

MINUTES OF REGULAR MEETING – JANUARY 24, 2005

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order by President Miller at 6:00 p.m., January 24, 2005 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None

Also Present: General Manager Jones, Director of Engineering Heiertz, Treasurer Loomis, Secretary Bonkowski, Legal Counsel Arneson, Mr. Jim Reed, Mr. Tom Bishop, and other members of the public and staff.

WRITTEN COMMUNICATIONS: None

ORAL COMMUNICATIONS:

Mrs. Joan Irvine Smith addressed the Board of Directors with respect to the Dyer Road Wellfield. She said that she understood the summer production season ended and that currently Dyer Road Wells 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, and 18 are currently not being operated. Wells C-8 and C-9 are operational. Average weekly groundwater production was 11 cfs, representing 20% of the total supply to the domestic water system. This was confirmed by Mr. Jones, General Manager of the District.

With respect to the Orange County Basin Groundwater Conjunctive Use Program being coordinated by Municipal Water District of Orange County (MWDOC) and Orange County Water District (OCWD), the agencies participating are the cities of Anaheim, Westminster, Santa Ana, Buena Park, and Garden Grove, Yorba Linda Water District and Southern California Water Company. Contracts have been awarded by OCWD to Beylik Engineering and Bakersfield Well & Pump, Inc. to construct a total of eight wells. It is anticipated that well drilling will be completed by June of 2005 and it will take an additional 12 to 18 months to complete the wellhead facilities. OCWD is required to have the wells operational by December 2008. Following well construction, each well will be owned by the individual participating agencies. This was confirmed by General Manager Jones.

ITEMS TO LATE TO BE AGENDIZED – None

PRESENTATIONS

- 1) Mr. Curt Pringle and Mr. Phil Isenberg, consultants for the District, provided a 2005 legislative update, noted State budget issues as well as lobbying and outreach efforts. Following discussion, staff was asked to submit an item for discussion at a Board workshop in February relative to the anticipated loss of revenue due to a property tax shift.

- 2) Mr. Hal Furman, consultant for the District, provided an update on Federal issues. He said that even though the District was eligible to obtain grant funding for the Natural Treatment System, Irvine Desalter project as well as the regional brine line disposal facility, with an overall increase in the Federal budget predicted at 2%, he feels that this may be a challenge for this year. He suggested the unification of other environmental group, cities, and others to reach a common goal.

CONSENT CALENDAR

President Miller and Director Swan asked that Item No. 11 be placed on the Action Calendar for discussion. Director Swan asked that Item No. 10 also be placed on the Action Calendar. On MOTION by Matheis, seconded and unanimously carried, CONSENT CALENDAR ITEMS 5 THROUGH 9 AND 12 THROUGH 26 WERE APPROVED AS FOLLOWS:

5. MINUTES OF BOARD MEETINGS

Recommendation: That the minutes of the December 13, 2004 Board of Directors' meeting be approved as presented.

6. RATIFY/APPROVAL OF BOARD OF DIRECTOR ATTENDANCE AT MEETINGS AND EVENTS

Recommendation: Ratify/approve meetings and events for Mary Aileen Matheis, Darryl Miller, Doug Reinhart, Peer Swan, and John Withers.

7. DECEMBER 2004 FINANCIAL REPORTS

Recommendation: Receive and file the 2004 Treasurer's Investment Summary report and approve the Summary of Wire Transfers and ACH payments in the total amount of \$4,107,543.24 and Warrants Nos. 256422 through 257188 in the total amount of \$8,519,433.40, all for December 2004.

8. STRATEGIC MEASURES DASHBOARDS

Recommendation: Receive and file the Strategic Measure Dashboard and information items.

9. STATE LEGISLATIVE UPDATE

Recommendation: This item is submitted for information only.

12. LOS ALISOS WATER RECLAMATION PLANT FILTER MEDIA REPLACEMENT – FINAL ACCEPTANCE

Recommendation: Accept construction of the Los Alisos Water Reclamation Plant Filter Media Replacement, Project 30210; authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

13. EMERGENCY PLAN REVISION

Recommendation: Adopt the following resolution by title rescinding Resolution No. 2003-9 and adopting a revised Emergency Plan.

