

MINUTES OF REGULAR MEETING – SEPTEMBER 12, 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., September 12, 2005 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None

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, and other members of the public and staff.

PRESENTATION

Ms. Evelyn Garcia from Senator Barbara Boxer's office presented to Shadetree Partnership's Board of Directors its Conservation Champion Award. This award was established in January 2000 to recognize individuals and organizations working to promote a safe and health environment.

WRITTEN COMMUNICATIONS:

Mrs. Joan Irvine Smith placed before each Board of Director correspondence related to Hurricane Katrina.

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 the in-lieu replenishment program offered through the OCWD has been temporarily suspended through the end of the month by MWD in order to complete upgrades to the Jensen Treatment Plant. Currently, Wells 1, 2, 4, 5, 7, C-8 and C-9, 10, 11, 12, 13, 14, 15, 16, 17, and 18 are in operation. Wells 3 and 6 are not in production at this time. 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

WORKSHOP

Principal Engineer Hoolihan made a presentation on the Great Park Sustainable Design. He noted the workshop held in July with the City, Lennar, Edison, Southern California Gas Company and others. He said that five work groups were created during that time of which he is a member of the water group. He provided information on the land use and ownership as well as the projected water use at the park. He then discussed the primary objectives of the water group which included maximizing the use of recycled water; optimizing water conservation; and control and treatment of urban runoff. He then provided a brief overview of the designs created for the park. Following discussion, Mr. Hoolihan was asked to investigate several concerns raised by the Board, including hydraulic issues, projected runoff, ultimate population for water, and sewer and recycled water use in the vicinity.

CONSENT CALENDAR

Relative to Consent Calendar item No. 5, additional meetings were added for both Director Swan and Vice President Matheis. There being no further comments, on MOTION BY Withers, seconded and unanimously carried, **CONSENT CALENDAR ITEMS 4 THROUGH 14 WERE APPROVED AS AMENDED AS FOLLOWS:**

4. MINUTES OF BOARD MEETINGS

Recommendation: That the minutes of the August 22, 2005 Board of Directors' meeting be approved as presented.

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

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

6. THE LIFE OF RONALD B. LINSKY

Recommendation: That the Board adopt the following resolution by title commemorating the life Ronald B. Linsky.

RESOLUTION NO. 2005 -27

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT,
ORANGE COUNTY, CALIFORNIA COMMEMORATING
THE LIFE OF RONALD B. LINSKY

7. UPCOMING PROJECTS STATUS REPORT

Recommendation: Receive and file.

8. SANTA ANA HEIGHTS FIRE PROTECTION IMPROVEMENTS AMENDMENT NO. 1 TO THE REIMBURSEMENT AGREEMENT WITH THE CITY OF NEWPORT BEACH

Recommendation: That the Board authorize the General Manager to execute revised Amendment No. 1 to the Reimbursement Agreement with the City of Newport Beach for the Santa Ana Heights Fire Protection Improvements.

9. REDUCTION OF RETENTION-ZONE B PUMPING STATION AND PIPELINE, MODIFY THE COASTAL ZONE D PUMP STATION AND CONSTRUCT THE 36-INCH CHAMBORD PIPELINE

Recommendation: That the Board find that satisfactory progress has been made on the contract; authorize the reduction of retention from 10% to 5% of the contract amount, and release funds in excess of 5% of the contract amount from retention currently held for the Shady Canyon Zone B Pump Station, Coastal Booster Pump Station modifications, and 36-inch Chambord pipe extension, projects 30070, 30071 and 30108.

10. PLANNING AREA 1, ORCHARD HILLS ZONE 5 RESERVOIR PROJECT NEGATIVE DECLARATION

Recommendation: That the Board adopt the proposed negative declaration for Planning Area 1 Zone 5 Orchard Hills Reservoir Project; and direct staff to post and file a Notice of Determination with Department of Fish and Game filing fee.

11. WASTEWATER OPERATIONS STRATEGIC MEASUREMENT SYSTEM CONTRACT AWARD

Recommendation: That the Board authorize the General Manager to enter into a contract with Interliance LLC for the amount of \$45,000 to complete the second portion of the Strategic Measurement System Project.

