



**Cienega Selenium and Nitrate Removal Project Update  
December 15, 2010**



# Topics

- Project Update
  - Development Activities
  - Regulatory Compliance
  - Funding
- Project Implementation Steps and Schedule



# Development Activities



## Project Development Activities

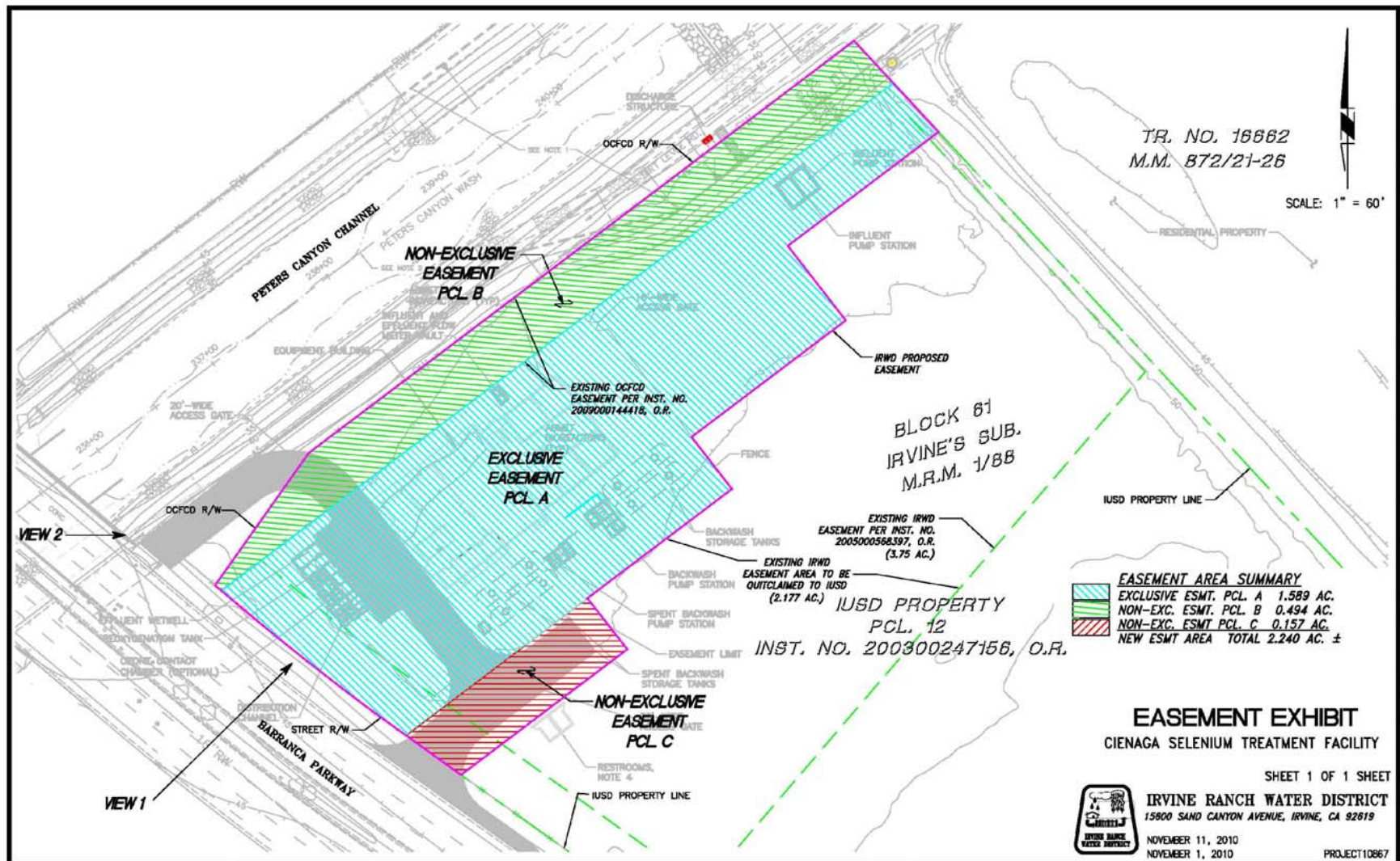
- ABMet pilot study completed
  - GE Performance Guarantee has been negotiated
- 60% design is due late December 2010
- Design verification testing scheduled to begin January 2011
  - To ensure control of selenium speciation and bacteria
  - Need to ensure Selenite (SeIV) to Selenate (SeVI) conversion in effluent





