PLEDGE OF ALLEGIANCE

ROLL CALL

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

RECOMMENDATION: Adopt resolution determining need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda (requires two-thirds vote of the Board members present, or, if less than two-thirds of the members are present, a unanimous vote of those members present.)

VISITOR PARTICIPATION

Time has been reserved at this point in the agenda for persons wishing to comment for up to three minutes to the Board of Directors on any item that is not listed on the agenda, but within the subject matter jurisdiction of the District. By law, the Board of Directors is prohibited from taking action on such public comments. As appropriate, matters raised in these public comments will be referred to District staff or placed on the agenda of an upcoming Board meeting.

At this time, members of the public may also offer public comment for up to three minutes on any item on the Consent Calendar. While members of the public may not remove an item from the Consent Calendar for separate discussion, a Director may do so at the request of a member of the public.

CONSENT CALENDAR (ITEMS NOS. 1 - 25)

1. APPROVAL OF CASH DISBURSEMENTS

RECOMMENDATION: Ratify/authorize payment of bills

2. APPROVAL OF MINUTES OF BOARD OF DIRECTORS MEETINGS HELD MAY 18, 2016

RECOMMENDATION: Approve as presented

3. SENATE BILL 272 INVENTORY OF ENTERPRISE SYSTEMS

RECOMMENDATION: In accordance with Senate Bill 272, designate the Director of Information Services and/or the District Secretary to make the catalog publicly available upon request and post to the District’s main website
4. LICENSE AGREEMENT TO WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER AUTHORITY TO CONSTRUCT THREE GROUNDWATER MONITORING WELLS IN PRADO BASIN

RECOMMENDATION: Approve and authorize execution of a License Agreement to Western Riverside County Regional Wastewater Authority to construct three groundwater monitoring wells and to access the OCWD diversion channel to monitor stream flow rates, for a 30-year period through June 30, 2046, for which OCWD is to receive copies of all reports generated from this project on District land.

5. AMENDMENTS TO DUCK HUNTING LEASES WITH ELAINE RAAHAUGE D.B.A.MIKE RAAHAUGE’S SHOOTING ENTERPRISES AND PRADO BASIN DUCK CLUB

RECOMMENDATION: 1) Approve and authorize execution of Amendment Fourteen to Lease with Elaine Raahauge d.b.a. Mike Raahauge’s Shooting Enterprises providing for extension of the lease for a duck hunting concession on District property at Prado Basin for the 2016/17 duck hunting season with a new expiration date of June 30, 2017, and for staff review of duck hunting blind location and orientation; and

2) Approve and authorize execution of Amendment Eleven to Lease with Prado Basin Duck Club to extend lease for a duck hunting concession on District property at Prado Basin for the 2016/17 duck hunting season with a new expiration date of June 30, 2017.

6. CITY OF ANAHEIM CANYON METROLINK STATION ACCESS PROJECT – BICYCLE CORRIDOR IMPROVEMENT PROGRAM

RECOMMENDATION: 1) Authorize transmittal of letter of support for Phase 1 of the City of Anaheim’s Anaheim Canyon Metrolink Station Access Project which is a Project Study for the design and construction of the Project and which will be evaluating multiple alignments, including the use of OCWD property at the percolation basins adjacent to the Santa Ana River for the installation of a Class 1 bicycle/pedestrian trail connecting the Anaheim Canyon Metrolink Station to the Santa Ana River Trail; and

2) Authorize transmittal of a letter expressing the District’s neutrality towards the City of Anaheim’s Phase 2 of its proposed Anaheim Canyon Metrolink Station Access Project and its application for Active Transportation Program (ATP) funding for the Project which includes full design of the proposed bikeway and may require a right-of-way, joint-use, or easement agreement between the City and OCWD.
CONSENT CALENDAR ITEMS RECOMMENDED FOR APPROVAL AT WATER ISSUES COMMITTEE MEETING HELD JUNE 8 (ITEMS NO. 7 - 18)

7. AMENDMENT TO AGREEMENT NO. 1152 WITH DOTY BROTHERS CONSTRUCTION CO. FOR THE REPLACEMENT OF TWO 24-INCH VALVES ON THE GREEN ACRES PROJECT PIPELINE

RECOMMENDATION: Approve Amendment to Agreement No. 1152 with Doty Bros in the amount of $16,057 for additional days of construction labor

8. ACCEPT COMPLETION OF CONTRACT NO. GBM-2016-1: DESTRUCTION OF MONITORING WELLS AM-36 AND SCS-13, AND CONSTRUCTION OF REPLACEMENT MONITORING WELL SCS-13R (ABC LOIVIN DRILLING)

RECOMMENDATION: Accept completion of work and authorize filing Notice of Completion for Contract No. GBM-2016-1 for the destruction of monitoring wells AM-36 and SCS-13, and construction of replacement monitoring well SCS-13R


RECOMMENDATION: Approve issuance of Change Orders Nos, 1 - 3; and increase the project budget from $950,000 to $1,000,000

10. AGREEMENT WITH CALIFORNIA STATE UNIVERSITY LONG BEACH (CSULB) FOR LA PALMA BASIN RESEARCH PROJECT

RECOMMENDATION: Authorize execution of Agreement with CSULB for an amount not to exceed $80,163 for the La Palma Basin Research Project

11. PURCHASE ORDER FOR 2-GAS CHROMATOGRAPH / MASS SPECTROMETERS (GC/MS) FOR THE ADVANCED WATER QUALITY ASSURANCE LABORATORY

RECOMMENDATION: Authorize issuance of Purchase Order to Agilent Technologies for the total amount of $219,206 for Agilent 7820 and 7890B Gas Chromatographs coupled with 5977B Electron Impact Mass Spectrometer systems

12. CITY OF HUNTINGTON BEACH BASIN EQUITY ASSESSMENT EXEMPTION REQUEST

RECOMMENDATION: Authorize execution of Agreement with the City of Huntington Beach for a partial Basin Equity Assessment exemption for Well No. 9

13. EXTENSION OF ALAMITOS GROUNDWATER MODEL FOR SUNSET GAP SEAWATER INTRUSION ANALYSIS

RECOMMENDATION: Authorize staff to request a proposal from Intera, Inc. to expand and recalibrate the Alamitos Gap groundwater model into the Sunset Gap for the purposes of seawater intrusion control alternatives evaluation
14. AGREEMENT WITH RUTH VILLALOBOS AND ASSOCIATES TO SUPPORT THE PRADO BASIN FEASIBILITY STUDY

RECOMMENDATION: Authorize execution of Agreement with Ruth Villalobos and Associates for an amount not to exceed $45,000 to support the Prado Basin Feasibility Study

15. MID-BASIN INJECTION: CENTENNIAL PARK EASEMENT FROM SANTA ANA UNIFIED SCHOOL DISTRICT AND LICENSE AGREEMENT WITH CITY OF SANTA ANA

RECOMMENDATION: 1) Approve and authorize execution of Easement Deed with the Santa Ana Unified School District for the Heritage Museum Monitoring Well for a one-time payment of $25,200, subject to non-substantive changes approved by the General Manager and District Attorney; and

2) Approve and authorize execution of License Agreement with the City of Santa Ana for Construction and Operation of the Mid-Basin Injection project at Centennial Park, subject to non-substantive changes approved by the General Manager and District Attorney

16. MID-BASIN INJECTION: CENTENNIAL PARK CONSTRUCTION MANAGEMENT AGREEMENT AWARDS TO BUTIER AND GEOTECHNICAL CONSULTANTS AND AMENDMENT TO TETRA TECH

RECOMMENDATION: 1) Authorize Agreement to Butier Construction Managers for an amount not to exceed $1,155,932 for Civil Construction Management Services for the Mid-Basin Injection: Centennial Park Project; and

2) Authorize Agreement to Geotechnical Consultants, Inc. for an amount not to exceed $449,810 for Well Construction Management Services for the Mid-Basin Injection: Centennial Park Project; and

3) Authorize Amendment No. 1 to Agreement No. 1090 with Tetra Tech, Inc. for an amount not to exceed $45,460 for additional utility exploration and architectural treatments