RESOLUTION NO. 2005-1

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT
RESCINDING RESOLUTION NO. 2003-9
AND ADOPTING A REVISED EMERGENCY PLAN

14. TURTLE ROCK ZONE 3 – 4 BOOSTER STATION PUMPING MODIFICATIONS

Recommendation: That the Board approve the addition of Project 10873 for \$102,900 and an expenditure authorization for same amount for the purchase and installation of new equipment for the Turtle Rock Zone 3 – 4 Booster Pump Station.

15. QUITCLAIM OF REAL PROPERTY

Recommendation: Adopt the following resolution by title approving execution of a Quitclaim Deed to the Irvine Company.

RESOLUTION NO. 2005-2

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT
APPROVING EXECUTION OF THE QUITCLAIM DEED
TO THE IRVINE COMPANY

16. JEFFREY ROAD SEWER AND RECLAIMED WATER PIPELINES CONSTRUCTION CHANGE ORDER AND FINAL ACCEPTANCE

Recommendation: That the Board approve an expenditure authorization for Project 30028 for \$171,000; authorize the General Manager to execute Contract Change Order No. 1 for a deductive amount of \$276,681.54 with Albert W. Davies, Inc.; accept the construction of the Jeffrey Road Sewer and Reclaimed Water Pipelines from Poplar Street to Trabuco Road, Projects 20149 and 30028; authorize the General Manager to file a Notice of Completion; and authorize the payment of retention 35 days after the date of recording the Notice of Completion.

17. JEFFREY ROAD TRUNK SEWER FROM IRVINE CENTER DRIVE TO POPLAR STREET – FINAL ACCEPTANCE

Recommendation: Accept construction of the Jeffrey Road Trunk Sewer from Irvine Center Drive to Poplar Street, Project 20331; authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

18. MARINE CORPS AIR STATION (MCAS) TUSTIN REDEVELOPMENT – PHASE I

Recommendation: That the Board authorize a budget increase to the FY 2004-05 Capital Budget for Project 14402 by \$218,800, from \$2,037,200 to \$2,256,000, and Project 24402 by \$345,400, from \$2,767,900 to \$3,113,300; reduce the FY 2004-05 Capital Budget by \$606,900, from \$1,624,500 to \$1,017,600; approve expenditure authorizations for \$2,156,200 for Project 14402, \$3,066,600 for Project 24402, and \$970,400 for Project 34404; authorize the General Manager to execute the reimbursement agreement with the City of Tustin; and authorize the General Manager to execute a Professional Services Agreement with Boyle Engineering Corporation for construction management and construction phase engineering services for \$158,450 for the Marine Corps Air Station (MCAS) Tustin Redevelopment – Phase I.

19. JEFFREY ROAD RECLAIMED WATER AND DOMESTIC WATER MAINS FROM IRVINE CENTER DRIVE TO POPLAR STREET

Recommendation: That the Board approve the Reimbursement Agreement between Irvine Ranch Water District and the City of Irvine for Jeffrey Road grade separation and roadway widening, Projects 10283, 30055, and 30189.

20. ANNUAL REIMBURSEMENT AGREEMENT BETWEEN CITY OF IRVINE AND IRVINE RANCH WATER DISTRICT FOR 2005

Recommendation: That the Board authorize the General Manager to execute an annual reimbursement agreement with the City of Irvine for installation of miscellaneous facilities (2005).

21. FY 2004-05 PLANNING RESERVE EXPENDITURE AUTHORIZATION

Recommendation: That the Board approve an Expenditure Authorization for Project 10373 for \$71,500 for the Engineering/Planning Study Reserve for potable water.

22. UNIVERSITY/CAMPUS SEWER REHABILITATION PROJECT BUDGET INCREASE AND VARIANCE NO. 4

Recommendation: That the Board authorize a budget increase to the FY 2004-05 Capital Budget for Project 20155 by \$83,600, from \$1,423,100 to \$1,506,700; approve an expenditure authorization for \$83,600; and approve Professional Services Variance No. 4 to CH2M Hill for \$49,348 for additional engineering services for the University and Campus Drive Sewer Rehabilitation.