12. FINAL ACCEPTANCE AND CONSTRUCTION CHANGE ORDER NO. 4 LOMAS VALLEY ZONE 3 RESERVOIR ROUGH GRADING AND RATTLESNAKE DAM EMBANKMENT FILL AND SLOPE STABILIZATION PROJECTS

Recommendation: That the Board find that the work has been satisfactorily performed and accept the completion of the Lomas Valley Zone 3 Reservoir rough grading, project 10458, and Rattlesnake Dam Embankment fill and slope stabilization, project 32105; 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; approve Contract Change Order No. 4 to L.T. Excavating, Inc. for \$108,893.60 for work performed on the Rattlesnake Dam Embankment fill and slope stabilization and Lomas Valley Zone 3 Reservoir rough grading projects 10458, 10558, 20558, 30558 and 32105; authorize a budget increase to the 2005/06 Capital Budget for project 10458 by \$596,100, from \$8,735,500 to \$9,331,600; authorize budget reductions to the FY 2005/06 capital budget for projects 10558, 20558 and 30558 by \$198,700 each, from \$341,000 to \$142,300 each; approve an Expenditure Authorization for a \$596,100 for project 10458; and approve reduced Expenditure Authorizations of <\$218,600> for project 10558, and <\$198,800> each for 20558 and 30558.

13. WASTEWATER OPERATIONS FY 2005/06 EXPENDITURE AUTHORIZATIONS

Recommendation: That the Board approve Expenditure Authorizations for annual Wastewater Operations Department projects 20397, 20398, and 20479 for \$192,500, \$112,200, and \$145,200.

14. ANNUAL 2005/2006 WATER QUALITY PLANNING RESERVES

Recommendation: That the Board approve Expenditure Authorizations (direct costs) in the amount of \$178,200 for project 10946, \$125,400 for project 20402, and \$91,300 for project 30262 to complete various small projects during 2005/2006 fiscal year.

ACTION CALENDAR

UPPER CRYSTAL COVE, PHASE 3 CAPITAL FACILITIES, CONSTRUCTION EXPENDITURE AUTHORIZATION

General Manager Jones reported that the Irvine Community Development Company (ICDC) received bids for construction of the final phase of the IRWD recycled water facilities in the upper Crystal Cove development area. Staff recommends approval of an expenditure authorization for construction of reclaimed water in Reef Point, Tidewater and Coral Cay with Sully-Miller Construction.

Mr. Jones reported that ICDC has been developing the upper Crystal Cove area since January 2003 and is nearing completion of the backbone domestic and recycled water systems that will provide gravity fed domestic water to Zones 3 and 4, and recycled water to Zones C to E. All of the facilities upstream of Crystal Cove have been completed. This final phase of the system includes 4,200 feet of 8 to 10-inch pipe and fittings, and a large pressure reducing station at the top of the project. In addition to the construction costs, there is also a request for design cost reimbursement related to revisions to a PRV that was upgraded from the old standard (W-21) to the new standard (W-15). The additional design cost is \$5,000 with Hunsaker & Associates.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee meeting on August 31, 2005. On MOTION by Reinhart, seconded and unanimously carried, A REDUCTION IN THE FY 2005/06 CAPITAL BUDGET WAS

AUTHORIZED FOR PROJECT 32050 BY \$239,800, FROM \$1,208,900 TO \$969,100 AND AN EXPENDITURE AUTHORIZATION WAS APPROVED FOR \$420,600 FOR DESIGN AND CONSTRUCTION COSTS OF THE FINAL PHASE OF CAPITAL RECYCLED WATER IN CRYSTAL COVE.

PLANNING AREA 6 MARSHBURN SEWER CONSTRUCTION BUDGET ADJUSTMENT AND EXPENDITURE AUTHORIZATION

General Manager Jones reported that the Irvine Community Development Company (ICDC) has received bids for construction of the Marshburn sewer and grading of the Zone 3 to 4 Booster Pump Station and that staff is recommending that the Board approve a budget adjustment and an additional expenditure authorization for construction of the these facilities.