17. COMPLIANCE WITH THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA) WITH ALTERNATIVE SUBMITTAL

RECOMMENDATION: Authorize staff to prepare and submit an Alternative to comply with the requirements of the Sustainable Groundwater Management Act for the California Department of Water Resources Basin 8-1
18. SANTA ANA RIVER CONSERVATION AND CONJUNCTIVE USE PROGRAM (SARCCUP) MEMORANDUM OF UNDERSTANDING, PROJECT AGREEMENT 23, AND COST SHARE AGREEMENT FOR PROGRAM ENVIRONMENTAL IMPACT REPORT

RECOMMENDATION: 1) Approve and authorize execution of the SARCCUP Memorandum of Understanding for Program Implementation subject to approval as to form by the District’s legal counsel; and,

2) Approve and authorize execution of Santa Ana Watershed Project Authority Project Agreement 23 (PA23) subject to approval as to form by the District’s legal counsel; and,

3) Approve and authorize Cost Share Letter Agreement for the SARCCUP Program Environmental Impact Report subject to approval as to form by the District’s legal counsel and authorize payment to the Inland Empire Utilities Agency for an amount not to exceed $68,080

CONSENT CALENDAR ITEMS RECOMMENDED FOR APPROVAL AT ADMINISTRATION AND FINANCE ISSUES COMMITTEE MEETING HELD JUNE 9 (ITEMS NO. 19 - 25)

19. MONTHLY CASH CONTROL REPORT

RECOMMENDATION: Receive and file Summary Cash and Cash Equivalents Control Reports dated May 31, 2016

20. INVESTMENT PORTFOLIO HOLDINGS REPORTS

RECOMMENDATION: Receive and file the Investment Portfolio Holdings Reports dated May 31, 2016

21. AGREEMENT TO LILLESTRAND LEADERSHIP CONSULTING FOR STAFF LEADERSHIP DEVELOPMENT

RECOMMENDATION: Approve and authorize execution of an Agreement to Lillestrand Leadership Consulting for an amount not to exceed $39,500 for staff leadership development

22. SURPLUS OF VEHICLES AND EQUIPMENT

RECOMMENDATION: Approve the sale and disposal of the items on the Surplus List dated June 1, 2016

23. CONTRACTOR SAFETY PROGRAM

RECOMMENDATION: Adopt the revised Contractor Safety Program

24. ESTABLISH POLICY AND PROCEDURE FOR ELECTRONIC FUNDS (WIRES) TRANSFER

RECOMMENDATION: Adopt policy and procedures for Electronic Funds Transfer (Wires)
25. RENEWAL OF 2015-16 TAX AND REVENUE ANTICIPATION NOTE

RECOMMENDATION: 1) Reauthorize execution of the Tax and Revenue Anticipation Notes (TRANs) in the aggregate amount of $70 million which is an amount that does not exceed 85% of the District’s estimated uncollected revenues from July 1, 2016 through June 30, 2017; and

2) Adopt resolution authorizing the execution and delivery of TRANs to support the existing OCWD commercial paper program

MATTERS FOR CONSIDERATION

26. AGREEMENT WITH THE US ENVIRONMENTAL PROTECTION AGENCY (EPA) FOR THE NORTH BASIN REMEDIAL INVESTIGATION & FEASIBILITY STUDY (RI/FS)

RECOMMENDATION: Authorize General Manager to negotiate the final terms of the Settlement Agreement and execute, subject to approval as to form by legal counsel, committing the District to perform the Remedial Investigation & Feasibility Study (RI/FS) Statement of Work under Environmental Protection Agency oversight

27. AGREEMENT WITH SENIOR ENVIRONMENTAL STRATEGISTS (SES) AND BROWN & CALDWELL (B&C) TO PROVIDE REMEDIAL INVESTIGATION AND FEASIBILITY STUDIES (RI/FS) AT THE NORTH BASIN

RECOMMENDATION: Authorize General Manager to negotiate and execute Agreements with Senior Environmental Strategists (SES) and Brown & Caldwell (B&C) for an amount not to exceed $750,000 (50% of $1,500,000) for the performance of a Remedial Investigation and Feasibility Study (RI/FS) at the North Basin, with the balance being paid by Northrop

28. AGREEMENTS WITH REGIONAL WATER QUALITY CONTROL BOARD AND DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC) FOR AGENCY REVIEW OF OCWD SOUTH BASIN RI/FS DOCUMENTS

RECOMMENDATION: 1) Authorize General Manager to finalize and execute Agreement with the Department of Toxic Substances Control for reimbursement of DTSC’s costs in an amount not to exceed $75,000 to review documents submitted by the District as part of the South Basin remedial investigation/feasibility study program; and

2) Authorize execution of Agreement with the Regional Water Quality Control Board for reimbursement of RWQCB’s costs in an amount not to exceed $120,000 to review documents submitted by the District as part of the South Basin remedial investigation/feasibility study program
INFORMATIONAL ITEMS

29. WATER RESOURCES REPORT – MAY 2016

30. SANTA ANA WATERSHED PROJECT AUTHORITY ACTIVITIES

31. GROUNDWATER PRODUCER MEETING MINUTES – JUNE 8, 2016

32. COMMITTEE/CONFERENCE/MEETING REPORTS
   A) May 27 - Property Management Committee (Chair Sheldon)
   B) June 8 - Water Issues Committee (Chair Bilodeau)
   C) June 9 - Administration/Finance Issues Committee (Chair Dewane)
   D) Reports on Conferences/Meetings Attended at District Expense (at which a quorum of the
      Board was present)

33. VERBAL REPORTS

34. ADJOURNMENT TO CLOSED SESSION
   ● CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – SIGNIFICANT
     EXPOSURE TO LITIGATION - [Government Code Section 54956.9(b) – One potential case]
   ● CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – [Government
     Code Section 54956.9(a)] – one case:
     OCWD v. Unocal Corporation, et al (MTBE Litigation) Superior Court Case
     No. 03CC00176

RECONVENE IN OPEN SESSION

ADJOURNMENT
Agenda Posting: In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted in the main lobby of the Orange County Water District, 18700 Ward Street, Fountain Valley, CA and on the OCWD website: www.ocwd.com not less than 24 hours prior to the meeting date and time above. All written materials relating to each agenda item are available for public inspection in the office of the Assistant District Secretary. Backup material for the Agenda is available at the District offices for public review and can be viewed online at the District’s website: www.ocwd.com.

Accommodations to the Disabled: Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability-related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from the District Secretary at (714)378-3233, by email at jdurant@ocwd.com by fax at (714) 378-3373. Notification 24 hours prior to the meeting will enable District staff to make reasonable arrangements to assure accessibility to the meeting.

Availability of Agenda Material: As a general rule, agenda reports or other written documentation that has been prepared or organized with respect to each item of business listed on the agenda can be reviewed at www.ocwd.com. Copies of these materials and other disclosable public records distributed to all or a majority of the members of the Board of Directors in connection with an open session agenda item are also on file with and available for inspection at the Office of the District Secretary, 18700 Ward Street, Fountain Valley, California, during regular business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday. If such writings are distributed to members of the Board of Directors on the day of a Board meeting, the writings will be available at the entrance to the Board of Directors meeting room at the Orange County Water District office.
AGENDA ITEM SUBMITTAL

Meeting Date: June 15, 2016  
To: Board of Directors  
From: Mike Markus  
Staff Contact: W. Hunt/R. Herndon/D. Bolin  

Budgeted: No  
Budgeted Amount: $0  
Cost Estimate: $195,000  
Funding Source: General Fund  
Program/ Line Item No.: 1075.51112  
General Counsel Approval: Yes  
Engineers/Feasibility Report: N/A  
CEQA Compliance: N/A  

Subject: AGREEMENTS WITH REGIONAL WATER QUALITY CONTROL BOARD AND DEPARTMENT OF TOXIC SUBSTANCES CONTROL FOR AGENCY REVIEW OF OCWD SOUTH BASIN RI/FS DOCUMENTS

SUMMARY

District staff has negotiated and recommends Board approval of Agreements with two state regulatory agencies, the Department of Toxic Substances Control and Regional Water Quality Control Board, to provide cost reimbursement for staff of those agencies to review and comment on documents submitted by the District as part of its ongoing remedial investigation/feasibility study of groundwater contamination in the South Basin area.