23. IRVINE LAKE 2005 OPERATION AND MAINTENANCE BUDGET

Recommendation: That the Board approve the Irvine Lake Operations and Maintenance budget for the calendar year 2005 for \$516,500 and authorize the payment of Irvine Ranch Water District's proportionate share of the aforementioned budget in an amount not to exceed 75% (\$387,375) of these costs for the District. The repair of the elevation 710 foot valve and riser as well as the aeration system replacement projects are to be "flagged" pending further review and approval after the winter of 2005.

24. ASSESSMENT OF WATER SUPPLY AVAILABILITY: CITY OF LAKE FOREST OPPORTUNITIES STUDY

Recommendation: That the Board approve the assessment of water supply for the Lake Forest Opportunities Study.

25. REVISIONS TO POLICY RELATIVE TO AUTHORIZED SIGNATURES FOR GENERAL ACCOUNT WITH BANK OF AMERICA

Recommendation: Adopt the following resolution by title rescinding Resolution No. 2000 – 17 and designating depository and authorizing signatures, including facsimile signatures, for the general account with Bank of America National Trust and Savings Association, and authorizing funds transfers and electronic payment services.

RESOLUTION NO. 2005-3

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT
RESCINDING RESOLUTION NO. 2000-17
AND DESIGNATING DEPOSITORY AND AUTHORIZING
SIGNATURES, INCLUDING FACSIMILE SIGNATURES
FOR THE GENERAL ACCOUNT WITH BANK OF AMERICA
NATIONAL TRUST AND SAVINGS ASSOCIATION,
AND AUTHORIZING FUND TRANSFERS AND
ELECTRONIC PAYMENT SERVICES

26. AB 2717 – IRVINE RANCH WATER DISTRICT’S PARTICIPATION ON THE LANDSCAPE TASK FORCE

Recommendation: That the Board approve the District contributing \$25,000 for the California Urban Water Conservation Council to pay for a portion of the estimated expenses for the Landscape Task Force formed by AB 2717.

ACTION CALENDAR

2005 FEDERAL LOBBYIST CONTRACT

General Manager Jones reported that the purpose of this item was to request approval of the 2005 lobbyist contract with the Furman Group, the District’s representative in Washington, D.C. for advocacy of funding for selected IRWD projects. The Furman Group proposes to continue their work in seeking federal cost sharing for the San Diego Creek Natural Treatment System (NTS), Irvine Desalter, and a regional brine line as authorized by Public Law 108-233. Mr. Jones said that to date, the Furman Group has secured \$1,600,000 from the EPA in the form of STAG grants to assist in the planning and design of the NTS project. PL 108-233 authorizes the Bureau to contribute a total of \$20 million toward the combined cost of the three projects. Federal funding can be utilized to reimburse the District for the Federal share of all expenditures made after May 28, 2004. Furman believes that it will require several years for the full Federal share of the projects to be appropriated by Congress.

Furman's goal in 2005 will be to have the Irvine project approved as a new funding start in Fiscal Year 2006 and to have \$4 million appropriated for the project in FY 2006.

Following Director Swan's comment relative to a potential contract on a success rate sliding scale, Vice President Matheis said that this issue was discussed at the Water Resources Policy and Communications Committee on January 24, 2005, and they recommended not amending the contract this year in that format. On MOTION by Withers, seconded and unanimously carried, THE CONTRACT WITH THE FURMAN GROUP FOR REPRESENTATION OF THE DISTRICT WITH FEDERAL AGENCIES AND OFFICIALS REGARDING GRANT FUNDING FOR THE SAN DIEGO CREEK NATURAL TREATMENT SYSTEM, THE IRVINE DESALTER AND A REGIONAL BRINE LINE FOR AN ANNUAL RETAINER OF \$90,000 (\$7,500 PER MONTH) PLUS \$13,500 FOR OUT OF POCKET EXPENSES FOR A TOTAL AMOUNT NOT TO EXCEED \$103,500 WAS APPROVED.

LETTER TO GOVERNOR REGARDING SUPPORT FOR OCEAN DESALINATION AND APPROVAL OF POLICY POSITION PAPER

General Manager reported that in October 2004, the Board discussed a draft policy position paper and accompanying principles reflecting the District's position on ocean desalination. As a result of this discussion, this policy position paper has been revised and staff is recommending Board approval. The paper and principles outline the District's overall support for the development of ocean desalination technologies and projects in the context of cost effectiveness relative to alternative supplies, individual agencies' reliability needs, and a "beneficiary pays" approach to cost allocation.