In accordance with the provisions of the Supplemental Reimbursement Agreement between ICDC and IRWD, ICDC solicited bids for the construction of the Marshburn Sewer and grading for the Zone 3 to 4 Booster Pump Station in January of 2005. Director of Engineering Heiertz reported that a Notice of Award was issued to the low bidder, Sukut Construction. He said that the project has been delayed as ICDC did not issue the Notice to Proceed within the required 60 days as specified in their contract documents as the Caltrans permit for the portion of the sewer to be bored under SR-133 had not been secured and negotiations with Bordiers Nursery for construction access had not been completed. He said that Sukut Construction then advised ICDC that the material costs would have to be increased to account for an escalation in costs. ICDC subsequently rejected all bids and rebid the project six months later. He said that since the first round of bidding, geotechnical investigations have revealed that rock windrows are buried below Portola Parkway. These rock windrows are approximately 15 to 20 feet below the road surface, placed there by the County when Portola Parkway was constructed (apparently to dispose of rock encountered during construction of the road). Construction costs for the 25-foot deep sewer in Portola Parkway have increased due to include the removal and disposal of the rock and the addition of suitable fill dirt. He said that the engineer's estimate for the project, which includes updated unit costs and the extraordinary rock removal work, is \$2,964,257. The project was re-bid by ICDC and the project costs have increased by \$1,175,302, from \$1,830,641 to \$3,005,944. He further said that staff is recommending that IRWD proceed with authorizing ICDC to proceed with the low bidder, Sukut Construction, for the construction of the Marshburn sewer and grading of the Zone 3 to 4 Booster Pump Station.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on August 31, 2005. On MOTION by Reinhart, seconded and unanimously carried, A BUDGET INCREASE WAS AUTHORIZED FOR FY 2005/06 FOR PROJECT 20386 BY \$1,233,700, FROM \$1,956,400 TO \$3,190,100, AND AN EXPENDITURE AUTHORIZATION WAS APPROVED FOR PROJECT 20386 FOR \$1,233,700 TO FUND THE ADDITIONAL COST TO CONSTRUCT THE CAPITAL SEWER FOR PLANNING AREA 6.

SANTIAGO HILLS II ZONE 5-6 BOOSTER PUMP STATION DESIGN ENGINEER SELECTION

General Manager Jones reported that staff is recommending the award of a professional services agreement to Tetra Tech for design of the Santiago Hills II Zone 5-6 Booster Pump Station (BPS). The Santiago Hills II development is located along Santiago Canyon Road east of Jamboree Road on both sides of State Routes 241 and 261 in an unincorporated part of the County of Orange. Mr. Jones said that the initial two phases of the development will be in the Zone 6 domestic water system and will be served by a Zone 5-6 BPS and a Zone 6 Reservoir. The Zone 5-6 BPS is required to be operational by June 1, 2007 to provide fire flow for the development's lumber drop. The Zone 6 Reservoir will be designed as a separate project at a later date.

Mr. Jones said that staff received proposals for the design of the Santiago Hills Zone 5-6 BPS from RBF Consulting, Steven Andrews Engineering, Tetra Tech, Tettermer & Associates, and URS Corporation. He said that staff recommends that Tetra Tech be awarded the professional services agreement since their design approach, schedule, and man-hours are consistent with the project goals. Tetra Tech's proposed preliminary and final design phase fee is \$213,000. Their total contract amount is \$266,000 which includes construction phase services.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee meeting on August 31, 2005. On MOTION by Reinhart, seconded and unanimously carried, AN EXPENDITURE AUTHORIZATION FOR \$269,900 FOR PROJECT 12318 WAS APPROVED AND THE GENERAL MANAGER WAS AUTHORIZED TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH TETRA TECH, INC. FOR \$266,000 FOR ENGINEERING SERVICES FOR SANTIAGO HILLS II ZONE 5-6 BPS, PROJECT 12318.

PLANNING AREA 6, PHASE 3 CAPITAL FACILITIES, CONSTRUCTION AWARD

General Manager Jones reported that the Irvine Community Development Company (ICDC) received bids for the construction of the District's capital facilities within the Lomas Valley and Center Village areas of Planning Area 6 (PA-6) and that a supplemental reimbursement agreement with ICDC was approved and executed for all facilities within this area.

