Tier I | \$1.79     | \$1.88     | \$0.09 | Standard usage      |
| Excess Tier II  | \$2.13     | \$2.22     | \$0.09 | Excess usage tier 1 |
| Excess Tier III | \$2.68     | \$2.77     | \$0.09 | Excess usage tier 2 |



### Comparison of the Orange Park Acres Rate Area Proposed Rates – FY 13-14 to FY 14-15

#### Typical Residential Customer

|                                                   | Current Rate<br>FY 13-14 | Proposed Rate<br>FY 14-15 | Rate Change    | % Change    |
|---------------------------------------------------|--------------------------|---------------------------|----------------|-------------|
| <b>Water</b>                                      |                          |                           |                |             |
| Service Charge *                                  | \$ 18.35                 | \$ 19.10                  | \$ 0.75        |             |
| Commodity Charge **                               | <u>140.76</u>            | <u>146.34</u>             | <u>5.58</u>    |             |
| <b>Total Typical<br/>Residential Monthly Bill</b> | <b>\$ 159.11</b>         | <b>\$ 165.44</b>          | <b>\$ 6.33</b> | <b>4.4%</b> |

\* Treated water service charge includes enhancement and replacement components of \$0.70 and \$0.80, respectively.

\*\* Commodity charges for a typical residential customer in the OPA Rate Area are based on 62 ccf average usage.



## Proposed Rates

Summary of current and proposed tiered rates per ccf for the Los Alisos rate area:

| Tiers       | FY 2013-14 | FY 2014-15 | Change   | Description                                                              |
|-------------|------------|------------|----------|--------------------------------------------------------------------------|
| Low Volume  | \$1.54     | \$1.51     | (\$0.03) | 70% of the all-in cost for MWDOC                                         |
| Base Rate   | \$2.24     | \$2.31     | \$0.07   | Melded cost of budgeted sales (\$2.31)                                   |
| Inefficient | \$3.20     | \$3.91     | \$0.71   | Loaded MWD rate (\$2.07) + 20% of various conservation programs (\$1.84) |
| Excessive   | \$4.80     | \$6.22     | \$1.42   | Loaded MWD rate (\$2.07) + 30% of various conservation programs (\$4.15) |
| Wasteful    | \$9.84     | \$12.60    | \$2.76   | Loaded MWD rate (\$2.07) + 50% of conservation programs (\$10.53)        |

Irvine Ranch Water District

31



### Comparison of the Los Alisos Rate Area Proposed Rates – FY 13-14 to FY 14-15

#### Typical Residential Customer

|                                               | Current Rate<br>FY 13-14 | Proposed Rate<br>FY 14-15 | Rate Change    | % Change    |
|-----------------------------------------------|--------------------------|---------------------------|----------------|-------------|
| <b>Water</b>                                  |                          |                           |                |             |
| Service Charge *                              | \$ 9.85                  | \$ 10.60                  | \$ 0.75        |             |
| Commodity Charge **                           | 34.48                    | 35.18                     | 0.70           |             |
| <b>Total Water Charge</b>                     | <b>\$ 44.33</b>          | <b>\$ 45.78</b>           | <b>\$ 1.45</b> |             |
| <b>Sewer</b>                                  |                          |                           |                |             |
| Service Charge *                              | \$ 18.40                 | \$ 20.55                  | \$ 2.15        |             |
| <b>Total Typical Residential Monthly Bill</b> | <b>\$ 62.73</b>          | <b>\$ 66.33</b>           | <b>\$ 3.60</b> | <b>5.7%</b> |

\* Treated water service charge assumes a 5/8" x 3/4" meter and Treated water service charge includes enhancement and replacement components of \$0.70 and \$0.80, respectively. Sewer service charge includes enhancement and replacement components of \$0.70 and \$6.70, respectively. This includes an additional \$0.65 for Biosolids Project phase in.

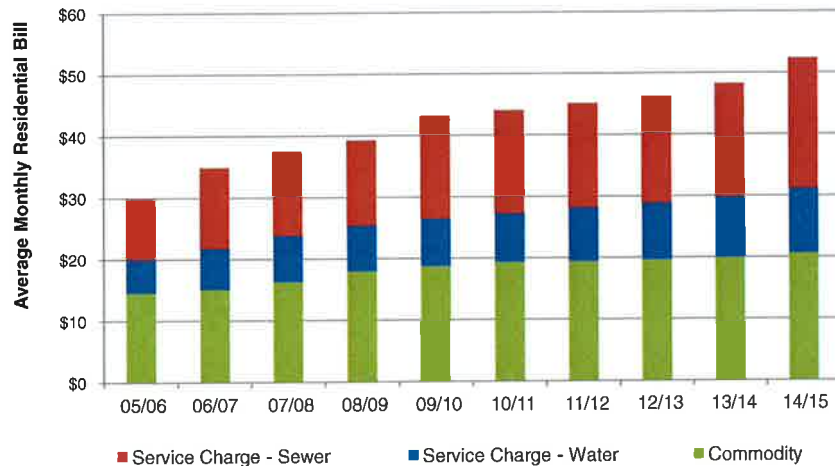
\*\* Commodity charges for a typical residential customer are based on 18 ccf (average used in MWDOC rate survey).

32



## Rate History

10 Year Rate History – Irvine Ranch

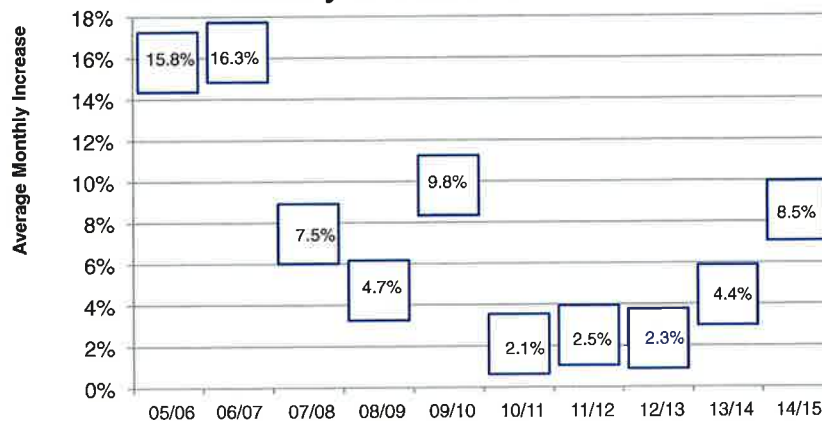


Irvine Ranch Water District

33

## Rate History

10 Year History of Irvine Ranch Increases



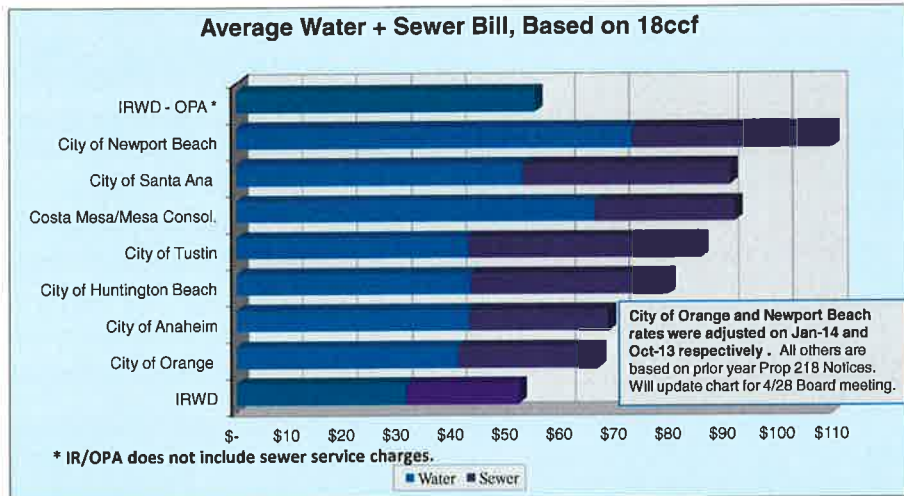
Irvine Ranch Water District

34



## Comparison of Irvine Ranch Area's Proposed Rates

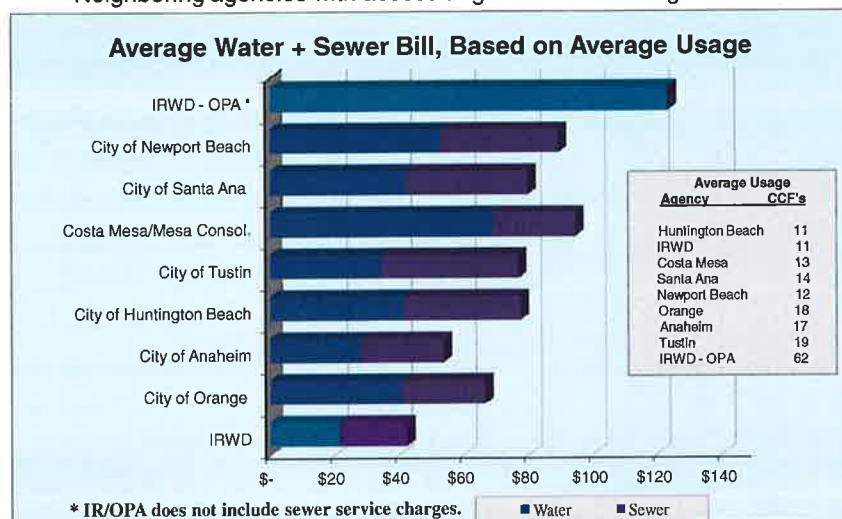
Neighboring agencies with access to groundwater through OCWD:



Irvine Ranch Water District

## Comparison of Los Alisos Area's Proposed Rates

Neighboring agencies with access to groundwater through OCWD:

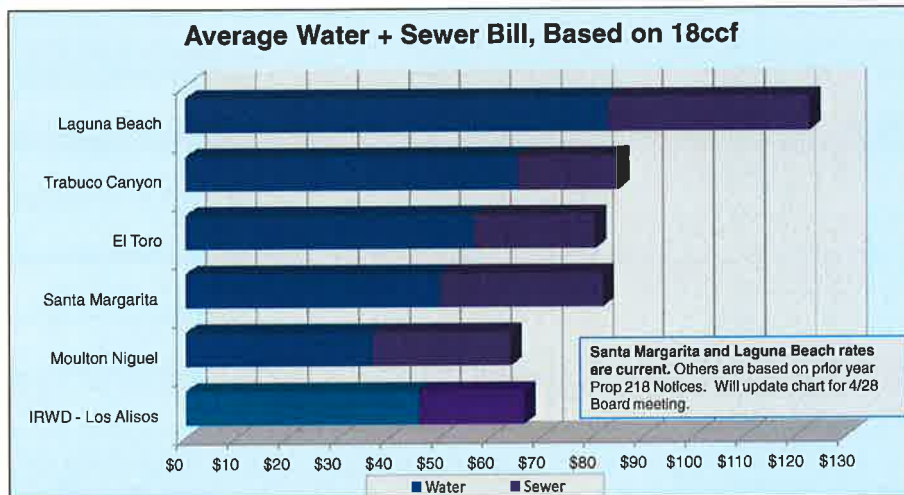


Irvine Ranch Water District



## Comparison of Los Alisos Area's Proposed Rates

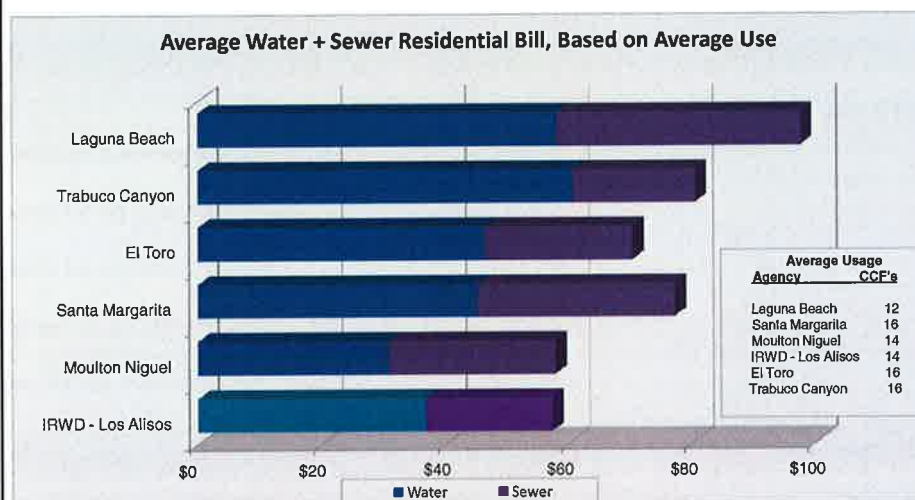
Neighboring agencies without access to groundwater through OCWD:



Irvine Ranch Water District

## Comparison of Irvine Ranch Area's Proposed Rates

Neighboring agencies without access to groundwater through OCWD:



Irvine Ranch Water District



## Outstanding External Rate Setting Factors

### Potential Impact of changes to District assumptions

- Current District rate setting assumptions include a \$304/AF replenishment assessment (RA).
- OCWD is expected to vote on the RA on 4/16/2014; if the RA is set at \$294/AF, then IRWD's expenses will be lower by \$470,000:

|                   |                    |      |
|-------------------|--------------------|------|
| Irvine Ranch Area | Reduces \$0.02/ccf | 7.1% |
| Los Alisos Area   | No change          |      |



## Non-Operating Sources & Uses

Irvine Ranch Water District

### NON-OPERATING SOURCES & USES OF FUNDS FISCAL YEAR ENDING JUNE 30, 2015

(in thousands)

| <b>Revenues:</b>              | <b>Total</b>    |
|-------------------------------|-----------------|
| Property Taxes                | \$38,763        |
| Investment Income             | 1,088           |
| Connection Fees               | 16,615          |
| Real Estate Income            | 12,086          |
| Other Income                  | 5,263           |
| <b>Total Sources</b>          | <b>\$73,815</b> |
| <b>Expenses:</b>              |                 |
| Interest Expense              | \$20,972        |
| Real Estate Expense           | 6,271           |
| Other Expenses                | 257             |
| <b>Total Uses</b>             | <b>\$27,500</b> |
| <b>Net Sources &amp; Uses</b> | <b>\$46,315</b> |



## Next Steps

| Date            | Action                                                                                                                          |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------|
| <b>April 14</b> | First Board workshop – Present operating budget and proposed user rates and charges                                             |
| April 28        | Second Board workshop – Approval of operating budget and approval of Prop 218 notices that include changes to rates and charges |
| May 2 (approx)  | Mail notification to residents meeting proposition 218 requirements                                                             |
| June 20         | Tabulate responses to the Prop. 218 notices                                                                                     |
| June 23         | Board Meeting – Public hearing to review proposition 218 responses & adoption of rates and charges for FY 2014-15               |



April 14, 2014

Prepared and

Submitted by: L. Bonkowski

Approved by: P. Cook

## CONSENT CALENDAR

### MINUTES OF BOARD MEETINGS

#### SUMMARY:

Provided are the minutes of the March 24, 2014 Regular Board Meeting for approval.

#### FISCAL IMPACTS:

None.

#### ENVIRONMENTAL COMPLIANCE:

Not applicable.

#### COMMITTEE STATUS:

Not applicable.

#### RECOMMENDATION:

THAT THE MINUTES OF THE MARCH 24, 2014 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

#### LIST OF EXHIBITS:

Exhibit "A" – Minutes of March 24, 2014 Regular Board Meeting

## EXHIBIT "A"

### MINUTES OF REGULAR MEETING – MARCH 24, 2014

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:00 p.m. by President LaMar on March 24, 2014 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Finance Clary, Executive Director of Engineering and Planning Burton, Executive Director of Operations Shields, Executive Director of Water Resources Weghorst, Director of Human Resources Roney, Director of Public Affairs Beeman, Assistant Director of Maintenance Drake, Assistant Director of Water Operations Roberts, Legal Counsel Arneson (via conference call), Secretary Bonkowski, Mr. Ian Swift, Mr. Jim Reed, Mr. Bruce Newell, Mr. Brian Probolsky, and other members of the public and staff.

WRITTEN COMMUNICATION: None.

#### ORAL COMMUNICATION

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

On October 31, 2013, the District received its fully executed copy of the Annexation Agreement with the Orange County Water District. This was confirmed by Mr. Cook.

With respect to the Groundwater Emergency Service Plan, IRWD has an agreement in place with various south Orange County water agencies, MWDOC and OCWD, to produce additional groundwater for use within IRWD and transfer imported water from IRWD to south Orange County in case of emergencies. On November 10 2008, the IRWD Board approved the operating agreement with certain south Orange County water agencies to fund the interconnection facilities needed to affect the emergency transfer of water. MWDOC and OCWD have also approved the operating agreement. This was confirmed by Mr. Cook.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED – None.

## CONSENT CALENDAR

On MOTION by Matheis, seconded and unanimously carried, CONSENT CALENDAR ITEMS 3 THROUGH 14 WERE APPROVED AS FOLLOWS:

3. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the March 10, 2014 Regular Board Meeting be approved as presented.

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

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

5. FEBRUARY 2014 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for February 2014, and Disclosure Report of Reimbursements to Board members and staff; approve the February 2014 Summary of Payroll ACH payments in the total amount of \$1,448,596 and approve the February 2014 accounts payable disbursement summary of warrants 345957 through 346629, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$22,342,695.

6. BOND AUTHORIZATION ELECTIONS – IMPROVEMENT DISTRICT NOS. 185/285

Recommendation: That the Board adopt the following resolutions by title declaring result of Canvass of Election Returns for Bond Election, Improvement District No. 185 and District No. 285.

### RESOLUTION NO. 2014-19

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE  
RANCH WATER DISTRICT DECLARING RESULT OF CANVASS OF  
ELECTION RETURNS FOR BOND ELECTION, IMPROVEMENT  
DISTRICT NO. 185

### RESOLUTION NO. 2014-20

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE  
RANCH WATER DISTRICT DECLARING RESULT OF CANVASS OF  
ELECTION RETURNS FOR BOND ELECTION, IMPROVEMENT  
DISTRICT NO. 285

CONSENT CALENDAR (Continued)

7. DYER ROAD WELLFIELD WELL NO. 2 REHABILITATION - FINAL ACCEPTANCE

Recommendation: That the Board accept construction of Dyer Road Wellfield Well No. 2 Rehabilitation; 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.

8. FISCAL YEAR 2013-14 ENGINEERING PLANNING RESERVES EXPENDITURE AUTHORIZATIONS

Recommendation: That the Board approve Expenditure Authorizations in the amounts of \$99,000, \$85,800, and \$88,000 for the Fiscal Year 2013-14 Engineering Planning Reserves, projects 11055 (1780), 21055 (1350), 31055 (1575), respectively.

9. WATER OPERATIONS TRANSDYN REPLACEMENT EXPENDITURE AUTHORIZATIONS

Recommendation: That the Board authorize the General Manager to approve Expenditure Authorizations in the amount of \$226,600 for project 10489 (1680) and \$125,400 for project 30489 (1090) for the Water Operations Transdyn System Replacement.

10. JOINT COMMUNITY FACILITIES AGREEMENT WITH THE CITY OF IRVINE AND HERITAGE FIELDS EL TORO

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

RESOLUTION NO. 2014-21

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE  
RANCH WATER DISTRICT APPROVING A JOINT  
COMMUNITY FACILITIES AGREEMENT  
RELATING TO CITY OF IRVINE  
COMMUNITY FACILITIES DISTRICT NO. 2013-3  
(GREAT PARK)

11. PLANNING AREA 1 (ORCHARD HILLS) NEIGHBORHOOD 2 CAPITAL IMPROVEMENTS

Recommendation: That the Board authorize the addition of project 30428 (4717) to the FY 2013-14 Capital Budget in the amount of \$238,700; and approve an Expenditure Authorization in the amount of \$238,700 for the Planning Area 1 (Orchard Hills) Neighborhood 2 Recycled Water Capital Improvements, project 30428 (4717).

## CONSENT CALENDAR (CONTINUED)

### 12. REIMBURSEMENT AGREEMENT BETWEEN IRWD AND THE CITY OF IRVINE FOR INSTALLATION AND ADJUSTMENT OF IRWD FACILITIES TO GRADE

Recommendation: That the Board authorize the addition of projects 11761 (5150), 21761 (5151), and 31761 (5152) to the FY 2013-14 Capital Budget in the amounts of \$464,200, \$277,200, and \$39,600; approve Expenditure Authorizations for projects 11761 (5150) and 21761 (5151) in the amounts of \$464,200 and \$277,200; and authorize the General Manager to execute a Reimbursement Agreement with the City of Irvine for its annual Slurry Seal and Pavement Rehabilitation project, Bid No. 14-1003.

### 13. SAN JOAQUIN MARSH CAMPUS PAVING PROJECT

Recommendation: That the Board authorize the addition of project 11788 (5226) to the FY 2013-14 Capital Budget in the amount of \$231,000 and approve an Expenditure Authorization in the amount of \$80,300 for the San Joaquin Marsh Campus Paving, project 11788 (5226).

### 14. PROPOSED CHANGES TO SALARY GRADE SCHEDULE FOR THE GENERAL EMPLOYEES' UNIT

Recommendation: That the Board approve of a 0.63% increase to the salary grade ranges for the General Employees' unit, effective retroactively to December 1, 2013, and adopt the following resolution by title:

#### RESOLUTION NO. 2014-22

#### RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT RESCINDING RESOLUTION NO. 2013-51 AND ESTABLISHING A REVISED SCHEDULE OF POSITIONS AND SALARY RATE CHANGES

### MICHELSON WATER RECYCLING PLANT PHASE 2 EXPANSION AND FLOOD PROTECTION IMPROVEMENTS - REDUCTION OF RETENTION AND SPARE PARTS

General Manager Cook reported that construction of MWRP Phase 2 Expansion and Flood Protection Improvements is 98.5% completed. Mr. Cook said that as part of Contract Change Order No. 103, which extended the Phase 2 completion date to June 13, 2014, staff and Filanc agreed that the reduction from 5% to 2.5% is recommended upon the successful completion of the seven-day 10 MGD test of the membrane bioreactor (MBR) facility and substantial completion of items on the project correction list.

Mr. Cook said that the MBR equipment installed at MWRP is manufactured by GE-Zenon and the original contract had a limited quantity of spare parts provided. The MBR system has a

significant number of mechanical parts, and to improve process reliability, key pieces of equipment and the required spare parts were identified. Prices were obtained from Zenon Environmental Corporation, GE Water and Process Technologies. The total cost for the spare parts including equipment, taxes, and shipping is \$199,496.47 which includes pumps (MBR permeate Pump & 2 chemical feed pumps); valves (27 valves: check, butterfly, solenoid, angle, plug); instruments (temperature, level, pressure, flow); controls (processor, power supply module, ethernet switch); and miscellaneous blower components and ejector.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on March 18, 2014. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE REDUCTION OF RETENTION FROM 5% TO 2.5% OF THE CONTRACT AMOUNT AND UPON THE SUCCESSFUL COMPLETION OF THE SEVEN-DAY 10 MGD TEST OF THE MEMBRANE BIOREACTOR FACILITY, RELEASED FUNDS IN EXCESS OF 2.5% OF THE CONTRACT AMOUNT FROM RETENTION CURRENTLY HELD FOR MWRP PHASE 2 EXPANSION PROJECT 20214 (1599); AND APPROVED PROCUREMENT OF THE SPARE PARTS FOR THE MEMBRANE BIOREACTOR FACILITY IN THE AMOUNT OF \$199,496.47 WITH ZENON ENVIRONMENTAL CORPORATION, GE POWER AND WATER – WATER & PROCESS TECHNOLOGIES.

#### CHLORAMINE BOOSTER STATIONS AT THREE DOMESTIC WATER RESERVOIRS – CONSULTANT SELECTION

General Manager Cook reported that chloramines are injected at several reservoirs throughout the District to minimize nitrification events. Mr. Cook said that this project will construct chloramine booster stations at the Turtle Rock Zone 3, Foothill Zone 6, and Portola Zone 8 reservoirs. The new systems will replace the existing chloramine booster stations at the pump stations. A new chloramine booster station will also be added at the Portola Zone 8 Reservoir to increase chlorine residuals in the Portola Hills domestic system, which is at the end of the domestic water system and experiences nitrification events.

Executive Director of Engineering Burton reported that staff issued a Request for Proposal for the design of the chloramines booster stations to Arcadis, Tetra Tech, Psomas, and URS Corporation (URS). Mr. Burton said that staff evaluated and ranked the proposals, and determined that URS proposed the most qualified team based on its extensive experience in the design of disinfection facilities. URS's proposal also included detailed preliminary site plans for each location and identified the relevant design parameters for the various elements of the project including the chemical storage building and reservoir mixer.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on March 18, 2014. In response to Director Swan's inquiry relative to the design costs for the building, following discussion, staff was asked to work with the consultant to determine if any cost saving measures could be implemented. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$311,900 AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH URS

CORPORATION IN THE AMOUNT OF \$219,500 FOR THE CHLORAMINE BOOSTER STATIONS AT THREE DOMESTIC WATER RESERVOIRS, PROJECT 11687 (4409).

SERIES 1993 BOND LETTER OF CREDIT EXTENSION

General Manager Cook reported that the District currently has \$37.5 million of Series 1993 Bonds (1993 Bonds) with a Bank of New York Mellon (BNYM) letter of credit (LOC) scheduled to expire on June 2, 2014. Mr. Cook said that staff requested Bank of New York to provide pricing options to extend the letter of credit for three and five years; however, BNYM provided a proposal to extend the LOC for only one year at the current pricing of 0.35%. He said that additionally, in connection with the recent Improvement District (ID) consolidation that occurred in November 2013, it is necessary to amend the Indenture for the 1993 Bonds to substitute the reference to IDs 105, 140 and 250 with the new consolidated IDs 125 and 225.