Attachment(s):
• Agreement with Department of Toxic Substances Control (Draft)
• Agreement with Regional Quality Control Board

RECOMMENDATION

1. Authorize General Manager to finalize and execute Agreement with the Department of Toxic Substances Control for reimbursement of DTSC’s costs in an amount not to exceed $75,000 to review documents submitted by the District as part of the South Basin remedial investigation/feasibility study program; and

2. Authorize execution of Agreement with the Regional Water Quality Control Board for reimbursement of RWQCB’s costs in an amount not to exceed $120,000 to review documents submitted by the District as part of the South Basin remedial investigation/feasibility study program.

BACKGROUND/ANALYSIS

In 2014, the Board authorized staff to develop strategies to remediate groundwater contamination in the South Basin area consistent with the National Contingency Plan (NCP). The District initiated a remedial investigation/feasibility study (RI/FS) to address the groundwater contamination. As part of that process, staff recommends coordinating
with and involving the Department of Toxic Substances Control (DTSC) and Regional Water Quality Control Board (RWQCB) by requesting them to review and comment on the District’s RI/FS documents. The District’s consultant, Hargis & Associates, will be preparing several key documents, including the RI and FS reports, community involvement program work plan, and health risk assessment report, which staff recommends submitting to DTSC and RWQCB for review and comment prior to finalizing. Because these agencies oversee numerous contaminated sites in the South Basin, it is beneficial to coordinate the District’s RI/FS efforts to address off-site contamination with the DTSC and RWQCB, whose primary focus has been on enforcement of on-site source area cleanups.

In order for DTSC and RWQCB staff to perform the requested coordination and document review activities, they require reimbursement of costs for their staff time. Separate agreements have been negotiated with each agency which include the reimbursement provisions and specify the documents that the District anticipates submitting for review. DTSC estimated their costs of approximately $69,000 (not to exceed $75,000) over an 18-month period, and the RWQCB estimated their costs of $120,000 over a 24-month period. Each agreement may be amended by mutual consent and may be terminated by either party.

In keeping with the District’s policy to implement the South Basin RI/FS in an NCP-compliant manner, staff recommends Board approval of execution of the cost reimbursement agreements with DTSC and RWQCB. The attached RWQCB agreement is in final form. The attached DTSC agreement is in draft; however, there are only minor wording revisions remaining that staff feels comfortable finalizing with Board authorization.

**PRIOR RELEVANT BOARD ACTIONS**

1/7/15, R15-1-2 Authorize issuance of Amendment No. 1 to legal services agreements with the law offices of Scott Sommer and Arent Fox LLP to include providing legal support, regulatory agency coordination, and technical forensic services regarding the OCWD v. Sabic et al. (“South Basin”) litigation and groundwater contamination with no changes to the firms’ respective budgets.

8/6/14, R14-8-109 Approve developing remedial strategies for the South Basin groundwater contamination in a manner that is consistent with the NCP; and authorize issuance of RFP to retain NCP consulting services to assist staff in completing the remedial investigation and conducting an evaluation of remedial alternatives in the South Basin area consistent with NCP protocol.

4/4/12 (Closed Session) Authorize issuance of a Professional Services Agreement to Aquilogic for an amount not to exceed $818,574 to provide hydrogeologic and remedial investigation services for the South Basin Groundwater Protection Project.

6/18/08, CS-08-6-3 Find that it is necessary to expend available funds to investigate, clean up, abate and perform remedial work to address VOC and perchlorate contamination in the South Basin area of the District and that such expenditures are required by the magnitude of the endeavor and the urgency of prompt action needed to prevent, abate, or contain the threatened and existing VOC and perchlorate contamination in the South Basin area; initiate litigation against potentially responsible parties for cost recovery measures for the South Basin Groundwater Protection Project; and authorize general manager, with concurrence from General Counsel, to execute Amendment No. 1 to Legal Services Agreement between OCWD and Miller, Axline & Sawyer.
ATTACHMENT 1

AGREEMENT BETWEEN OCWD AND DEPARTMENT OF TOXIC SUBSTANCES CONTROL
ATTACHMENT 2

AGREEMENT BETWEEN OCWD AND
REGIONAL WATER QUALITY CONTROL BOARD
1. This Agreement is entered into between the State Agency and the Applicant named below

**STATE AGENCY**
Department of Toxic Substances Control

**APPLICANT’S NAME**
Orange County Water District

2. The term of this Agreement is: January 1, 2016 – December 31, 2017

3. The maximum amount of this Agreement is: $ Not to exceed $75,000.00

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement:

<table>
<thead>
<tr>
<th>Exhibit</th>
<th>Title</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Scope of Work</td>
<td>1</td>
</tr>
<tr>
<td>B</td>
<td>Budget Detail and Payment Provision</td>
<td>1</td>
</tr>
<tr>
<td>C</td>
<td>Cost Estimate for January 1, 2016-December 31, 2017</td>
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<tr>
<td>D</td>
<td>Special Terms and Conditions</td>
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<tr>
<td>E</td>
<td>South Basin Site Location Map</td>
<td>1</td>
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<tr>
<td></td>
<td>Attachment 1 - OCWD’s Approach and Scope of Work for the South Basin</td>
<td>6</td>
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</tbody>
</table>

*View at [www.dgs.ca.gov/contracts](http://www.dgs.ca.gov/contracts)*

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

<table>
<thead>
<tr>
<th>APPLICANT</th>
<th>CALIFORNIA Department of General Services</th>
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<tr>
<td><strong>APPLICANT’S NAME</strong> (If other than an individual, state whether a corporation, partnership, etc.)</td>
<td>Use Only</td>
</tr>
<tr>
<td>Orange County Water District</td>
<td></td>
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<tr>
<td><strong>BY (Authorized Signature)</strong></td>
<td><strong>DATE SIGNED (Do not type)</strong></td>
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<tr>
<td>Mike Markus, General Manager</td>
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| AGENCY NAME | |
| Department of Toxic Substances Control | |
| **BY (Authorized Signature)** | **DATE SIGNED (Do not type)** |
| Sandra Poindexter, Chief, Business Services | |

**ADDRESS**
P O Box 806, Sacramento CA 95812-0806

Exempt per
EXHIBIT A
(Reimbursement Agreement)

SCOPE OF WORK

The Orange County Water District ("District") agrees to reimburse the Department of Toxic Substances Control (DTSC) for DTSC’s actual costs incurred in providing review, comment, and consultation (collectively “review”) of the work described in Attachment 1, OCWD’s Approach and Scope of Work for the South Basin (herein the OCWD’s Approach”).

The Project Coordinators during the term of this Agreement will be:

<table>
<thead>
<tr>
<th>State Agency:</th>
<th>District:</th>
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<tbody>
<tr>
<td>Department of Toxic Substances Control:</td>
<td>Orange County Water District</td>
</tr>
<tr>
<td>Yolanda Garza, Unit Supervisor</td>
<td>David Bolin</td>
</tr>
<tr>
<td>Southern California Cleanup Operations - Cypress Office</td>
<td>Principal Hydrogeologist</td>
</tr>
<tr>
<td>Department of Toxic Substances Control</td>
<td>Orange County Water District</td>
</tr>
<tr>
<td>5796 Corporate Avenue, Cypress, CA 90630</td>
<td>18700 Ward Street, Fountain Valley, CA 92708</td>
</tr>
<tr>
<td>Phone: (714) 816-1978</td>
<td>Phone: (714) 378-3245</td>
</tr>
<tr>
<td>Fax: (714) 484-5326</td>
<td>Fax: (714) 378-3369</td>
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</table>

District has requested review of investigation and interim remedial efforts in compliance with the National Contingency Plan in the South Basin project area (Site) depicted on Exhibit E. Portions of the Site are currently under investigation by DTSC and other portions are currently under investigation by the Regional Water Quality Control Board. The District has requested DTSC’s consultation services to review and evaluate remedial investigation/feasibility study documents and activities leading up to and including selection of interim remedial action(s).