Mr. Jones said that at the ACWA conference held in December, an informal meeting of agencies that are interested in pursuing brackish and ocean desalination was held, and approaches for engaging the state, particularly the Governor's office, were discussed. He noted that a draft letter to the Governor provided as an exhibit to the write-up was distributed with a request that as many agencies as possible consider signing. This letter is intended to reflect the interest of more than 20 agencies representing over two-thirds of the State's residents, and encourages the administration to provide leadership and state assistance to develop a "...viable, cost-competitive, high quality desalinated water [supply] to help meet the state's future water needs."

President Miller asked that the policy paper be further discussed at the upcoming strategic planning workshop scheduled in February. On MOTION by Matheis, seconded and unanimously carried, THE PRESIDENT WAS AUTHORIZED TO SIGN THE REVISED DESALINATION LETTER ON BEHALF OF THE DISTRICT, AND THE REVISED IRVINE RANCH WATER DISTRICT POLICY POSITION ON OCEAN DESALINATION WAS DEFERRED TO THE STRATEGIC PLANNING SESSION FOR FURTHER REVIEW.

LOS ALISOS WATER RECLAMATION PLANT TERTIARY BUILDING MODIFICATIONS

General Manager Jones reported that the Los Alisos Water Reclamation Plant Tertiary Facility was built in 1983 and that over the course of years, the corrosive atmosphere within the facility has damaged equipment and structural members to a point where repairs are necessary to maintain the facility's overall structural and mechanical integrity. He said that substantial areas of corrosion are visible throughout the tertiary plant prefabricated metal building.

Mr. Jones said that Cho Design Associates, Inc. (CDA) submitted a proposal for providing an assessment of the deteriorating steel components and preparing plans and specifications for rehabilitation of the facility. CDA will also provide an analysis of the ventilation requirements of the building to minimize existing condensation problems. The work will be done on a time and material basis for a not to exceed fee of \$15,600. CDA proposes to complete the field assessment in 15 days, and then by a letter report identifying the work that needs to be done.

On MOTION by Swan, seconded and unanimously carried, PROJECT 30240 WAS ADDED TO THE FY 2004/05 CAPITAL BUDGET FOR \$146,300 FOR THE LOS ALISOS WATER RECLAMATION PLANT BUILDING MODIFICATIONS, AND PROJECT 20228 WAS DELETED FROM THE FY 2004/05 CAPITAL BUDGET FOR \$146,300.

SAN DIEGO CREEK/NEWPORT BAY WATERSHED "DE MINIMIS PERMIT" – WORK PLAN PROJECT

General Manager Jones reported that The Santa Ana Regional Water Quality Control Board (SARWQCB) adopted waste discharge requirements for short-term groundwater related discharges and de minimis wastewater discharges to surface waters within the San Diego Creek/Newport Bay Watershed (De minimis Permit) in December of 2004. Mr. Jones said that this would apply to discharges to storm drains for such activities as hydrant flushing, pipeline dewatering, well purging/development, and construction trench dewatering. He said that the permit was adopted without any public comment due to significant negotiation efforts in the months prior to the Board meeting among the regulated community (the Working Group), SARWQCB staff, environmental groups and individual members of the public.

In the permit, the SARWQCB agreed that the Work Plan is expected to result in more effective protection of the environment in a more cost-effective manner. While the De minimis Permit was the impetus for the Work Plan, it will actually be the basis for compliance with the larger-scope nutrient and selenium Total Maximum Daily Loads (TMDL's) which are incorporated into all permits issued within the watershed. Therefore, the Work Plan will be funded by the Working Group in accordance with the existing TMDL compliance agreement already established by the Watershed Committee.