Director Swan reported that this item was reviewed by the Finance and Personnel Committee on March 4, 2014. He asked that staff was directed to try for a one or three year extension. There being no further comments, on MOTION by Swan, seconded and unanimously carried, THE BOARD ADOPTED THE FOLLOWING AMENDED RESOLUTION BY TITLE:

RESOLUTION NO. 2014 -23

RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE IRVINE RANCH WATER DISTRICT  
AUTHORIZING CERTAIN ACTIONS IN CONNECTION  
WITH EXTENSION OF LETTER OF CREDIT

WHEELING AGREEMENT WITH METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Executive Director of Water Policy Weghorst reported that in April 2011, IRWD, MWDOC and Metropolitan executed the Coordinated Operating, Water Storage, Exchange and Delivery Agreement (Coordinated Agreement) that allows IRWD (with Metropolitan's consent) to secure non-State Water Project (SWP) water through unbalanced exchanges. At Metropolitan's discretion, the SWP can be stored either in the Strand Ranch or in Metropolitan's Southern California reservoirs and can be recovered by IRWD from either location and delivered to IRWD through exchanges with Metropolitan. The Coordinated Agreement does not, however, facilitate the delivery of non-SWP water from the Strand Ranch to IRWD's service area. Such deliveries must occur through the "Wheeling Service" provisions of Metropolitan's Administrative code.

Mr. Weghorst said that in November 2012, staff and legal counsel began drafting a Wheeling Agreement that would facilitate IRWD's delivery of 1,000 AF of non-SWP stored water from the Strand Ranch to IRWD's service area and also incorporated language in the Agreement which provides for the option of delivering the water through an operational exchange. Metropolitan has return obligations to a Kern County-based water district in 2014, which creates an opportunity to exchange IRWD's stored non-SWP supply for water Metropolitan would be delivering into Kern County. The operational exchange would result in IRWD receiving 1,000 AF of water in the California Aqueduct from Metropolitan in exchange for IRWD recovering 1,000 AF of non-SWP

water from the Strand Ranch and delivering for use in Kern County. The Agreement also includes a provision for this wheeling transaction to serve as a pilot project without disqualifying the Strand Ranch from consideration as Extraordinary Supply under a future Metropolitan Water Supply Allocation Plan.

Mr. Weghorst said that the rates for “Wheeling Service” include Metropolitan’s System Access Rate, Water Stewardship Rate and the Treatment Surcharge, if applicable for treated water. In addition, the wheeling party must pay Metropolitan for the actual cost (not system average) of SWP power service utilized for delivery of the wheeled water. Metropolitan shall also assess an administration fee of not less than \$5,000 per transaction. Consistent with MWDOC’s Rate Resolution, MWDOC shall assess a one-time administrative charge based on actual staff and legal time spent on the Agreement (not to exceed \$20,000), and MWDOC shall assess an annual charge for actual staff time spent on accounting and administering at the time the water is wheeled (not to exceed \$5,000). Excluding the administrative costs, IRWD’s estimated cost of “Wheeling” non-SWP water from the Strand Ranch using current groundwater recovery costs is \$639 per AF (untreated) compared with Metropolitan’s Full Service Untreated Tier 1 rate of \$593 per AF.

Director Swan reported that this item was reviewed by the Water Banking Committee on January 23, 2014. He said he believes the fees imposed by MWDOC unnecessary, especially since the District is a member agency and considers this a part of core business. Additionally, he said he is uncomfortable with the MWDOC requirement that the District cannot resell this water to another agency in need of water supplies. Following discussion with the Board members, General Manager and legal counsel, Director Reinhart made a motion to approve staff’s recommendation. Director Swan said he would like to amend the motion to include language that when the District enters into similar water wheeling transactions in the future, that provisions in the Wheeling Agreement, including legal and other administrative fees imposed by MWDOC and MWDOC’s consent to the sale or assignment of wheeled water, not be considered as setting a precedent in the future water agreements. The amended motion was unanimously carried, and **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE THE WHEELING AGREEMENT WITH METROPOLITAN WATER DISTRICT AND MUNICIPAL WATER DISTRICT OF ORANGE COUNTY SUBJECT TO NON-SUBSTANTIVE CHANGES APPROVED BY THE GENERAL MANAGER AND LEGAL COUNSEL, AND UPON ENTERING INTO FUTURE WHEELING AGREEMENTS WITH SIMILAR TRANSACTIONS WITH METROPOLITAN AND THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC), THAT THE PROVISIONS IN THE WHEELING AGREEMENT, INCLUDING LEGAL AND OTHER ADMINISTRATIVE FEES IMPOSED BY MWDOC AND MWDOC’S CONSENT TO THE SALE OR ASSIGNMENT OF WATER NOT BE CONSIDERED AS SETTING A PRECEDENT FOR FUTURE WHEELING AGREEMENTS.**

## GENERAL MANAGER'S REPORT

General Manager Cook reported that he, along with Mr. Burton and Director Reinhart attended a meeting at Santa Margarita Water District last week regarding Regional Recycling projects. He said he also attended an ACC-OC Legislative Committee meeting relative to the Water Bond; meetings with Managers and staff relative to the MWDOC budget; and MWDOC Administration and Finance meeting. He said that the next MWDOC budget discussion will be held tomorrow with the South County General Managers and Board members. He noted the upcoming MWDOC Elected Officials forum to be held on April 3, 2014.

## DIRECTORS' COMMENTS

Director Withers reported that later this week members of the Brookfield Infrastructure group from Australia will be meeting with staff.

Director Reinhart reported on his participation on a panel discussion at the WateReuse Conference relative to reclaimed water and its future; a MWDOC meeting, a regional recycling projects meeting, and that he would be attending a South County discussion tomorrow. He further suggested that tonight's meeting be adjourned in memory of Colonel Jack Foley.

Director Swan reported on his attendance at a WACO planning meeting, a CASA conference, and a meeting at the District's Learning Center with Mr. A.G. Kawamura and his associates. He said he is planning to attend the Southern California Dialogue group, an ACWA Board meeting this Thursday, and a climate change meeting at UCI.

Director LaMar reported on a KUCI radio interview on Public Affairs, an NROC Quarterly Board meeting, and a Water Quality Task Force meeting in Sacramento last week. He said that he will be meeting with Mr. Scott Maloni of Poseidon Resources this week.

## CLOSED SESSION

President LaMar said that a Closed Session Conference would be held relative to anticipated litigation – Government Code Section 54956.9(d)(2) – significant exposure to litigation (one potential case).

## OPEN SESSION

The meeting was adjourned with all Directors present. President LaMar said that there was no action to report from the Closed Session.

## ADJOURNMENT

President LaMar adjourned the meeting in memory of Colonel Jack Foley.

APPROVED and SIGNED this 14<sup>th</sup> day of April, 2014.

---

President, IRVINE RANCH WATER DISTRICT

---

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

---

Legal Counsel - Bowie, Arneson, Wiles & Giannone

April 14, 2014

Prepared and

Submitted by: N. Savedra/Bonkowski

Approved by: P. Cook 



## CONSENT CALENDAR

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

#### SUMMARY:

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

#### Events/Meetings

##### Steven LaMar

4/07/14 Monthly meeting w/General Manager Paul Cook re: District activities  
4/10/14 Association of California Cities-OC Board of Directors/ Installation

##### Douglas Reinhart

3/21/14 Santa Margarita Water District Workshop on Recycled Water  
5/16/14 Annual Orange County Water Bond Summit, Anaheim

##### Peer Swan

3/11/14 ACWA Water Management Committee Meeting, Sacramento, CA  
3/18/14 WACO Planning Committee Meeting

##### John Withers

3/6/14 Irvine Police Associations' Annual Awards Event  
4/10/14 Association of California Cities-OC Board of Directors/ Installation  
5/16/14 Annual Orange County Water Bond Summit, Anaheim

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

#### LIST OF EXHIBITS:

None

April 14, 2014

Prepared and

Submitted by: Cheryl Clary

Approved by: Paul Cook



## CONSENT CALENDAR

### PENSION PLAN FUNDING STATUS UPDATE

#### SUMMARY:

Staff and representatives from the District's retirement consultant, AON Hewitt, recently updated projections on the funding status of its pension plan liability to plan participants. Consultants from the AON team had updated the previous funding analysis in February 2013 to show the effect of the 6.0% employee contribution rate on the overall long-term funding status of the plan. The analysis also reflected the updated funding status incorporating actual plan returns of 7.1% from July 1, 2011 through December 2012, and 7.25% from January 2013 and all subsequent years. The result was that the District's long-term strategic goal of being fully funded within approximately the next 20 years increased by two years.

At the March 19, 2014 Special Finance and Personnel Committee meeting, the District's actuarial consultant, AON, updated the previous projections on the funding status of the plan through December 31, 2013, including the initial funding of \$35 million to the newly-formed Post-Employment Retirement Trust (Retirement Trust). The result is that the District's estimated unfunded liability is approximately \$33 million, or 86% funded as of December 31, 2103. The District's long-term goal of being fully funded, assuming a continuation of the Board adopted contribution rate of 25% of payroll, is now projected to be met in approximately seven years.

Staff recommends that the Board approve a transfer of \$2,236,900 of District funds to the Retirement Trust no later than June 30, 2014, in order to continue funding the District's unfunded pension liability based on the Board-adopted contribution rate of 25%.

#### BACKGROUND:

In January 2014, the District received the Annual Valuation Report from CalPERS through the period ended June 30, 2012. The report reflects an unfunded liability of the District of \$53,142,807 based on market value of assets. This compares to an unfunded liability of \$41,639,127 as of June 30, 2011.

Key assumptions in the CalPERS report are as follows:

- Return on assets of 7.5%;
- Discount rate of 7.5%;
- Inflation factor of 2.75%;
- Payroll growth of 3%; and
- Amortization of gains or losses over a fixed 30-year period with increases or decreases in the rate spread directly over a five-year period effective with the June 30, 2013 valuation.

Due to several significant changes since the June 30, 2012 valuation date, the District retained AON to update the funding analysis as of December 31, 2013. Key changes since the CalPERS valuation date include the formation by the District of a separate Retirement Trust to “pre-fund” a portion of the unfunded liability. The trust is irrevocable and solely for District retirement obligations allowing for investment in alternatives such as equities, bonds and other investment types. It also provides the District with an alternative that allows for investment by a separate professional fund manager(s), selected and monitored by the Board of the Trust (the members of the Finance and Personnel Committee and the District’s General Manager) with the trust’s funds transferred to CalPERS at opportune times. In June 2013, the District contributed \$35 million into the Retirement Trust. Future unfunded liabilities will be reduced by contributions to both CalPERS as well as contributions to the Retirement Trust.

The District budgeted \$2,236,900 in the FY 2013-14 budget which represents the excess of the 25% pension plan contribution rate (adopted by the Board in 2012) over the annual required contribution to CalPERS (16.8% for FY 2013-14). In order to meet the 25% contribution rate for FY 2013-14 and continue to reduce the District’s unfunded pension liability, staff recommends that the Board approve the transfer of \$2,236,900 of District funds to the Retirement Trust no later than June 30, 2014. Once the District’s pension liability is fully funded, the District will pay back the Replacement Fund for funds borrowed by the Retirement Trust.

FISCAL IMPACTS:

The District FY 2013-14 Operating Budget included an additional contribution of \$2,236,900 in excess of the annual required contribution to CalPERS.

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 Special Finance and Personnel Committee on March 19, 2014.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE STAFF TO TRANSFER DISTRICT FUNDS IN THE AMOUNT OF \$2,236,900 TO THE POST-EMPLOYMENT RETIREMENT TRUST (RETIREMENT TRUST) NO LATER THAN JUNE 30, 2014 AND THAT THESE FUNDS BE ALLOCATED CONSISTENT WITH THE INVESTMENT POLICY OF THE RETIREMENT TRUST BOARD.

LIST OF EXHIBITS:

None.

April 14, 2014

Prepared by: Mike Bray

Submitted by: Rob Jacobson/Cheryl Clary

Approved by: Paul Cook 

## CONSENT CALENDAR

### IRWD PROPERTY INSURANCE FISCAL YEAR 2014-15

#### SUMMARY:

Staff has determined that participation in the California State Association of Counties Excess Insurance Authority (CSAC-EIA) property insurance program will provide the District with increased coverage, lower self-insured retention (SIR) levels and lower premiums than the renewal of coverage with Affiliated FM or other private insurers. Staff recommends that the Board authorize changing the District's property insurance coverage from Affiliated FM to the CSAC-EIA property insurance program effective April 15, 2014.

#### BACKGROUND:

Since 2002, the District has retained General Liability and Workers' Compensation insurance through its membership in CSAC-EIA. Staff has performed a comparison, provided as Exhibit "A", of the coverage, premiums and SIRs for CSAC-EIA's property insurance program and the District's current property insurance policy with Affiliated FM. Affiliated FM is a private insurance company that has provided property insurance coverage to the District for the past four years. Affiliated FM was selected based on multiple coverage proposals received and a recommendation made by Marsh, acting as the District's property insurance broker.

Participation in CSAC-EIA's property insurance program would result in the following:

- An estimated reduction in premiums for FY 2014-15 of \$96,850;
- A provision for comprehensive and collision coverage for District vehicles;
- Increased sub-limits for flood insurance from \$50 million to \$415 million;
- A decrease in the SIR for flood coverage from \$100,000 to \$25,000; and
- A decrease in the SIR for earthquake minimum deductible from \$100,000 to \$25,000.

The District would be included with CSAC-EIA's Tower VII members, as shown in Exhibit "B". The CSAC-EIA property insurance program provides for \$600 million of coverage per occurrence for its members, rather than \$280 million of its own coverage provided by Affiliated FM.

Participation in the CSAC-EIA property insurance may begin immediately. If the District chooses to participate in the CSAC-EIA property insurance program effective April 15, 2014, Affiliated FM would return 90% of the unearned premium, or approximately \$42,450 for the policy year ended June 30, 2014.

FISCAL IMPACTS:

Participation in the CSAC-EIA property insurance program as of April 15, 2014, would result in a return of unearned premium from Affiliated FM of \$42,450 for FY 2013-14 and an estimated reduction in premium for FY 2014-15 of \$96,850.

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 1, 2014.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE CHANGING THE DISTRICT'S PROPERTY INSURANCE COVERAGE FROM AFFILIATED FM TO THE CSAC-EIA PROPERTY INSURANCE PROGRAM EFFECTIVE APRIL 15, 2014.

LIST OF EXHIBITS:

Exhibit "A" – Property Insurance Comparison  
Exhibit "B" – EIA Property – Tower VII Members

# Exhibit "A"

## PROPERTY INSURANCE COMPARISON

|                                              | <u>Affiliated FM</u><br>7/1/13-14 | <u>CSAC-EIA</u><br>Proposal 3/1/14-15 |
|----------------------------------------------|-----------------------------------|---------------------------------------|
| <b><u>Coverage:</u></b>                      |                                   |                                       |
| Per Occurrence                               | \$ 280,000,000                    | \$ 600,000,000                        |
| Sublimits:                                   |                                   |                                       |
| Earthquake                                   | 5,000,000                         | 5,000,000                             |
| Flood Non-Zone A/V                           | 50,000,000                        | 415,000,000                           |
| Vehicles - on premises                       | 13,921,218                        | 13,921,218                            |
| - comprehensive                              | -                                 | 13,921,218                            |
| Builders Risk                                | 10,000,000                        | 100,000,000                           |
| Contractors equipment                        | 10,000,000                        | incl. above                           |
| <b><u>Deductible:</u></b>                    |                                   |                                       |
| All Risk                                     | \$ 25,000                         | \$ 25,000                             |
| Flood: Non-Zone A/V                          | 100,000                           | 25,000                                |
| Zone A/V                                     | 500,000                           | 100,000                               |
| Earthquake                                   | 5%, \$100k min.                   | 5%, \$25k min.                        |
| Boiler & Machinery                           | 25,000                            | 25,000                                |
| <b><u>Premium:</u></b>                       |                                   |                                       |
| IRWD Properties                              | \$ 253,624.85                     | \$ 202,403.00                         |
| Rental Properties                            | 139,790.15                        | 105,496.24                            |
| Total                                        | \$ 393,415.00                     | \$ 307,899.24                         |
| <b><u>Projected Premium - FY 2014-15</u></b> |                                   |                                       |
| IRWD Properties                              | \$ 262,916.34                     | \$ 204,427.03                         |
| Rental Properties                            | 144,911.33                        | 106,551.00                            |
| Total                                        | \$ 407,827.67                     | \$ 310,978.03                         |



**EIA Property - Tower VII Members**

**Campbell Union High School District  
Central Sierra Child Support Agency  
City of Bakersfield  
City of Carmel by the Sea  
City of Concord  
City of Covina  
City of Elk Grove  
City of Hemet  
City of Napa  
City of Oakland  
City of Rancho Cordova  
City of Ridgecrest  
City of Santa Rosa  
CSAC Excess Insurance Authority  
Corona Norco Unified School District  
East Bay Regional Park District  
Golden State Risk Management Authority (GSRMA)  
Housing Authority of the County of Riverside  
Mt. Diablo Unified School District  
Pasadena Unified School District  
San Jose Unified School District  
Santa Clara County Vector Control District  
Sonoma County Employees' Retirement Association  
Southern California School's Risk Management (SCSRM)  
West San Gabriel Liability & Property JPA**

April 14, 2014

Prepared by: C. Compton

Submitted by: P. Weghorst

Approved by: Paul Cook 

## CONSENT CALENDAR

### 2014 STATE LEGISLATIVE UPDATE

#### SUMMARY:

This report provides an update on the 2014 State legislative session and IRWD State legislative priorities. A copy of the 2014 State Legislative Matrix is attached as Exhibit "A". Staff recommends that the Board consider the following actions/positions:

- AB 1799 (Gordon): Land Use: Mitigation Lands – “SUPPORT”;
- AB 2104 (Gonzalez): Common Interest Developments: Water-Efficient Landscapes – “SUPPORT”;
- AB 2312 (Nestande): Metal Theft – “SUPPORT”;
- AB 2434 (Gomez): Income Taxes: Exclusion – “SUPPORT”; and
- Authorize IRWD to send a comment letter on the Administration’s groundwater management proposal, which is expected to be released in mid-April, upon review and approval of the Water Banking Committee at its April 22, 2014, meeting.

#### BACKGROUND:

Over the last few weeks, the bills introduced this year met the “30-days in print” requirement, and may now be amended or heard in committee. As expected, many of the spot bills which were introduced, have been or are in the process of being amended as their authors seek to have the bills referred to and heard in the appropriate policy committee. This year, the last day for policy committees to hear fiscal bills is May 2, while May 9 is the policy committee deadline for non-fiscal bills.

As authors move their bills forward, they will need to keep in mind the Legislative Spring Recess. This year, the Legislature will recess for the spring break on April 10. It will reconvene on April 21.

#### State Budget:

*February’s Revenue Numbers:* On March 10, 2014, State Controller John Chiang released his monthly report on the State’s finances. He announced that the State took in \$5.6 billion in revenue during the month of February. This amount was \$968.9 million, or 20.9 percent higher than budgeted. "Income tax receipts exceeded the Governor’s expectations by \$721.7 million, or 45.7 percent. Corporate tax receipts came in ahead of estimates by \$87.4 million, or 236.2 percent. Sales and use taxes were \$113.7 million above, or 3.9 percent, expectations in the Governor's 2014-15 proposed budget." Despite these revenues, the State ended the month with a General Fund cash deficit of \$14.1 billion which was covered by borrowing and is lower than a year ago. At the end of February 2013, the cash deficit was \$16.2 billion.

IRWD 2014 Legislative Priorities:

*2014 Water Bond:*

The water bond continues to be an active topic of discussion in and around the State Capitol. As previously reported, there were 10 active water bond bills at the beginning of the session. Due to the gutting and amending of AB 2554 (Rendon, D-Lakewood) to relate to the water bond and the amending of AB 1674 (Bigelow, R-Placerville) to no longer relate to the water bond, there are 10 active water bond proposals. A summary comparison of the bond proposals is attached as Exhibit "B".

Over the last month, the discussions surrounding AB 1331 have been the most active. AB 1331 (Rendon) was amended on March 18, 2014. The March 18 amendments, among other changes, added water supply reliability improvements for critical urban water supplies in designated superfund areas with groundwater contamination as projects eligible to be funded from the \$500 million designated for recycled water. The amendments also included specifics on how the watershed funds in Chapter 6 would be allocated. The Santa Ana and San Diego regions each have been allocated \$76 million. Assemblymember Rendon's staff provided an explanation of the process for setting the regional proportions included in the March 18 amendments. The explanation provided is attached as Exhibit "C".

AB 1331, as amended, was heard in the Senate Natural Resources and Water Committee (Sen. Natural Resources) on March 25. The day before the hearing Assemblymember Rendon gutted and amended another one of his bills, AB 2554, to propose an \$8.5 billion water bond. AB 2554, as amended, is similar to AB 1331; however, it includes \$3 billion for storage and has a continuous appropriation of the storage funds. Assemblymember Rendon explained the gut-and-amend as creating another vehicle in the event one is needed as water bond negotiations continue. While he indicated that he does not plan on moving AB 2554 forward, the gut-and-amend of AB 2554 set a negative tone for the Sen. Natural Resources hearing on AB 1331.

At the beginning of the Sen. Natural Resources hearing on AB 1331, several Committee members stated their concern about the level of Assemblymember Rendon's sincerity regarding AB 1331 and negotiations he has had on that bill. The skepticism expressed by the Committee members in their opening comments continued throughout Assemblymember Rendon's presentation on AB 1331 and during the discussion of the amendments suggested in the Committee consultant's bill analysis. The Committee also expressed great concern over the watershed allocations inserted into AB 1331 on March 18.

The Committee consultant proposed 18 amendments to AB 1331. Assemblymember Rendon agreed to take 15 of the amendments; however, over his objection, the Committee passed the bill, on a party-line vote, with all 18 amendments. The amendments adopted as part of the Committee's approval of AB 1331 included:

- Identifying Agencies: Identifying which state agency will be responsible for managing and disbursing the funds for each program in the bond and in Chapter 6. The funding for regional watershed allocations will be changed to designate specific state conservancies,

the Wildlife Conservation Board, and the Ocean Protection Council, in rough proportion to the allocations in SB 848 as it passed out of Sen. Natural Resources.

- Continuous Appropriation: Making all bond funds, including those authorized for water storage projects, subject to appropriation by the Legislature.
- Regional Watershed: Deleting the requirement for the Natural Resources Agency to develop a statewide natural resource protection plan.
- Regional Watershed: Deleting references to statewide priorities in Chapter 6 and instead authorizing funds to be used for “projects that protect and improve California watersheds, wetlands, forests, and floodplains.” Deleting the requirement for conservancies to provide biennial reports to the Natural Resources Agency regarding how expenditures conform to statewide priorities.
- Compliance: Adding a requirement that the Department of Water Resources certify that an Integrated Regional Water Management Plan (IRWMP) applicant is compliant with the Urban Water Management Planning Act, Agricultural Plans or Groundwater Management Plan requirements.
- Regional Watershed: Amending the provisions providing \$250 million to the Natural Resources Agency for projects consistent with a conservancy’s strategic plan to instead create a competitive pot of funds for multibenefit projects that provide water supply and other benefits.
- IRWMPs: Deleting the paraphrase of §85021 and instead simply cross-reference that section.
- Matching Rates: Reducing matching rates to 25 percent that can be reduced or waived for disadvantaged communities.
- Funding Formulae: Amending the IRWMP distribution of funds to be based on 2010 population numbers instead of 2000 population numbers.
- Studies: Providing \$25 million to the Department of Water Resources for studying the feasibility of additional surface storage projects.
- Regional Watershed: Deleting the authorization for watershed funds to be disbursed before the grantee has incurred any expenses.
- Watersheds of Statewide Interest: AB 1331 would have provided \$500 million to fulfill the obligations of the State in complying with specific settlements and other obligations. Included in that list was “Section 3406(d) of Title 34 of Public Law 102-575.” The Committee deleted this authorization stating that the State has never acknowledged it as a valid obligation of the State.

- Stormwater: Clarifying that the stormwater funds are for projects that provide water supply and potentially other benefits.
- IRWMPs: Deleting the limitation of IRWMP funding to the increment of project costs related to the project's public benefits.
- Storage: Deleting emergency response as a fundable public benefit for storage.
- Storage: Deleting regional storage for drinking water as a fundable public benefit.
- Storage: Deleting the language referring to reducing reliance on the Delta and adding language requiring projects within the Delta watershed to provide measurable improvements to the Delta ecosystem.
- Other Issues: There were many other amendments that the Committee believed were needed to address minor, technical, or other policy consistency issues. These include linking funding eligibility to that authorized in statute; linking program policies to those established in statute, ensuring administering agencies have necessary authorities to oversee their programs; clarifying how superfund sites should be treated under the recycled water program; resolving the definition of public benefits associated with a project funded to assist in the Delta's sustainability; establishing parameters around the new Delta levee and emergency response programs; revising the storage language to ensure Temperance Flat and Los Vaqueros could be funded by this bond should they prove feasible; resolving language regarding funding of environmental compliance obligations; clarifying the use of California Conservation Corps members whenever feasible; and other minor, technical and clarifying amendments.

Other water bond activity over the last month has included SB 1370 (Galgiani, D-Modesto) being amended to propose a \$6.26 billion bond instead of a \$5.1 billion bond, and AB 2686 (Perea, D-Fresno) being amended to propose a bond of an unspecified amount. The Assembly Water, Parks and Wildlife Committee has also set April 29, 2014, as the date it will hear the Assembly water bond proposals introduced this year. Senate Natural Resources will hear several of the Senate water bond proposals introduced this year on April 22.