This Agreement may be amended to address any mutually-agreed modifications to, or expansions of, this Scope of Work.
EXHIBIT B
(Reimbursement Agreement)

BUDGET DETAIL AND PAYMENT PROVISIONS:

A. The cost estimate (Attachment 2) for the activities set forth in the Scope of Work (Exhibit A) is attached hereto and incorporated by this reference and is included as the Budget for this Agreement (the “Budget”). The Budget may be amended and adjusted, from time to time, on request of DTSC or District. All payments to DTSC shall indicate _____, Site Code 401 _____ (11 WP).

B. The Budget shall include all of DTSC’s costs, both direct and indirect. The hourly rates utilized in the development of any cost estimates shall reflect DTSC’s current hourly rates. These hourly rates may be updated from time to time as needed to allow DTSC to recover its actual costs, effective for the next quarterly billing cycle, on thirty (30) days prior notice to District.

C. District shall submit all payments to:

Department of Toxic Substances Control
Accounting
1001 I Street, 21st Floor
P.O. Box 806
Sacramento, California 95812-0806
Attention: Ms. Karen Poon

D. Copies of checks and letters transmitting such checks shall be sent simultaneously to DTSC’s project coordinator.

E. DTSC shall bill the District with quarterly invoices which shall contain an accounting and supporting documentation of all expenditures that are the subject of said quarterly invoice. Once work is completed, final invoices will be provided to District as soon as possible, generally within 60 days of the close of the quarterly billing cycle following completion of the work. District shall remit the total amount due within thirty (30) days of the date of District’s receipt of the quarterly invoice.

F. In the event District cancels the Agreement, District agrees to reimburse DTSC for the actual direct and indirect costs incurred or encumbered by DTSC up to the date “notice of cancellation” is received by DTSC.

G. Any dispute concerning DTSC’s costs incurred pursuant to this Agreement is subject to the dispute resolution procedures as established pursuant to Health and Safety Code section 25269.2. DTSC reserves its right to recover unpaid costs under applicable state and federal laws.
## EXHIBIT C
(Reimbursement Agreement)

**COST ESTIMATE FOR JANUARY 1, 2016-DECEMBER 31, 2017**
(2015-2016 Estimation Rates)
Orange County South Basin
Date: December 2015

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<th>Title</th>
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<th>Supervisor</th>
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<th>Geology</th>
<th>Engineering</th>
<th>Industrial Hygiene</th>
<th>Public Participation</th>
<th>HQ CEQA</th>
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**TASKS**:

Community Involvement
Community meetings**

Remedial Investigation (RI)
RI workplan  28  4  2  32  3
RI Report    28  4  8  40  4

Baseline Human Health Risk Assessment (BHHRA)
BHHRA***  16  2  20  2  4

Feasibility Study and Groundwater Modeling (FS/GM)****
FS/GM Viaduct Plan  30  2  8  30  3  30
FS/GM Report

Interim Remedial Action Plan (IRAP)
IRAP
IRAP Implementation Report/IS
Monitoring Report
CEQA*****
Review

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|                | 132                   | 249 |
|                | $179                  | 200 |
|                | $195                  | 251 |
|                | $104                  | 249 |
|                | $126                  | 100 |
|                | $76                   |    |

|                | 15,973                | 4,809 |
|                | $9,802                | 4,400 |
|                | $20,973               | 2,410 |
|                | $3,820                | 0    |
|                | 0                     | 0    |
|                | 0                     | 0    |
|                | 0                     | 320  |

|                | $88,754               |     |

Assumptions - the following assumptions were used for this cost estimate:
* One comment letter is assumed for each document described in this table.
** DTSC assumes that all documents related to public involvement will be prepared by OCWD. DTSC's participation in the public involvement is limited to attending two public meetings by program staff.
*** DTSC assumes that BHHRA is limited to groundwater only.
**** The estimate is based on review of the FS/GM for one operational unit or group.
***** The cost is based on review of a mitigated negative declaration.
EXHIBIT D
(Reimbursement Agreement)

SPECIAL TERMS AND CONDITIONS

A. Nothing in this Agreement shall limit the types, classifications or number of staff who may perform work pursuant to this Agreement and for whom DTSC may bill Applicant, subject to the provisions as set forth in Exhibit B.

B. DTSC or Applicant may terminate this Agreement without cause upon giving the other party 30-day advance written notice. DTSC shall not be liable for any loss or damages sustained by Applicant as a result of the termination of this Agreement.

C. This Agreement shall not be considered effective until it is signed by both parties, and if necessary, approved by the Department of General Services.
ATTACHMENT 1
OCWD’s Approach and Scope of Work for the South Basin

Background

The Orange County Water District’s (District or OCWD) mission includes protecting and improving the quality of the groundwater basin that supplies 70 percent of the total water demands of 2.4 million residents in northern and central Orange County. The objectives of the current scope of work are to develop remedies to address regional chemicals of concern (COC) contamination in groundwater (i.e., contamination that has migrated off of the sites where the releases have occurred and, in several areas, commingled downgradient, and do so in a manner consistent with the National Oil and Hazardous Substances Pollution Contingency Plan 40 CFR 300 (NCP). The South Basin project goals include:

1. Protect human health, safety, and the environment;
2. Protect and restore the groundwater resource in the South Basin area, consistent with beneficial use designations in the Santa Ana River Basin Plan;
3. Develop a cost-effective remedy that attains applicable or relevant and appropriate requirements and is compatible with existing site remedial actions to the extent practical; and
4. Keep the public and stakeholders informed of project status.

The South Basin groundwater contamination plume (South Basin) is located in the southern part of the Orange County Groundwater Basin in contiguous parts of Santa Ana, Irvine, and Tustin. The area has a history of industrial operations from which COCs have been released and have contaminated the soil and groundwater beneath many different industrial sites. The COCs include chlorinated volatile organic compounds (VOCs), 1,4-dioxane, perchlorate, and hexavalent chromium. COCs have migrated with natural flow of groundwater away from these sites and have in most cases commingled to form large contaminant plumes within the shallow aquifer. A potable water supply well field operated by the Irvine Ranch Water District (IRWD) known as the Dyer Road Well Field (DRWF) has been impacted by these COCs; causing the shutdown of supply well IRWD-3. COCs have also been detected in another of their wells, IRWD-5.

The District has conducted various phases of groundwater assessment in the South Basin area and also maintains the Water Resources Management System (WRMS) containing additional lithologic, geophysical, water quality, water level and pumping data for the subject area. These data, along with available data collected at the industrial sites in the area provide much of the necessary site-specific information needed to complete the Remedial Investigation/Feasibility Study (RI/FS) and support selection of interim remedies.

The scope of work covered under this voluntary investigation agreement includes the remedial investigation of shallow subsurface conditions and a feasibility study of possible interim remedies for contaminated groundwater in the South Basin area. Although not a component of OCWD’s scope of work, the investigation and evaluation of soil vapor migration and associated health risk is an important issue, particularly in areas near contaminant sources and areas with human receptors. OCWD understands that information it collects for the purposes of characterizing the nature and extent of VOCs in groundwater may be relevant to evaluating risks associated with soil vapor migration. To that end, OCWD will work cooperatively and share with DTSC subsurface data it collects or compiles during the
The soil vapor pathway analysis and health risk evaluation will be performed by DTSC and/or potentially responsible parties under DTSC oversight, at DTSC’s discretion, as a companion scope of work to complement OCWD’s groundwater-focused RI/FS. To the extent practicable, OCWD and DTSC will coordinate and advance these respective scopes of work with the overall goal of a holistic program to evaluate risks and develop remedies as needed to protect human health and the environment in the South Basin area.

**OCWD’s Approach**

The District’s approach to controlling the South Basin contamination is to perform a RI/FS that focuses on capturing the high concentration COCs migrating downgradient from various source areas. While the District’s objectives are focused on developing remedies for off-site groundwater contamination, the need for on-site remediation of source areas is equally important. The District suggests that oversight and enforcement, if necessary, of on-site source area investigation and remediation by responsible parties be the focus of the state regulatory agencies. The District also suggests that investigation and remediation of soil contamination, including potential soil vapor intrusion, is more typically associated with source areas and, therefore, should be under the purview of the state regulatory agencies rather than the District. Thus, by targeting on-site (source area) and off-site contamination, respectively, as their primary focus, the state agencies and the District will accomplish a holistic remedial approach for the South Basin. In its role, the District, possibly along with other willing parties, is interested in designing, building and operating one or more interim plume capture/treatment systems at different locations in the South Basin. The work envisioned will be in compliance with the NCP and therefore will allow for cost recovery in the future.