# Irvine Unified School District Easement

- IRWD negotiating revision to easement with IUSD





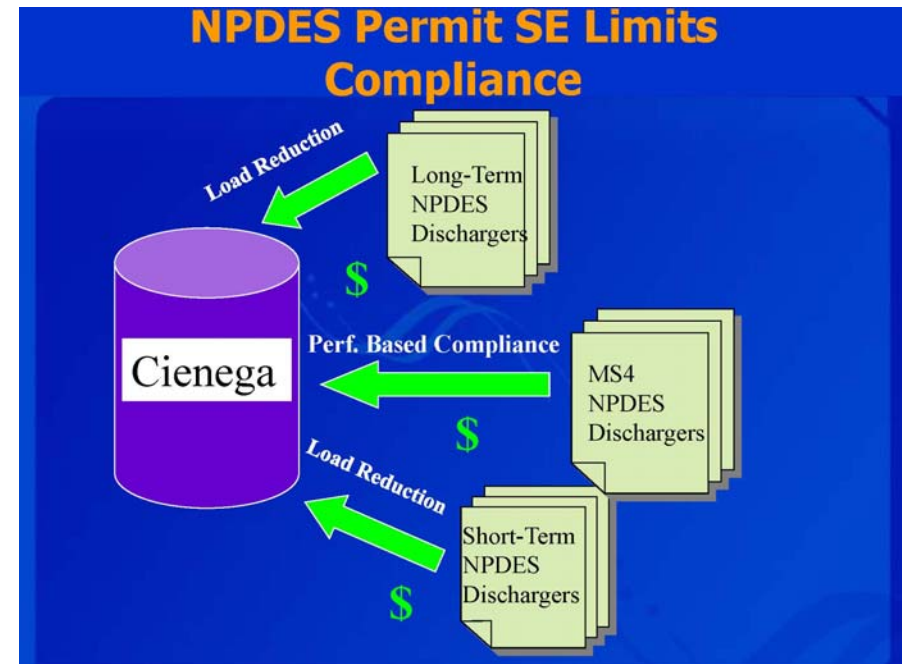
# Regulatory Compliance





# Regulatory Compliance

- Meeting with Public Works Directors/Attorneys Oct 2010
- Initial Meeting with Regional Board November 2010
- Regional Board strong support for Cienega
- Proposed legal framework for Cienega
  - Compliance with MS4 waste-load allocations
  - Early Action Item in the BMP Strategic Plan for compliance with Se TMDL





# Funding





# Funding Plan and Letters of Intent

## Capital Costs:

- IRWD will oversee the design and construction (\$22 million)
- Funding partners responsible for non-grant funded capital on a pro-rata basis
- Contributions offset by any grants received (\$5.5 million USBR)

## O&M:

- Annual O&M estimated at \$381,000, paid by IRWD on a go-forward basis within IRWD's service area
- Out-of-service area participants would pay O&M contribution



# Funding Plan and Letters of Intent

## Financing:

- IRWD working with participants on financing and payment options

## Letters of Intent (LOI):

- LOI to IRWD 30-days prior to construction award (early March)
- Commitment to project participation
- Project description and capacity ownership
- Execute Project Participation Agreement within 90 days



# Conceptual Capital Funding

## Full-Scale Cienega Project Proposed Funding

<b>Total Estimated Capital Cost</b>	<b>\$ 22,000,000</b>
<b>ARRA Grant</b>	<b>\$ (5,500,000)</b>
<b>Potential Funding Partners*</b>	Stakeholders to Determine Participation Level and Allocations
Costa Mesa	
Irvine	
Laguna Hills	
Laguna Woods	
Lake Forest	
Newport Beach	
Orange	
Santa Ana	
Tustin	
County of Orange	
O.C. Flood Control	
TIC	
<b>Sub-Total Funding Partners</b>	<b>\$ (16,500,000)</b>
<b>Unfunded Capital</b>	<b>\$ 0</b>

\*NSMP participants



## Funding Allocation Formula

- County developed initial proposals, presented to staff November 18
- Scenarios based on variations of land area, miles of storm drain population, selenium “hot zones”
- Refined options presented to City Managers December 7
- Follow-up meeting to discuss additional refinements scheduled for December 22
- Finalize funding allocation formula and financing arrangements January 2011



# Project Implementation Steps

Implementation Step	Date
Public Works/Attorneys meeting to discuss regulatory framework	Complete
Meeting with Regional Board to review regulatory compliance strategy	Complete
Meeting with City Managers to discuss funding allocation formula and project financing	Complete
Briefing for Executive Committee	December 15, 2010
Follow-up funding allocation meeting	December 22, 2010
Finalize funding formula and project financing arrangements	Early January, 2010
Finalize construction cost estimates and cost allocations	Early February, 2010
Obtain "Letters of Intent" for funding from project participants	<b>Early March, 2011</b>
Award construction*	<b>Early April, 2011</b>
Execute final Project Participation Agreements (FY 2011/12)	July, 2011

\*Contingent upon receipt of Letters of Intent from funding partners



# Questions?