Over the last month IRWD has continued to engage with members of the Assembly and State Senate, and with IRWD's association and industry partners on the water bond. Staff will provide the Board an oral update on any new developments.

#### Other 2014 Legislation:

##### *AB 1799 (Gordon, D-Los Altos): Land Use: Mitigation Lands*

Existing law provides that project proponents must obtain certain permits from state agencies if a project will impact natural resources. In order to obtain a permit, proponents are required to minimize and fully mitigate the impacts of a project. Existing law also requires that project applicants ensure adequate funding to implement necessary mitigation and monitoring. Over the

last several years, regulatory agencies have interpreted this adequate funding requirement to include the long-term, in perpetuity, funding of the maintenance and management of a mitigation site. While current law gives permitting agencies discretion to accept a wide range of funding mechanisms, permitting agencies have required project proponents to establish an endowment and have been unwilling to accept other forms of financial assurance.

Santa Clara Valley Water District was recently faced with the endowment requirement and is now sponsoring AB 1799. AB 1799 would eliminate the requirement of an endowment or other financial assurance mechanism for long-term stewardship for governmental entities and special districts if the entity provides evidence that it possesses an investment-grade credit rating by a nationally recognized statistical rating organization, and provides either a resolution adopted by the legislative body of the entity or a contractual agreement with the regulatory agency enforcing the mitigation requirements. A copy of AB 1799 is attached as Exhibit "D".

AB 1799 was heard and unanimously passed by the Assembly Local Government Committee on April 3, 2014. It will be heard next in the Assembly Water, Parks and Wildlife Committee on April 29.

At this time, staff recommends that the Board consider taking a "SUPPORT" position on AB 1799 (Gordon). While the majority of IRWD's future projects are covered by the Orange County's Central/Coastal Natural Community Conversation Plan/Habitat Conversation Plan (NCCP/HCP), this bill would allow IRWD to avoid the endowment requirement if it is required to mitigate for impacts not covered by the NCCP/HCP.

*AB 2104 (Gonzalez, D-San Diego): Common Interest Developments: Water-Efficient Landscapes*

The Davis-Stirling Common Interest Development Act provides for the creation and regulation of common interest developments (HOA). That act provides that any provision of an HOA's governing documents is void and unenforceable if it prohibits, or has the effect of prohibiting, the use of low water-using plants as a group or compliance with a local water-efficient landscape ordinance or water conservation measure. AB 2104 would declare any provision of a HOA's government documents, or architectural or landscaping guidelines void and unenforceable if it prohibits, or includes conditions that have the effect of prohibiting, the use of low water-using plants as a replacement of existing turf.

AB 2104 is an extension of AB 1061 (2009), which limited an HOA's ability to prevent the installation of low water-using plants as a group. IRWD supported the enactment of AB 1061 because it clarified the law surrounding an HOA's governing documents and the installation of water-wise landscaping. Given that nearly half of a home's water use is outdoors, IRWD has encouraged turf replacement through the CALscape program, and enactment of AB 2104 would clarify that an HOA cannot prohibit turf replacement. Staff recommends that the Board consider taking a "SUPPORT" position on AB 2104 (Gonzalez). A copy of AB 2104 is attached as Exhibit "E". AB 2104 is currently in the Senate.

In addition to AB 2104, there are several other bills related to outdoor watering during a drought. They are summarized below.

- AB 2100 (Campos, D- San Jose): AB 2100 would prohibit an HOA from fining a homeowner for yard maintenance issues related to under-watered plants during a period of time that the governor has declared a state of emergency due to a drought or during a period of time that a local government has declared a local emergency due to drought. It would also prohibit a city, county, or city and county from imposing a fine or assessment against a landowner related to under-watered plants and lawns during any period for which the Governor has declared a state of emergency due to drought.
- AB 1636 (Brown, D-Fontana): AB 1636 would prohibit an HOA, city, or county from fining a homeowner who does not water his or her lawn during a period that the Governor has declared a state of emergency due to a drought. It would also provide that a requirement imposed by a governmental entity or a public utility to limit, restrict, or conserve water during a drought emergency declared by the Governor does not constitute a diminution of rent or value of a premise or property.
- SB 992 (Nielsen, R-Chico): SB 992 would prohibit an HOA from imposing a fine or assessment on separate interest owners for yard maintenance issues related to under-watered plants and lawns during any period for which the Governor has declared a state of emergency due to drought
- SB 1144 (Galgiani, D-Modesto): SB 1144 would prohibit an HOA from fining a homeowner for yard maintenance issues related to under-watered plants during a period of time that the Governor has declared a state of emergency due to a drought. It would also prohibit a city, county, or city and county from imposing a fine or assessment related to under-watered plants and lawns during any period for which the Governor has declared a state of emergency due to drought.

At this time, staff is not recommending action on AB 2100 (Campos), SB 1144 (Galgiani), AB 1636 (Brown), or SB 992 (Nielsen).

*AB 2312 (Nestande, D-Hemet): Metal Theft*

AB 2312, authored by Assemblymember Brian Nestande, would require a junk dealer or recycler to request to receive theft alert notifications regarding the theft of commodity metals in the junk dealer's or recycler's geographic region from the theft alert system maintained by the Institute of Scrap Recycling Industries, Inc (ISRI). The bill would also encourage local law enforcement agencies to report thefts of commodity metals that have occurred within their jurisdiction to that theft alert system, in order to ensure that persons using the system receive timely and thorough information regarding metal thefts. In the past, ISRI has opposed efforts to address metal theft; however, AB 2312 is being sponsored by ISRI and is the industry's attempt to further address the metal theft problems experienced throughout the state. The occurrence of metal thefts continues to be a problem for water agencies and others throughout the state. This bill seeks to enhance regional communication and regional cooperation against metal theft. Staff recommends that the Board consider taking a "SUPPORT" position on AB 2312 (Nestande). A copy of AB 2312 is attached as Exhibit "F".

AB 2312 has been set for hearing on April 22, 2014, in the Assembly Business, Professions and Consumer Protection Committee.

*AB 2434 (Gomez, D- Los Angeles): Income Taxes: Exclusion*

California tax law provides an exclusion from gross income for any amount received as a rebate from a local water agency or supplier for the purchase of a water conservation water closet, energy efficient clothes washers, and plumbing devices. It also provides an exclusion from gross income for any rebate for the purchase or installation of a thermal system, solar system, wind energy device that produces electricity, or a fuel cell generating system.

In order to gain greater clarity surrounding the taxability of conservation-related funding, Assemblymember Gomez directed his staff to research the taxability of conservation rebates, such as those issued for turf removal. Through conversations with appropriate Committee staff and the Franchise Tax Board, it was determined that the answer was unclear and depended entirely on the interpretation of federal law, to which California conforms. Unfortunately, despite repeated requests, the IRS has not issued any guidance on the subject.

As a result, Assemblymember Gomez has introduced Assembly Bill 2434 to provide clarity and to protect taxpayers from potential exposure under California law. AB 2434 would provide an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a local water or energy agency, or by a supplier, for expenses incurred to participate in a water or energy conservation program. Exempting rebates for water conservation from taxes ensures that ratepayers taking part in a conservation rebate program will not be punished by being taxed on the rebate they receive. Staff recommends that the Board consider taking a "SUPPORT" position on AB 2434 (Gomez). A copy of AB 2434 is attached as Exhibit "G".

Other 2014 State Actions:

*Relocation of the Drinking Water Program*

The Health and Human Services Agency and Cal/EPA released the long-awaited "Drinking Water Reorganization Transition Plan" outlining the Administration's proposal for moving the Drinking Water Program from the Department of Public Health to the State Water Resources Control Board (SWRCB). The Administration's stated goals in transferring the Drinking Water Program to the SWRCB is to align the state's water quality programs in a structure that consolidates all water quality regulation throughout the hydrologic cycle, and to maximize the efficiency and effectiveness of drinking water, groundwater, and water quality programs by organizing them in a single agency whose primary mission is to protect water quality for beneficial uses including the protection and preservation of public and environmental health. As part of the transition plan, the Administration has summarized the key elements of the transition as follows:

- New Division of Drinking Water: A new Division of Drinking Water would be created with the SWRCB. Regulatory staff (permitting, inspections, enforcement, etc.) would be moved into the new Division of Drinking Water. The Division would be overseen by a

Deputy Director, who would be required to have public health expertise and who would report directly to the Executive Director. The Division would be responsible for implementing all Drinking Water Program functions, including the issuance of permits and enforcement orders.

- Division Director's Authority: The Deputy Director would have the authority to grant or deny water system permit applications. His decision would not be subject to Board's review. He would also have authority to issue water system enforcement orders and other compliance actions. Those enforcement decisions would be subject to the Board's review.
- Regional Water Board Authority Over Drinking Water: The regional water boards would not implement any Drinking Water Program functions.
- Setting of MCLs: The setting of Maximum Contaminant Levels (MCL) would continue to be established through the regular rulemaking process under the Administrative Procedures Act. The Deputy Director would propose the MCL for the Board's consideration.
- SRF & Water Bond Fund Administration: Safe Drinking Water State Revolving Fund (SRF) and other funding staff, including grant and loan administrators, would be moved into the Division of Financial Assistance and integrated with staff of the SWRCB's Clean Water SRF program, creating opportunities for improved administrative effectiveness. Additionally, the SWRCB would set the requirements for the Safe Drinking Water SRF and drinking water bond programs through its policy handbook process.
- Recycled Water Program: The Recycled Water Program would continue to be managed as part of the Drinking Water Program and would move to the SWRCB. The authority to issue permits for potable reuse of recycled water will be given to the Deputy Director of the Division of Drinking Water. Other recycled water permits will continue to be issued by the regional water board except for any general permits that the SWRCB may issue in the future.
- Certification Programs: Management of the Drinking Water Operator Certification Program would be consolidated with the Wastewater Operator Certification Program in the Division of Financial Assistance.
- Staff Changes: The Program's headquarters staff would be moved, to the extent possible, into the CalEPA building, for more effective integration into the SWRCB. Regulatory staff would remain in locally-based offices and would continue their close working relationships with water system personnel, local environmental health and public health agencies, and relevant community organizations. Support staff (human resources, legal counsel, legislative staff, etc.) would be consolidated into these existing functions at the SWRCB.

that the transfer of the Drinking Water Program be completed on July 1, 2014, and that the needed legislation be adopted as part of the Fiscal Year 2014-15 budget. Staff will provide the Board an oral update on any new developments.

#### *State Revolving Fund Changes*

On March 18, 2014, the SWRCB adopted changes to the Clean Water SRF's loans for recycled water projects. The SWRCB authorized the offering of \$800 million in loans at a 1% interest rate for recycled water projects that are ready to provide new water supplies within the next three years. Projects seeking funding through this authorization must apply for funding before December 2, 2015. This change to the SRF is intended to help water producers deliver an additional 150,000 acre-feet of recycled water as called for in the Governor's Drought State of Emergency proclamation.

#### *Governor's Office Groundwater Management Legislation*

In February, the Governor's Office held a meeting with stakeholders on sustainable groundwater management in California as a follow up to the budget trailer bill proposal published by the Governor to address groundwater management in the state. The purpose of the stakeholder meeting was to begin a dialogue between the Administration, the Legislature and stakeholders on how to empower local agencies to better manage groundwater basins in their regions and to develop a process for the State to step in when local management does not occur, or when overdraft takes place for an extended period of time. At the meeting, the Administration stated that it was seeking public comments on how groundwater should be managed and on what legislative action is needed to improve groundwater management. The Administration has asked for public comments by April 25, 2014.

On March 24, 2014, the Governor's Office, California Natural Resources Agency, California Department of Food and Agriculture, California Environmental Protection Agency, State Water Resources Control Board and California Department of Water Resources held the first of two public workshops on sustainable groundwater management. The purpose of the first workshop was to focus on gathering ideas, proposals and feedback on how to better manage California's groundwater resources. Staff attended the workshop and provided general comments on maintaining local control of groundwater management; emphasizing the fact that local agencies have a better understanding of what type of management will work best in their community; urging the state to provide tools to aid those communities struggling to complete local groundwater management plans; and encouraging that any legislative action taken be taken through the normal legislative process instead of through the budget trailer bill process.

A second public workshop will be held on April 16. The purpose of that workshop is to discuss proposed solutions and potential legislative action. As at the first workshop, the April 16 workshop will likely include several panels discussing possible groundwater management solution for California. Staff has made itself available to the Administration to participate on the panels. It is expected that the Administration will release a proposal for 2014 legislative action around the time of the workshop. The public workshop notice states that comments on the proposed solution will be accepted at the workshop although the Administration will accepted comments until April 25. Given the short timeframe for providing comments on the proposed

solution, staff recommends that the Board authorize IRWD to send a comment letter on the proposed solution and direct that the proposed letter, which will be drafted following the release of the Administration's proposal, be reviewed by the Water Banking Committee at its April 22, 2014, meeting.

It is also important to note that both the Assembly and Senate have held informational hearings on groundwater management and that several legislative proposals have been introduced relating to sustainable groundwater management. The bills relating specifically to sustainable groundwater management are AB 1739 (Dickson, D-Sacramento), AB 2701 (Gonzalez, D-San Diego), and SB 1168 (Pavely, D-Calabasas). At this time, AB 2701 is a spot bill. AB 1739 would require the SWRCB, in consultation with the Department of Water Resources, to develop thresholds for the sustainable management of the priority groundwater basins. SB 1168 would require a local agency to determine sustainable yield for a groundwater basin in coordination with other applicable local agencies with a service area overlying the groundwater basin. At this time staff recommends that IRWD hold off on taking a position on these bills until the Administration's groundwater management proposal is released, as many observers believe that AB 1739 and SB 1168 are possible vehicles for that proposal.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

THAT THE BOARD TAKE A "SUPPORT" POSITION ON AB 1799 (GORDON); A "SUPPORT" POSITION ON AB 2104 (GONZALEZ); A "SUPPORT" POSITION ON AB 2312 (NESTANDE); A "SUPPORT" POSITION ON AB 2434 (GOMEZ); AND AUTHORIZE IRWD TO SEND A COMMENT LETTER ON THE ADMINISTRATION'S GROUNDWATER MANAGEMENT PROPOSAL, WHICH IS EXPECTED TO BE RELEASED IN MID-APRIL, UPON REVIEW AND APPROVAL OF THE WATER BANKING COMMITTEE AT ITS APRIL 22, 2014, MEETING.

LIST OF EXHIBITS:

- Exhibit "A" – 2014 IRWD Legislative Matrix
- Exhibit "B" – Summary of Water Bond Proposals
- Exhibit "C" – AB 1331 Regional Allocation of Resource Conservation Funding
- Exhibit "D" – Copy of AB 1799 (Gordon)
- Exhibit "E" – Copy of AB 2104 (Gonzalez)
- Exhibit "F" – Copy of AB 2312 (Nestande)
- Exhibit "G" – Copy of AB 2434 (Gomez)