The nature of the groundwater in the South Basin consists of contaminated upper shallow aquifers made up of thinly laminated layers of sand, silt and clay with detections of contamination in some drinking wells in deeper aquifer locations. The widely spaced source sites and extensive commingled plumes call for a decentralized approach to the management and ultimately to the remediation of the South Basin. The distribution of source sites and downgradient contamination in the South Basin may be conceptually grouped by area. It is likely that independent groundwater remediation systems will be needed in these areas. Subject to further analysis as part of the feasibility study, the concept of geographic groupings has merit, not just from a remediation perspective, but also from a regulatory management one.

After findings of COCs in well IRWD-3, OCWD initiated its investigation in the South Basin in 2006. In 2014, OCWD’s Board directed staff to follow an NCP process for its South Basin RI/FS utilizing District funds. Close coordination between OCWD and state regulatory agencies is part of that process. In the coming months and years the District anticipates implementation of additional investigations, e.g., monitoring well installations, one or more pilot studies, and ultimately interim remedies. This is an aggressive approach that does not depend on the goodwill of the responsible parties, but does in large part depend on the close cooperation of the regulatory community. It is hoped that many of the responsible parties will respond to the District’s leadership and willingness to implement important projects in the South Basin by joining the effort under cooperative agreements. If they do not, it is the hope and expectation of the District that the regulatory agencies will issue enforcement orders against responsible parties to accomplish investigation and remediation where needed.
OCWD RI/FS Scope of Work

Project Management Plan (PMP) – The purpose of the PMP is to describe the roles and responsibilities of project stakeholders, provide contact information for key stakeholders, and provide a tentative schedule for completing the activities.

Administrative Record – The administrative record contains data and documents relevant to characterizing the contamination, developing and selecting the proposed remedy, and informing the public. The District will compile appropriate and necessary data and documents that are developed for the South Basin interim remedy, maintain an index of the data documents, and create a repository of those data and documents for public access. Project documents developed for the South Basin shall be included in the Administrative Record. The documents incorporated into the Administrative Record for the South Basin will be similar to United States Environmental Protection Agency (EPA) guidance where applicable for a non-CERCLA site.

Community Involvement - The purpose of the Community Involvement Plan (CIP) is to enable meaningful community involvement throughout the investigation and cleanup process. The CIP describes the procedures and protocol that will be implemented to reach out to the community, engage the community’s participation in the NCP process, and inform the community of ongoing activities. The CIP will incorporate the latest EPA, DTSC and/or RWQCB guidance for preparing a CIP. The plan will include mailing lists, key contacts, preparation of Fact Sheets, prepared answers to Frequently Asked Questions (FAQs), responses to public inquiries, assessments of public interest through community surveys, organization of public participation meetings at the remedial investigation and remedy selection phases, establishment and maintenance of repositories, and publication of public notices in newspapers.

Remedial Investigation (RI) and Baseline Human Health Risk Assessment (BHHRA) - This task includes three subtasks: completing the RI for the South Basin; preparing an RI Report; and preparing the BHHRA, as described below.

Completing the RI – The purpose of the RI is to evaluate the nature and extent of groundwater contamination and to assess the potential risks posed by this contamination to human health and the environment. While a great body of knowledge already exists through the District’s assessment activities in the South Basin area and the District’s groundwater basin water resource management/monitoring program coupled with relevant data generated as part of industrial sites in the area, additional RI activities are needed to support the BHHRA, the FS, and/or groundwater modeling activities.

A database has been prepared for the South Basin project. The database has been reviewed and existing information has been evaluated to assess data gaps. A draft RI work plan (Field Sampling Plan [FSP]), updating the Quality Assurance Project Plan (QAPP) has been prepared to address identified data gaps. As indicated previously, it is expected that the vapor intrusion pathway will be conducted by PRPs as part of their site investigations and cleanup, therefore assessing this pathway will not be done as part of the District’s efforts on the RI/FS.

Site Groupings – The South Basin area is a heterogeneous collection of source sites covering more than 2 square miles with different source areas, many different COCs and concentrations, and different land owners, PRPs, water agencies, and regulatory agencies.
In order to simplify the management of the widespread contaminated area, the regulatory oversight agencies have broken the area into smaller operational areas or groupings. These groupings are organized by geographic proximity and physical barriers (such as the 55 Freeway), already known comingled plumes, and the regulatory oversight responsibility of the DTSC, the RWQCB, and their various case managers. Breaking the site into operational groups improves regulatory coordination of PRP responses and offers opportunities for PRPs in proximity to one another to share in their remediation efforts through coordinated and/or joint projects.

**RI Report** – New investigation data along with existing South Basin data will be summarized in an RI report. The report will describe the nature and extent of groundwater contamination in the South Basin and include a description of the release sites where adequate data exists in the record. The report will also describe how particular sites are acting as a continuing source of groundwater contamination. This RI will not include OCWD access to the private property of PRPs.

The RI Report will follow relevant EPA guidance and incorporate the following: compiled soil and groundwater data from the project database; information from the WRMS; previous reports documenting the District’s field investigations; relevant published information; relevant information and interpretations prepared for or on the behalf of the District, particularly as they pertain to the study area’s hydrogeologic conditions.

Since the focus of the interim remedy is prevention of the further migration of contaminants that were released at numerous sites in the South Basin area, the RI will focus on: (1) describing nature and extent of COCs in groundwater in the South Basin area and (2) describing the degree of impact of on-going COC mass flux from respective release sites. The degree of on-going COC mass flux at each site will be evaluated based on soil and groundwater data collected near the respective source features (as compared to screening levels and drinking water standards) and the effectiveness of any existing groundwater remediation to prevent future off-site migration, to the extent that a system currently exists (based on remediation system performance data).

The RI report will also describe the fate and transport of COCs in groundwater within the South Basin area based on observed concentrations of parent/daughter products, where applicable, and published literature pertaining to fate and transport of respective COCs.

The combination of release site information, hydrogeologic conditions, nature and extent of COCs in South Basin area groundwater, and the fate and transport of respective COCs will be used to develop a conceptual site model (CSM). The CSM will acknowledge known impacts to the underlying water resource currently being used for water supply purposes and will also include potential direct pathways from shallow groundwater to deeper groundwater, such as former irrigation wells and/or windows of higher hydraulic conductivity sediments within intervening aquitard(s).

Regional cross sections presented in the RI Report will be based on existing regional cross sections developed by the District in support of water resource management activities.

**Baseline Human Health Risk Assessment (BHHRA)** – A human health risk assessment will be performed to identify threats to human health as a result of potential exposure to contaminated groundwater in the South Basin area using existing data and information from the additional RI. Those findings will be presented as a BHHRA report formatted as
an appendix to the RI Report. Preparation of the BHHRA will be consistent with the most recent EPA guidance. It is anticipated that the BHHRA will be limited to the following groundwater exposure routes: ingestion through potable use; inhalation pertaining to groundwater use for domestic purposes (i.e., bathing, dishwashing, etc.); and dermal as it pertains to use of groundwater for domestic purposes.

An ecological risk assessment (ERA) may not be necessary based on the high level of commercial/industrial development in the South Basin. If required by the agencies, it will likely consist of a description of the area as commercial and industrialized with minimal ecological resources. One notable exception is the presence of an unlined drainage channel downgradient of the South Basin which will need to be assessed for hydraulic connection to the contaminated groundwater. As indicated earlier, it is assumed that the vapor intrusion pathway will be conducted by respective responsible parties as part of their individual site investigations and cleanup, therefore assessing this pathway will not be included in the District’s BHHRA.