Director of Engineering Heiertz reported that ICDC opened bids on the grading contract in March 2005 and the pipeline contract bids were opened on May 17, 2005. The Center Village project was also bid at the same time and the construction cost was significantly less than the original estimate, so its budget can be reduced accordingly. Mr. Heiertz said that when the original project budgets were developed, the scope of the Lomas Valley project was thought to be approximately 2,000 feet of both 20-inch domestic water and 24-inch recycled water capital pipelines included in the streets of the Lomas Valley village area. The project was then expanded to include the pipelines along the southerly side of the SR 241 Toll road to feed the Zone 4 & C Reservoir. This almost doubled the length of both pipelines to be included in the project and also included the grading for and construction of an access road outside the Lomas

Valley village area for the pipelines and the dry utilities for the Booster Pump Station and reservoir facilities. Additional design costs and City of Irvine plan check costs, totaling \$106,853, were also incurred.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee meeting on August 31, 2005. In response to Director Swan's inquiry, staff was asked to submit an item to the Finance and Personnel Committee relative to setting connection fees for the Lambert Ranch as well as others areas that are being developed, and not currently in an improvement district. On MOTION by Reinhart, seconded and unanimously carried, CAPITAL BUDGET INCREASES WERE AUTHORIZED FOR PROJECT 10781 BY \$1,368,700, FROM \$281,300 TO \$1,650,000, AND FOR PROJECT 30781 BY \$625,500, FROM \$1,404,000 TO \$2,029,500; A BUDGET REDUCTION WAS AUTHORIZED FOR PROJECT 30796 BY \$670,300, FROM \$982,700 TO \$312,400; AND EXPENDITURE AUTHORIZATIONS WERE APPROVED FOR PROJECT 10781 FOR \$1,582,900, PROJECT 30781 FOR \$1,895,300 AND PROJECT 30796 FOR \$301,400 TO CONSTRUCT CAPITAL DOMESTIC AND RECLAIMED WATER FACILITIES IN THE LOMAS VALLEY AND CENTER VILLAGE PORTIONS OF PA 6.

CULVER DRIVE DOMESTIC WATER RELOCATION CONSTRUCTION AWARD

Director of Engineering Heiertz reported that the City of Irvine is widening and realigning Culver Drive from Campus Drive to Bonita Canyon adjacent to the Village of Turtle Rock and that the District's domestic water line would need to be relocated in conjunction with their project. The City has made commitments to the Turtle Rock homeowners to provide landscaping between the back yards and the roadway. As a result, the area over IRWD's 12 and 16-inch waterline will be densely landscaped with trees. Also, the bike path and landscape area grading would leave the existing pipe with minimal coverage in some areas (less than 1 foot) and excessive cover in other areas (more than 8 feet). To avoid these problems, the waterline must be realigned within the new pavement area. Legal counsel has confirmed that IRWD's rights are subservient to those of the City of Irvine in these cases and, therefore, the pipeline is subject to relocation at IRWD's expense.

Mr. Heiertz reported that the City received bids from three contractors on June 10, 2005 and that the Griffith Company was the lowest bidder on the City's portion of the work, but was the highest bidder on IRWD's pipeline work. Analysis of the bids for the IRWD portion indicate that the other two bidders did not appear to have a clear concept of the pipeline work that needed to be done and those bids were deemed by IRWD staff to be unacceptable. The Griffith Company bid, at \$1,839,750, was higher than the engineer's estimate. Staff met with representatives of Griffith to determine the reasons for the discrepancies. A revised proposal of \$1,598,000 was received along with supporting back-up information; however, staff determined that the revised proposal was still too high and solicited additional bids from other contractors. He said that four contractors attended a pre-bid meeting and bids were received from two of those contractors; Paulus Engineering and Ken Thompson, Inc. Paulus was the lower of the two bids at \$1,193,591. The City of Irvine has been notified and will ensure that ample construction windows are provided in the work schedule for the project.

Mr. Heiertz said that TRC Consultants, the IRWD design engineer, was asked to submit a proposal for the construction management work for the project. The cost of TRC's construction management work is \$48,404 and is included in the Construction Administration and Inspection portion of the proposed budget.

On MOTION by Matheis, seconded and unanimously carried, A BUDGET INCREASE FOR PROJECT 10569 WAS AUTHORIZED FOR \$890,700, FROM \$1,135,200 TO \$2,025,900; AN EXPENDITURE AUTHORIZATION WAS APPROVED FOR PROJECT 10569 FOR \$1,921,900; AND THE GENERAL MANAGER WAS AUTHORIZED TO EXECUTE: 1) A CONTRACT WITH PAULUS ENGINEERING FOR \$1,193,591 FOR RELOCATION OF THE CULVER DRIVE DOMESTIC WATER LINE FROM CAMPUS DRIVE TO BONITA CANYON; 2) A CONSTRUCTION MANAGEMENT SERVICES AGREEMENT WITH TRC CONSULTANTS FOR \$48,404.