Mr. Jones said that under the existing TMDL agreement, IRWD is committed to paying 12.5% of the cost of the Work Plan. The expected benefits for IRWD are more cost effectiveness in compliance with its discharge permits and potential future payback through pollutant removal trading arrangements associated with IRWD's Natural Treatment System program. Due to the comprehensive nature of the effort, the Committee is allowing the Working Group to include

additional participants who then will receive coverage under the De minimis Permit. Currently, Caltrans, Southern California Water Company, and Tustin Legacy Community Partners (Centex/Shea) are included in the Working Group. The additional members will share some of the cost burden, which will result in lower costs to the core members of the Working Group, including IRWD. It is expected that IRWD's share will be approximately 11 to 11.5%.

Based on the 5-year Work Plan budget developed by the Working Group, work in the first fiscal year is expected to cost \$758,250, of which IRWD's share is estimated at \$90,050. IRWD will pay its portion of the first-year costs immediately, along with the Irvine Company and County of Orange, to allow work to proceed expeditiously. The Work Plan is expected to cost a total \$2.5 million over five years. Based on the TMDL cost-sharing agreement, IRWD's total 5-year contribution is \$312,500.

Vice President Matheis reported that this item was reviewed and approved by the Water Resources Policy and Communications Committee on January 18, 2005. In response to Director Swan's concerns of pool deck overflowing into the sewer systems during rain events, staff was asked to investigate this issue with the Working Group. On MOTION by Matheis, seconded and unanimously carried, PROJECT 10829 WAS ADDED TO THE FY 2004/05 CAPITAL BUDGET FOR \$159,500, PROJECT 20829 FOR \$159,500, AND PROJECT 30829 FOR \$79,800; EXPENDITURE AUTHORIZATIONS WERE APPROVED FOR \$48,400 FOR PROJECT 10829, \$48,400 FOR PROJECT 20829, AND \$24,200 FOR THE SAN DIEGO CREEK/NEWPORT BAY WATERSHED "DE MINIMIS PERMIT" WORK PLAN PROJECT.

NORTHERN SPHERE, PA 6, PHASE 1 CAPITAL FACILITIES

Director of Engineering Heiertz reported that the Irvine Community Development Company (ICDC) is aggressively pursuing development of Planning Area (PA) 6 including the domestic and recycled water facilities which will be built in Irvine Boulevard between the SR 133 Toll Road and Alton Parkway. Mr. Heiertz said that two modifications were made to the facilities in the original Sub-Area Master Plan (SAMP) for PA 6. He said that the first change was the increase in size for the domestic water line from the original 20-inch to a 36-inch pipeline to facilitate future water transfers to south Orange County. The second change was the addition of a Zone 4R pipeline and pressure reducing station in Irvine Boulevard from the SR 133 Toll Road to Modjeska.

Mr. Heiertz said that ICDC contracted with Tettermer & Associates (TA) to design the pipelines under a supplemental reimbursement agreement with ICDC and the District. ICDC received bids on the plans from three contactors with Kennedy Pipeline as the low bid. ICDC also received proposals from consulting firms for the survey, geotechnical services, biological and botanical monitoring, and archaeological/paleontological monitoring services. These fees are included in the approved construction costs in the concurrence letter submitted to ICDC.

Mr. Heiertz said that due to the large volume of work in the Northern Sphere/Protocol Area, staff has negotiated a Construction Program Management (CPM) contract with TA to assist staff with the construction phase services for these projects. The total construction budget for

the four projects is \$15.3 million. TA's proposed fee is \$276,077. IRWD will be providing the inspectors.

Director Reinhart reported that this item was reviewed at the Engineering and Operations Committee on January 18, 2005 and the Committee concurs with the staff recommendation. On MOTION by Reinhart, seconded and unanimously carried, PROJECT 10827 WAS ADDED TO THE FY 2004/05 CAPITAL BUDGET FOR \$1,015,000; THE BUDGET WAS INCREASED FOR PROJECT 10827 BY \$3,147,700, FROM \$1,372,000 TO \$4,519,700, AND PROJECT 30778 BY \$728,400, FROM \$1,012,600 TO \$1,741,000; EXPENDITURE AUTHORIZATIONS WERE APPROVED FOR PROJECT 10778 FOR \$4,440,200, FOR PROJECT 10827 FOR \$1,015,000, AND FOR PROJECT 30778 FOR \$1,673,900 FOR THE CONSTRUCTION OF THE DOMESTIC AND RECYCLED WATER LINES IN IRVINE BOULEVARD FROM SR 133 TOLL ROAD TO ALTON PARKWAY; AND THE GENERAL MANAGER WAS AUTHORIZED TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH TETTEMER & ASSOCIATES FOR CONSTRUCTION PROGRAM MANAGEMENT FOR \$276,077.