**EXHIBIT "A"**  
**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

|                                    |                                                        |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                            |  |
|------------------------------------|--------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b><u>AB 25</u></b><br>Campos (D)  | Employment: Social Media                               |  | Applies existing law that prohibits a private employer from requiring or requesting an employee or applicant for employment to disclose a username or password for the purpose of accessing personal social media, to access personal social media in the presence of the employer, or to divulge any personal social media to public employers. Provides that these provisions apply to public employers generally, including charter cities and counties.                                                         | 09/13/2013 - In SENATE. Held at desk.                                                                                                                                      |  |
| <b><u>AB 52</u></b><br>Gatto (D)   | Native Americans: California Environmental Quality Act |  | Requires a lead agency to make best efforts to avoid, preserve, and protect specified Native American resources with a project that may have a significant effect on the environment, and to take specified mitigation measures if the project will have a substantial adverse change. Prohibits certain damage unless certain conditions are met. Requires consultation with tribes affiliated with the area prior to determining a negative declaration. Requires the revision of related guidelines.             | 09/10/2013 - In SENATE. Joint Rule 61(a)12 suspended.;09/10/2013 - In SENATE. Joint Rule 62(a) suspended.                                                                  |  |
| <b><u>AB 69</u></b><br>Perea (D)   | Groundwater: Drinking Water: Nitrate at Risk Fund      |  | Establishes the Nitrate at Risk Fund to be administered by the State Department of Public Health for loans, principal forgiveness loans, or grants to certain water systems operating in a high-nitrate at-risk area for specified purposes. Requires fertilizer sellers to pay a materials charge for deposit in the Fund.                                                                                                                                                                                         | 08/12/2013 - From SENATE Committee on AGRICULTURE with author's amendments.;08/12/2013 - In SENATE. Read second time and amended. Re-referred to Committee on AGRICULTURE. |  |
| <b><u>AB 79</u></b><br>Skinner (D) | Budget Act of 2013                                     |  | Amends the Budget Act of 2013 by revising items of appropriation and making other changes for the purpose of addressing drought conditions in the State.                                                                                                                                                                                                                                                                                                                                                            | 03/06/2014 - In SENATE. From third reading. To Inactive File.                                                                                                              |  |
| <b><u>AB 80</u></b><br>Skinner (D) | Drought Relief                                         |  | Provides provisions regarding drought relief to include fines for violations of permits and licenses issued by the State Water Resources Control Board, the disbursement of disaster assistance, civil fines for the improper water diversion, emergency regulations regarding the diversion of water and the fines for a related infraction and for groundwater replenishment, rental space for those with economic hardship, the employment training tax, and the providing of funds for water management grants. | 03/06/2014 - In SENATE. From third reading. To Inactive File.                                                                                                              |  |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>            | <b>Title</b>                                                | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Status</b>                                                                      | <b>Notes</b> |
|---------------------------------------|-------------------------------------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------|
| <b><u>AB 145</u></b><br>Perea (D)     | State Water Resources<br>Control Board: Drinking<br>Water   |                          | Transfers to the State Water Resources Control Board the various duties and responsibilities imposed on the State Department of Public Health by the State Safe Drinking Water Act and the Safe Drinking Water State Revolving Fund Law of 1997. Requires the State Environmental Protection Agency to prepare a project initiation document for the transfer of the state drinking water program from the State Department of Public Health to a Division of Drinking Water Quality.                                         | 08/30/2013 - In<br>SENATE Committee<br>on<br>APPROPRIATIONS:<br>Held in committee. |              |
| <b><u>AB 194</u></b><br>Campos (D)    | Open Meetings: Actions For<br>Violations                    |                          | Amends the Ralph M. Brown Act that requires every agenda for a regular meeting or notice for a special meeting of a local legislative body to provide an opportunity for members of the public to address the legislative body on items being considered by the legislative body. Expands the authorization for a district attorney or interested party to seek a judicial determination that an action taken by a legislative body is null and void if the legislative body violates this requirement.                       | 02/06/2014 - To<br>SENATE Committee<br>on GOVERNANCE<br>AND FINANCE.               |              |
| <b><u>AB 229</u></b><br>Perez J (D)   | Infrastructure and<br>Revitalization Financing<br>Districts |                          | Authorizes the creation by a city, county, city and county, and joint powers authority, of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes the creation of a district and the issuance of debt. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases.                                                                                                                   | 09/11/2013 - In<br>ASSEMBLY. From<br>Unfinished Business.<br>To Inactive File.     |              |
| <b><u>AB 243</u></b><br>Dickinson (D) | Local Government:<br>Infrastructure Financing<br>Districts  |                          | Authorizes the creation of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases if special conditions are met. Authorizes a district to fund various projects, including watershed land used for the collection and treatment of water for urban uses, flood management, open space, habitat restoration and development purposes. | 09/11/2013 - In<br>ASSEMBLY. To<br>Inactive File.                                  |              |
| <b><u>AB 371</u></b><br>Salas (D)     | Sewage Sludge: Kern County                                  |                          | Requires the State Water Resources Board to require additional testing on the effects of sewage sludge or other biological solids to occur on properties in unincorporated areas of Kern County where the sludge or other biological solids are imported from another                                                                                                                                                                                                                                                         | 02/06/2014 - To<br>SENATE Committee<br>on<br>ENVIRONMENTAL                         |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| Bill No.<br>Author                       | Title                                             | IRWD<br>Position | Summary/Effects                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Status                                                                                                                                                                                         | Notes |
|------------------------------------------|---------------------------------------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
|                                          |                                                   |                  | county within the State. Requires the Board to identify pathogens, endotoxins, and other hazards for testing based on the potential for contamination and potential to adversely affect human health. Requires a related report.                                                                                                                                                                                                                                                                                             | QUALITY.                                                                                                                                                                                       |       |
| <b><u>AB 380</u></b><br>Dickinson (D)    | California Environmental Quality Act: Notice      |                  | Amends the California Environmental Quality Act. Requires that notices regarding environmental impact reports filed by lead agencies need to be filed with the Office of Planning and Research and the county clerk and posted by the clerk for public review. Provides notice requirements for projects that are determined to be exempted from the Act.                                                                                                                                                                    | 06/13/2013 - To SENATE Committee on ENVIRONMENTAL QUALITY.                                                                                                                                     |       |
| <b><u>AB 436</u></b><br>Jones-Sawyer (D) | Inverse Condemnation: Comparative Fault           |                  | Applies the doctrine of comparative fault to inverse condemnation actions. Requires a court or arbitrator to reduce the compensation paid to a plaintiff in an inverse condemnation proceeding in direct proportion to his or her percentage of fault, if any, in the damaging of property that constitutes a taking. Provides the circumstances under which the plaintiff shall not recover his or her postoffer costs and shall pay the defendant's postoffer costs, including expert witness costs.                       | 07/02/2013 - In SENATE Committee on JUDICIARY: Not heard.                                                                                                                                      |       |
| <b><u>AB 515</u></b><br>Dickinson (D)    | State Environmental Quality Act: Writ of Mandate  |                  | Amends the State Environmental Quality Act that requires a court, if it finds that a public agency has violated the requirements of the Act, to issue an order, in the form of a peremptory writ of mandate. Requires the writ to specify the time by which the public agency is to make an initial return of the writ containing specified information. Requires the court to issue a determination indicating whether actions specified in the initial return and subsequent returns are adequate to comply with the writ. | 03/17/2014 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;03/17/2014 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY. |       |
| <b><u>AB 543</u></b><br>Campos (D)       | California Environmental Quality Act: Translation | Oppose           | Requires a lead agency to translate certain notices required by the California Environmental Quality Act and a summary of any negative declaration, mitigated negative declaration, or                                                                                                                                                                                                                                                                                                                                       | 06/13/2013 - Re-referred to SENATE Committee on                                                                                                                                                |       |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| Bill No.<br>Author                      | Title                                                | IRWD<br>Position | Summary/Effects                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Status                                                                                                                                                                           | Notes |
|-----------------------------------------|------------------------------------------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
|                                         |                                                      |                  | environmental impact report when a group of non-English-speaking people comprises at minimum percentage of the population within the lead agency's jurisdiction and the proposed project is to be located at or near an area where the group of non-English-speaking people comprises that same percentage of residents of the area.                                                                                                                                                                                         | ENVIRONMENTAL QUALITY.                                                                                                                                                           |       |
| <b><u>AB 616</u></b><br>Bocanegra (D)   | Local Public Employee Organizations: Dispute: Panels |                  | Relates to local public employee organizations. Requires an organization request for submit a dispute to a factfinding panel to be in writing. Provides if either party disputes that a genuine impasse has been reached, the issue of whether the impasse exists may be submitted to the Public Employees Relations Board for resolution before the dispute is submitted to a factfinding panel. Authorizes each party to select a person to serve as its member of the factfinding panels.                                 | 08/30/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.                                                                                                           |       |
| <b><u>AB 687</u></b><br>Hernandez R (D) | Electricity                                          |                  | Requires the Public Utilities Commission, when authorizing additional direct transactions for retail nonresidential end-use customers, to provide the highest priority to acquire electric services from other providers to entities treating and remediating groundwater that is identified as contaminated on a site listed as a Superfund site in a disadvantaged or severely disadvantaged community or a public drinking water system of such communities. Requires the treatment and remediation using certain moneys. | 02/04/2014 - From SENATE Committee on APPROPRIATIONS with author's amendments.;02/04/2014 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS. |       |
| <b><u>AB 993</u></b><br>Linder (R)      | Contractors: Arbitration                             |                  | Amends the Contractors' State License Law. Provides a party that submits a dispute with contractor to arbitration waives any right to recover attorney's fees or to challenge the arbitrator's award attorney's fees in a related civil action. Relates to the setting of the time, date, and location for a arbitration related hearing. Requires good cause to exclude any person from a hearing. Revises requirements regarding the recording of the hearing. Authorizes the reopening of a hearing prior to any award.   | 06/17/2013 - From SENATE Committee on BUSINESS, PROFESSIONS & ECON. DEVELOPMENT: Do pass to Committee on JUDICIARY.                                                              |       |
| <b><u>AB 1043</u></b>                   | Drinking Water, Quality,                             |                  | Amends the Safe Drinking Water, Water Quality and Supply, Flood                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 06/25/2013 - In                                                                                                                                                                  |       |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>          | <b>Title</b>                                      | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Status</b>                                                                                                                | <b>Notes</b> |
|-------------------------------------|---------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|--------------|
| Chau (D)                            | Flood, River Protection                           |                          | Control, River and Coastal Protection Bond Act of 2006. Eliminates the requirement to develop and adopt regulations and requires a grantee of certain initiative bond act funds to take specific actions to recover the costs of cleanup and to utilize those funds for certain groundwater contamination cleanup projects.                                                                                                                                                                      | SENATE Committee on NATURAL RESOURCES AND WATER: Not heard.                                                                  |              |
| <b><u>AB 1080</u></b><br>Alejo (D)  | Community Revitalization & Investment Authorities |                          | Authorizes certain public entities of a community revitalization and investment area to form a community revitalization plan within a community revitalization and investment authority to carry out the Community Redevelopment Law in a specified manner. Requires the authority to adopt a community revitalization plan for a community revitalization and investment area and authorizes the authority to include in that plan a provision for the receipt of tax increment funds.          | 08/30/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.                                                       |              |
| <b><u>AB 1249</u></b><br>Salas (D)  | Water Management Plans: Nitrate Contamination     |                          | Requires an integrated regional water management plan to include an explanation of how the plan addressed nitrate contamination, or an explanation of why the plan does not address such concentration, if an area within the boundaries of the plan has been identified as a nitrate high-risk area by the State Water Resources Control Board, requires the Board when selecting projects for funding to establish a preference for project that implement plans that address nitrate impacts. | 02/06/2014 - To SENATE Committee on ENVIRONMENTAL QUALITY.                                                                   |              |
| <b><u>AB 1331</u></b><br>Rendon (D) | Climate Change Response for Clean, Safe Water     |                          | Repeals the provisions that would create the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the Clean, Safe, and Reliable Drinking Water Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in a specified amount pursuant to the State General Obligation Bond Law to finance a clean and safe drinking water program.                                                                                                                    | 03/25/2014 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass as amended to Committee on ENVIRONMENTAL QUALITY. |              |
| <b><u>AB 1393</u></b><br>Perea (D)  | Safe Drinking Water State Revolving Fund          |                          | Transfers the administration of the Safe Drinking Water State Revolving Fund and the related grant and loan program for construction of public water systems to the State Water Resources Council.                                                                                                                                                                                                                                                                                               | 09/09/2013 - In SENATE. Read second time. To third reading.;09/09/2013 -                                                     |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>          | <b>Title</b>                                       | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                              | <b>Status</b>                                                                                                                                                                                                                                                                                                                          | <b>Notes</b> |
|-------------------------------------|----------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
|                                     |                                                    |                          |                                                                                                                                                                                                                                                                                                                                                                                                     | Re-referred to<br>SENATE Committee<br>on RULES.                                                                                                                                                                                                                                                                                        |              |
| <b><u>AB 1434</u></b><br>Yamada (D) | Water Corporations: Low-<br>Income Relief Programs |                          | Requires the Public Utilities Commission to implement a program to provide rate relief for low-income ratepayers of a water corporation.                                                                                                                                                                                                                                                            | 01/17/2014 - To<br>ASSEMBLY<br>Committee on<br>UTILITIES AND<br>COMMERCE.                                                                                                                                                                                                                                                              |              |
| <b><u>AB 1445</u></b><br>Logue (R)  | Water Infrastructure Act of<br>2014                |                          | Repeals the provisions that would create the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the State Water Infrastructure Act of 2014. Authorizes the issuance of bonds in a specified amount to finance a public benefit associated with water storage and water quality improvement projects.                                                                               | 02/14/2014 - To<br>ASSEMBLY<br>Committee on<br>WATER, PARKS<br>AND<br>WILDLIFE.;02/14/20<br>14 - From<br>ASSEMBLY<br>Committee on<br>WATER, PARKS<br>AND WILDLIFE<br>with author's<br>amendments.;02/14/2<br>014 - In<br>ASSEMBLY. Read<br>second time and<br>amended. Re-referred<br>to Committee on<br>WATER, PARKS<br>AND WILDLIFE. |              |
| <b><u>AB 1448</u></b><br>Mullin (D) | Local Government: Part-<br>Time Elected Officials  |                          | Prohibits the legislative or governing body of a city, county, city and county, school board, special district, or any other entity of local government from granting lifetime healthcare benefits to an elected official who serves part time. Specifies that these provisions do not prevent the award of, or continuation of, health care benefits that are entirely paid for by the individual. | 03/06/2014 - From<br>ASSEMBLY<br>Committee on<br>LOCAL<br>GOVERNMENT<br>with author's                                                                                                                                                                                                                                                  |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>            | <b>Title</b>                                       | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Status</b>                                                                                                     | <b>Notes</b> |
|---------------------------------------|----------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|--------------|
|                                       |                                                    |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | amendments.;03/06/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT. |              |
| <b><u>AB 1506</u></b><br>Perea (D)    | San Joaquin River Conservancy: Regulation Adoption |                          | Makes a person who violates any of the posted regulations adopted by the San Joaquin River Conservancy governing lands owned or managed by the conservancy guilty of an infraction punishable by a maximum fine.                                                                                                                                                                                                                                                                                                               | 01/23/2014 - To ASSEMBLY Committee on NATURAL RESOURCES.                                                          |              |
| <b><u>AB 1522</u></b><br>Gonzalez (D) | Employment: Paid Sick Days                         |                          | Enacts the Healthy Workplaces, Healthy Families Act of 2014, provides that any employee works for a specified number of days in a calendar year is entitled to paid sick days. Provides the formula for the accrual of such sick days. Authorizes an employer to limit an employee's use of paid sick days. Provides the authorized reasons to be used for taking such sick days. Prohibits discrimination or retaliation against an employee for requesting such sick days. Requires the posting of related notices.          | 03/28/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.               |              |
| <b><u>AB 1527</u></b><br>Perea (D)    | Public Water Systems: Drinking Water               |                          | Relates to the consolidation of small community water systems to serve disadvantaged communities. Authorizes an assuming water system to voluntarily consolidate with another water system. Requires that system to submit a voluntary plan with the Department of Public Health that lists deficiencies in the system, proposed remedies, and a correction timeline. Provides such assuming system is not liable for any good faith, reasonable effort to operate the system in compliance with the plan, statutes and rules. | 03/20/2014 - Re-referred to ASSEMBLY Committee on RULES.                                                          |              |
| <b><u>AB 1615</u></b><br>Gatto (D)    | Claims Against the State: Payment                  |                          | States the intent of the Legislature to appropriate funds for the payment of claims against the state.                                                                                                                                                                                                                                                                                                                                                                                                                         | 03/13/2014 - To ASSEMBLY Committee on APPROPRIATIONS.                                                             |              |
| <b><u>AB 1632</u></b>                 | Water Rights: Appropriation                        |                          | Makes a technical, nonsubstantive change in provisions regarding                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 02/10/2014 -                                                                                                      |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>           | <b>Title</b>                                         | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Status</b>                                                                                                                                                                                                              | <b>Notes</b> |
|--------------------------------------|------------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Olsen (R)                            |                                                      |                          | the State Water Resources Control Board allowing permits and licenses appropriations for beneficial purposes of unappropriated water under terms and conditions as in its judgment will best develop, conserve, and utilize in the public interest the water sought to be appropriated.                                                                                                                                                                                                                      | INTRODUCED,                                                                                                                                                                                                                |              |
| <b><u>AB 1636</u></b><br>Brown (D)   | Water Conservation                                   |                          | Prohibits a city or county, during a drought emergency declared by the Governor, from enforcing a law or ordinance requiring a resident to water his or her lawn. Relates to property values. Prohibits a common interest develop from imposing any fine or other penalty against a homeowner who does not water his or her lawn in violation of any association rule, policy, or other restriction applicable to a development if the violation occurs during a drought emergency declared by the Governor. | 03/28/2014 - From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT with author's amendments.;03/28/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on HOUSING AND COMMUNITY DEVELOPMENT. |              |
| <b><u>AB 1639</u></b><br>Grove (R)   | Global Warming Solutions Act of 2006:Greenhouse Gas  |                          | States the intent of the Legislature that moneys derived from market-based emissions reductions measures be expended to achieve the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions in furtherance of achieving the statewide greenhouse gas emissions limit. Requires moneys appropriated from the Greenhouse Gas Reduction Fund to be used to achieve the statewide greenhouse gas emissions limit.                                                             | 02/20/2014 - To ASSEMBLY Committee on NATURAL RESOURCES.                                                                                                                                                                   |              |
| <b><u>AB 1671</u></b><br>Frazier (D) | Sacramento-San Joaquin Delta:Water Conveyance System | Oppose                   | Prohibits the Department of Water Resources from constructing water facilities as part of a specified water conveyance system unless specifically authorized by the Legislature.                                                                                                                                                                                                                                                                                                                             | 02/20/2014 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.                                                                                                                                                           |              |
| <b><u>AB 1674</u></b>                | Vended Water                                         |                          | Amends existing law that prescribed various quality and labeling                                                                                                                                                                                                                                                                                                                                                                                                                                             | 03/28/2014 - To                                                                                                                                                                                                            |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>   | <b>Title</b>                 | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Status</b>                                                                                                                                                                                                                                                                                            | <b>Notes</b> |
|------------------------------|------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Bigelow (R)                  |                              |                          | standards for bottled water and vender water, including mineral water, and limits the levels of certain contaminants that may be contained in those water products. Exempts a water-vending machine from those requirements if the drinking water vended by the machine derives from a groundwater basis that does not exceed the maximum contaminant levels.                                                                                                                                                           | ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.;03/28/2014 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS with author's amendments.;03/28/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS. |              |
| <b>AB 1728</b><br>Garcia (D) | Political Reform Act of 1974 |                          | Relates to the Political Reform Act of 1974. Revises the definition of agency to include a local government agency formed pursuant to provision of the Water Code. Revises the definition of license, permit, or other entitlement for use with respect to proceedings before a local government agency formed pursuant to the Water Code to apply to all contracts that are not competitively bid. Relates to the financial interests of a person who compensates a person to support or oppose a particular decision. | 04/01/2014 - From ASSEMBLY Committee on ELECTIONS AND REDISTRICTING: Do pass as amended to Committee on LOCAL GOVERNMENT.                                                                                                                                                                                |              |
| <b>AB 1729</b>               | Local Government:            |                          | Appropriates a specified amount of money from the General Fund to                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 03/20/2014 - To                                                                                                                                                                                                                                                                                          |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| Bill No.<br>Author                     | Title                                               | IRWD<br>Position | Summary/Effects                                                                                                                                                                                                                                                                                                                                                                                                                | Status                                                                                                                                                                                                                      | Notes |
|----------------------------------------|-----------------------------------------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Logue (R)                              | Agricultural Land: Payments                         |                  | make subvention payments to counties to reimburse the counties for property tax revenues not received as a result of contracts between the counties and owners of agricultural land in which the owners agree, under the Williamson Act, to continue using such property as agricultural for purposes of property taxation.                                                                                                    | ASSEMBLY Committee on APPROPRIATIONS. ;03/20/2014 - From ASSEMBLY Committee on APPROPRIATIONS with author's amendments.;03/20/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS. |       |
| <b><u>AB 1731</u></b><br>Perea (D)     | Integrated Regional Water Management Plans: Funding |                  | Requires, in each integrated regional water management region, that not less than a specified percentage of any funding for integrated regional water management planning purposes be used to facilitate and support the participation of disadvantaged communities in integrated regional water management planning and for projects that address critical water supply or water quality needs for disadvantaged communities. | 03/28/2014 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.                                                                                                                                                 |       |
| <b><u>AB 1739</u></b><br>Dickinson (D) | Groundwater Basin Management: Sustainability        |                  | Requires the State Water Resources Control Board, in consultation with the Department of Water Resources, to develop thresholds for the sustainable management of the priority groundwater basins.                                                                                                                                                                                                                             | 02/27/2014 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.                                                                                                                                                            |       |
| <b><u>AB 1778</u></b><br>Allen T (R)   | Property Taxation: Exempt Property                  |                  | Makes technical, nonsubstantive changes to existing law which exempts from property taxes a specified amount worth of hand tools that are owned and supplied by an employee as a condition of employment.                                                                                                                                                                                                                      | 04/01/2014 - From ASSEMBLY Committee on REVENUE AND TAXATION with author's amendments.;04/01/2                                                                                                                              |       |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>            | <b>Title</b>                                        | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Status</b>                                                                                                                    | <b>Notes</b> |
|---------------------------------------|-----------------------------------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|--------------|
|                                       |                                                     |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on REVENUE AND TAXATION.                               |              |
| <b><u>AB 1782</u></b><br>Chesbro (D)  | Wires: Unlawful Removal                             |                          | Increases the fine for any person who unlawfully and maliciously takes down, removes, injures, or obstructs any line of telegraph, telephone, or cable television, or any other line used to conduct electricity, or to sever any wire, or make any unauthorized connection with any line, other than a telegraph, telephone, or cable television line, used to conduct electricity.                                                                                                                                            | 03/25/2014 - In ASSEMBLY<br>Committee on PUBLIC SAFETY:<br>Not heard.                                                            |              |
| <b><u>AB 1799</u></b><br>Gordon (D)   | Land Use: Mitigation Lands                          |                          | Eliminates the requirement of an endowment or other financial mechanism for long-term stewardship where a governmental entity or special district is the entity required to provide the long-term stewardship, if the governmental entity or special district provides evidence to the local or state agency that it possesses an investment-grade credit rating by a nationally recognized statistical rating organization.                                                                                                    | 02/27/2014 - To ASSEMBLY<br>Committee on LOCAL GOVERNMENT.                                                                       |              |
| <b><u>AB 1849</u></b><br>Logue (R)    | California Environmental Quality Act: Exemptions    |                          | Relates to the California Environmental Quality Act. Exempts from the requirements of CEQA, the maintenance, repair, or replacement of an existing levee.                                                                                                                                                                                                                                                                                                                                                                       | 02/27/2014 - To ASSEMBLY<br>Committee on NATURAL RESOURCES.                                                                      |              |
| <b><u>AB 1874</u></b><br>Gonzalez (D) | Integrated Regional Water Management Plans: Funding |                          | Requires the Department of Water Resources to develop a streamlined application process for certain regional water management groups. Requires, in order to get water management funds through the process, the group must file a streamlined application that includes specified information. Requires the Department to award funds according to a statutory formula. Requires the group to provide the Department of a list of projects to be funded and the Department to award the funding within a specified time period. | 03/26/2014 - From ASSEMBLY<br>Committee on WATER, PARKS AND WILDLIFE<br>with author's amendments.;03/26/2014 - In ASSEMBLY. Read |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>          | <b>Title</b>                                         | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Status</b>                                                                                                                                                                            | <b>Notes</b> |
|-------------------------------------|------------------------------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
|                                     |                                                      |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.                                                                                                          |              |
| <b><u>AB 1905</u></b><br>Alejo (D)  | Water Rights: Appropriation: Livestock Stockpond Use |                          | Provides that impoundment for incidental fire protection purposes is included within livestock stockpond use.                                                                                                                                                                                                                                                                                                                                                     | 03/03/2014 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.                                                                                                                         |              |
| <b><u>AB 1933</u></b><br>Levine (D) | Local Government: Investments                        |                          | Authorizes the legislative body of a local agency to also invest in United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by certain banks. Requires these investments to be rated AA or better and to not exceed 30% of the agency's moneys that may be invested.                                                                                                                                    | 03/03/2014 - To ASSEMBLY Committees on LOCAL GOVERNMENT and BANKING AND FINANCE.                                                                                                         |              |
| <b><u>AB 1961</u></b><br>Eggman (D) | Land Use: Planning: Sustainable Farmland Strategy    |                          | Requires each county with significant agricultural land resources to also develop a sustainable farmland strategy. Requires the sustainable farmland strategy to include, among other things, a map and inventory of all agriculturally zoned land within the county, a description of the goals, strategies, and related policies and ordinances, to retain agriculturally zoned land where practical and mitigate the lose of such land to other uses or zones. | 03/25/2014 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;03/25/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT. |              |
| <b><u>AB 1970</u></b><br>Gordon (D) | Global Warming Solutions Act: Community Investment   |                          | Creates the Community Investment and Innovation Program and requires moneys to be available from the Greenhouse Gas Reduction Fund for purposes of awarding local assistance grants and other                                                                                                                                                                                                                                                                     | 03/03/2014 - To ASSEMBLY Committees on                                                                                                                                                   |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>           | <b>Title</b>                                           | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Status</b>                                                                                           | <b>Notes</b> |
|--------------------------------------|--------------------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|--------------|
|                                      |                                                        |                          | financial assistance to eligible grant applicants who submit plans to develop and implement integrated community-level greenhouse gas emissions reductions in their region.                                                                                                                                                                                                                                                                                            | NATURAL RESOURCES and LOCAL GOVERNMENT.                                                                 |              |
| <b><u>AB 1983</u></b><br>Gray (D)    | Water Meters: Multiunit Structures                     |                          | Authorizes the owner or operator of a building containing residential units to install equipment to determine or use an economic allocation methodology to approximate the quantity of water that is provided to the tenants and used in the common areas of that building and to charge tenants separately for water and wastewater service based on usage as determined through the use of that equipment or allocation methodology if certain requirements are met. | 03/03/2014 - To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and WATER, PARKS AND WILDLIFE. |              |
| <b><u>AB 2040</u></b><br>Garcia (D)  | Public Official Compensation                           |                          | Requires a local agency to report to the controller the annual compensation of its public officials, including, but not limited to, separately listing the name of each public official and his or her monthly salary.                                                                                                                                                                                                                                                 | 03/03/2014 - To ASSEMBLY Committee on LOCAL GOVERNMENT.                                                 |              |
| <b><u>AB 2043</u></b><br>Bigelow (R) | Safe Clean and Reliable Drinking Water Supply Act      |                          | Enacts the Safe, Clean, and Reliable Water Supply Act of 2014, which, if adopted by votes, would authorize the issuance of bonds to finance a safe drinking water and water supply reliability program.                                                                                                                                                                                                                                                                | 03/06/2014 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.                                        |              |
| <b><u>AB 2045</u></b><br>Rendon (D)  | Energy Improvements and Financing                      |                          | Enacts the Non-Residential Real Property Energy Retrofit Financing Act of 2014. Provides financial assistance through the issuance of revenue bonds, to owners of eligible real properties. Requires that the bonds be secured by the recording of an energy remittance repayment agreement lien.                                                                                                                                                                      | 03/06/2014 - To ASSEMBLY Committees on BANKING AND FINANCE and UTILITIES AND COMMERCE.                  |              |
| <b><u>AB 2049</u></b><br>Dahle (R)   | Drinking Water: Point-of-Entry: Point-of-Use Treatment |                          | Limits the use of point-of-entry and point-of-use treatment to water systems with less than 500 service connections.                                                                                                                                                                                                                                                                                                                                                   | 03/25/2014 - From ASSEMBLY Committee on ENVIRONMENTAL                                                   |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>           | <b>Title</b>                            | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                             | <b>Status</b>                                                                                                                                                                                                             | <b>Notes</b> |
|--------------------------------------|-----------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
|                                      |                                         |                          |                                                                                                                                                                                                                                                                                                                                                                    | SAFETY AND TOXIC MATERIALS: Do pass to Committee on APPROPRIATIONS.                                                                                                                                                       |              |
| <b><u>AB 2067</u></b><br>Weber (D)   | Urban Water Management Plans            |                          | Requires an urban retail water supplier and an urban wholesale water supplier to provide narratives describing the supplier's water demand management measures. Requires the narrative to address the nature and extent of each water demand management measure implemented to describe the water demand management measures that the supplier plans to implement. | 03/25/2014 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.<br>;03/25/2014 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS. |              |
| <b><u>AB 2071</u></b><br>Levine (D)  | Recycled Water to Pasture Animals       |                          | Requires the State Department of Public Health to approve the use of tertiary treated recycled water for the purpose of providing water to pasture animals, unless the department determines that this use would harm public health.                                                                                                                               | 03/03/2014 - To ASSEMBLY Committees on WATER, PARKS AND WILDLIFE and ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.                                                                                                            |              |
| <b><u>AB 2097</u></b><br>Morrell (R) | Homeowners Exemption and Renters Credit |                          | Increases the homeowners' property tax exemption. Increases the personal income tax credit for a qualified renter.                                                                                                                                                                                                                                                 | 03/03/2014 - To ASSEMBLY Committee on                                                                                                                                                                                     |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| Bill No.<br>Author                    | Title                                                         | IRWD<br>Position | Summary/Effects                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Status                                                                                                                                                                                                                                                                   | Notes |
|---------------------------------------|---------------------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
|                                       |                                                               |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | REVENUE AND<br>TAXATION.                                                                                                                                                                                                                                                 |       |
| <b><u>AB 2100</u></b><br>Campos (D)   | Common Interest<br>Developments                               |                  | Prohibits a common interest development association from reducing or eliminating watering of vegetation or lawns during any period for which the Governor has declared a state of emergency, or a local government has declared a local emergency, due to drought.                                                                                                                                                                                                                     | 03/28/2014 - From<br>ASSEMBLY<br>Committee on<br>HOUSING AND<br>COMMUNITY<br>DEVELOPMENT<br>with author's<br>amendments.;03/28/2<br>014 - In<br>ASSEMBLY. Read<br>second time and<br>amended. Re-referred<br>to Committee on<br>HOUSING AND<br>COMMUNITY<br>DEVELOPMENT. |       |
| <b><u>AB 2104</u></b><br>Gonzalez (D) | Common Interest<br>Developments:Water<br>Efficient Landscapes |                  | Relates to the Davis-Stirling Common Interest Development Act. Provides that governing documents shall include architectural or landscaping guidelines or policies and decisions by the board of directors applicable to a specific homeowner. Applies these provisions to a prohibition on the replacement of existing turf with low water-using plants.                                                                                                                              | 04/01/2014 - In<br>ASSEMBLY. Read<br>second time and<br>amended. To second<br>reading.                                                                                                                                                                                   |       |
| <b><u>AB 2114</u></b><br>Pan (D)      | Taxation: Qualified Heavy<br>Equipment                        |                  | Imposes a tax on every qualified rentee of qualified equipment. Requires renter to collect the tax from the qualified rentee at the time of rental. Provides that this tax shall be in lieu of any personal property tax on qualified heavy equipment. Requires the county auditor to increase the total amount of ad valorem property tax revenue and to decrease the amount of ad valorem property tax required to be allocated to the county Educational Revenue Augmentation Fund. | 03/10/2014 - From<br>ASSEMBLY<br>Committee on<br>REVENUE AND<br>TAXATION with<br>author's<br>amendments.;03/10/2<br>014 - In<br>ASSEMBLY. Read<br>second time and                                                                                                        |       |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>          | <b>Title</b>                                           | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Status</b>                                                                                                                                                                                                                                            | <b>Notes</b> |
|-------------------------------------|--------------------------------------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
|                                     |                                                        |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | amended. Re-referred to Committee on REVENUE AND TAXATION.                                                                                                                                                                                               |              |
| <b><u>AB 2126</u></b><br>Bonta (D)  | Meyers Milias Brown Act Mediation                      |                          | Amends the Meyers-Milias-Brown Act which requires the governing body of a local public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of a recognized employee organization. Permits either party to request mediation. Requires the parties to agree upon a mediator. Provides the labor-management differences that may be submitted to a fact finding panel. Limits the criteria that the factfinders would be required to consider. | 03/26/2014 - From ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY with author's amendments.;03/26/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY. |              |
| <b><u>AB 2189</u></b><br>Garcia (D) | Water Replenishment Assessment                         |                          | Requires the board of each water replenishment district to make the specified findings and determinations before holding the public hearing, and to give written notice by mail to operators of water-producing facilities within the district that would be subject to the proposed replenishment assessment. Provides the basis for the assessment. Authorizes a water-producing facility operator to submit a protest opposing the assessment. Provides the condition under which an assessment is prohibited.          | 03/06/2014 - To ASSEMBLY Committee on LOCAL GOVERNMENT.                                                                                                                                                                                                  |              |
| <b><u>AB 2211</u></b><br>Ting (D)   | Counties: Database: Information Regarding Property Tax |                          | Requires each county to make available to taxpayers an interactive, searchable database on its Internet Web site that allows taxpayers to receive a customized account of the amount of general ad valorem                                                                                                                                                                                                                                                                                                                 | 03/06/2014 - To ASSEMBLY Committee on                                                                                                                                                                                                                    |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| Bill No.<br>Author                           | Title                                             | IRWD<br>Position | Summary/Effects                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Status                                                                                                                                                                                   | Notes |
|----------------------------------------------|---------------------------------------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
|                                              |                                                   |                  | property tax that is allocated to each local jurisdiction, and all of the services funded by the general ad valorem property tax.                                                                                                                                                                                                                                                                                                                                                                                              | LOCAL GOVERNMENT.                                                                                                                                                                        |       |
| <b><u>AB 2231</u></b><br>Gordon (D)          | State Controller: Property Tax Postponement       |                  | Excludes losses and nonexpenses from income for purposes of the Senior Citizens and Disabled Citizens Property Tax Postponement Law. Excludes mobilehomes and houseboats from the scope of these provisions. Repeals the related Senior Citizens Mobilehome Property Tax Postponement Law. Creates a related fund for the placement of postponement payments. Eliminates a subordination authorization of the Controller. Provides an increase in the program eligibility equity requirement. Provides repayment requirements. | 03/24/2014 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;03/24/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT. |       |
| <b><u>AB 2257</u></b><br>Cooley (D)          | Tax-Defaulted Property: Excess Proceeds From Sale |                  | Eliminates the requirement that any excess proceeds from the sale of tax-defaulted property not claimed be distributed among taxing agencies. Authorizes any excess proceeds to be transferred to the county general fund at the expiration of a specified time period. Relates to the distribution and claim process of any excess proceeds from the sale.                                                                                                                                                                    | 03/17/2014 - To ASSEMBLY Committees on LOCAL GOVERNMENT and REVENUE AND TAXATION.                                                                                                        |       |
| <b><u>AB 2259</u></b><br>Ridley-Thomas S (D) | Water Replenishment: Assessments                  |                  | Requires that a judicial action or proceeding to attack, review, set aside, void, or annul a resolution or motion levying a water replenishment assessment by a water replenishment district pursuant to certain provisions to be connected within a certain number of days of a specified fiscal year. Requires that an action by a local agency or interested person regarding the replenishment assessment be brought pursuant to specified provisions regarding civil proceedings.                                         | 04/01/2014 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;04/01/2014 - In ASSEMBLY. Read second time and amended. Re-referred                                   |       |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>            | <b>Title</b>                                         | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>Status</b>                                                                                                                                                                                                                                                            | <b>Notes</b> |
