

MINUTES OF REGULAR MEETING – AUGUST 22, 2005

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order by Vice President Matheis at 6:00 p.m., August 22, 2005 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Withers, Swan, Matheis, and Reinhart

Directors Absent: Miller

Also Present: General Manager Jones, Director of Engineering Heiertz, Treasurer Loomis, Secretary Bonkowski, Legal Counsel Arneson, Assistant General Manager Cook, Controller Slack, Mr. Jim Reed, Mr. Tom Bishop, Mr. Mark Tettermer, Mr. Wayne Posey, Mr. John Crawford, Mr. Carl Ballard, 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. Mrs. Smith said that it was her understanding that as of August 1, 2005, MWD temporarily discontinued the in-lieu replenishment program offered through the OCWD. She said that currently Well Nos. 1, 2, 3, 4, 5, 6, 7, C-8, C-9, 10, 11, 12, 13, 14, 15, 16, 17, and 18 are in operation. Staff has been notified that the in-lieu replenishment program is anticipated to resume in September. 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. The well drilling is complete and it will take an additional 18 months to complete the wellhead facilities. OCWD is required to have the wells operational by March 2008. Following well construction, each well will be owned by the individual participating agencies. This was confirmed by Mr. Jones.

ITEMS TOO LATE TO BE AGENDIZED - None

PRESENTATION - PROPANE FLEET AWARD

Mr. Steve Moore of the Propane Education Research Council presented the “Exceptional Energy Fleet Award” to General Manger Jones, Director of Operations Ballard and Manager of Fleet Services Crawford for the District’s extensive use of propane-powered vehicles and equipment over the past 15 years.

CONSENT CALENDAR

Director Swan asked that Item No. 12, National Incident Management System, be pulled from the Consent Calendar for discussion. On MOTION by Swan, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 11 AND 13 THROUGH 15 WERE APPROVED AS FOLLOWS:

4. MINUTES OF BOARD MEETINGS

Recommendation: That the minutes of the August 8, 2005 Board of Directors' meeting be approved as presented.

5. APPROVAL OF BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS

Recommendation: Approve the meetings and events for Mary Aileen Matheis, Peer Swan and John Withers.

6. STRATEGIC MEASURES DASHBOARDS

Recommendation: Receive and file.

7. STATE LEGISLATIVE UPDATE

Recommendation: That the Board take an oppose unless amended position on SB 1087 and SCA 15/ACA 22.

8. JULY 2005 FINANCIAL REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for July 2005; and approve the July 2005 Summary of Wire Transfers and ACH payments in the total amount of \$1,629,139.24 and the July 2005 Warrants Nos. 261973 through 262729 In the total amount of \$6,545,506.50.

9. ACWA'S REGION 10 ELECTION FOR THE 2006 -07 TERM

Recommendation: That the Board authorize execution of the official ballot (by the President) for the 2006-07 term for the Association of California Agency Region 10 Election as slated by the Nominating Committee, and further name Paul Jones as the authorized voting delegate.

10. FIRST AMENDMENT TO AGREEMENT FOR RECONFIGURATION OF SAND CANYON RESERVOIR AND MISCELLANEOUS AGREEMENTS CONCERNING RELATED FACILITIES (STRAWBERRY FARMS GOLF CLUB)

Recommendation: That the Board authorize the General Manager to execute the "First amendment to agreement for reconstruction of Sand Canyon Reservoir and miscellaneous agreements concerning related facilities (Strawberry Farms Golf Course)", subject to nonsubstantive changes approved by the General Manager and legal counsel.

11. AMENDMENT NO. 1 TO AGREEMENT NO. A04967 REGARDING INCENTIVES FOR SEASONAL SHIFT STORAGE FOR UNDEPRECIATED SUNK FIXED COSTS

Recommendation: That the Board authorize the General Manager to execute "Amendment No. 1 to Agreement No. A04967 regarding incentives for seasonal shift storage for undepreciated sunk fixed cost", subject to nonsubstantive changes approved by the General Manager and Legal Counsel.

13. MRWP 2005 UPGRADES – REJECTION OF CONSTRUCTION BIDS

Recommendation: That the Board reject all bids and authorize the General Manager to notify all bidders of the bid rejection for the MWRP 2005 Upgrade, project 20276.

14. CATHODIC PROTECTION OF THE HARVARD AVENUE 42-INCH DOMESTIC WATER PIPELINE – FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Cathodic Protection of Harvard Avenue 42-inch Domestic Water Pipeline, project 10232; and 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.

15. IRVINE RANCH WATER DISTRICT'S ENFORCEMENT MANAGEMENT SYSTEM APPROVAL

Recommendation: That the Board approve the Irvine Ranch Water District's Enforcement Management System.

ACTION CALENDAR

NATIONAL INCIDENT MANAGEMENT SYSTEM

General Manager Jones reported that the Federal Emergency Management Agency (FEMA) now requires that agencies formally recognize the National Incident Management System (NIMS) and adopt the NIMS principles and policies by resolution. Mr. Jones said that staff is recommending

that the District adopt such a resolution in order to maintain eligibility for future potential FEMA funding.

IRWD's current Emergency Plan meets the objectives of California's Standardized Emergency Management System (SEMS) and that SEMS substantially meets the objectives of NIMS. Staff anticipates full compliance with NIMS by the September 30, 2006 deadline, including revising the Emergency Plan to meet NIMS requirements. Director of Operations Ballard said that failure to adopt NIMS as the requisite emergency management system may preclude reimbursement to IRWD for costs expended during and after a declared emergency or disaster and for training and preparation for such disaster or emergencies.