Feasibility Study (FS) and Groundwater Modeling - The FS intended for the South Basin will be performed to identify and select one or more interim remedies that contain or prevent COC contamination from further impacting groundwater resources and water supply wells. The study will not address on-site source areas or possible extensions of the plume with concentrations at or near the maximum contaminant levels. The FS will be consistent with the most recent EPA guidance for conducting an FS. It will include the subtasks described below:

Develop Remedial Action Objectives (RAOs) – The RAOs will be used to identify and screen appropriate remedial technologies, and to develop, screen and evaluate remedial alternatives. The RAOs will consider protection of local groundwater resources, protection of existing water supply wells, and Applicable or Relevant and Appropriate Requirements (ARARs). The RAOs will be developed early in the process to obtain stakeholder input and general concurrence.

Pilot Study – One of the primary technologies likely to be considered in the FS is pumping and treating of the comingled plumes downgradient of the various source sites. This pump-and-treat approach is widely used because of its ability to capture and cut off a plume as it moves downgradient with the groundwater flow. It is usually an appropriate “interim remedy” because of its ability to prevent further downgradient plume migration, its straightforward implementation, and its ability to remove mass at fairly high concentrations within the plumes.

Because a pump and treat interim remedy is likely to be considered, it is appropriate to gather site specific data by performing a pump and treat pilot study early in the RI/FS process. An ideal location for such a study is an area near Hotel Terrace Drive and Grand Avenue. This location is proposed by the District because the upgradient source area delivers the highest concentrations and the greatest mass of any of the other source areas in the South Basin. The pilot study will provide useful information for establishment of capture well spacing, pumping rates, water treatment technologies, and water discharge options. All of these are critical considerations when performing a Feasibility study.

Groundwater Flow and Solute Transport Modeling - Groundwater flow and solute transport modeling to support the BHHRA and FS might be necessary after completion of a pilot study near Hotel Terrace Drive and Grand Avenue. The pilot study will provide needed information on the local hydraulic conductivities, the well yields, and the
groundwater gradient response to pumping in the shallow aquifer. The pilot study might either reveal a need for a groundwater model or show that such a model would not be practical in the South Basin shallow aquifer environment.

**ARARs –** The ARAR analysis shall be included in the FS Report. In addition to the traditional ARARs, To-Be-Considered Criteria will be included as part of ARARs. For example, California Notification Levels for compounds that lack primary Maximum Contaminant Level (e.g., 1,4-Dioxane) could be potentially useful in development and evaluation of remedial alternatives.

**Develop and Screen Remedial Alternatives –** The FS will identify remediation technologies that could be considered, screen those that are practical, assemble the practical technologies into remedial alternatives that warrant consideration and a detailed evaluation. The technology and process option screening process will identify technologies and process options capable of providing reliable treatment of COCs in areas downgradient of source areas. A pilot study will be performed to provide critical information on the aquifer’s response to pumping and plume capture and the treatability of the actual COCs present. This work will provide short- and long-term protection of human health and the environment, accommodating access constraints within the South Basin area, and be compatible with existing and planned groundwater remediation at release sites.

The evaluation will build upon prior screening that was conducted as part of the preliminary South Basin FS prepared as part of the District’s litigation against the PRPs and will retain one or more of the technology/process options that can be evaluated as part of the detailed evaluation of assembled alternatives (for example monitored natural attenuation would be retained).

**Detailed Evaluation and Comparison of Alternatives –** Selected alternatives (assume up to six) will be evaluated in accordance with the NCP and U.S. EPA guidance.

**Proposed Interim Remedial Action Plan and Responsiveness Summary** - An Interim Remedial Action Plan (Proposed Plan) will be prepared and submitted to the agencies for comment. The Proposed Plan will be in the form of a Fact Sheet. Following the agency public reviews for the Proposed Plan, a Responsiveness Summary will be distributed that addresses the comments received in writing, and oral comments received at the public meeting held specifically to describe the Proposed Plan and solicit public input. Also, the responsiveness summary will include a detailed evaluation of regulatory and community acceptance. The responsiveness summary will be attached to the District’s Record of Decision.

**Database Maintenance and Update** - The District will update and maintain the existing database throughout the project duration (i.e., through the Record of Decision). The database is an important tool for efficient management and evaluation of data collected by the District and others. The database will include tables that allow temporal and spatial (lateral and vertical) analysis of relevant data as well as documenting the source of the respective data.
Funding Considerations

OCWD – The District will take the financial lead in the RI/FS work including the implementation of a pilot study. Regulatory review costs of OCWD-submitted RI/FS work products will also be paid by the District. It is envisioned that the District will implement one or more interim remedies. The District may continue to pursue contributory funding from responsible parties via collaborative efforts or litigation, as appropriate. The District may also pursue grant funding, e.g., Proposition 1.

Responsible Parties (RPs) – Some RPs have undertaken remedial actions to address contaminant releases from their sites. The District anticipates that RPs will perform additional remedial efforts in the future either voluntarily or under regulatory directives. It remains to be seen the extent to which the District and regulatory agencies will be able to obtain RP financial or in-kind participation in future remedial actions initiated by the District.

Other Water Agencies – Other nearby water agencies share the same perspective and sense of urgency that the District feels regarding the South Basin. Because a timely response that protects their nearby pumping wells is in their interest, they may share some of the funding burdens with the District.
Mr. William T. Hunt  
Director of Special Projects  
Orange County Water District  
18700 Ward Street  
Fountain Valley, CA 92708  
(phunt@ocwd.com)

OVERSIGHT COST REIMBURSEMENT FOR SITE CLEANUP PROGRAM (SCP) –  
ORANGE COUNTY WATER DISTRICT’S SOUTH BASIN, SANTA ANA, CALIFORNIA

Dear Mr. Hunt,

The California Water Code (Porter-Cologne), Section 13365 addresses the billing process for the Regional Board to recover reasonable expenses for overseeing investigation of illegal discharges, contaminated properties, and other unregulated releases that may adversely affect the State’s waters.

Data indicate that the following constituents have caused degradation of water quality in the southern portion of the Orange County Groundwater Basin (South Basin) of the Orange County Water District (District):

- Chlorinated Volatile Organic Compounds (CVOCs);
- Hexavalent Chromium (Cr VI);
- Perchlorate;
- 1,4-Dioxane.

Over 20 individual sources (sites) in the South Basin have been identified as responsible or potentially responsible for illegal discharges of waste containing one or more of the abovementioned chemicals into the groundwater. Different phases of environmental work are currently being conducted at almost all of these sites, under the oversight of our Regional Board staff (Board staff) or staff from the California Department of Toxics Substances Control (DTSC).

The western portion of the South Basin is located within the Orange County Groundwater Management Zone, while the eastern portion is located within the Irvine Groundwater Management Zone. The beneficial uses of the groundwater within the two aforementioned Groundwater Management Zones include Municipal and Domestic Supply (MUN), Agricultural Supply (AGR), Industrial Service Supply (IND), and Industrial Process Supply (PROC). Based on the information obtained by Board staff, it is evident that discharges of waste at multiple sites have impacted, or threaten to impact, one or more of the beneficial uses of the Groundwater Management Zones. Therefore, pursuant to Porter-Cologne Sections 13267 and 13365, it is
our intent to recover costs for regulatory oversight work in the District's South Basin conducted by Board staff under the Cost Recovery for Regulatory Oversight of Cleanups program.

The District has requested that Board staff provide technical support and consultation for the District's investigation and remedial efforts within the South Basin. More specifically, the District has requested that Regional Board staff review and evaluate remedial investigation/feasibility study documents submitted by the District (in their role as a public agency, in accordance with the U.S. EPA's National Contingency Plan), and perform oversight of activities leading up to and including the implementation of the most appropriate remedial alternative(s).

In accordance with AB 2507, this letter is being sent to provide you with the following information regarding costs for regulatory oversight work:

1. A detailed estimate of the work to be performed or services to be provided.
2. A statement of the expected outcome of that work.
3. The billing rates for all individuals and classes of employees expected to engage in the work.
4. An estimate of all expected charges to be billed to you by this agency.

**Estimate of Work to Be Performed**

Regional Board staff's activities may include, but shall not be limited to:
- Attending meetings and participating in conference calls as requested by the District;
- Evaluating and responding to the District's inquiries;
- Providing technical consultation and written comments regarding work that is proposed or undertaken by the District in connection with the South Basin, including but not limited to the following:
  a) Draft Investigation and Characterization Work Plans,
  b) Draft Remedial Investigation Report,
  c) Draft Feasibility Study Report,
     i. Proposed Remediation Action Objectives,
     ii. Pilot Study Work Plan(s) & Report(s),
     iii. Groundwater Flow and Transport Modeling, 
     iv. Applicable, Relevant, and Appropriate Requirements (ARARs),
  d) Draft Proposed Plan.

Board staff estimates that the following work will be performed during fiscal years 2015/2016 and 2016/2017:
- Review technical reports for the South Basin.
- Written correspondence and telephone communications with District's technical staff, District's other representatives, and interested third parties.
- Conduct internal communications (meetings, memos, etc.) regarding project.
- Meetings with the District's technical staff, the District's other representatives, and interested third parties.
- Site visits.

This Agreement may be amended to address any mutually-agreed modifications to, or expansions of, this Scope of Work.
Statement of Expected Outcome

The following is the expected outcome of work that will be performed during fiscal years 2015/2016 and 2016/2017:

- Preparing and posting meeting notes.
- Providing oral and written comments on technical proposals and reports.
- Assessing progress of the RI/FS preparation.
- Making presentations to members of the public and the Regional Board.

Billing Rates

Enclosures 1 and 2 describe the billing procedure and the billing rates for employees expected to perform the work. The names and classifications of employees that charge time to this site will be listed on the invoices. The average billing rate is about $160.00 per hour. The rate will vary depending on the salaries of the individuals responsible for conducting the oversight work as noted in the billing rate enclosure.

Estimation of Expected Charges

Staff expects to charge about 400 hours of work related to the South Basin during fiscal years 2015/2016 and 2016/2017. This is an estimate, and the actual time needed may be less or greater depending on the nature and extent of the work that is necessary, and your willingness to accomplish this work in a timely manner. Based on the average billing rate of $150 per hour, the estimated billing charge for the South Basin during fiscal year 2015/2016 is about $60,000. The billing rate may be subject to a slight increase of approximately 10 percent during fiscal year 2016/2017.

Acknowledgment

As indicated above, a detailed description of the billing procedure and billing rates are enclosed (Enclosures 1 and 2). By May 27, 2016, please acknowledge your intent to reimburse regulatory oversight work as stated in the enclosures, by returning the enclosed Acknowledgement of Receipt of Oversight Cost Reimbursement Account Letter (Enclosure 4) with your signature. The District will soon begin receiving bills for costs associated with the Regional Board’s ongoing regulatory activities related to the site. Those bills will include charges incurred as of January 1, 2016.

Other Requirements

Electronic Submittals

Regulations requiring the electronic submittal of information (ESI) went into effect on January 1, 2005. As of July 1, 2005, paper copies of reports are no longer required upon submittal of the electronic copy unless the Regional Board staff specifically requires the paper copy to be submitted (Enclosure 5).

If you have any questions, please contact Nick Amini, Chief of the Site Cleanup Program, at (951) 782-7958 or by e-mail at nick.amini@waterboards.ca.gov or you may call Ann Sturdivant,
Groundwater and Regulatory Division Chief, at (951) 782-4904, or send e-mail to ann.sturdivant@waterboards.ca.gov.

Sincerely,

Kurt V. Berchtold
Executive Officer

Enclosures:

1. Reimbursement Process for Regulatory Oversight
2. Billing Rates Description
3. Acknowledgment of Receipt of Oversight Cost Reimbursement Account Letter
4. Regulations – Electronic Submittal of Information

cc: Sara Aujla – SWRCB (Sara.Aujla@waterboards.ca.gov)
Julie Macedo – SWRCB, Office of Enforcement (Julie.macedo@waterboards.ca.gov)
David Bolin – OCWD (dbolin@ocwd.com)
Roy Herndon – OCWD (rherndon@ocwd.com)
Yolanda Garza – DTSC (yolanda.garza@dtsc.ca.gov)
Peter Garcia – DTSC (peter.garcia@dtsc.ca.gov)
Scott Sommer – Law Office of Scott A. Sommer (scottsommer@sasrlaw.com)

H:\NA\mini\OCWD\South Basin\OCWD South Basin Cost Recovery Letter_042716
REIMBURSEMENT PROCESS FOR REGULATORY OVERSIGHT

We have identified your facility or property as requiring regulatory cleanup oversight. Pursuant to the Porter-Cologne Water Quality Control Act, reasonable costs for such oversight can be recovered by the Regional Water Quality Control Board (RWQCB) from the responsible party. The purpose of the enclosure is to explain the oversight billing process structure.

INTRODUCTION

The Porter-Cologne Water Quality Control Act authorizes the State Water Resources Control Board (SWRCB) to set up Cost Recovery Programs. The Budget Act of 1993 authorized the SWRCB to establish a Cost Recovery Program for the Site Cleanup Program (SCP). The program is set up so that reasonable expenses incurred by the SWRCB and RWQCBs in overseeing cleanup of illegal discharges, contaminated properties, and other unregulated releases adversely impacting the State's waters can be reimbursed by the responsible party. Reasonable expenses will be billed to responsible parties and collected by the Fee Coordinator at the SWRCB in the Division of Clean Water Programs (DCWP).

THE BILLING SYSTEM

Each cost recovery account has a unique charge number assigned to it. Whenever any oversight work is done, the hours are billed to the account number on the employee's time sheet. The cost of staff hours is calculated by the State Accounting System based on the employee's salary and benefit rate and the SWRCB overhead rate.

SWRCB and RWQCB Administrative charges for work such as accounting, billing preparation, general program meetings and program specific training cannot be charged directly to an account. This work will be charged to Administrative accounting codes. The Accounting Office totals these administrative charges for the billing period and distributes them back to all of the accounts based on the number of hours charged to each account during that billing period. These charges show as SWRCB Program Administrative Charges and RWQCB Program Administrative Charges on the Invoice.

The overhead charges are based on the number of labor hours charged to the account. The overhead charges consist of rent, utilities, travel, supplies, training, and accounting services. Most of these charges are paid in arrears. Therefore, if there is no labor charged during the billing period, there still may be overhead charges associated with previous months services. The Accounting Office keeps track of these charges and distributes them back monthly to all of the accounts based on the number of hours charged to each account. Therefore, the quarterly statements could show no labor hours charged for that billing period, but some overhead costs could be charged to the account.

Invoices are issued quarterly, one quarter in arrears. If a balance is owed, a check is to be remitted to the SWRCB with the invoice remittance stub within 30 days after receipt of the invoice. The Accounting Office sends a report of payments to the Fee Coordinator on a quarterly basis. Copies of the invoices are sent to the appropriate RWQCBs so that they are aware of the oversight work invoiced. Questions regarding the work performed should
be directed to your RWQCB project manager. If the responsible party becomes delinquent in their quarterly payments, oversight work will cease immediately. Work will not begin again unless the payments are brought up-to-date.

DISPUTE RESOLUTION
If a dispute regarding oversight charges cannot be resolved with the RWQCB, Section 13320 of the California Water Code provides a process whereby persons may petition the SWRCB for review of RWQCB decisions. Regulations implementing Water Code Section 13320 are found in Title 23 of the California Code of Regulations, Section 2050.

DAILY LOGS
A detailed description (daily log) of the actual work being done at each specific site is kept by each employee in the RWQCB who works on the cleanup oversight at the property. This information is provided on the quarterly invoice using standardized work activity codes to describe the work performed. Upon request, a more detailed description of the work performed is available from the RWQCB staff.

REMOVAL FROM THE BILLING SYSTEM
After the cleanup is complete the RWQCB will submit a closure form to the SWRCB to close the account. If a balance is due, the Fee Coordinator will send a final billing for the balance owed. The responsible party should then submit a check to the SWRCB to close the account.

AGREEMENT
No cleanup oversight will be performed unless the responsible party of the property has returned a copy of the signed Acknowledgment of Receipt of Oversight Cost Reimbursement Account Letter (Account Letter) agreeing to reimburse the State for appropriate cleanup oversight costs. You may wish to consult an attorney in this matter. As soon as the signed Account Letter is received, the account will be added to the active Site Cleanup Program Cost Recovery billing list and oversight work will begin. A copy of the Account Letter is enclosed.
# STATE WATER RESOURCES CONTROL BOARD
## SITE CLEANUP PROGRAM (SCP)
### BILLING COST EXPLANATION
#### Fiscal Year 2015-2016

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<td>0756 - Environmental Program Manager I (Supervisory) (SWRCB)</td>
<td>$12,865 - $15,994</td>
</tr>
<tr>
<td>0769 - Environmental Program Manager II (SWRCB)</td>
<td>$14,931 - $16,962</td>
</tr>
<tr>
<td>0762 - Environmental Scientist (SWRCB)</td>
<td>$ 4,538 - $ 8,676</td>
</tr>
<tr>
<td>3843 - Exec Officer I</td>
<td>$15,911 - $18,073</td>
</tr>
<tr>
<td>3842 - Exec Officer II</td>
<td>$16,299 - $18,514</td>
</tr>
<tr>
<td>5601 - Information Officer I (Spec)</td>
<td>$ 6,588 - $ 8,246</td>
</tr>
<tr>
<td>1419 - Key Data Operator</td>
<td>$ 3,224 - $ 4,587</td>
</tr>
<tr>
<td>1262 - Legal Secretary</td>
<td>$ 4,548 - $ 5,930</td>
</tr>
<tr>
<td>1441 - Office Assistant (General) (Statewide)</td>
<td>$ 3,105 - $ 4,272</td>
</tr>
<tr>
<td>1379 - Office Assistant (Typing) (Statewide)</td>
<td>$ 3,209 - $ 4,358</td>
</tr>
<tr>
<td>1138 - Office Technician (General) (Statewide)</td>
<td>$ 3,950 - $ 4,948</td>
</tr>
<tr>
<td>1139 - Office Technician (Typing) (Statewide)</td>
<td>$ 3,626 - $ 5,034</td>
</tr>
<tr>
<td>3851 - Principal Water Resources Control Engineer</td>
<td>$15,523 - $17,632</td>
</tr>
<tr>
<td>5373 - Public Participation Specialist</td>
<td>$ 6,588 - $ 8,246</td>
</tr>
<tr>
<td>3826 - Sanitary Engineering Associate (Statewide)</td>
<td>$ 7,245 - $ 9,068</td>
</tr>
<tr>
<td>3782 - Sanitary Engineering Technician (Statewide)</td>
<td>$ 4,989 - $ 7,171</td>
</tr>
<tr>
<td>3751 - Senior Engineering Geologist (Statewide)</td>
<td>$12,015 - $15,038</td>
</tr>
<tr>
<td>0764 - Senior Environmental Scientist (SWRCB)</td>
<td>$11,126 - $13,831</td>
</tr>
<tr>
<td>0765 - Senior Environmental Scientist (Spec)</td>
<td>$ 8,031 - $ 9,989</td>
</tr>
<tr>
<td>3224 - Senior Legal Typist</td>
<td>$ 3,877 - $ 5,420</td>
</tr>
<tr>
<td>3844 - Senior Water Resources Control Engineer (SWRCB)</td>
<td>$12,015 - $15,038</td>
</tr>
<tr>
<td>5157 - Staff Services Analyst (General)</td>
<td>$ 4,218 - $ 6,857</td>
</tr>
<tr>
<td>4800 - Staff Services Manager I</td>
<td>$ 7,590 - $ 9,449</td>
</tr>
<tr>
<td>5815 - Supervising Attorney</td>
<td>$11,508 - $14,626</td>
</tr>
<tr>
<td>3748 - Supervising Engineering Geologist (Statewide)</td>
<td>$12,776 - $15,994</td>
</tr>
<tr>
<td>3849 - Supervising Water Resources Control Engineer (SWRCB)</td>
<td>$12,776 - $15,994</td>
</tr>
<tr>
<td>3850 - Supervising Water Resources Control Engineer (MGR)</td>
<td>$14,129 - $16,051</td>
</tr>
<tr>
<td>3846 - Water Resources Control Engineer (SWRCB)</td>
<td>$ 6,817 - $12,767</td>
</tr>
</tbody>
</table>

**Intermittent Employees:**

<table>
<thead>
<tr>
<th>Employees</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1120 - Seasonal Clerk</td>
<td>$ 9.18/hr</td>
</tr>
<tr>
<td>1931 - Scientific Aid</td>
<td>$11.81/hr</td>
</tr>
<tr>
<td>4871 - Student Assistant Engineering (Statewide)</td>
<td>$11.78/hr</td>
</tr>
</tbody>
</table>

Note: The State is currently in negotiations with the unions so the upper limits of these ranges may be subject to change.
Operating Expenses and Equipment [2] (both State and Regional Board offices)  
Indirect Costs (Overhead = cost of doing business)  

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>125%</td>
</tr>
</tbody>
</table>

**Billing Example**  
Water Resources Control Engineer  
Salary and Benefits: $12,767  
Overhead (indirect costs): $15,959  
Total Cost per month $28,726  

Divided by 173 hours per month equals per hour: $166.05  
(Due to the various classifications that expend SCP resources and an average of $150.00 per hour can be used for projection purposes.)

---

[1] The name and classification of employees performing oversight work will be listed on the invoice you receive.  
[2] The examples are estimates based on recent billings. Actual charges may be slightly higher or lower.
CERTIFICATION DECLARATION FOR COMPLIANCE WITH FEE TITLE HOLDER NOTIFICATION REQUIREMENTS (California Water Code Section 13307.1)

Please Print or Type

Fee Title Holder(s): ______________________________________

Mailing Address: ______________________________________

Contact Person: ______________________________________

Telephone Number / Fax Number: __________________________

Site Name: ______________________________________

Address: ______________________________________

Contact Person: ______________________________________

Telephone Number / Fax Number: __________________________

File Number: ______________________________________

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations." (See attached page for who shall sign the Certification Declaration).

Printed Name of Person Signing ____________________________

Signature ____________________________

Official Title ____________________________

Date Signed ____________________________
The certification declaration form must be signed as follows:

1. For a corporation - by a responsible corporate officer, which means; (i) by a president, secretary, treasurer, or vice president of the corporation in charge of a principal business function, or any other person who performs similar policy of decision making functions for the corporation, or (ii) the manager of one or more manufacturing, production, or operating facilities employing more than 250 persons or having gross annual sales or expenditures exceeding $25 million, if authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.

2. For a partnership or sole proprietorship – by a general partner or the proprietor respectively.

3. For a municipality, state, federal, or public agency - by either a principal executive officer or ranking elected official. A principal executive officer of a federal agency includes (i) the chief executive officer of the agency or (ii) a senior executive officer having responsibility for the overall operations or a principal geographic unit.
ACKNOWLEDGMENT OF RECEIPT OF
OVERSIGHT COST REIMBURSEMENT ACCOUNT LETTER

I, ________________________________, acting within the authority vested in me as an authorized representative of the Orange County Water District acknowledge that I have received and read a copy of the attached REIMBURSEMENT PROCESS FOR REGULATORY OVERSIGHT and the cover letter dated April 28, 2016, concerning cost reimbursement for Regional Board staff costs involved with oversight of cleanup and abatement efforts at the Orange County South Basin area.

I understand the reimbursement process and billing procedures as explained in the letter. The undersigned is willing to participate in the cost recovery program and pay all subsequent billings in accordance with the terms in your letter and its attachments, and to the extent required by law. I also understand that signing this form does not constitute any admission of liability, but rather an intent to pay for costs associated with oversight, as set forth above, and to the extent required by law. Billings for payment of oversight costs should be mailed to the following individual and address:

BILLING CONTACT ________________________________

BILLING ADDRESS ________________________________

______________________________

______________________________

______________________________

TELEPHONE NO. ________________________________

RESPONSIBLE PARTY’S SIGNATURE ________________________________

(Signature)

______________________________

(Title)

DATE: ________________________________

Staff: ANA