|---------------------------------------|------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
|                                       |                                                      |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | to Committee on<br>LOCAL<br>GOVERNMENT.                                                                                                                                                                                                                                  |              |
| <b><u>AB 2282</u></b><br>Gatto (D)    | Building Standards: Recycled<br>Water Infrastructure |                          | Requires the Department of Housing and Community Development to conduct research to assist in the development of and to propose adoption, amendment or repeal by the State Building Standards Commission of mandatory building standards for the installation of future recycled water infrastructure for single-family and multifamily residential buildings. Limits the mandate to install recycled water piping to areas within a local jurisdiction that meet specified conditions.                               | 03/24/2014 - From<br>ASSEMBLY<br>Committee on<br>HOUSING AND<br>COMMUNITY<br>DEVELOPMENT<br>with author's<br>amendments.;03/24/2<br>014 - In<br>ASSEMBLY. Read<br>second time and<br>amended. Re-referred<br>to Committee on<br>HOUSING AND<br>COMMUNITY<br>DEVELOPMENT. |              |
| <b><u>AB 2312</u></b><br>Nestande (R) | Metal Theft                                          |                          | Relates to theft of wire, cable, copper, lead, solder, mercury, iron, or brass. Requires a junk dealer or recycler to request to receive theft alert notifications regarding the theft of commodity metals in the junk dealer's or recycler's geographic region from the theft alert system maintained by the Institute of Scrap Recycling Industries, Inc. Requires a junk dealer or recycler who is an applicant for a new weighmaster license or renewal to also include a statement on theft alert notifications. | 03/28/2014 - From<br>ASSEMBLY<br>Committee on<br>BUSINESS,<br>PROFESSIONS &<br>CONSUMER<br>PROTECTION with<br>author's<br>amendments.;03/28/2<br>014 - In<br>ASSEMBLY. Read<br>second time and<br>amended. Re-referred<br>to Committee on<br>BUSINESS,                   |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>           | <b>Title</b>                                              | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                 | <b>Status</b>                                                                                                                                                                                                                                                                                               | <b>Notes</b> |
|--------------------------------------|-----------------------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
|                                      |                                                           |                          |                                                                                                                                                                                                                                                                                                                                                                        | PROFESSIONS &<br>CONSUMER<br>PROTECTION.                                                                                                                                                                                                                                                                    |              |
| <b><u>AB 2353</u></b><br>Waldron (R) | Environmental Quality:<br>Environmental Impact<br>Reports |                          | Exempts a project to expand the storage capacity of a surface water storage facility that meets specified requirements from the provisions of the California Environmental Quality Act.                                                                                                                                                                                | 03/20/2014 - To<br>ASSEMBLY<br>Committee on<br>NATURAL<br>RESOURCES.;03/20<br>/2014 - From<br>ASSEMBLY<br>Committee on<br>NATURAL<br>RESOURCES with<br>author's<br>amendments.;03/20/2<br>014 - In<br>ASSEMBLY. Read<br>second time and<br>amended. Re-referred<br>to Committee on<br>NATURAL<br>RESOURCES. |              |
| <b><u>AB 2403</u></b><br>Rendon (D)  | Local Government:<br>Assessments, fees, and<br>charges    |                          | Provides that provisions of the California Constitution generally require that assessments, fees, and charges be submitted to property owners for approval or rejection after the provisions of written notice and the holding of a public hearing. Modifies the definition of water to specifically include recycled water and stormwater intended for water service. | 03/10/2014 - To<br>ASSEMBLY<br>Committee on<br>LOCAL<br>GOVERNMENT.                                                                                                                                                                                                                                         |              |
| <b><u>AB 2415</u></b><br>Ting (D)    | Energy: Electric Vehicle<br>Charging Station: Grants      |                          | Requires the State Energy Resources Conservation and Development Commission to develop and administer an electric vehicle charging station matching grant program to provide financial assistance to cities, counties, and a city and county for the installation of electric vehicle charging stations at public on-street parking locations.                         | 03/10/2014 - To<br>ASSEMBLY<br>Committees on<br>NATURAL<br>RESOURCES and<br>TRANSPORTATIO                                                                                                                                                                                                                   |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>            | <b>Title</b>                                            | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Status</b>                                                                                                                                                                                                                                                                                                     | <b>Notes</b> |
|---------------------------------------|---------------------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b><u>AB 2417</u></b><br>Nazarian (D) | California Environmental<br>Quality Act: Recycled Water |                          | Amends the California Environmental Quality Act, which exempt specified pipeline projects from certain requirements. Exempts from the Act a project for the construction and installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline, not exceeding a specified length, for the distribution of recycled water within a public street, highway, or right-of-way. Requires the filing of a notice of exemption. | N.<br>03/28/2014 - To<br>ASSEMBLY<br>Committee on<br>NATURAL<br>RESOURCES.;03/28<br>/2014 - From<br>ASSEMBLY<br>Committee on<br>NATURAL<br>RESOURCES with<br>author's<br>amendments.;03/28/2<br>014 - In<br>ASSEMBLY. Read<br>second time and<br>amended. Re-referred<br>to Committee on<br>NATURAL<br>RESOURCES. |              |
| <b><u>AB 2420</u></b><br>Nazarian (D) | Well Stimulation Treatments:<br>Local Prohibition       |                          | Authorizes a city or county to adopt and enforce a local ordinance prohibiting well stimulation treatments.                                                                                                                                                                                                                                                                                                                                                                                                            | 03/10/2014 - To<br>ASSEMBLY<br>Committees on<br>LOCAL<br>GOVERNMENT and<br>NATURAL<br>RESOURCES.                                                                                                                                                                                                                  |              |
| <b><u>AB 2434</u></b><br>Gomez (D)    | Income Taxes: Exclusion                                 |                          | Provides an exclusion from gross income any amount received as a rebate, voucher, or other financial incentive issued by a local water or energy agency or supplier for expenses incurred to participate in a water or energy conservation program.                                                                                                                                                                                                                                                                    | 03/10/2014 - To<br>ASSEMBLY<br>Committee on<br>REVENUE AND<br>TAXATION.                                                                                                                                                                                                                                           |              |
| <b><u>AB 2442</u></b><br>Gordon (D)   | Porter Cologne Water<br>Quality Control Act             |                          | Prohibits the State Water Resources Control Board, a regional board, and any authorized person, from being civilly or criminally liable for                                                                                                                                                                                                                                                                                                                                                                            | 03/10/2014 - To<br>ASSEMBLY                                                                                                                                                                                                                                                                                       |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>                | <b>Title</b>                                        | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                     | <b>Status</b>                                                                   | <b>Notes</b> |
|-------------------------------------------|-----------------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------|
|                                           |                                                     |                          | any act or omission of the state board, regional board, or any authorized person in connection with any investigation, cleanup, abatement, or other remedial work, unless the act or omission was performed in a grossly negligent manner.                                                                                                                                                                 | Committee on JUDICIARY.                                                         |              |
| <b><u>AB 2443</u></b><br>Rendon (D)       | Duplication of Service:<br>Mutual Water Companies   |                          | Makes inapplicable the provision that a mutual water company is a private utility entitled to just compensation for a taking in a territory it services at the time of the taking when a political subdivision constructs facilities to provide or extend recycled water service to the territory of the mutual water company.                                                                             | 03/13/2014 - To ASSEMBLY Committee on LOCAL GOVERNMENT.                         |              |
| <b><u>AB 2446</u></b><br>Waldron (R)      | San Luis Rey Municipal Water District               |                          | Amends existing law that prohibits a standby assessment or availability charge levied in any improvement district situated within the San Luis Rey Municipal Water District from exceeding a specified amount per acre per year for land on which the charge is levied or for a specified amount for smaller parcels. Extends the operation of the provision of the San Luis Rey Municipal Water District. | 03/24/2014 - Re-referred to ASSEMBLY Committee on LOCAL GOVERNMENT.             |              |
| <b><u>AB 2463</u></b><br>Dickinson (D)    | Delta Plan: Bay Delta Conservation Plan: Hearings   |                          | Amends existing law, the Sacramento San Joaquin Delta Reform Act of 2009 that establishes the Delta Stewardship Council. Requires the council to have at least 5 public hearings concerning the incorporation of the Bay Delta Conservation Plan into the Delta Plan if the Department of Fish and Wildlife approves the Bay Delta Conversation Plan as a natural community conservation plan.             | 03/13/2014 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.                |              |
| <b><u>AB 2471</u></b><br>Frazier (D)      | Public Contracts: Change Orders                     |                          | Requires a public entity, when authorized to order changes or additions in the work in a public works contract awarded to the lowest bidder, to issue a change order promptly. Requires if this requirement is not met, the public entity to be liable to the original contractor for payment of the contractor's invoice.                                                                                 | 03/13/2014 - To ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW. |              |
| <b><u>AB 2492</u></b><br>Jones-Sawyer (D) | Local Agencies: Meetings: Real Property Transaction |                          | Authorizes the legislative body of a local agency to grant authority to the negotiator regarding the price and terms of the purchase, sale, exchange, or lease.                                                                                                                                                                                                                                            | 03/13/2014 - To ASSEMBLY Committee on LOCAL GOVERNMENT.                         |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>             | <b>Title</b>                                            | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Status</b>                                                                                                                                                                                                                              | <b>Notes</b> |
|----------------------------------------|---------------------------------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b><u>AB 2507</u></b><br>Bocanegra (D) | Public Records Act:<br>Exemptions                       |                          | Provides that public agency attorney billing records, when they are prepared in connection with pending litigation, are exempt from the California Public Records Act disclosure provisions during the pendency of the litigation.                                                                                                                                                                                                                                                        | 04/01/2014 - In ASSEMBLY Committee on JUDICIARY: Not heard.                                                                                                                                                                                |              |
| <b><u>AB 2516</u></b><br>Gordon (D)    | Sea Level Rise Planning:<br>Database                    |                          | Requires the Natural Resources Agency, in collaboration with the Ocean Protection Council, to post on its Internet Web site a Planning for Sea Level Rise Database describing steps being taken throughout the state to prepare for, and adapt to, sea level rise. Includes public and private entities.                                                                                                                                                                                  | 03/13/2014 - To ASSEMBLY Committee on NATURAL RESOURCES.                                                                                                                                                                                   |              |
| <b><u>AB 2554</u></b><br>Rendon (D)    | Clean, Safe, and Reliable<br>Drinking Water Act of 2014 |                          | Repeals the Safe, Clean, and Reliable Drinking Water Act of 2012 that would authorize the issuance of bonds to finance a safe drinking water and water supply reliability program via a bond act if passed by the voters at a statewide general election. Enacts the Clean, Safe, and Reliable Drinking Water Act of 2014 to authorize bonds in a specified amount to finance a clean, safe, and reliable drinking water program if passed by the voters at a statewide general election. | 03/24/2014 - From ASSEMBLY Committee on ACCOUNTABILIT Y AND ADMINISTRATIVE REVIEW with author's amendments.;03/24/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ACCOUNTABILIT Y AND ADMINISTRATIVE REVIEW. |              |
| <b><u>AB 2619</u></b><br>Gaines B (R)  | Dams: Fish: Critically Dry<br>Year                      |                          | Amends existing law which requires a dam owner to allow sufficient water to pass through a fishway or over, around, or through the dam and which authorizes the Department of Fish and Game to grant permission to the dam owner to allow sufficient water to pass through a culvert, waste gate, or over or around the dam, to keep in                                                                                                                                                   | 03/28/2014 - To ASSEMBLY Committee on WATER, PARKS AND                                                                                                                                                                                     |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| Bill No.<br>Author           | Title                                           | IRWD<br>Position | Summary/Effects                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Status                                                                                                                                                                                                               | Notes |
|------------------------------|-------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
|                              |                                                 |                  | good condition any fish that may be planted or exist below the dam. Prohibits such provisions from applying during a critically dry year.                                                                                                                                                                                                                                                                                                                                               | WILDLIFE.;03/28/2014 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/28/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE. |       |
| <b>AB 2636</b><br>Gatto (D)  | CalConserve Water Use Efficiency Revolving Fund |                  | Transfers to the CalConserve Water Use Efficiency Revolving Fund from the Costa-Machado Water Act of 2000 specified bond proceeds issued and available for agricultural water projects. Requires the Department of Water Resources to use these moneys for loans and grants to local agencies to acquire and construct agricultural water conservation projects consistent with the bond act.                                                                                           | 03/25/2014 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.                                                                                                           |       |
| <b>AB 2676</b><br>Rendon (D) | Controller Reports                              |                  | Changes the definition of a special district included in the reporting requirements of the Controller to include a public entity, agency, or board provided for by a joint powers agreement that is separate from the parties to the agreement and is responsible for the administration of the agreement. Relates to auditing local redevelopment agencies. Relates to forfeiture requirements local agency officers that fail or refuse to file a financial report to the Controller. | 03/25/2014 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;03/25/2014 - In ASSEMBLY. Read second time and amended. Re-referred                                                               |       |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>            | <b>Title</b>                                          | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                           | <b>Status</b>                                                                                                                                                                                                                                      | <b>Notes</b> |
|---------------------------------------|-------------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
|                                       |                                                       |                          |                                                                                                                                                                                                                                                                                                                                                                                                  | to Committee on<br>LOCAL<br>GOVERNMENT.                                                                                                                                                                                                            |              |
| <b><u>AB 2680</u></b><br>Nazarian (D) | Water Quality                                         |                          | Makes technical, nonsubstantive changes to the legislative findings and declarations in The Porter-Cologne Water Quality Control Act.                                                                                                                                                                                                                                                            | 02/21/2014 -<br>INTRODUCED.                                                                                                                                                                                                                        |              |
| <b><u>AB 2686</u></b><br>Perea (D)    | Clean, Safe, and Reliable<br>Water Supply Act of 2014 |                          | Repeals the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the Clean, Safe, and Reliable Water Supply Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in an unspecified amount, to finance a clean, safe, and reliable water supply program. Provides for the submission of the bond act to the voters at a statewide general election. | 03/25/2014 - From<br>ASSEMBLY<br>Committee on<br>WATER, PARKS<br>AND WILDLIFE<br>with author's<br>amendments.;03/25/2<br>014 - In<br>ASSEMBLY. Read<br>second time and<br>amended. Re-referred<br>to Committee on<br>WATER, PARKS<br>AND WILDLIFE. |              |
| <b><u>AB 2701</u></b><br>Gonzalez (D) | Groundwater Basins:<br>Investigation and Report       |                          | Makes a technical, nonsubstantive change to existing law that requires the Department of Water Resources, in conjunction with other public agencies, to conduct an investigation of the state's groundwater basins and to report its findings to the Governor and the Legislature.                                                                                                               | 02/21/2014 -<br>INTRODUCED.                                                                                                                                                                                                                        |              |
| <b><u>AB 2712</u></b><br>Daly (D)     | Hazardous Materials: Orange<br>County Water District  |                          | Imposes requirements on the Orange County Water District when conducting a remediation project at a hazardous waste release site. Prohibits the district from implementing a remediation project unless the plan for the proposed remediation project is approved pursuant to the specified procedures.                                                                                          | 03/17/2014 - To<br>ASSEMBLY<br>Committees on<br>ENVIRONMENTAL<br>SAFETY AND<br>TOXIC<br>MATERIALS and<br>LOCAL<br>GOVERNMENT.                                                                                                                      |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>                               | <b>Title</b>                                       | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Status</b>                                                                                                                                                     | <b>Notes</b> |
|----------------------------------------------------------|----------------------------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <b><u>AB 2725</u></b><br>Brown (D)                       | Urban Waterway Restoration                         |                          | Requires the Department of Water Resources to release assumptions and estimates relating to water use for urban waterway restoration. Includes urban waterway restoration that increases water supplies for any beneficial use, as a regional project or program. Includes an urban waterway restoration project as an eligible project for the grant program under the Environmental Water Fund.                                                                                                                       | 03/17/2014 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.                                                                                                  |              |
| <b><u>AB 2738</u></b><br>Env Safety & Toxic Material Cmt | Safe Drinking Water State Revolving Fund: Accounts |                          | Establishes the fees and charges account within the Safe Drinking Water State Revolving Fund Law of 1997 for deposit of prescribed administrative fees to be expended for administrative costs of providing assistance under these provisions to the extent consistent with federal law. Authorizes such fees to reimburse the costs for application processing and a loan disbursement fee. Authorizes an annual adjustment to the fee schedule. Deletes a requirement for payment of charges by the Attorney General. | 03/17/2014 - To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.                                                                                   |              |
| <b><u>ACA 8</u></b><br>Blumenfield (D)                   | Local Government Financing: Voter Approval         |                          | Proposes an amendment to the Constitution to create an additional exception to the 1% limit for an ad valorem tax rate imposed by a city, county, city and county, or special district, to service bonded indebtedness incurred to fund specified public improvements and facilities, or buildings used primarily to provide sheriff, police, or fire protection services, that is approved by 55% of the voters of the city, county, city and county, or special district.                                             | 06/27/2013 - To SENATE Committees on GOVERNANCE AND FINANCE and ELECTIONS AND CONSTITUTIONAL AMENDMENTS.                                                          |              |
| <b><u>HR 29</u></b><br>Gomez (D)                         | Outsourcing Public Services                        | Oppose                   | Opposes outsourcing of public services and assets, which harms transparency, accountability, shared prosperity, and competition, and supports processes that give public service workers the opportunity to develop their own plan on how to delivery cost-effective, high-quality services.                                                                                                                                                                                                                            | 03/13/2014 - From ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY with author's amendments.;03/13/2014 - In ASSEMBLY. Read second time and |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>                       | <b>Title</b>                                          | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Status</b>                                                                          | <b>Notes</b> |
|--------------------------------------------------|-------------------------------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------|
|                                                  |                                                       |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | amended. Re-referred to Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY. |              |
| <b><u>SB 1</u></b><br>Steinberg (D)              | Sustainable Communities Investment Authority          |                          | Authorizes certain public entities of a Sustainable Communities Investment Area to form a Sustainable Communities Investment Authority to carry out the Community Redevelopment Law. Provides for tax increment funding receipt under certain economic development and planning criteria. Establishes prequalification requirements for receipt of funding. Requires monitoring and enforcement of prevailing wage requirements within the area. Excludes certain types of farmland.                                          | 09/12/2013 - In SENATE. To Inactive File.                                              |              |
| <b><u>SB 33</u></b><br>Wolk (D)                  | Infrastructure Financing Districts: Voter Approval    |                          | Revises provisions governing infrastructure financing districts. Eliminates the requirement of voter approval for creation of the district and for bond issuance, and authorizes the legislative body to create the district subject to specified procedures. Authorizes the creation of such district subject to specified procedures. Authorizes a district to finance specified actions and project. Prohibits financing until a certain requirement is met. Prohibits assistance to a vehicle dealer or big box retailer. | 09/11/2013 - In ASSEMBLY. To Inactive File.                                            |              |
| <b><u>SB 64</u></b><br>Corbett (D)               | Global Warming Solutions: Clean Technology Investment |                          | Creates the Clean Technology Investment Account within the Greenhouse Gas Reduction Fund. Requires appropriations of moneys in the fund or other funds to the account in the Budget Act. Makes such funds available for grants to nonprofit public benefit corporations and regional technology alliances to design and implement program that accelerate the development, demonstration, and deployment of technologies that would reduce greenhouse gas emissions and foster job creation in the state.                     | 06/24/2013 - Re-referred to ASSEMBLY Committee on NATURAL RESOURCES.                   |              |
| <b><u>SB 103</u></b><br>Budget and Fiscal Review | Budget Act of 2013                                    |                          | Amends the Budget Act of 2013 by revising items of appropriation and making other changes for the purpose of addressing drought conditions in the State.                                                                                                                                                                                                                                                                                                                                                                      | 03/01/2014 - Signed by GOVERNOR.;03/01/                                                |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>                                 | <b>Title</b>                                     | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Status</b>                                                                                                                                    | <b>Notes</b> |
|------------------------------------------------------------|--------------------------------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Cmt                                                        |                                                  |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2014 - Chaptered by Secretary of State. Chapter No. 2                                                                                            |              |
| <b><u>SB 104</u></b><br>Budget and<br>Fiscal Review<br>Cmt | Drought Relief                                   |                          | Provides provisions regarding drought relief to include fines for violations of permits and licenses issued by the State Water Resources Control Board, the disbursement of disaster assistance, civil fines for the improper water diversion, emergency regulations regarding the diversion of water and the fines for a related infraction and for groundwater replenishment, rental space for those with economic hardship, the employment training tax, and the providing of funds for water management grants.              | 03/01/2014 - Signed by GOVERNOR.;03/01/2014 - Chaptered by Secretary of State. Chapter No. 3                                                     |              |
| <b><u>SB 176</u></b><br>Galgiani (D)                       | Administrative Procedures                        |                          | Requires the Office of Administrative Law to allow electronic submission to the Office by a state agency of notices required to be published and information required to be submitted pursuant to specified provisions of existing law. Expands the public discussion required described in existing law to require a state agency proposing to adopt regulations, prior to publication of a notice of proposed adoption, amendment, or repeal, to involve parties that would be subject to the regulations in such discussions. | 08/30/2013 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.;08/30/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee. |              |
| <b><u>SB 193</u></b><br>Monning (D)                        | Hazard Evaluation System and Information Service |                          | Relates to the repository of data on toxic materials and harmful physical agents in places of employment. Requires chemical manufacturers, formulators, suppliers, distributors, importers, and their agents to provide Hazard Evaluation System and Information Service the names and addresses of their customers who have purchased specified chemicals or commercial products containing those chemicals, and certain other information upon a request from the Service. Exempts the names and address from disclosure.      | 08/06/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.                                              |              |
| <b><u>SB 266</u></b><br>Lieu (D)                           | Prevailing Wages                                 |                          | Requires the body awarding a contract for public work to furnish a copy of the valid notice of completion for the public work or a document evidencing the awarding body's acceptance of the public work on a particular date, whichever occurs later. Requires that body to notify the Labor Commissioner if there has been no valid notice of                                                                                                                                                                                  | 01/23/2014 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.                                                                        |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| Bill No.<br>Author               | Title                                                    | IRWD<br>Position | Summary/Effects                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Status                                                                            | Notes |
|----------------------------------|----------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------|
|                                  |                                                          |                  | completion filed, and no document evidencing the acceptance of the public work on a particular date. Requires civil wage assessments until an applicable document is received.                                                                                                                                                                                                                                                                                                                  |                                                                                   |       |
| <b>SB 536</b><br>Berryhill T (R) | Property-Related Services                                |                  | Provides that a county shall not be obligated to provide subsidies to cure any deficiencies in funding of property-related services provided within the jurisdiction of a defined district, under any of certain specified circumstances. Provides that this prohibition would not apply if the county's governing board had agreed to subsidize the district's services before the completion of a majority protest proceeding or election.                                                    | 06/17/2013 - To ASSEMBLY Committee on LOCAL GOVERNMENT.                           |       |
| <b>SB 556</b><br>Corbett (D)     | Agency: Ostensible:<br>Nongovernmental Entities          |                  | Relates to third person contracts and ostensible agencies. Prohibits a person, firm, corporation, or association that is a nongovernmental entity and contracts to perform labor or services relating to public health or safety for a public entity from displaying on a vehicle or uniform a logo that reasonably could be interpreted as implying the labor or services are being performed by employees of a public agency, unless the vehicle and uniform displays a specified disclosure. | 09/11/2013 - In ASSEMBLY. To Inactive File.                                       |       |
| <b>SB 605</b><br>Lara (D)        | California Global Warming<br>Solutions Act: Scoping Plan |                  | Requires the Controller to determine the amount of moneys collected and deposited in the Greenhouse Reduction Fund by the State Air Resources Board. Appropriates moneys from the fund for projects and programs in disadvantaged communities. Authorizes expenditures for administrative purposes. Requires the Board, when updating a greenhouse gas emissions reduction scoping plan, to include specified criteria, and to submit that criteria to the Joint Legislative Budget Committee.  | 08/30/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Not heard.                  |       |
| <b>SB 628</b><br>Beall (D)       | Infrastructure Financing:<br>Transit Priority Projects   |                  | Eliminates the requirement of voter approval for the adoption of an infrastructure financing plan, the creation of an infrastructure financing district, and the issuance of bonds with respect to a transit priority project. Requires a specified percentage of the revenue for increasing, improving, and preserving the supply of lower and moderate-income housing. Requires a low-income housing replacement ordinance.                                                                   | 08/19/2013 - Withdrawn from Enrollment.;08/19/2013 - Ordered Held at SENATE desk. |       |
| <b>SB 633</b>                    | CEQA                                                     |                  | Amends the California Environmental Quality Act. Specifies, for                                                                                                                                                                                                                                                                                                                                                                                                                                 | 08/06/2013 - In                                                                   |       |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| Bill No.<br>Author             | Title                                             | IRWD<br>Position | Summary/Effects                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Status                                                                                                                                            | Notes |
|--------------------------------|---------------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Pavley (D)                     |                                                   |                  | purposes of new information exception to the prohibition on requiring a subsequent or supplement environmental impact report, that a specified exception applies if new information was not known and could not have been known by the lead or any responsible agency at the time the report was certified as complete. Authorizes the development of guidelines to exempt projects involving minor temporary uses of land and public gatherings.                                                                         | ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.                                                               |       |
| <b>SB 731</b><br>Steinberg (D) | Environment: California Environmental Quality Act |                  | Relates to the State Environmental Quality Act. Provides that certain impacts of a residential, mixed-use, or employment center project within a transit priority area shall not be considered significant impacts. Requires guidelines for thresholds of significance for noise and transportation impacts to be made available. Requires preparation of environmental impact reports. Extends the tolling of time for judicial actions and mitigation measures. Relates to sustainable communities planning and grants. | 09/11/2013 - From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass as amended.                                                                     |       |
| <b>SB 735</b><br>Wolk (D)      | Sacramento-San Joaquin Delta Reform Act           |                  | Amends existing law that establishes the Delta Stewardship Council to create a Delta management plan. Authorizes prescribed local entities to enter into a memorandum of understanding or other written agreement with the council and the Department of Fish and Wildlife regarding multispecies conservation plans that describes how the parties would ensure that multispecies conservation plans that have been adopted or are under development are consistent with the Delta Plan.                                 | 08/13/2013 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.                                                                       |       |
| <b>SB 750</b><br>Wolk (D)      | Building Standards: Water Meters: Multiunits      |                  | Requires a water purveyor providing water service to new multiunit residential or mixed use structures to require water measurement to each unit and to permit measurement to be by water meters or submeters. Requires submeters to comply with existing laws and regulations. Prohibits purveyor fees for submeters installed by the owner. Imposes certain requirements on landlords in related to the submetered water service. Relates to separate charge notification to tenant. Authorizes damages for violations. | 08/13/2013 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Failed passage.;08/13/2013 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: |       |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>              | <b>Title</b>                                         | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Status</b>                                                                                                       | <b>Notes</b> |
|-----------------------------------------|------------------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|--------------|
|                                         |                                                      |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Reconsideration granted.                                                                                            |              |
| <b><u>SB 757</u></b><br>Berryhill T (R) | Junk Dealers                                         |                          | Relates to junk dealers and recyclers. Permits a seller to use a passport from any country or a Matricula Consular issued by Mexico, along with another form of identification bearing an address, or an identification card issued by the United States, as identification. Specifies that the provisions governing secondhand dealers and coin dealers do not apply to junk dealers.                                                                                                                                       | 09/06/2013 - In ASSEMBLY. To Inactive File.                                                                         |              |
| <b><u>SB 785</u></b><br>Wolk (D)        | Design-Build                                         |                          | Repeals certain authorizations and enacts provisions that would authorize the Department of General Services, the Department of Corrections and Rehabilitation, and certain local agencies to use the design-build procurement process for specified public works. Authorizes the use of such process by the Marin Healthcare District when contracting for building and improvements construction to a hospital or health facility. Requires specified moneys to be deposited into the State Public Works Enforcement Fund. | 01/27/2014 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.                                           |              |
| <b><u>SB 848</u></b><br>Wolk (D)        | Safe Drinking Water, Water Quality, and Water Supply |                          | Repeals the provisions of existing law that created the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the Safe Drinking Water, Water Quality, and Flood Protection Act of 2014 which would authorize the issuance of bonds pursuant to the State General Obligation Bond Law to finance a safe drinking water, water quality, and water supply program.                                                                                                                                                | 02/26/2014 - From SENATE Committee on GOVERNANCE AND FINANCE: Do pass to Committee on APPROPRIATIONS.               |              |
| <b><u>SB 927</u></b><br>Cannella (R)    | Safe, Clean, and Reliable Drinking Water Supply Act  |                          | Renames the Safe, Clean, and Reliable Drinking Water Supply Act of 2012 as the Safe, Clean, and Reliable Drinking Water Supply Act of 2014 and makes conforming changes. Authorizes the issuance of bonds in a specified amount by reducing the amount available for projects related to drought relief and water supply reliability.                                                                                                                                                                                        | 02/06/2014 - To SENATE Committees on NATURAL RESOURCES AND WATER, ENVIRONMENTAL QUALITY and GOVERNANCE AND FINANCE. |              |
| <b><u>SB 938</u></b><br>Galgiani (D)    | Water Rights:<br>Reconsideration of a                |                          | Makes a technical, nonsubstantive change to existing law that specifies procedures under which a person may be subject to                                                                                                                                                                                                                                                                                                                                                                                                    | 02/20/2014 - To SENATE Committee                                                                                    |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>           | <b>Title</b>                                              | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Status</b>                                                                                                                   | <b>Notes</b> |
|--------------------------------------|-----------------------------------------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|--------------|
|                                      | Decision or Order                                         |                          | administrative civil liability for unauthorized diversion or use of water, specifies procedures under which the State Water Resources Control Board is authorized to order a reconsideration of all or part of its decision or order.                                                                                                                                                                                                                                                                                     | on RULES.                                                                                                                       |              |
| <b><u>SB 946</u></b><br>Huff (R)     | Community Facilities:<br>Consolidated Sanitation District |                          | Revises the governing body of a consolidated sanitation district located in Orange County to instead include one member of the city council of each city, except the city of Yorba Linda, one member of the county board of supervisors, and one member of the governing body of each sanitary district.                                                                                                                                                                                                                  | 03/19/2014 - In SENATE Committee on GOVERNANCE AND FINANCE:<br>Not heard.                                                       |              |
| <b><u>SB 985</u></b><br>Pavley (D)   | Stormwater Resource Planning                              |                          | Amends the Stormwater Resource Planning Act that authorizes a city, county, or special district, to develop a stormwater resource plan that meets certain standards. Requires a stormwater resource plan to identify opportunities to use existing publicly owned lands to capture and reuse stormwater.                                                                                                                                                                                                                  | 02/20/2014 - To SENATE Committees on ENVIRONMENTAL QUALITY and NATURAL RESOURCES AND WATER.                                     |              |
| <b><u>SB 992</u></b><br>Nielsen (R)  | Common Interest Developments: Property and Maintenance    |                          | Prohibits a common interest development association from imposing a fine or assessment on separate interest owners for yard maintenance issues related to under-watered plants and lawns during any period for which the Governor has declared a state of emergency due to drought.                                                                                                                                                                                                                                       | 04/01/2014 - From SENATE Committee on TRANSPORTATION AND HOUSING:<br>Do pass.                                                   |              |
| <b><u>SB 1014</u></b><br>Jackson (D) | Pharmaceutical Waste: Home-Generated                      |                          | Enacts the Home-Generated Pharmaceutical Waste Collection Disposal Act. Requires a producer of covered pharmaceuticals to submit to the Department of Resources Recycling and Recovery a product stewardship plan. Authorizes producers to submit a plan or designate a stewardship organization to act as an agent on behalf of the producers to submit a plan. Requires the plan to contain elements with regard to the collection and disposal of home-generated pharmaceutical waste. Authorizes violation penalties. | 04/01/2014 - In SENATE. Read second time and amended. Re-referred to Committee on BUSINESS, PROFESSIONS & ECONOMIC DEVELOPMENT. |              |
| <b><u>SB 1036</u></b><br>Pavley (D)  | Urban Water Management Plans                              |                          | Authorizes an urban water supplier to include within an urban water management plan certain energy-related information, including, but                                                                                                                                                                                                                                                                                                                                                                                    | 03/24/2014 - From SENATE Committee                                                                                              |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>          | <b>Title</b>                                            | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                        | <b>Status</b>                                                                                                                                                               | <b>Notes</b> |
|-------------------------------------|---------------------------------------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
|                                     |                                                         |                          | not limited to, an estimate of the amount of energy used to extract or divert water supplies.                                                                                                                                                                                                                                                                                                                 | on NATURAL RESOURCES AND WATER with author's amendments.;03/24/2014 - In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.     |              |
| <b><u>SB 1049</u></b><br>Pavley (D) | Integrated Regional Water Management Plans              |                          | Amends the Integrated Regional Water Management Planning Act. Includes projects or programs that reduce energy used to acquire, transport, treat, or distribute water, as a regional project or program. Requires a regional water management group to include all water suppliers that are within a watershed area, the area over a groundwater basin or subbasin, or the area within a county's boundaries. | 02/27/2014 - To SENATE Committee on NATURAL RESOURCES AND WATER.                                                                                                            |              |
| <b><u>SB 1080</u></b><br>Fuller (R) | Safe, Clean, and Reliable Drinking Water Supply Act     |                          | Relates to the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, which, if approved by the voters, would authorize the issuance of bonds in a specified amount. Declares the intent of the Legislature to enact legislation to reduce the bond amount.                                                                                                                                             | 02/27/2014 - To SENATE Committee on RULES.                                                                                                                                  |              |
| <b><u>SB 1113</u></b><br>Knight (R) | Property Taxation: Disabled Veterans Exemption: Refunds |                          | Relates to veterans with disabilities. Provides that if a claim for a refund is filed under certain circumstances for the disabled veterans' property tax exemption, the period of time for which a refund is required to be made shall be extended.                                                                                                                                                          | 04/01/2014 - From SENATE Committee on VETERANS AFFAIRS with author's amendments.;04/01/2014 - In SENATE. Read second time and amended. Re-referred to Committee on VETERANS |              |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| Bill No.<br>Author                    | Title                                              | IRWD<br>Position | Summary/Effects                                                                                                                                                                                                                                                                                                                                                                                   | Status                                                           | Notes |
|---------------------------------------|----------------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------|
|                                       |                                                    |                  |                                                                                                                                                                                                                                                                                                                                                                                                   | AFFAIRS.                                                         |       |
| <b><u>SB 1144</u></b><br>Galgiani (D) | Common Interest Developments                       |                  | Prohibits an association from imposing a fine or assessment on separate interest owners for yard maintenance issues related to under watered plants and lawns during any period for which the governor has declared a state of emergency due to drought. Prohibits a city, county, or city and county from imposing a fine or assessment on separate interest owners for yard maintenance issues. | 03/06/2014 - To SENATE Committee on TRANSPORTATION AND HOUSING.  |       |
| <b><u>SB 1168</u></b><br>Pavley (D)   | Groundwater Management Plans                       |                  | Requires a local agency to determine sustainable yield for a groundwater basin in coordination with other applicable local agencies whose service areas overlies the groundwater basin.                                                                                                                                                                                                           | 03/06/2014 - To SENATE Committee on NATURAL RESOURCES AND WATER. |       |
| <b><u>SB 1214</u></b><br>Anderson (R) | State Controller and Property Tax Postponement     |                  | Creates the Senior Citizens and Disabled Citizens Property Tax Postponement Fund. Relates to the Senior Citizens and Disabled Citizens Property Tax Postponement Law. Makes inoperative the prohibition against a person filing a claim for postponement and the Controller from accepting application for postponement under the program as of a specified date.                                 | 03/06/2014 - To SENATE Committee on GOVERNANCE AND FINANCE.      |       |
| <b><u>SB 1250</u></b><br>Hueso (D)    | Safe, Clean and Reliable Drinking Water Supply Act |                  | Amends the Safe, Clean and Reliable Drinking Water Supply Act of 2012 that would authorize the issuance of bonds to finance a safe drinking water and water supply reliability program. States the intent of the Legislature to enact legislation that would amend the act for the purpose of reducing the bond.                                                                                  | 03/06/2014 - To SENATE Committee on RULES.                       |       |
| <b><u>SB 1281</u></b><br>Pavley (D)   | Oil and Gas Production: Water Use Reporting        |                  | Declares that the use of freshwater in all elements of the development and production of oil and gas shall be reduced to an unspecified percentage of baseline freshwater use. Requires well and facility owners or operators to report to the division the volume, source, and use of all freshwater, recycled water, and treated water.                                                         | 03/06/2014 - To SENATE Committee on NATURAL RESOURCES AND WATER. |       |
| <b><u>SB 1292</u></b><br>Hueso (D)    | Safe Drinking water State Revolving Fund           |                  | Relates to the Safe Drinking Water State Revolving Fund. Increases the maximum amount of a construction grant award for a water system serving severely disadvantaged communities.                                                                                                                                                                                                                | 03/06/2014 - To SENATE Committee on ENVIRONMENTAL QUALITY.       |       |
| <b><u>SB 1323</u></b>                 | Property Taxation                                  |                  | Revises provisions of existing law regarding the refund of any tax,                                                                                                                                                                                                                                                                                                                               | 03/25/2014 - From                                                |       |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| Bill No.<br>Author                      | Title                                                | IRWD<br>Position | Summary/Effects                                                                                                                                                                                                                                                                                                                                                                       | Status                                                                                                                                                                                                     | Notes |
|-----------------------------------------|------------------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Lieu (D)                                |                                                      |                  | penalty, or interest resulting from the assessed value of property, that is to be cancelled or refunded, provided an application for exemption is thereafter filed. Updates the tax exemption for property used for parking by a religious-related entity and the congregation size requirement therefor. Relates to an affidavit required for a for a vessel property tax exemption. | SENATE Committee on GOVERNANCE AND FINANCE with author's amendments.;03/25/2014 - In SENATE. Read second time and amended. Re-referred to Committee on GOVERNANCE AND FINANCE.                             |       |
| <b><u>SB 1337</u></b><br>DeSaulnier (D) | Public Records: Electronic Copies and Media Requests |                  | Requires a state or local agency to provide an electronic copy of a public record when the public record is made available in response to a request. Requires a state or local agency to respond to a request for public records from a member of the press within 14 days.                                                                                                           | 03/13/2014 - To SENATE Committee on JUDICIARY.                                                                                                                                                             |       |
| <b><u>SB 1362</u></b><br>Correa (D)     | Public Contracts: Orange County Water District       |                  | Makes technical, nonsubstantive changes to existing law that governs the contracts of Orange County Water District as provided in a specified statute and further provides that the district is not bound by any contract unless the same is made in writing approved by a resolution of the board.                                                                                   | 03/13/2014 - To SENATE Committee on RULES.                                                                                                                                                                 |       |
| <b><u>SB 1370</u></b><br>Galgiani (D)   | Reliable Water Supply Bond Act of 2014               |                  | Repeals the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the Reliable Water Supply Bond Act of 2014 to finance surface water storage projects.                                                                                                                                                                                                                 | 03/24/2014 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;03/24/2014 - In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER. |       |