Following discussion, on MOTION by Swan, seconded and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2005 -26

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT
ADOPTING THE PRINCIPLES AND POLICIES
OF THE NATIONAL INCIDENT MANAGEMENT SYSTEM

IRVINE DESALTER PROJECT RAW WATER CONVEYANCE PIPELINES, PRODUCT WATER PIPELINES AND BRINE PIPELINE BUDGET INCREASE, EXPENDITURE AUTHORIZATION AND CONSTRUCTION AWARD

General Manager Jones reported that this project consists of potable raw water and product pipelines, the brine line, and non-potable pipelines. Principal Engineering Malloy provided the Board an update on the construction of the project.

Director of Engineering Heiertz said that five contractors submitted bids and that E. J. Meyer Company was the apparent low bidder with a bid amount of \$8,828,888. The engineer's estimate was \$10,000,000. He said that E. J. Meyer Company recently constructed the District's 24-inch Laguna Canyon Road reclaimed water main, which was completed on time and within budget

Mr. Heiertz reported that the most recent project budget summary was presented at the August 8, 2005 Board meeting totaling \$41.4 million and that this budget has been revised to \$41.5 million. Additionally, the total budget for the brine line remains at \$8 million, and that specific line-items had been updated.

On MOTION by Reinhart, seconded and unanimously carried, THE FY 2005/06 CAPITAL BUDGET WAS INCREASED FOR PROJECT 10376 BY \$13,472,000, FROM \$22,154,000 TO \$35,626,00; THE BUDGET WAS DECREASED FOR PROJECT 30376 BY \$3,904,300, FROM \$13,483,300 TO \$9,579,000; EXPENDITURE AUTHORIZATIONS WERE APPROVED FOR PROJECT 10376 FOR \$13,472,000, AND PROJECT 30376 FOR \$493,000; AND THE GENERAL MANAGER WAS AUTHORIZED TO EXECUTE A CONTRACT WITH E.J. MEYER COMPANY FOR \$8,828,888 FOR THE CONSTRUCTION OF THE

IRVINE DESALTER PROJECT - RAW WATER CONVEYANCE PIPELINES, PRODUCT WATER PIPELINES AND BRINE PIPELINE, PROJECTS 10376 AND 30376.

RECYCLED WATER USE REQUIREMENTS – REVISIONS TO RULES AND REGULATIONS AND SCHEDULE OF RATES AND CHARGES

General Manger Jones reported that this item was discussed at the Strategic Planning Session held in June. Mr. Jones said that the expansion of the District’s recycled water system has been possible primarily through the broad support of the recycled water customers who benefit from having a highly reliable supply of water at a discount. He said that staff is recommending that the Board adopt revisions to IRWD’s “Rules and Regulations” and rates in which potential recycled water customers that elect not to use recycled water that is available may be billed at the “Excessive” tier for potable water use for which recycled water can be used.

Mr. Jones reviewed the proposed modifications to IRWD’s “Rules and Regulations”. Following discussion of various concerns raised by Directors Swan and Reinhart, Vice President Matheis suggested this item be deferred to Committee for further review. Mr. Jones noted the questions raised by the Board, and said they would be addressed at the Water Resources Policy and Communications Committee meeting as well as a future Board workshop.

GENERAL MANAGER’S COMMENTS

General Manager Jones reported on the Sacramento Bee article by Mr. Dan Walters relative to the uncertainty of water supply as the population grows. He reported on the Ethics Bill AB 1234 (Salinas) which will go before the Senate floor on September 25. He reported on AB 1087 (Florez) relative to water and sewer capacity for low income housing. He also noted SC 15/ACA 22 relative to the use of eminent domain. He said that he received notification today that an event will be held celebrating Ron Linsky’s life on October 15.

DIRECTORS’ COMMENTS

Director Withers asked that tonight’s Board meeting be adjourned in memory of Ron Linsky. He also asked staff to prepare a resolution for the next Board meeting commemorating his life. He said that LAFCO was holding a municipal service review meeting this Wednesday. He said that this Thursday he would be attending an OCCOG meeting in Lake Forest as well as an event to support Council Member Dave Davert of Tustin. He said that he would be attending the next RWQCB meeting in Big Bear. He further reported on an article on the Natural Treatment System, and asked staff to make copies for the Board.

Director Swan thanked the Board for their support of his nomination to the ACWA Region 10 Board of Directors. He reported on a presentation by LAFCO at the CASA conference. He said that he would be attending a Southern California Water Dialog meeting this week at MWD. He asked that staff submit an item to the Finance and Personnel Committee to review the water and service contact with UCI to see if we are up to date.

Vice President Matheis reported that last Friday, Senator Barbara Boxer's field representative, Ms. Evelyn Garcia, met with Shadetree Board members Tom Bonkowski, Leslie Bonkowski and herself as the Senator may be interested in presenting Shadetree an environmental award. She also noted two recent newspaper articles about Shadetree's Adopt-a-Row program and a Boy Scout project. She reported on her attendance at a reception for the new chancellor of UCI. She said that she attended MWDOC's Ethic seminar last week. She said that she would be attending the Urban Water Institute's conference this week. She further noted an article in the Los Angeles Times about the water from the ETMCAS.

ADJOURNMENT

There being no further business, Vice President Matheis adjourned the meeting in memory of Mr. Ron Linsky, Executive Director of the National Water Research Institute. She said that Mr. Linsky brought a lot of strength and vigor to the NWRI and that he will be sadly missed. She said she was pleased to have known him.

APPROVED AND SIGNED this 12th day of September 2005.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel – Bowie, Arneson, Wiles and Giannone