SAND CANYON AVENUE CAPITAL FACILITIES

Director of Engineering Heiertz reported that as part of the Planning Area 9 Woodbury development, Sand Canyon Avenue would be widened from the I-5 on and off ramps to Portola Parkway. The existing roadway will become the northbound portion and a new roadway for the southbound lanes will be built on the westerly side of the existing eucalyptus tree row. Capital facilities will be required in Sand Canyon Avenue, north of Trabuco Road to Portola Parkway as part of the infrastructure that provides service to Woodbury and other parts of the Northern Sphere development area. Mr. Heiertz said that a supplemental reimbursement agreement has been executed with Irvine Community Development Company (ICDC) for the design and construction of these facilities in conjunction with the roadway improvement project.

Mr. Heiertz said that ICDC solicited bids from several contractors for the project with Sully-Miller Construction as the low bidder. Their bid for the IRWD facilities was \$2,389,021. A concurrence letter was submitted to ICDC accepting this bid and approving costs for the survey and geotechnical consultants.

Mr. Heiertz said that a Construction Program Management (CPM) contract has been executed with Tettemer Associates for \$90,000 for this project. It was included as part of the proposed CPM services agreement for the Irvine Boulevard pipelines Projects 10778, 10779 and 10827.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on January 18, 2005. On MOTION by Swan, seconded and unanimously carried, THE FY 2004/05 CAPITAL BUDGET WAS INCREASED FOR PROJECT 10591 BY \$206,800, FROM \$122,300 TO \$329,100, FOR PROJECT 20591 BY \$224,700, FROM \$1,427,500 TO \$1,652,200, AND FOR PROJECT 30591 BY \$343,100, FROM \$733,000 TO \$1,076,100; AND EXPENDITURE AUTHORIZATIONS WERE APPROVED FOR \$311,300, \$1,610,700, AND \$1,009,000 FOR THE SAND CANYON AVENUE CAPITAL FACILITIES.

NEWPORT COAST FORCE MAIN EMERGENCY LEAK REPAIR AND REHABILITATION

General Manager Jones reported that in November 2004, a leak occurred in the Force Main in Newport Coast Drive between Ridge Park and Vista Ridge Drive. Mr. Jones said that the force main is a 12-inch ductile iron pipe (DIP) that was installed in 1990 during Newport Coast development. The leak was repaired by replacing a section of the damaged pipe with a new pipe, and the force main was put back into service after the interim repair. The total cost of the interim repair was approximately \$182,000.

Director of Engineering Heiertz reported that since completing the interim leak repair, staff has investigated five options as a long-term solution to minimize the possibility of any future leaks in the Newport Coast force main. Staff is recommending either horizontal drilling or open cut installations for new PVC or HDPE pipe. He said that these options provide redundancy through installation of a new force main parallel to the existing one either by horizontal drilling or open cut installation. Staff will work directly with the design consultant to prepare plans, specifications and bid documents that allow the project to be bid using these two options. Upon receiving the bids, an award recommendation will be made based upon cost and schedule.

Mr. Heiertz said that due to the urgency of rehabilitating this critical facility and to expedite installation of the parallel force main, staff is recommending that a \$94,000 design contract be sole-sourced to Tetra Tech, Inc. The recommendation is based on the fact that Tetra Tech has performed extremely well for IRWD on previous design contracts of this type and is familiar with District standards and requirements.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on January 18, 2005. He also noted that it was economical to have a parallel force main for this particular project. On MOTION by Reinhart, seconded and unanimously carried, PROJECT 20385 WAS ADDED TO THE FY 2004/05 CAPITAL BUDGET FOR \$1,428,100; AN EXPENDITURE AUTHORIZATION FOR \$336,100 WAS APPROVED; AND THE GENERAL MANAGER WAS AUTHORIZED TO EXECUTE A CONTRACT WITH TETRA TECH FOR \$94,000 FOR THE NEWPORT COAST FORCE MAIN EMERGENCY LEAK REPAIR AND REHABILITATION, PROJECT 20385.