**IRWD 2014 LEGISLATIVE MATRIX**  
**Updated April 2, 2014**

| <b>Bill No.<br/>Author</b>                          | <b>Title</b>                                    | <b>IRWD<br/>Position</b> | <b>Summary/Effects</b>                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Status</b>                                                    | <b>Notes</b> |
|-----------------------------------------------------|-------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|--------------|
| <b><u>SB 1390</u></b><br>Correa (D)                 | General Subject: Santa Ana River Conservancy    |                          | Establishes the Santa Ana River Conservancy to acquire specified lands on either side of the riverbed of the Santa Ana River and would prescribe the management, powers, and duties of conservancy.                                                                                                                                                                                                                                                       | 03/13/2014 - To SENATE Committee on NATURAL RESOURCES AND WATER. |              |
| <b><u>SB 1420</u></b><br>Wolk (D)                   | Urban Water Management Plans                    |                          | Requires an urban water management plan to quantify and report on distribution system water loss. Authorizes water use projections to display and account for the water savings estimated to result from adopted codes, standards, ordinances, and transportation and land use plans. Requires the plan, or amendments be submitted electronically to the department and include any standardized forms, tables, or displays specified by the department. | 03/13/2014 - To SENATE Committee on NATURAL RESOURCES AND WATER. |              |
| <b><u>SB 1451</u></b><br>Hill (D)                   | Environmental Quality: Mitigation Measures      |                          | Relates to the California Environmental Quality Act. Requires the Secretary of the Natural Resources Agency to submit to the Legislature a report on the types and effectiveness of a representative sample of mitigation measures adopted by state and local agencies.                                                                                                                                                                                   | 03/13/2014 - To SENATE Committee on RULES.                       |              |
| <b><u>SB 1462</u></b><br>Governance and Finance Cmt | Local Government: Omnibus Bill                  |                          | Authorizes the legislative body to include the maturity or maturities of the bonds in the ordinance, resolution, indenture, agreement, or other instrument providing for issuance. Specifies that the description of the boundaries of the proposed district may be accomplished by reference to a map on file in the office of the clerk of either the city or county that is proposing to establish the district.                                       | 03/13/2014 - To SENATE Committee on GOVERNANCE AND FINANCE.      |              |
| <b><u>SCA 11</u></b><br>Hancock (D)                 | Local Government: Special Taxes: Voter Approval |                          | Proposes an amendment to the Constitution to condition the imposition, extension, or increase of a special tax by a local government upon the approval of 55% of the voters voting on the proposition, if the proposition proposing the tax contains specified requirements.                                                                                                                                                                              | 06/27/2013 - Re-referred to SENATE Committee on APPROPRIATIONS.  |              |

**Exhibit "B"**  
**February 27, 2014**  
**Summary of Water Bond Proposals**

(Please note that changes from the last version have been placed in red text)

|                                                                         | <b>SB7x 2</b><br><i>(Bond Currently on the November 2014 ballot)</i> | <b>SB 848 (Wolk)</b><br><i>( February 20, 2014, Version)</i>                                                                                                                                                              | <b>AB 1331 (Rendon)</b><br><i>(March 18 January 7, 2014, Version)</i>                                                                                                                                                                                                                                                                                             | <b>ACWA's</b><br><i>(As of March 12 January 20, 2014)</i>                                                                                                                                                 | <b>IRWD's Asks</b><br><i>(As of January 21, 2014)</i> |
|-------------------------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| <b>Water Quality/Clean and Safe Water</b>                               | <b>\$1.455 billion</b>                                               | <b>\$900 million</b><br><i>(Chapter 4)</i>                                                                                                                                                                                | <b>\$1.0 billion</b><br><i>(Chapter 5)</i>                                                                                                                                                                                                                                                                                                                        | <b>\$1.0 billion</b>                                                                                                                                                                                      |                                                       |
| Water Quality in Disadvantaged Communities                              | \$90 million <i>(funding placed in Chapter 5)</i>                    | \$100 million                                                                                                                                                                                                             | Funding outlined below.                                                                                                                                                                                                                                                                                                                                           | Funding outlined below.                                                                                                                                                                                   |                                                       |
| State Water Pollution Control Revolving Fund Small Community Grant Fund | \$75 million <i>(funding placed in Chapter 5)</i>                    | \$380 million                                                                                                                                                                                                             | \$ 400 million                                                                                                                                                                                                                                                                                                                                                    | \$200 million                                                                                                                                                                                             |                                                       |
|                                                                         |                                                                      |                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                   | *ACWA increased the amount of funding it is advocating be allocated for water quality by \$400 million. Originally a total of \$300 million was allocated for water quality is disadvantaged communities. |                                                       |
| Public Health Emergency Funding                                         |                                                                      |                                                                                                                                                                                                                           | \$100 million                                                                                                                                                                                                                                                                                                                                                     | \$100 million                                                                                                                                                                                             |                                                       |
| Water Quality in Private Wells Serving Disadvantaged Communities        |                                                                      | \$20 million                                                                                                                                                                                                              | \$10 million of the \$100 million may be made available for grants to private well owners that have no other source of water and serve members of a disadvantaged community                                                                                                                                                                                       |                                                                                                                                                                                                           |                                                       |
| Safe Drinking Water (Public Infrastructure Improvements)                | \$290 million <i>(funding placed in Chapter 5)</i>                   | \$400 million                                                                                                                                                                                                             | \$400 million                                                                                                                                                                                                                                                                                                                                                     | \$400 million                                                                                                                                                                                             |                                                       |
| Groundwater Quality                                                     | \$1.0 billion<br><i>(funding placed in Chapter 10)</i>               |                                                                                                                                                                                                                           | \$100 million                                                                                                                                                                                                                                                                                                                                                     | \$300 million                                                                                                                                                                                             |                                                       |
| <b>Watersheds</b>                                                       | <b>\$1.785 billion</b><br><i>(Chapter 9)</i>                         | <b>\$1.675 billion</b><br><i>(Chapter 7 4)</i>                                                                                                                                                                            | <b>\$1.5 billion</b><br><i>(Chapter 6)</i>                                                                                                                                                                                                                                                                                                                        | <b>\$1.3 billion 800 million</b>                                                                                                                                                                          |                                                       |
| Regional Watershed Funds                                                | \$1.535 billion                                                      | \$250 million*                                                                                                                                                                                                            | \$750 million*                                                                                                                                                                                                                                                                                                                                                    | \$550 million                                                                                                                                                                                             |                                                       |
|                                                                         |                                                                      | * For projects outside of the Delta                                                                                                                                                                                       | <del>* Specific watersheds were removed &amp; regions were inserted with blanks for allocations to be determined later.</del><br>Allocations per region were inserted into the bill. The Santa Ana and San Diego regions both were allocated \$76 million.                                                                                                        |                                                                                                                                                                                                           |                                                       |
| State Obligations                                                       | \$250<br>Funding is allocated for Klamath River dam removal          | \$500 million<br>Includes funding the State's obligation for the Klamath Basin Restoration Agreement, Quantification Settlement Agreement, San Joaquin River Restoration Settlement, and Tahoe Regional Planning Compact. | \$500 million<br>Includes funding the State's obligation for the Klamath Basin Restoration Agreement, Quantification Settlement Agreement, San Joaquin River Restoration Settlement, Section 3406(d) of Title 34 of Public Law 102-575, and other multiparty settlement agreement sin effect as of January 1, 2014, including the Tahoe Regional Planning Compact | \$0<br>State's obligations should compete for funding as other project would.                                                                                                                             |                                                       |
| Specific Conservancies Throughout California                            |                                                                      | \$875 million                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                           |                                                       |
| Natural Resource Agency Support of State Conservancies                  | \$250 million                                                        |                                                                                                                                                                                                                           | \$250 million                                                                                                                                                                                                                                                                                                                                                     | \$250 million                                                                                                                                                                                             |                                                       |
| Misc.                                                                   | \$250 million                                                        | \$50 million                                                                                                                                                                                                              | \$250 million                                                                                                                                                                                                                                                                                                                                                     | \$250 million                                                                                                                                                                                             |                                                       |

**Summary of Water Bond Proposals, Page 2**  
(Please note that changes from the last version have been placed in red text)

|                                                          | <b>SB7x 2</b><br><i>(Bond Currently on the November 2014 ballot)</i>                                          | <b>SB 848 (Wolk)</b><br><i>( February 20, 2014, Version)</i>                                                                                                                                                                                                                                                               | <b>AB 1331 (Rendon)</b><br><i>(March 18 January 7, 2014, Version)</i>                                                                                                                                                    | <b>ACWA's</b><br><i>(As of March 12 January 30, 2014)</i>                                                                                   | <b>IRWD's Asks</b><br><i>(As of January 21, 2014)</i>                          |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <b>Regional Water Security/Water Supply Reliability</b>  | <b>\$2.65 billion</b>                                                                                         | <b>\$2.9 billion</b><br><i>(Chapter 5)</i>                                                                                                                                                                                                                                                                                 | <b>\$2.0 billion</b><br><i>(Chapter 7)</i>                                                                                                                                                                               | <b>\$1.55 billion</b>                                                                                                                       |                                                                                |
| Integrated Water Management Plans                        | \$1.4 billion<br><i>(funding in Chapter 6)</i>                                                                | \$1.5 billion                                                                                                                                                                                                                                                                                                              | \$1 billion*                                                                                                                                                                                                             | \$1.1 billion                                                                                                                               |                                                                                |
| Orange County's IRWMP Allocation                         | \$128 million of the \$1.4 billion is designated to the Santa Ana Region, which includes all of Orange County | \$174 million of the \$1.5 billion is designated to the Santa Ana subregion & \$138 million is designated to the San Diego subregion                                                                                                                                                                                       | \$128 million of the \$1 billion is designated to the Santa Ana Region, which includes all of Orange County. \$87 million of the \$1 billion is designated for the San Diego region, which includes South Orange County. | Advocates that the Santa Ana Region receive \$151.75 \$140.8 million of the \$1.1 billion, and that San Diego receive \$95.7 million.       |                                                                                |
| Water Conservation                                       | \$250 million<br><i>(funding in Chapter 11)</i>                                                               |                                                                                                                                                                                                                                                                                                                            | \$250 million outside of <del>within the</del> IRWMP Allocation                                                                                                                                                          | \$250 million outside of <del>within the</del> IRWMP Allocation                                                                             |                                                                                |
| Multibenefit Stormwater Management Projects              |                                                                                                               | \$500 million                                                                                                                                                                                                                                                                                                              | \$250 million outside of <del>within the</del> IRWMP Allocation                                                                                                                                                          | \$250 million within the IRWMP Allocation                                                                                                   |                                                                                |
| Water Recycling & Advanced Treatment Technology Projects | \$1.0 billion<br><i>(funding in Chapter 11)</i>                                                               |                                                                                                                                                                                                                                                                                                                            | \$500 million<br><br>Water supply reliability improvements for critical urban water supplies in designated superfund areas with groundwater contamination are now eligible for this funding.                             | \$500 <del>450</del> million*<br><br>*Recycled water funding should be placed in its own chapter and not combined within the IRWMP chapter. | \$1 billion*<br><br>* Funding should be provided outside of the IRWMP process. |
| Local and regional drought relief projects               |                                                                                                               |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                          |                                                                                                                                             |                                                                                |
| Local and regional conveyance projects                   |                                                                                                               |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                          |                                                                                                                                             |                                                                                |
| <b>Delta Sustainability</b>                              | <b>\$2.25 billion</b><br><i>(Chapter 7)</i>                                                                   | <b>\$1.2 billion</b><br><i>(Chapter 6)</i>                                                                                                                                                                                                                                                                                 | <b>\$1 billion</b><br><i>(Chapter 8)</i>                                                                                                                                                                                 | <b>\$2.25 billion</b>                                                                                                                       | <b>\$2.25 billion</b>                                                          |
| Ecosystem Restoration                                    | \$1.5 billion                                                                                                 | \$800 million                                                                                                                                                                                                                                                                                                              | \$600 million                                                                                                                                                                                                            |                                                                                                                                             |                                                                                |
| Flood/Levee Improvements                                 |                                                                                                               | \$400 million                                                                                                                                                                                                                                                                                                              | \$400 million                                                                                                                                                                                                            |                                                                                                                                             |                                                                                |
| <b>Water Storage</b>                                     | <b>\$3.0 billion</b><br><i>(Chapter 8)</i>                                                                    | <b>\$1.025 billion</b><br><i>(Chapter 8 6)</i>                                                                                                                                                                                                                                                                             | <b>\$2.5 1.5 billion</b><br><i>(Chapter 9)</i>                                                                                                                                                                           | <b>\$3.0 billion</b>                                                                                                                        | <b>\$3.0 billion</b>                                                           |
| Continuous Appropriation Provisions                      | <i>includes continuous appropriation</i>                                                                      | <i>NO continuous appropriation</i>                                                                                                                                                                                                                                                                                         | <i>NO continuous appropriation; however, \$500 <del>300</del> million is appropriated for FY 15-16 thru FY 19-20.</i>                                                                                                    | <i>include continuous appropriation</i>                                                                                                     | <i>include continuous appropriation</i>                                        |
| Eligible Storage Projects                                | Surface Storage<br>Groundwater storage<br>Groundwater aquifer remediation or contamination prevention         | Surface Storage<br>Groundwater storage<br>Groundwater aquifer remediation or contamination prevention<br>Projects that result in a permanent reduction of water exported from the Delta and a transfer of the equivalent water right to instream flow<br>Recycled water storage<br>Conjunctive use & reservoir reoperation | Surface Storage<br>Groundwater storage<br>Groundwater aquifer remediation or contamination prevention<br>Construct & Expand Stormwater Retention Facilities<br><br>Emergency response                                    | Surface storage<br>Groundwater storage                                                                                                      | Recycled water storage should be added as a permissible use of these funds     |
| <b>Flood Control &amp; Stormwater Management</b>         |                                                                                                               | <b>\$25 600 million</b><br><i>(Chapter 7)</i>                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                          |                                                                                                                                             |                                                                                |
| Central Valley Flood Protection Plan                     |                                                                                                               |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                          |                                                                                                                                             |                                                                                |
| Natural Resources Agency Flood Control Projects          |                                                                                                               |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                          |                                                                                                                                             |                                                                                |
| Control of Runoff from Agricultural Lands                |                                                                                                               |                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                          |                                                                                                                                             |                                                                                |
| <b>Total Investment (in billions)</b>                    | <b>\$11.14 billion</b>                                                                                        | <b>\$6.825 billion</b>                                                                                                                                                                                                                                                                                                     | <b>\$8.0 6.5 billion</b>                                                                                                                                                                                                 | <b>\$9.15 8.65 billion</b>                                                                                                                  |                                                                                |