SAN DIEGO CREEK SEDIMENT REMOVAL PROJECT CONSTRUCTION CHANGE ORDER NOS. 5 AND 6

General Manager Jones reported that in October 2004, the construction contract for the sediment removal from San Diego Creek In-Channel Basins No. 2 and 3 Project was awarded by the Board to CJW Construction, Inc. Mr. Jones said that CJW fulfilled the contract requirements by removing a total of 28,500 cubic yards and 50,000 cubic yards of sediment from Basin No. 2 and 3. It is estimated that approximately 15,000 cubic yards of material remains in Basin No. 3 as a result of the winter 2005 storms. He said that staff has negotiated Contract Change Order No. 5 with CJW to resume sediment removal activities in September 2005. CJW proposes to hold the original bid unit price cost for sediment removal from Basin No. 3 of \$10.50 per cubic yard plus mobilization and vegetation clearing costs for a total amount of approximately \$191,193.00. The actual cost will be based on quantities calculated from the pre-construction and post-construction topographic surveys. Staff finds the proposed cost to be reasonable and recommends approval of the change order to add the sediment removal to CJW's construction contract.

Staff has been working with the County to ensure that the San Diego Creek channel has adequate capacity to provide 100-year flood protection for the Michelson Water Reclamation Plant. A major cause of the diminished channel capacity has been the uncontrolled growth of vegetation along the east bank of the channel. Due to past permit restrictions on removing vegetation and sediment, there is a "bench" of sediment within both Basin Nos. 2 and 3 (approximately 70,000 cubic yards total). The bench is a result of accumulated sediment which IRWD could not remove in previous years due to the encroachment of vegetation and the inability of the County to secure regulatory agency permits. The County is now expecting to have new regulatory agency permits in late September or early October that will allow the removal of the bench. The County is expected to remove the overlying vegetation within two weeks immediately upon receipt of the permits. Once the vegetation is removed, IRWD will remove the underlying sediment in accordance with the existing sediment removal agreement between the County and IRWD. Removal of the eastern bench by IRWD is contingent upon the County of Orange providing existing ground surface survey data and all environmental permits to IRWD. The County will also need to remove the vegetation by mid-October to allow sufficient time for IRWD to complete its work by December 1, before significant rainfall occurs. Mr. Jones said to

accomplish this, staff recommends including this work in CJW's existing contract for sediment removal. The work includes clearing of sediment and root mass on the eastern bench and a pipeline water diversion. Staff negotiated a cost proposal from CJW to perform this work at a cost of \$1,872,742.

Director Reinhart reported that this item was reviewed by the Engineering and Operations Committee on August 31, 2005. Following discussion, staff was directed not to renew the contract with the County in 2008, look at the long term weather report for rain conditions, and check the grading on the District's side. And staff was asked to check on the silt situation by Gate No. 6. On MOTION by Reinhart, seconded and unanimously carried, STAFF WAS DIRECTED NOT TO RENEW THE CONTRACT WITH THE COUNTY OF ORANGE IN 2008; A BUDGET INCREASE FOR FY 2005/06 FOR PROJECT 20382 WAS AUTHORIZED BY \$2,425,500, FROM \$1,573,000 to \$3,998,500; AN EXPENDITURE AUTHORIZATION FOR PROJECT 20382 WAS APPROVED FOR \$2,425,500; CONTRACT CHANGE ORDER NO. 5 WITH CJW CONSTRUCTION, INC. WAS APPROVED FOR A TOTAL NOT TO EXCEED AMOUNT OF \$191,193, AND CONTRACT CHANGE ORDER NO. 6 WITH CJW CONSTRUCTION, INC., WAS APPROVED FOR A TOTAL NOT TO EXCEED AMOUNT OF \$1,872,742 FOR THE SAN DIEGO CREEK SEDIMENT REMOVAL.

2005 BOND ISSUANCE

General Manager Jones reported that over the past several months, staff has collected data related to issuing bonds to reimburse the capital fund for eligible project expenditures. Mr. Jones said that staff is recommending that issuance of consolidated bonds for a maximum of \$60 million (initially in an auction rate mode), retaining Citigroup Global Markets, Inc. as sole underwriter for the bonds and retaining Orrick, Herrington & Sutcliffe, and Bowie, Arneson, Wiles and Giannone as co-bond counsel.

Treasurer Loomis reported that typically the District issues bonds to finance new capital facilities and that the last bond sale was in October 2002. He said that during the past year, the cash balances have declined more than \$67 million primarily due to capital expenditures that are eligible to be financed through bond issuance. Staff is recommending proceeding with a bond issuance in December 2005 for a maximum of \$60 million to reimburse advances from the capital fund.

Mr. Loomis said that staff and underwriters recommend issuing the bonds in 7-day auction rate mode (ARS). He said that over the past two years, ARS rates have been approximately 10 basis points lower than daily rates. In connection with the bond issuance, he said that staff received proposals from Citigroup and Merrill Lynch to act as underwriter for the bond issuance. Staff is recommending that Citigroup be retained as sole underwriter based on their proposed takedown and management fees of \$3.00 per \$1,000 of bonds versus Merrill Lynch's proposal of \$4.25. The Citigroup proposal represents a fee of \$180,000, and staff estimates underwriter expenses at \$51,700, for a total of \$231,700 in underwriter fees. Additionally, staff is recommending that Orrick, Herrington & Sutcliffe, and Bowie, Arneson, Wiles & Giannone be retained as co-bond counsel.

Director Swan reported that this item was reviewed and approved by the Finance and Personnel Committee meeting on September 8, 2005. On MOTION by Swan, seconded and unanimously carried, THE RETENTION OF CITIGROUP GLOBAL MARKETS, INC. AS SOLE UNDERWRITER FOR THE 2005 CONSOLIDATED BONDS WAS APPROVED; THE RETENTION ORRICK, HERRINGTON & SUTCLIFFE AND BOWIE, ARNESON, WILES & GIANNONE AS CO-BOND COUNSEL WAS APPROVED; AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2005 –26

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT DECLARING INTENTION
TO ISSUE CONSOLIDATED BONDS OF SAID DISTRICT
(CONSOLIDATED SERIES 2005)

GENERAL MANAGER’S REPORT

General Manager Jones reported on the one day fund raiser held at the District for the hurricane victims. He said that Human Resources Director Wells had returned to work today and that staff had a small gathering in the afternoon to welcome her return. He said that 345 individuals will be attending the September 24 annual employee event this year. He said that this Wednesday the District will be hosting a State Controllers workshop to educate participants on Special Districts. He said that he attended an OCWD meeting where they updated the attendees on the basin conditions. He said as of June 30th there was 230,000 AF of incidental recharge.

DIRECTORS COMMENTS

Director Withers said that on August 31st he was confirmed for another term on the Santa Ana Regional Water Quality Control Board. He said he would be attending a meeting in Sacramento for a water quality coordinating meeting. He said that he attended a California LAFCO meeting last week in Monterey. He said he will also be attending a LAFCO meeting this week where the Board will be discussing spheres of influence.

Director Swan said that the City of Newport Beach has a ballot proposition prohibiting the City to issue Certificates of Participation. He asked staff to review contracts with UCI and any other schools to determine if the District is collecting the correct amount for connection fees.

Vice President Matheis noted an e-mail relative to the groundwater replenishment system project. She said that she attended the Irvine Valley College September 11 commemorative celebration program, and that the District had donated bottled water for the event. She noted that the City of Tustin had a grand reopening of their Chamber of Commerce and said that District representation is important. Staff was asked to determine representation for events at the City. She noted an upcoming event in San Bernardino honoring Art Littleworth on October 8.

President Miller noted that the Water Resources Policy and Communications Committee discussed the ACWA nominees of the Vice President position and asked staff to submit an item for the next Board meeting to support a candidate.

CLOSED SESSION

President Miller said that a Closed Session would be held with legal counsel relative to anticipated litigation; Government Code Section 54956.9(b); significant exposure to litigation (one potential case).

OPEN SESSION

President Miller reconvened the meeting with Swan, Reinhart, Withers, Matheis and himself present. President Miller reported that there was no action to report.

ADJOURNMENT

There being no further business, President Miller adjourned the meeting

APPROVED AND SIGNED this 10th day of October 2005.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel – Bowie, Arneson, Wiles and Giannone