PLANNING AREA 17, QUAIL HILL CAPITAL FACILITIES BUDGET ADJUSTMENTS AND EXPENDITURE AUTHORIZATIONS

General Manager Jones reported that in September 2001, the District approved a supplemental reimbursement agreement with the Irvine Community Development Company (ICDC) for the construction of capital facilities for the PA 17 Quail Hill Development area. In February 2002, the Board approved expenditure authorizations for the Phase 1 construction; however, during the course of construction, several changes in scope occurred, resulting in change orders amounting to \$278,211.07. Mr. Jones said that the majority of the change order cost consists of hard rock excavation, installing asphalt over the new sewer alignment, and installing steel support rails in the sewer bore casing. He said that staff has negotiated with ICDC and the

contractor on the plan revision change order costs and finds them acceptable. The total Phase 1 change order amount is less than 8% of the original construction contract cost.

Mr. Jones said that in July 2002, the Board approved expenditure authorizations for the Phase 2 construction. The construction award was based on preliminary Phase 2 plans that ICDC used for bidding. The plan revision between the bid set and signed plan resulted in an additional construction cost of \$36,227.80. Staff has negotiated with ICDC and the contractor on the plan revision costs and finds them to be reasonable. He said that Phase 3 was awarded by ICDC to Kennedy Pipeline in the amount of \$267,897.35. The award concurrence letter was given on February 18, 2003. A construction change order for hard rock excavation and bid quantity adjustments in the amount of \$24,628.65 was also included in the project cost. He further said that Phase 4 was awarded by ICDC to SEMA Construction in the amount of \$236,762.00. The award concurrence letter was give on September 10, 2003. Construction is anticipated to begin in January 2005.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on January 18, 2005. On MOTION by Reinhart, seconded and unanimously carried, THE 2004/05 BUDGET WAS INCREASED FOR PROJECT 20178 BY \$286,000, FROM \$482,900 TO \$768,900, AND FOR PROJECT 30056 BY \$142,800, FROM \$1,923,700 TO \$2,066,500; THE FY 2004/05 CAPITAL BUDGET WAS REDUCED FOR PROJECT 11730 BY \$1,938,000, FROM \$2,637,600 TO \$699,600 AND FOR PROJECT 31750 BY \$3,273,300, FROM \$3,659,400 TO \$386,100; AND EXPENDITURE AUTHORIZATIONS WERE APPROVED FOR PROJECT 10293 FOR \$104,900, PROJECT 11730 FOR \$293,100, PROJECT 20178 FOR \$399,000, PROJECT 30056 FOR \$253,100, AND PROJECT 31750 FOR \$199,100 FOR PLANNING AREA 17, QUAIL HILL, CAPITAL FACILITIES.

IRWD ACTIVITIES RELATED TO SYNTHETIC TURF

General Manager Jones reported that the industry has changed substantially for synthetic turf, and it is felt that this technology may fit within the District's water conservation program. Staff has continued to investigate this technology and believes it not only has obvious potential to reduce both water usage and runoff, but has also progressed sufficiently from an aesthetic standpoint to make it readily marketable to the public. Mr. Jones said that to demonstrate and promote the use of this technology to customers, staff is recommending that the District replace the existing Creeping Red Fescue in front of the headquarters building with synthetic turf. This will be viewed as a pilot effort, and the results will be incorporated into the Conservation Business Plan.

Mr. Jones said that coincidentally with staff's review of synthetic turf on December 14, 2004, the Municipal Water District of Orange County has forwarded to its member agencies a Request For Proposal from the Metropolitan Water District (MWD) for the Program. MWD, in conjunction with the United States Bureau of Reclamation, will provide a total of \$261,000 in grant funding toward the installation of approximately six acres of synthetic turf with anticipated water savings of approximately 35-45 acre-feet annually. To accomplish this, MWD and the Bureau will provide up to \$1.00 per square foot with a maximum of \$50,000 per

recipient. Projects must replace existing irrigated landscaped areas and be on municipal and public lands that are freely accessible to the general public. Projects will be considered on a competitive basis. In MWD's request for proposals, it asks for the endorsement of the project proponents governing body. Staff has prepared a Resolution in which the Board authorizes the General Manager to represent the District's interests as it relates to executing documents related to MWD's Synthetic Turf Program.