**Summary of Other Assembly Water Bond Proposals**  
(Please note that changes from the last version have been placed in red text)

|                                                                         | AB 1445 (Logue)<br>(February 14, 2014, Version)                            | <del>AB 1674 (Bigelow)</del><br><del>(As introduced on February 12, 2014)</del> | AB 2043 (Bigelow/Conway)<br>(As introduced on February 20, 2014) | AB 2554 (Rendon)<br>(March 24, 2014, Version)                                                                                                                                                                                                                                                                                                                      | AB 2686 (Perea)<br>(March 25, 2014, Version <del>As introduced on February 21, 2014</del> )                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Water Quality/Clean and Safe Water</b>                               | <b>\$1 billion</b><br>Upon appropriation by the Legislature<br>(Chapter 5) |                                                                                 | <b>\$995 million</b><br>(Chapter 4 & 9)                          | <b>\$1.0 billion</b><br>(Chapter 5)                                                                                                                                                                                                                                                                                                                                | <b>\$1.0 billion</b><br>(Chapter 5)                                                                                                                                                                                                                                                                                                                                |
| Water Quality in Disadvantaged Communities                              |                                                                            |                                                                                 | \$295 million<br>(Chapter 4 & 9)                                 | Funding outlined below.                                                                                                                                                                                                                                                                                                                                            | Funding outlined below.                                                                                                                                                                                                                                                                                                                                            |
| State Water Pollution Control Revolving Fund Small Community Grant Fund |                                                                            |                                                                                 |                                                                  | \$ 400 million                                                                                                                                                                                                                                                                                                                                                     | \$ 400 million                                                                                                                                                                                                                                                                                                                                                     |
| Public Health Emergency Funding                                         |                                                                            |                                                                                 |                                                                  | \$100 million                                                                                                                                                                                                                                                                                                                                                      | \$100 million                                                                                                                                                                                                                                                                                                                                                      |
| Water Quality in Private Wells Serving Disadvantaged Communities        |                                                                            |                                                                                 |                                                                  | \$10 million of the \$100 million may be made available for grants to private well owners that have no other source of water and serve members of a disadvantaged community                                                                                                                                                                                        | \$10 million of the \$100 million may be made available for grants to private well owners that have no other source of water and serve members of a disadvantaged community                                                                                                                                                                                        |
| Safe Drinking Water (Public Infrastructure Improvements)                |                                                                            |                                                                                 |                                                                  | \$400 million                                                                                                                                                                                                                                                                                                                                                      | \$400 million                                                                                                                                                                                                                                                                                                                                                      |
| Groundwater Quality                                                     |                                                                            |                                                                                 | \$100 million<br>(Chapter 9)                                     | \$100 million                                                                                                                                                                                                                                                                                                                                                      | A separate chapter was create. A funding level was not specified.<br>(Chapter 11)                                                                                                                                                                                                                                                                                  |
| <b>Watersheds</b>                                                       |                                                                            |                                                                                 |                                                                  | <b>\$1.5 billion</b><br>(Chapter 6)                                                                                                                                                                                                                                                                                                                                | <b>\$1.5 billion</b><br>(Chapter 6)                                                                                                                                                                                                                                                                                                                                |
| Regional Watershed Funds                                                |                                                                            |                                                                                 |                                                                  | \$750 million*                                                                                                                                                                                                                                                                                                                                                     | \$750 million*                                                                                                                                                                                                                                                                                                                                                     |
|                                                                         |                                                                            |                                                                                 |                                                                  | * Allocations per region are designated. The Santa Ana and San Diego regions both were allocated \$76 million.                                                                                                                                                                                                                                                     | * Specific watersheds regions were inserted with blanks for allocations to be determined later.                                                                                                                                                                                                                                                                    |
| State Obligations                                                       |                                                                            |                                                                                 |                                                                  | \$500 million<br>Includes funding the State's obligation for the Klamath Basin Restoration Agreement, Quantification Settlement Agreement, San Joaquin River Restoration Settlement, Section 3406(d) of Title 34 of Public Law 102-575, and other multiparty settlement agreement sin effect as of January 1, 2014, including the Tahoe Regional Planning Compact. | \$500 million<br>Includes funding the State's obligation for the Klamath Basin Restoration Agreement, Quantification Settlement Agreement, San Joaquin River Restoration Settlement, Section 3406(d) of Title 34 of Public Law 102-575, and other multiparty settlement agreement sin effect as of January 1, 2014, including the Tahoe Regional Planning Compact. |
| Specific Conservancies Throughout California                            |                                                                            |                                                                                 |                                                                  |                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                    |
| Natural Resource Agency Support of State Conservancies                  |                                                                            |                                                                                 |                                                                  | \$250 million                                                                                                                                                                                                                                                                                                                                                      | \$250 million                                                                                                                                                                                                                                                                                                                                                      |
| Misc.                                                                   |                                                                            |                                                                                 |                                                                  |                                                                                                                                                                                                                                                                                                                                                                    | \$250 million                                                                                                                                                                                                                                                                                                                                                      |

**Summary of Other Assembly Water Bond Proposals, Page 2**  
(Please note that changes from the last version have been placed in red text)

|                                                          | AB 1445 (Logue)<br>(February 14, 2014, Version)                                                       | AB 1674 (Bigelow)<br>(As introduced on February 13, 2014) | AB 2043 (Bigelow/Conway)<br>(As introduced on February 20, 2014)                                                                                   | AB 2554 (Rendon)<br>(March 24, 2014, Version)                                                                                                                                            | AB 2686 (Perea)<br>(March 25, 2014, Version As introduced on February 21, 2014)                                                                    |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Regional Water Security/Water Supply Reliability</b>  |                                                                                                       |                                                           | <b>\$2.44 billion</b><br>(funding in Chapter 6 & 10)                                                                                               | <b>\$2.0 billion</b><br>(Chapter 7)                                                                                                                                                      | <b>\$1.5 billion</b><br>(Chapter 7)                                                                                                                |
| Integrated Water Management Plans                        |                                                                                                       |                                                           | \$840 million<br>(Chapter 6)                                                                                                                       | \$1 billion*                                                                                                                                                                             | \$1 billion*                                                                                                                                       |
| Orange County's IRWMP Allocation                         |                                                                                                       |                                                           | \$102.4 million of the \$840 million is designated to the Santa Ana Region, which includes all of Orange County                                    | \$128 million of the \$1 billion is designated to the Santa Ana Region. --\$87 million of the \$1 billion is designated for the San Diego region, which includes South Orange County.    | \$128 million of the \$1 billion is designated to the Santa Ana Region, which includes all of Orange County                                        |
| Water Conservation                                       |                                                                                                       |                                                           | \$250 million<br>(Chapter 10)                                                                                                                      | \$250 million outside of the IRWMP Allocation                                                                                                                                            | \$250 million within the IRWMP Allocation                                                                                                          |
| Multibenefit Stormwater Management Projects              |                                                                                                       |                                                           |                                                                                                                                                    | \$250 million outside of the IRWMP Allocation                                                                                                                                            | \$250 million within the IRWMP Allocation                                                                                                          |
| Water Recycling & Advanced Treatment Technology Projects |                                                                                                       |                                                           | \$800 million<br>(funding in Chapter 10) *<br>Funding includes recycled water storage.                                                             | \$500 million<br>Water supply reliability improvements for critical urban water supplies in designated superfund areas with groundwater contamination are now eligible for this funding. | <del>\$500 million.</del> A separate chapter was inserted. No funding amount was included. (Chapter 10)                                            |
| Local and regional drought relief projects               |                                                                                                       |                                                           | \$200 million<br>(Chapter 5)                                                                                                                       |                                                                                                                                                                                          |                                                                                                                                                    |
| Local and regional conveyance projects                   |                                                                                                       |                                                           | \$350 million<br>(Chapter 6)                                                                                                                       |                                                                                                                                                                                          | \$350 million within the IRWMP Allocation                                                                                                          |
| <b>Delta Sustainability</b>                              |                                                                                                       |                                                           | <b>\$1.5 billion</b><br>(Chapter 7)                                                                                                                | <b>\$1 billion</b><br>(Chapter 8)                                                                                                                                                        | <b>\$2.25 billion</b>                                                                                                                              |
| Ecosystem Restoration                                    |                                                                                                       |                                                           | \$1.5 billion                                                                                                                                      | \$600 million                                                                                                                                                                            | Funding is designated to for public benefits association with Delta sustainability projects, which include ecosystem & levee improvement projects. |
| Flood/Levee Improvements                                 |                                                                                                       |                                                           |                                                                                                                                                    | \$400 million                                                                                                                                                                            |                                                                                                                                                    |
| <b>Water Storage</b>                                     | <b>\$4.8 billion</b><br>(Chapter 4)                                                                   |                                                           | <b>\$3.0 billion</b><br>(Chapter 8)                                                                                                                | <b>\$3 billion</b><br>(Chapter 9)                                                                                                                                                        | <b>\$3.0 billion</b><br>(Chapter 9)                                                                                                                |
| Continuous Appropriation Provisions                      | include continuous appropriation                                                                      |                                                           | includes continuous appropriation                                                                                                                  | includes continuous appropriation                                                                                                                                                        | includes continuous appropriation                                                                                                                  |
| Eligible Storage Projects                                | Surface Storage<br>Groundwater storage<br>Groundwater aquifer remediation or contamination prevention |                                                           | Surface Storage<br>Groundwater storage<br>Groundwater aquifer remediation or contamination prevention<br>Conjunctive use and reservoir reoperation | Surface Storage<br>Groundwater storage<br>Groundwater aquifer remediation or contamination prevention<br>Construct & Expand Stormwater Retention Facilities<br>Emergency response        | Surface Storage<br>Groundwater storage<br>Groundwater aquifer remediation or contamination prevention<br>Conjunctive use and reservoir reoperation |
| <b>Flood Control &amp; Stormwater Management</b>         |                                                                                                       |                                                           |                                                                                                                                                    |                                                                                                                                                                                          |                                                                                                                                                    |
| Central Valley Flood Protection Plan                     |                                                                                                       |                                                           |                                                                                                                                                    |                                                                                                                                                                                          |                                                                                                                                                    |
| Natural Resources Agency Flood Control Projects          |                                                                                                       |                                                           |                                                                                                                                                    |                                                                                                                                                                                          |                                                                                                                                                    |
| Control of Runoff from Agricultural Lands                |                                                                                                       |                                                           |                                                                                                                                                    |                                                                                                                                                                                          |                                                                                                                                                    |
| <b>Total Investment (in billions)</b>                    | <b>\$5.8 billion</b>                                                                                  |                                                           | <b>\$7.935 billion</b>                                                                                                                             | <b>\$8.5 billion</b>                                                                                                                                                                     | <b>\$9.25 billion Unspecified.</b>                                                                                                                 |

**Summary of Other Senate Water Bond Proposals**  
(Please note that changes from the last version have been placed in red text)

|                                                                         | <b>SB 927 (Vidak/Canella)</b><br><i>(As introduced on January 29, 2014)</i>                                    | <b>SB 1080 (Fuller)</b><br><i>(As introduced on February 19, 2014)</i> | <b>SB 1250 (Hueso)</b><br><i>(As introduced on February 20, 2014)</i> | <b>SB 1370 (Galgiani)</b><br><i>(March 24, 2014, Version)</i> |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------|
| <b>Water Quality/Clean and Safe Water</b>                               | <b>\$1.327 billion</b>                                                                                         |                                                                        |                                                                       |                                                               |
| Water Quality in Disadvantaged Communities                              | \$90 million                                                                                                   | S                                                                      | S                                                                     |                                                               |
| State Water Pollution Control Revolving Fund Small Community Grant Fund | \$75 million                                                                                                   |                                                                        |                                                                       |                                                               |
| Public Health Emergency Funding                                         |                                                                                                                | P                                                                      | P                                                                     |                                                               |
| Water Quality in Private Wells Serving Disadvantaged Communities        |                                                                                                                |                                                                        |                                                                       |                                                               |
| Safe Drinking Water (Public Infrastructure Improvements)                | \$162 million                                                                                                  | O                                                                      | O                                                                     |                                                               |
| Groundwater Quality                                                     | \$1.0 billion                                                                                                  |                                                                        |                                                                       |                                                               |
| <b>Watersheds</b>                                                       | <b>\$0</b>                                                                                                     |                                                                        |                                                                       |                                                               |
| Regional Watershed Funds                                                | \$0                                                                                                            | T                                                                      | T                                                                     |                                                               |
| State Obligations                                                       | \$0                                                                                                            |                                                                        |                                                                       |                                                               |
| Specific Conservancies Throughout California                            |                                                                                                                |                                                                        |                                                                       |                                                               |
| Natural Resource Agency Support of State Conservancies                  |                                                                                                                |                                                                        |                                                                       |                                                               |
| Misc.                                                                   |                                                                                                                |                                                                        |                                                                       |                                                               |
| <b>Regional Water Security/Water Supply Reliability</b>                 | <b>\$2.64 billion</b>                                                                                          |                                                                        |                                                                       |                                                               |
| Integrated Water Management Plans                                       | \$1.39 billion                                                                                                 | B                                                                      | B                                                                     |                                                               |
| Orange County's IRWMP Allocation                                        | \$128 million of the \$1.39 billion is designated to the Santa Ana Region, which includes all of Orange County | I                                                                      | I                                                                     |                                                               |
| Water Conservation                                                      | \$250                                                                                                          |                                                                        |                                                                       |                                                               |
| Multibenefit Stormwater Management Projects                             |                                                                                                                | L                                                                      | L                                                                     |                                                               |
| Water Recycling & Advanced Treatment Technology Projects                | \$1.0 billion                                                                                                  |                                                                        |                                                                       |                                                               |
| Local and regional drought relief projects                              |                                                                                                                |                                                                        |                                                                       |                                                               |
| Local and regional conveyance projects                                  | \$350 million within the IRWM Allocation                                                                       | L                                                                      | L                                                                     |                                                               |

**Summary of Other Senate Water Bond Proposals, Page 2**  
(Please note that changes from the last version have been placed in red text)

|                                                  | <b>SB 927 (Vidak/Canella)</b><br><i>(As introduced on January 29, 2014)</i> | <b>SB 1080 (Fuller)</b><br><i>(As introduced on February 19, 2014)</i> | <b>SB 1250 (Hueso)</b><br><i>(As introduced on February 20, 2014)</i> | <b>SB 1370 (Galgiani)</b><br><i>(March 24, 2014, Version)</i>                                              |
|--------------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| <b>Delta Sustainability</b>                      | <b>\$2.25 billion</b>                                                       |                                                                        |                                                                       |                                                                                                            |
| Ecosystem Restoration                            |                                                                             | <b>S</b>                                                               | <b>S</b>                                                              |                                                                                                            |
| Flood/Levee Improvements                         |                                                                             | <b>P</b>                                                               | <b>P</b>                                                              |                                                                                                            |
|                                                  |                                                                             | <b>O</b>                                                               | <b>O</b>                                                              |                                                                                                            |
|                                                  |                                                                             | <b>T</b>                                                               | <b>T</b>                                                              |                                                                                                            |
| <b>Water Storage</b>                             | <b>\$3.0 billion</b>                                                        |                                                                        |                                                                       | <b>\$5.4 billion</b>                                                                                       |
|                                                  |                                                                             |                                                                        |                                                                       | <i>(Chapter 4)</i>                                                                                         |
| Continuous Appropriation Provisions              |                                                                             |                                                                        |                                                                       | <i>include continuous appropriation</i>                                                                    |
| Eligible Storage Projects                        |                                                                             | <b>B</b>                                                               | <b>B</b>                                                              | Sites Reservoir<br>Temperance Flat Reservoir<br>Los Vaqueros Reservoir<br>San Luis Reservoir<br>Shasta Dam |
|                                                  |                                                                             | <b>I</b>                                                               | <b>I</b>                                                              |                                                                                                            |
| <b>Flood Control &amp; Stormwater Management</b> |                                                                             | <b>L</b>                                                               | <b>L</b>                                                              |                                                                                                            |
| Central Valley Flood Protection Plan             |                                                                             |                                                                        |                                                                       |                                                                                                            |
| Natural Resources Agency Flood Control Projects  |                                                                             | <b>L</b>                                                               | <b>L</b>                                                              |                                                                                                            |
| Control of Runoff from Agricultural Lands        |                                                                             |                                                                        |                                                                       |                                                                                                            |
| <b>Total Investment (in billions)</b>            | <b>\$9.217 billion</b>                                                      |                                                                        |                                                                       | <b>\$5.4 billion</b> <i>6.26 billion</i>                                                                   |

## EXHIBIT "C"

### AB 1331 (Rendon) Regional Allocation of Resource Conservation Funding

| Region                  | Percent of<br>Land Area | Percent of<br>Population | Proposal |
|-------------------------|-------------------------|--------------------------|----------|
| Bay Area                | 3.7%                    | 18.8%                    | 15%      |
| Central Coast           | 8.0%                    | 3.1%                     | 10%      |
| Central Valley          | 22.7%                   | 15.9%                    | 10%      |
| Colorado River/Lahontan | 18.2%                   | 2.2%                     | 0%       |
| Los Angeles             | 2.7%                    | 28.4%                    | 20%      |
| North Coast             | 9.0%                    | 2.2%                     | 10%      |
| San Diego               | 3.5%                    | 10.3%                    | 10%      |
| Santa Ana               | 1.7%                    | 15.8%                    | 10%      |
| Sierra-Cascade          | 30.5%                   | 3.3%                     | 15%      |
| TOTAL                   | 100%                    | 100%                     | 100%     |

#### Process for Setting Regional Proportions of Resource Conservation Funding

- 1) Each region receives a base of \$10 million, leaving \$660 million for distribution proportionally.
- 2) Consider population. Southern California has more than half of California's population (56.7%). The San Francisco Bay Area has almost one-fifth of the population. In order for other factors to be considered, reduce the population factor for the most populous areas to around 75-80%, which leads to Southern California receiving 40% and the San Francisco Bay Area receiving 15% of the total funding.
- 3) Distribute Southern California's share among its regions. Three of the four Southern California regions have the bulk of the population – 54.5% vs. 2.2%. Distribute the 40% share between those three regions, with the Los Angeles region receiving twice the amount of the other regions in light of its population having almost twice the numbers. That leads to the Los Angeles region receiving 20% and the other two regions receiving 10% each.
- 4) Consider land area. With the remaining 45%, distribute a 10% share to each of the remaining regions, which each have significant size in land area.
- 5) Consider contribution of water to the statewide water system. Allot the remaining 5% to the Sierra-Cascade region for its contribution of water supply to the statewide water system.

NOTE: The North Coast, Central Valley, Colorado River/Lahontan and Sierra-Cascade regions are eligible for additional resource conservation funding pursuant to the provisions for fulfilling "State Obligations." Also, all conservancies are eligible for additional funding from the \$250 million allocated to the Secretary of Natural Resources specifically for them.

March 17, 2014

# EXHIBIT "D"

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1799**

---

**Introduced by Assembly Member Gordon**  
**(Coauthors: Assembly Members Alejo, Campos, and Wieckowski)**  
**(Coauthors: Senators Beall and Correa)**

February 18, 2014

---

An act to amend Sections 65965 and 65966 of the Government Code, relating to land use.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1799, as introduced, Gordon. Land use: mitigation lands.

The Planning and Zoning Law provides that if a state or local agency requires a person to transfer to that agency an interest in real property to mitigate the environmental impact of a project or facility, that agency may authorize specified entities to hold title to, and manage that interest in, real property, as well as any accompanying funds, provided those entities meet specified requirements. Existing law requires that if accompanying funds, as defined, are conveyed at the time the property is protected, then the holder of those accompanying funds must meet specified requirements and requires a state or local agency to exercise due diligence in reviewing the qualifications of a special district or nonprofit organization to effectively manage and steward land, water, or natural resources, as well as the accompanying funds. Existing law requires a conservation easement created as a component of satisfying a local or state mitigation requirement to be perpetual in duration, and sets forth the requirements for long-term stewardship of property by various entities, including, among others, local governmental entities and nonprofit organizations.

This bill would eliminate the requirement of an endowment or other financial mechanism for long-term stewardship where a governmental entity or special district is the entity required to provide the long-term stewardship, if the governmental entity or special district provides evidence to the local or state agency that it possesses an investment-grade credit rating by a nationally recognized statistical rating organization, and provides either a resolution adopted by the legislative body of the governmental entity or special district or a contractual agreement with the local or state agency enforcing the mitigation requirements, as specified.

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

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

1 SECTION 1. Section 65965 of the Government Code is  
2 amended to read:

3 65965. For the purposes of this chapter, the following  
4 definitions apply:

5 (a) "Endowment" means the funds that are conveyed solely for  
6 the long-term stewardship of a mitigation property. Endowment  
7 funds are held as charitable trusts that are permanently restricted  
8 to paying the costs of long-term management and stewardship of  
9 the mitigation property for which the funds were set aside.  
10 Endowments shall be governed by the underlying laws, regulations,  
11 and specific governmental approvals under those laws and  
12 regulations pursuant to which the endowments were exacted,  
13 consistent with subdivision (b) of Section 65966 and with the  
14 Uniform Prudent Management of Institutional Funds Act (Part 7  
15 (commencing with Section 18501) of Division 9 of the Probate  
16 Code). Endowments do not include funds conveyed for meeting  
17 short-term performance objectives of a project.

18 (b) "Community foundation" means any community foundation  
19 that meets all of the following requirements:

20 (1) Meets the requirements of a community trust under Section  
21 1.170A-9(f)(10)-(11) of Title 26 of the Code of Federal  
22 Regulations.

23 (2) Is exempt from taxation as an organization described in  
24 Section 501(c)(3) of the Internal Revenue Code.

25 (3) Is qualified to do business in this state.

1 (4) Is a “qualified organization” as defined in Section 170(h)(3)  
2 of the Internal Revenue Code.

3 (5) Has complied with National Standards for U.S. Community  
4 Foundations as determined by the Community Foundations  
5 National Standards Board, a supporting organization of the Council  
6 on Foundations.

7 (6) Is registered with the Registry of Charitable Trusts  
8 maintained by the Attorney General pursuant to Section 12584.

9 (c) “Conservation easement” means a conservation easement  
10 created pursuant to Chapter 4 (commencing with Section 815) of  
11 Title 2 of Part 2 of Division 2 of the Civil Code.

12 (d) “Direct protection” means the permanent protection,  
13 conservation, and preservation of lands, waters, or natural  
14 resources, including, but not limited to, agricultural lands, wildlife  
15 habitat, wetlands, endangered species habitat, open-space areas,  
16 or outdoor recreational areas.

17 (e) “Governmental entity” means any state agency, office,  
18 officer, department, division, bureau, board, commission, public  
19 postsecondary educational institution, city, county, or city and  
20 county, or a joint powers authority formed pursuant to the Joint  
21 Exercise of Powers Act (Chapter 5 (commencing with Section  
22 6500) of Division 7 of Title 1) that meets either of the following  
23 requirements:

24 (1) The joint powers authority was created for the principal  
25 purpose and activity of the direct protection or stewardship of land,  
26 water, or natural resources, including, but not limited to,  
27 agricultural lands, wildlife habitat, wetlands, endangered species  
28 habitat, open-space areas, and outdoor recreational areas.

29 (2) The joint powers authority was created for the purpose of  
30 constructing, maintaining, managing, controlling, and operating  
31 transportation infrastructure, such as major thoroughfares and  
32 bridges.

33 (f) (1) “Mitigation agreement” means either of the following:

34 (A) A written agreement between the project proponent and the  
35 entity qualified to hold the property and the endowment pursuant  
36 to this chapter, which is submitted to the state or local agency for  
37 the purpose of obtaining any permit, clearance, or mitigation  
38 approval from that state or local agency.

39 (B) A written agreement between the project proponent and the  
40 entity qualified to hold the property pursuant to this chapter,

1 including any agreement with an entity qualified to hold the  
2 endowment pursuant to this chapter, which is submitted to the state  
3 or local agency for the purpose of obtaining any permit, clearance,  
4 or mitigation approval from that state or local agency.

5 (2) A mitigation agreement shall govern the long-term  
6 stewardship of the property and the endowment.

7 (g) "Congressionally chartered foundation" means a nonprofit  
8 organization that meets all of the following requirements:

9 (1) Is chartered by the United States Congress.

10 (2) Is exempt from taxation as an organization described in  
11 Section 501(c)(3) of the Internal Revenue Code.

12 (3) Is qualified to do business in this state.

13 (4) Is registered with the Registry of Charitable Trusts  
14 maintained by the Attorney General pursuant to Section 12584.

15 (5) Has as a purpose the conservation and management of fish,  
16 wildlife, plants, and other natural resources, which includes, but  
17 is not limited to, the direct protection or stewardship of land, water,  
18 or natural wildlife habitat, wetlands, endangered species habitat,  
19 open-space areas, and outdoor recreational areas.

20 (h) *"Investment grade" means a credit rating provided by a*  
21 *nationally recognized statistical rating organization that indicates*  
22 *a relatively low risk of default. For purposes of this subdivision,*  
23 *"nationally recognized statistical rating organization" means a*  
24 *rating agency designated by the Securities and Exchange*  
25 *Commission as being nationally recognized.*

26 ~~(h)~~

27 (i) "Nonprofit organization" means any nonprofit organization  
28 that meets all of the following requirements:

29 (1) Is exempt from taxation as an organization described in  
30 Section 501(c)(3) of the Internal Revenue Code.

31 (2) Is qualified to do business in this state.

32 (3) Is a "qualified organization" as defined in Section 170(h)(3)  
33 of the Internal Revenue Code.

34 (4) Is registered with the Registry of Charitable Trusts  
35 maintained by the Attorney General pursuant to Section 12584.

36 (5) Has as its principal purpose and activity the direct protection  
37 or stewardship of land, water, or natural resources, including, but  
38 not limited to, agricultural lands, wildlife habitat, wetlands,  
39 endangered species habitat, open-space areas, and outdoor  
40 recreational areas.

1     ~~(i)~~

2     (j) "Project proponent" means an individual, business entity,  
3 agency, or other entity that is developing a project or facility and  
4 is required to mitigate any adverse impact upon natural resources.

5     ~~(j)~~

6     (k) "Property" means fee title land or any partial interest in real  
7 property, including a conservation easement, that may be conveyed  
8 pursuant to a mitigation requirement by a state or local agency.

9     ~~(k)~~

10    (l) "Special district" means any of the following special districts:

11    (1) A special district formed pursuant to Article 3 (commencing  
12 with Section 5500) of Chapter 3 of Division 5 or Division 26  
13 (commencing with Section 35100) of the Public Resources Code.

14    (2) A resource conservation district organized pursuant to  
15 Division 9 (commencing with Section 9001) of the Public  
16 Resources Code.

17    (3) A district organized or formed pursuant to the Metropolitan  
18 Water District Act (Chapter 209 of the Statutes of 1969).

19    (4) A county water district organized under Division 12  
20 (commencing with Section 30000) of the Water Code, that has  
21 more than 5,000 acres of mitigation lands.

22    (5) A special district formed pursuant to Chapter 2 (commencing  
23 with Section 11561) of Division 6 of the Public Utilities Code that  
24 provides water and wastewater treatment services.

25    (6) A district organized or formed pursuant to the County Water  
26 Authority Act (Chapter 545 of the Statutes of 1943).

27    (7) A local flood control district formed pursuant to any law.

28    ~~(l)~~

29    (m) "Stewardship" encompasses the range of activities involved  
30 in controlling, monitoring, and managing for conservation purposes  
31 a property, or a conservation or open-space easement, as defined  
32 by the terms of the easement, and its attendant resources.

33    SEC. 2. Section 65966 of the Government Code is amended  
34 to read:

35    65966. (a) Any conservation easement created as a component  
36 of satisfying a local or state mitigation requirement shall be  
37 perpetual in duration, whether created pursuant to Chapter 6.6  
38 (commencing with Section 51070) of Part 1 of Division 1 of Title  
39 5 of this code or Chapter 4 (commencing with Section 815) of  
40 Title 2 of Part 2 of the Civil Code.

(b) Any local or state agency that requires property to be protected pursuant to subdivision (a) or (b) of Section 65967 may identify how the funding needs of the long-term stewardship of the property will be met. Nothing in this chapter shall be construed as otherwise precluding other methods of funding for the long-term stewardship of the property. If an endowment is conveyed or secured at the time the property is protected, all of the following shall apply:

(1) The endowment shall be held, managed, invested, and disbursed solely for, and permanently restricted to, the long-term stewardship of the specific property for which the funds were set aside.

(2) The endowment shall be calculated to include a principal amount that, when managed and invested, is reasonably anticipated to cover the annual stewardship costs of the property in perpetuity.

(3) The endowment shall be held, managed, invested, disbursed, and governed as described in subdivision (a) of Section 65965 consistent with the Uniform Prudent Management of Institutional Funds Act (Part 7 (commencing with Section 18501) of Division 9 of the Probate Code).

(c) If a nonprofit corporation holds the endowment, the nonprofit shall utilize generally accepted accounting practices that are promulgated by the Financial Accounting Standards Board or any successor entity.

(d) If a local agency holds the endowment, the local agency shall do all of the following:

(1) Hold, manage, and invest the endowment consistent with subdivision (b) to the extent allowed by law.

(2) Disburse funds on a timely basis to meet the stewardship expenses of the entity holding the property.

(3) Utilize accounting standards consistent with standards promulgated by the Governmental Accounting Standards Board or any successor entity.

(e) (1) Unless the mitigation agreement provides that another person or entity shall prepare the annual fiscal report described below, a governmental entity, community foundation, special district, a congressionally chartered foundation, or a nonprofit organization that holds funds pursuant to this chapter, including an endowment or moneys for initial stewardship costs, shall provide the local or state agency that required the endowment with an

1 annual fiscal report that contains at least the following elements  
2 with respect to each individual endowment dedicated and held by  
3 that entity:

4 (A) The balance of each individual endowment at the beginning  
5 of the reporting period.

6 (B) The amount of any contribution to the endowment during  
7 the reporting period including, but not limited to, gifts, grants, and  
8 contributions received.

9 (C) The net amounts of investment earnings, gains, and losses  
10 during the reporting period, including both realized and unrealized  
11 amounts.

12 (D) The amounts distributed during the reporting period that  
13 accomplish the purpose for which the endowment was established.

14 (E) The administrative expenses charged to the endowment  
15 from internal or third-party sources during the reporting period.

16 (F) The balance of the endowment or other fund at the end of  
17 the reporting period.

18 (G) The specific asset allocation percentages including, but not  
19 limited to, cash, fixed income, equities, and alternative investments.

20 (H) The most recent financial statements for the organization  
21 audited by an independent auditor who is, at a minimum, a certified  
22 public accountant.

23 (2) If an entity is required to submit an identical annual fiscal  
24 report pursuant to paragraph (1) to the Department of Fish and  
25 Game and any other state or local agency, then that report shall be  
26 provided only to the Department of Fish and Game. In that  
27 instance, the Department of Fish and Game shall provide a copy  
28 of that annual fiscal report on its Internet Web site for a minimum  
29 of five years.

30 (f) If a state agency authorizes a governmental entity, special  
31 district, or nonprofit organization to hold property pursuant to  
32 subdivision (a) or (b) of Section 65967 in connection with a  
33 development project, the agency may require the project proponent  
34 to pay a one-time fee that does not exceed the reasonable costs of  
35 the agency in reviewing qualifications of potential holders of the  
36 property and approving those holders. This one-time fee shall be  
37 collected only if the agency can demonstrate its actual review of  
38 qualifications and approval of holders.

39 (g) If a local agency authorizes a governmental entity, special  
40 district, or nonprofit organization to hold property or an endowment

pursuant to this chapter, the agency may require the project proponent to pay a one-time fee that does not exceed the reasonable costs of the agency in reviewing qualifications of the parties identified in the mitigation agreement, approving those parties, and any regular oversight over those parties to ensure that the parties are complying with all applicable laws. This one-time fee shall be collected only if the agency can demonstrate its actual review of qualifications, approval of parties, or regular oversight of compliance and performance.

(h) A local agency may require a project proponent to provide a one-time payment that will provide for the initial stewardship costs for up to three years while the endowment begins to accumulate investment earnings. The funds for the initial stewardship costs are distinct from the funds that may be conveyed for long-term stewardship, construction, or other costs. If there are funds remaining at the completion of the initial stewardship period, the funds shall be conveyed to the project proponent.

(i) The local agency may contract with or designate a qualified third party to do any of the following:

(1) Review the qualifications of a governmental entity, special district, or nonprofit organization to effectively manage and steward natural land or resources pursuant to subdivision (c) of Section 65967.

(2) Review the qualifications of a governmental entity, community foundation, or nonprofit organization to hold and manage the endowment that is set aside for long-term stewardship of the property.

(3) Review reports or other performance indicators to evaluate the stewardship of lands, natural resources, or funds, and compliance with the mitigation agreement.

(j) If a property conserved pursuant to subdivision (a) or (b) of Section 65967 is condemned, the net proceeds from the condemnation of the real property interest set aside for mitigation purposes shall be used for the purchase of property that replaces the natural resource characteristics the original mitigation was intended to protect, or as near as reasonably feasible. Any endowment held for the condemned property shall be held for the long-term stewardship of the replacement property.

1 (k) Unless prohibited by law, no provision in this chapter is  
2 intended to prohibit for-profit entities from holding, acquiring, or  
3 providing property for mitigation purposes.

4 (l) Nothing in this section shall prohibit a state agency from  
5 exercising any powers described in subdivision (d), (g), or (h).

6 (m) A governmental entity, special district, or nonprofit  
7 organization may contract with a community foundation or  
8 congressionally chartered foundation at any time to hold, manage,  
9 and invest the endowment for a mitigation property and disburse  
10 payments from the endowment to the holder of the mitigation  
11 property consistent with the fund agreement.

12 (n) Except as expressly authorized in paragraph (1) of  
13 subdivision (e), the mitigation agreement shall not include any  
14 provision to waive or exempt the parties from any requirement, in  
15 whole or part, of this chapter.

16 (o) Subdivisions (b) to (e), inclusive, shall not apply to funds,  
17 including funds from mitigation fees, held for the long-term  
18 management and stewardship of property pursuant to either an  
19 interim or approved habitat conservation plan pursuant to Chapter  
20 35 (commencing with Section 1531) of Title 16 of the United  
21 States Code or an interim or approved natural community  
22 conservation plan pursuant to Chapter 10 (commencing with  
23 Section 2800) of Division 3 of the Fish and Game Code, if, in the  
24 interim or approved plan documents, the permitting agency  
25 determines the endowment to be established with those funds will  
26 be adequate and provides a schedule for funding the endowment.

27 (p) *(1) If a governmental entity or special district is the project*  
28 *proponent required to provide long-term stewardship of property*  
29 *pursuant to subdivision (b), an endowment or other financial*  
30 *mechanism for long-term stewardship shall not be required if the*  
31 *governmental entity or special district provides evidence to the*  
32 *local or state agency that it possesses an investment-grade credit*  
33 *rating by a nationally recognized statistical rating organization*  
34 *or other equivalent evidence of financial reliability, and provides*  
35 *one of the following:*

36 *(A) A resolution to fund the long-term stewardship of the*  
37 *property adopted by the board or legislative body of the*  
38 *governmental entity or special district.*

1 (B) A contractual agreement with the state or local agency  
2 enforcing the mitigation requirements to fund the long-term  
3 stewardship of the property.

4 (2) A resolution or contract provided pursuant to paragraph  
5 (1) shall include all of the following:

6 (A) A summary of the governmental entity or special district's  
7 current and projected financial state.

8 (B) A finding regarding a financial analysis conducted on  
9 annual management costs.

10 (C) An annual pledge of revenue to cover the annual mitigation  
11 requirements.

12 (D) An annual pledge of revenue to cover the annual  
13 management costs.

14 (E) Use of accounting standards consistent with standards  
15 promulgated by the Governmental Accounting Standards Board  
16 or its successor entity.

17 (F) An annual fiscal report.

18 (3) If the governmental entity or special district is subsequently  
19 downgraded below an investment-grade credit rating by a  
20 nationally recognized statistical rating organization or fails to  
21 maintain an equivalent standard of financial reliability, the state  
22 or local agency enforcing the mitigation requirement may provide  
23 written notice thereof and require the governmental entity or  
24 special district to post collateral for performance of the long-term  
25 stewardship in the form of a performance bond, escrow account,  
26 casualty insurance, letter of credit, or other appropriate  
27 instrument. The obligation to maintain collateral shall end, and  
28 all unused collateral shall be canceled or refunded, upon the  
29 governmental entity or special district providing evidence of its  
30 return to an investment-grade credit rating by a nationally  
31 recognized statistical rating organization or other equivalent  
32 evidence of financial reliability.

33 (4) If the governmental entity or special district fails to  
34 adequately fund the long-term stewardship by revoking, failing to  
35 comply with, or otherwise rendering ineffective the board  
36 resolution described in paragraph (1), or after being provided  
37 written notice, fails to cure within the remedy period set forth in  
38 the contractual agreement, the state or local agency enforcing the  
39 mitigation requirement may, in addition to any contractual  
40 remedies, require the governmental entity or special district to

- 1 *post collateral for performance of the long-term stewardship in*
- 2 *the form of a performance bond, escrow account, casualty*
- 3 *insurance, letter of credit, or other appropriate instrument.*

O

# EXHIBIT "E"

AMENDED IN ASSEMBLY APRIL 1, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2104**

---

**Introduced by Assembly Member Gonzalez**

February 20, 2014

---

An act to amend Section 4735 of the Civil Code, relating to common interest developments.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2104, as amended, Gonzalez. Common interest developments: water-efficient landscapes.

Existing law requires a local agency to adopt a specified updated model ordinance regarding water-efficient landscapes or a water-efficient landscape ordinance that is at least as effective in conserving water as the updated model ordinance. Existing law allows certain water providers to take specified actions regarding water conservation.

The Davis-Stirling Common Interest Development Act provides for the creation and regulation of common interest developments. That act provides that a provision of any of the common interest development governing documents, as defined, ~~include~~ *including* the declaration and any other documents, such as bylaws and operating rules, that govern the operation of a common interest development, is void and unenforceable if it prohibits, or includes conditions that have the effect of prohibiting, the use of low water-using plants as a group, or if it has the effect of prohibiting or restricting compliance with a local water-efficient landscape ordinance or water conservation measure, as described above.

~~This bill would provide that, with respect to the above-described provisions, that a provision of the governing documents include or of the architectural or landscaping guidelines or policies and decisions by the board of directors applicable to a specific homeowner. The bill would apply these provisions to a prohibition on the replacement of existing turf with low water-using plants, as provided. shall be void and unenforceable if it prohibits, or includes conditions that have the effect of prohibiting, low water-using plants as a group or as a replacement of existing turf, or if the provision has the effect of prohibiting or restricting compliance with a local water-efficient landscape ordinance or water conservation measure.~~

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

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

1 SECTION 1. Section 4735 of the Civil Code is amended to  
2 read:

3 4735. (a) Notwithstanding any other law, a provision of the  
4 governing documents, ~~including, but not limited to, or~~ architectural  
5 or landscaping guidelines or policies ~~and decisions by the board~~  
6 ~~of directors applicable to a specific homeowner,~~ shall be void and  
7 unenforceable if it does any of the following:

8 (1) Prohibits, or includes conditions that have the effect of  
9 prohibiting, the use of low water-using plants as ~~a group. group~~  
10 ~~or as a replacement of existing turf.~~

11 (2) Has the effect of prohibiting or restricting compliance with  
12 either of the following:

13 (A) A water-efficient landscape ordinance adopted or in effect  
14 pursuant to subdivision (c) of Section 65595 of the Government  
15 Code.

16 (B) Any regulation or restriction on the use of water adopted  
17 pursuant to Section 353 or 375 of the Water Code.

18 ~~(3) Prohibits, or includes conditions that have the effect of~~  
19 ~~prohibiting, the replacement of existing turf with low water-using~~  
20 ~~plants.~~

- 1 (b) This section shall not prohibit an association from applying
- 2 landscaping rules established in the governing documents, to the
- 3 extent the rules fully conform with subdivision (a).

O

# EXHIBIT "F"

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2312**

---

**Introduced by Assembly Members Nestande and Olsen  
(Coauthors: Assembly Members ~~Gray and Linder~~ Gray, Linder,  
and Patterson)**

February 21, 2014

---

An act to *amend Section 12703.1 of, and to add Section ~~21609 to~~ 21608.7 to*, the Business and Professions Code, and to add Article 6 (commencing with Section 11199.5) to Chapter 2 of Title 1 of Part 4 of the Penal Code, relating to metal theft.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2312, as amended, Nestande. Metal theft.

Existing law governs the business of buying, selling, and dealing in secondhand and used machinery and all ferrous and nonferrous scrap metals and alloys, also known as "junk." Existing law requires junk dealers and recyclers to keep a written record of all sales and purchases made in the course of their business, including the name and address of each person to whom junk is sold or disposed of, and to preserve the written record for at least 2 years after making the final entry of any purchase or sale of junk.

Existing law provides that it is a crime for a dealer in or collector of junk, metals, or secondhand materials, or the agent, employee, or representative of that dealer or collector, who buys or receives any wire, cable, copper, lead, solder, mercury, iron, or brass which he or she knows or reasonably should know is ordinarily used by or ordinarily belongs to a railroad or other transportation, telephone, telegraph, gas, water, or electric light company or county, city, city and county, or

other political subdivision of this state engaged in furnishing public utility service without using due diligence to ascertain that the person selling or delivering the same has a legal right to do so.

*Existing law, until January 1, 2019, requires the Department of Food and Agriculture to require a recycler or junk dealer who is an applicant for a new weighmaster license or a renewal of a weighmaster license to furnish specified additional information on the application.*

This bill would require a junk dealer or recycler to request to receive theft alert notifications regarding the theft of commodity metals in the junk dealer's or recycler's geographic region from the theft alert system maintained by the Institute of Scrap Recycling Industries, Inc. *The bill would require the Department of Food and Agriculture, until January 1, 2019, to require a junk dealer or recycler who is an applicant for a new weighmaster license or a renewal of a weighmaster license to also include a statement on the application indicating that the applicant has requested to receive the theft alert notifications.* The bill would also encourage local law enforcement agencies to report thefts of commodity metals that have occurred within their jurisdiction to that theft alert system, in order to ensure that persons using the system receive timely and thorough information regarding metal thefts.

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

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

- 1     SECTION 1. The Legislature finds and declares all of the
- 2     following:
- 3     (a) The Institute of Scrap Recycling Industries, Inc. (ISRI)
- 4     developed ScrapTheftAlert.com which is a web-based theft alert
- 5     system that allows law enforcement to alert recyclers of reported
- 6     stolen material and allows recyclers to alert area law enforcement
- 7     when they have received materials they believe might have been
- 8     stolen.
- 9     (b) This alert system broadcasts theft alerts to every registered
- 10    user within a 100-mile radius of where the theft occurred and can
- 11    expand depending on the circumstances.
- 12    (c) ISRI has worked closely with law enforcement and has
- 13    integrated their suggestions into the system's latest update to make
- 14    its use more user-friendly for law enforcement.

1     (d) *There is no cost to law enforcement or non-ISRI members*  
2     *to use the system.*

3     (e) *Members of ISRI pay for the entire database through their*  
4     *membership dues.*

5     SEC. 2. *Section 12703.1 of the Business and Professions Code*  
6     *is amended to read:*

7     12703.1. (a) In addition to any other requirements for issuance  
8     of a license pursuant to this chapter, if the applicant is a recycler  
9     or junk dealer as defined in Section 21601, the department shall  
10    require the applicant to furnish all of the following information  
11    accurately on any application for a new license or the renewal of  
12    a license issued pursuant to this chapter:

13    (1) A copy of the applicant's current business license.

14    (2) A statement indicating that the applicant has either filed an  
15    application for a stormwater permit or is not required to obtain a  
16    stormwater permit.

17    (3) A statement indicating that the applicant has the equipment  
18    necessary to comply with the photographic and thumbprinting  
19    requirements for the purchase and sale of nonferrous materials  
20    pursuant to Section 21608.5 or a statement indicating that the  
21    applicant will not be purchasing or selling nonferrous materials  
22    and is not required to comply with Section 21608.5.

23    (4) *A statement indicating that the applicant has requested to*  
24    *receive theft alert notifications pursuant to Section 21608.7.*

25    ~~(4)~~

26    (5) The name or names of any deputy weighmasters.

27    (b) The department shall issue a license to a junk dealer or  
28    recycler upon receipt of an application for a new license or renewal  
29    of a license that contains the information required by subdivision  
30    (a) and that is accompanied by the appropriate fee.

31    (c) (1) On or before December 31, 2014, upon issuance of a  
32    license to a junk dealer or recycler, or renewal of such a license,  
33    the department shall make a thorough investigation of all of the  
34    information contained in the application within 90 days. If the  
35    license is issued or renewed on or after January 1, 2015, the  
36    department shall make a thorough investigation of all the  
37    information contained in the application within 90 days for a new  
38    license, and within one calendar year for a renewal of a license.

39    (2) Notwithstanding Section 12708, if the department determines  
40    that the information submitted pursuant to subdivision (a) is

1 materially inaccurate, the department shall revoke the license issued  
2 to a junk dealer or recycler unless the junk dealer or recycler  
3 complies with the requirements of subdivision (a) within 14 days  
4 of notice from the department of a proposed revocation pursuant  
5 to this subdivision.

6 (3) A junk dealer or recycler whose license has been revoked  
7 pursuant to this subdivision is entitled to a hearing conducted  
8 pursuant to Chapter 5 (commencing with Section 11500) of Part  
9 1 of Division 3 of Title 2 of the Government Code.

10 (d) The secretary may enter into a cooperative agreement with  
11 any county sealer to carry out the provisions of this section.

12 (e) This section shall remain in effect only until January 1, 2019,  
13 and as of that date is repealed, unless a later enacted statute, that  
14 is enacted before January 1, 2019, deletes or extends that date.

15 ~~SECTION 1.~~

16 ~~SEC. 3.~~ Section ~~21609~~ 21608.7 is added to the Business and  
17 Professions Code, to read:

18 ~~21609.~~

19 21608.7. A junk dealer or recycler shall request to receive theft  
20 alert notifications regarding the theft of commodity metals,  
21 including, but not limited to, ferrous metal, copper, brass,  
22 aluminum, nickel, stainless steel, and alloys, in the junk dealer's  
23 or recycler's geographic region from the theft alert system  
24 maintained by the Institute of Scrap Recycling Industries, Inc., or  
25 its successor.

26 ~~SEC. 2.~~

27 ~~SEC. 4.~~ Article 6 (commencing with Section 11199.5) is added  
28 to Chapter 2 of Title 1 of Part 4 of the Penal Code, to read:

29  
30 Article 6. Reports of Metal Theft

31  
32 11199.5. Local law enforcement agencies are encouraged to  
33 report thefts of commodity metals, including, but not limited to,  
34 ferrous metal, copper, brass, aluminum, nickel, stainless steel, and  
35 alloys, that have occurred within their jurisdiction to the theft alert  
36 system maintained by the Institute of Scrap Recycling Industries,  
37 Inc., or its successor, in order to ensure that persons using that

- 1 system receive timely and thorough information regarding metal
- 2 thefts.

O

# EXHIBIT "G"

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2434**

---

**Introduced by Assembly Member Gomez**

February 21, 2014

---

An act to add Sections 17138.2 and 24308.2 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2434, as introduced, Gomez. Income taxes: exclusion.

The Personal Income Tax Law provides an exclusion from gross income for any amount received as a rebate from a local water agency or supplier for the purchase of a water conservation water closet, energy efficient clothes washers, and plumbing devices, as specified. The Corporation Tax Law provides exclusion from gross income for any rebate, voucher, or other financial incentive issued by the California Energy Commission, The public Utility Commission, or a local publicly owned electric utility for any expense incurred by a taxpayer for the purchase or installation of a thermal system, solar system, wind energy device that produces electricity, or a fuel cell generating system.

This bill would, under both of these laws, provide an exclusion from gross income any amount received as a rebate, voucher, or other financial incentive issued by a local water or energy agency or supplier for expenses incurred to participate in a water or energy conservation program.

This bill would take effect immediately as a tax levy.

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

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

1     SECTION 1. Section 17138.2 is added to the Revenue and  
2     Taxation Code, to read:

3     17138.2. Gross income does not include any amount received  
4     as a rebate, voucher, or other financial incentive issued by a local  
5     water or energy agency or supplier for expenses incurred to  
6     participate in a water or energy conservation program.

7     SEC. 2. Section 24308.2 is added to the Revenue and Taxation  
8     Code, to read:

9     24308.2. Gross income does not include any amount received  
10    as a rebate, voucher, or other financial incentive issued by a local  
11    water or energy agency or supplier for expenses incurred to  
12    participate in a water or energy conservation program.

13    SEC. 3. This act provides for a tax levy within the meaning of  
14    Article IV of the Constitution and shall go into immediate effect.