Mr. Jones said that in the interest of getting the greatest geographic coverage, staff has contacted the cities of Irvine, Lake Forest, Newport Beach, and Tustin to see if they would like to participate in the District's application to MWD. The anticipated cost for synthetic turf is \$7 - \$9 per square foot. If the District was selected by MWD, the cost would be reduced to \$6 - \$8 per square foot. To encourage cities to participate in this grant which staff believes will receive notoriety, staff proposes that the District offer to pay the \$5 - \$7 per square foot up to a total of 6,000 square feet (approximately 1,500 square feet per city). Participating cities will be asked to pay \$1.00 per square foot on up to 1,500 square feet. If a city identifies a larger area, it will need to pay the additional costs.

Vice President Matheis said that this item was reviewed and approved by the Water Resources Policy and Communications Committee on January 18, 2005. On MOTION by Matheis, seconded and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE; THE ADDITION OF PROJECT 10872 TO THE FY 2004/05 CAPITAL BUDGET FOR \$74,800 WAS AUTHORIZED; AND AN EXPENDITURE AUTHORIZATION FOR PROJECT 10872 FOR \$74,800 WAS APPROVED TO PAY FOR SYNTHETIC TURF AT THE DISTRICT'S SAND CANYON HEADQUARTERS AND IRWD'S PORTION OF THE INSTALLATION OF APPROXIMATELY 6,000 SQUARE FEET OF SYNTHETIC TURF AS PART OF IRWD'S APPLICATION TO MWD UNDER ITS SYNTHETIC TURF PROGRAM.

RESOLUTION NO. 2005-4

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT
AUTHORIZING THE GENERAL MANAGER TO
EXECUTE DOCUMENTS ON BEHALF OF IRWD
RELATED TO METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA'S SYNTHETIC TURF PROGRAM

GENERAL MANAGER'S REPORT

General Manager Jones reported that the Orange County Leadership Symposium had been rescheduled to March 4 - 6, 2005. He said that ACWA would be holding their Board and Committee meetings on January 28 and 28 at our Operations Center facility and that Director Swan would also be providing a tour of the San Joaquin Wildlife Sanctuary for them. He reported that President Miller was the newest Board member on the California Urban Water Council. He further noted that the State of the City address for Irvine was being held on Tuesday evening.

DIRECTORS' COMMENTS

Director Reinhart reported that he and Vice President Matheis attended the Southern California Water Committee's quarterly Board meeting and noted that a discussion was held on CALFED and the delta.

Director Withers reported that he would be attending the City of Irvine's State of the City address. He noted an upcoming Open house with the City of Irvine, the Irvine Unified School District and IRWD scheduled for February 25 at our facilities. He noted that LAFCO would be holding its annual Strategic Planning meeting this coming Friday at the District. He said that the next meeting of the SARWQCB would be held on February 3. He noted his attendance at a Great Park meeting. He said that even though all Committees had been established, that staff should get involved. He asked staff to contact the City and get placed on mailing lists for meetings. He provided a brief update on the Federal auction ongoing for property at the ETMCAS.

Director Swan reported on his attendance at the Urban Water Management meeting at UCI where TMDL's were discussed. He said that this topic of TMDLS was also discussed at the CASA conference he attended. He noted that WACO would be meeting on February 4 where the Colorado River process will be discussed. He said that since another storm is predicted on Wednesday, he assumed that staff was taking the appropriate steps in the marsh. He also asked the President to adjourn tonight's Board meeting in memory of Mr. Jim Mizell, Board of Director of the Santa Margarita Water District.

Vice President Matheis also reported on her attendance at the Urban Water Management meeting which she said was well attended and a good conference.

President Miller asked the Board to think about connection fees and property taxes prior to the next Board meeting.

ADJOURNMENT

There being no further business, President Matheis adjourned the meeting at 8:45 p.m. in memory of Mr. Jim Mizell.

APPROVED and SIGNED this 28th day of February, 2005.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone