

MINUTES OF REGULAR MEETING – MARCH 12, 2007

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order by President Reinhart at 6:00 p.m., March 12, 2007 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Matheis, Miller (arrived at 6:13 p.m.), Withers, and Reinhart

Directors Absent: Swan

Also Present: General Manager Jones, Assistant General Manager Cook, Director of Engineering Heiertz, Treasurer Loomis, Secretary Bonkowski, Legal Counsel Arneson, Mr. Jim Reed, Mr. Jim Carter, Ms. Beth Beeman, Mr. Norris Brandt, Mr. Chuck Borkman, Mr. Wayne Clark, Ms. Mary Ann Brown, and other members of the public and staff.

COMMUNICATIONS TO THE BOARD

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 currently the DATS wells C-8 and C-9, and well 10, 13, 16, 17 and 18 are in operation in accordance with the District's annual pumping plan. In succeeding weeks during this month, different wells will be operated to maintain active operation status and to meet the District's 8,000 AF clear water pumping goal for October through April. To date, MWDOC and OCWD have determined they will not take in-lieu recharge deliveries from MWD in March as the groundwater levels are very high. 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 Layne Christensen Company and Bakersfield Well & Pump, Inc. to construct a total of eight wells. Well drilling activities are complete and it will take an additional 18 months to complete the well head 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.

With respect to the OCWD annexation of certain IRWD lands, OCWD released the Environmental Impact Report (EIR) in early January 2006. The extended comment period for the EIR closed March 17 and OCWD is now completing the response to comments. On January 17, 2007, the OCWD Board approved proposed terms and conditions for annexation and directed staff to prepare an annexation agreement for OCWD and IRWD approval. Staff anticipates an OCWD Board action on the EIR and annexation agreement in the winter of 2007. This was confirmed by Mr. Jones.

ITEMS TOO LATE TO BE AGENDIZED – None

WORKSHOP – BAKER PIPELINE REGIONAL WATER TREATMENT FACILITY
FEASIBILITY STUDY REPORT AND PROJECT IMPLEMENTATION PLAN

General Manager Jones said that the Santiago Aqueduct Commission (SAC) recently completed a feasibility study for a treatment facility that would treat raw water from the Baker Pipeline in accordance with drinking water standards and distribute the product water for use in south Orange County.

Director Miller arrived at 6:13 p.m. Using a power point presentation, Engineer Joshi provided an overview on the Feasibility Study findings. He reviewed the purpose of the study, the participants, the project background, sources of supply, treatment process evaluation, microfiltration process flow, advantages of microfiltration, estimated project capital costs, treatment site alternatives, site selection criteria, proposed Baker Plant layout including an aerial view, permitting agencies, estimated cost of water, project economics, and conclusions. General Manager Jones then reviewed the project implementation plan timeline, bench testing/pilot studies, consultant services Request for Proposals, project participation Memorandum Amendment No. 1, project agreement, interest in project by Metropolitan, and Santiago Aqueduct actions.

CONSENT CALENDAR

Relative to Item No. 5, additional meetings were added for President Reinhart and Vice President Miller. There being no further comments, on MOTION by Withers, seconded and unanimously carried, **CONSENT CALENDAR ITEMS 4 THROUGH 12 WERE APPROVED AS FOLLOWS:**

4. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the February 26, 2007 Board of Directors' meetings be approved as presented.

5. RATIFY/APPROVE BOARD OF DIRECTOR'S ATTENDANCE AT MEETINGS AND EVENTS

Recommendation: That the Board ratify/approve the meetings and events for Mary Aileen Matheis, Darryl Miller, Doug Reinhart, Peer Swan and John Withers as amended.

6. RATIFY/APPROVE SANTIAGO MANAGEMENT ADVISORY COMMITTEE ATTENDANCE AT MEETINGS AND EVENTS

Recommendation: That the Board ratify/approve the meetings and/or events for Maryann Brown and James Carter.

7. REIMBURSEMENT OF BOARD MEMBER FOR CONFERENCE/TRAVEL BUSINESS EXPENSES

Recommendation: That the Board approve the November 2004 through November 2006 Expense Reports submitted for reimbursement of conference, travel and business expenses incurred by Director Swan.

8. ADOPTION OF NEGATIVE DECLARATION FOR SCHALLBERGER FAMILY TRUST PROPERTY IN KERN COUNTY

Recommendation: That the Board adopt a Negative Declaration for the purchase of the Schallberger Family Trust property.

9. SAN JOAQUIN MARSH CAMPUS PROJECT MITIGATED NEGATIVE DECLARATION

Recommendation: That the Board adopt the proposed Negative Declaration and Mitigation and Monitoring Program for the San Joaquin Marsh Campus Project; and direct staff to post and file a Notice of Determination with payment of Department of Fish and Game and County Clerk filing fees.

10. CONTRACT RENEWAL OF THE CAL-CARD PROGRAM

Recommendation: That the Board adopt the following resolution by title approving an addendum to the State of California Purchase Card Program Master Services Agreement and authorizing representatives to execute program documents.

RESOLUTION NO. 2007 – 5

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT APPROVING ADDENDUM
TO STATE OF CALIFORNIA PURCHASE CARD PROGRAM
MASTER SERVICES AGREEMENT AND AUTHORIZING
REPRESENTATIVES TO EXECUTE PROGRAM DOCUMENTS

11. BAKE PARKWAY RECYCLED WATER PIPELINE, LAWRP INFLUENT SEWER, SOUTH IRVINE BRINE LINE FROM BAKE PARKWAY TO LAWRP, AND ZONE A PIPELINE CONNECTION REDUCTION OF RETENTION

Recommendation: That the Board find that 50% of the work has been completed and 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 Bake Parkway Recycled Water Pipeline, LAWRP Influent Sewer Improvements, South Irvine Brine Line from Bake Parkway to LAWRP, and Zone a Pipeline Connection, projects 30177, 20200, 10376, and 30134.

12. CALIFORNIA STATE ASSOCIATION OF COUNTIES EXCESS INSURANCE
AUTHORITY (CSAC-EIA) JOINT POWERS AGREEMENT

Deleted:

Recommendation: That the Board approve membership in CSAC-EIA and authorize execution of the Joint Powers Agreement creating the CSAC Excess Insurance Authority.

ACTION CALENDAR

SAN JOAQUIN MARSH CAMPUS VARIANCE AND EXPENDITURE AUTHORIZATION

General Manager Jones reported that following the November 2006 San Joaquin Marsh Ad Hoc Committee meeting, the design scope for the San Joaquin Marsh Campus project was divided into four tasks to allow a phased implementation schedule where portions of the project could be expedited. For Task No. 1, staff executed a professional consulting services contract for \$25,005 with RJM Design Group, (RJM) Inc. to evaluate the site conditions. This project was completed in late January 2007. For Task No. 2, staff executed a professional consulting services contract with RJM for \$95,820 for the relocation of the historical houses. This project is approximately 40 percent complete. For Task No. 3, which included the renovation of the historical houses, construction of a classroom building and site development, staff continued to work with RJM to better define and reduce the scope of work in an effort to reduce the total project cost and to also meet an aggressive project schedule. A revised Task 3 scope of work includes the construction of a new multi-purpose building, a relocated and functional historical caretaker's house and new garage, two relocated historical building shells, and site improvements in the area immediately surrounding the main campus buildings. Design items that were deleted from this task that will be undertaken later as a separate project include improvements to the interior of the two historical building shells and site improvements to the campus entrance and meadows. He said that Task No. 4 design work, consisting of improvements to the parking area, will be undertaken later as a separate project.

Mr. Jones said that staff is optimistic that the design for both Tasks 2 and 3 can be completed by mid April 2007 if Task 3 is initiated by early March. Plans and specifications for the Task 2 house relocation project were originally scheduled to be completed by late March 2007 with construction ending in July 2007. In an effort to complete construction of both Tasks 2 and 3 by late September 2007 and avoid having two contractors working on the site concurrently, it is recommended that Tasks 2 and 3 be combined into a single construction project. Taking into account the bid phase and time for contract document procurement, construction (estimated to take four months) should be completed by late September 2007.

Director Matheis said that the Committee reviewed this item on March 1, 2007, and were pleased with RJM's design work. On MOTION by Matheis, seconded and unanimously carried, A DESIGN VARIANCE FOR TASK 3 WITH RJM DESIGN GROUP, INC. IN THE AMOUNT OF \$211,706 WAS APPROVED, AND AN EXPENDITURE AUTHORIZATION WAS APPROVED FOR \$259,400 FOR THE SAN JOAQUIN MARSH CAMPUS, PROJECT 10957.

ORCHARD HILLS ZONE 5 RESERVOIR CONSTRUCTION AWARD

Director of Engineering Heiertz reported that the Orchard Hills Zone 5 Reservoir would be one of the primary water sources for Planning Area (PA) 1 or the Orchard Hills development. Mr. Heiertz said that the reservoir is needed for service to Zones 5 and 5R which is scheduled for home occupancy in May 2008. He said that Boyle Engineering Corporation prepared the plans and specifications for this project.

Mr. Heiertz said that the project was advertised and that four bids were received with the apparent low bidder being Gateway Pacific Contractors, Inc., with a total bid amount of \$3,985,137. He said that Gateway Pacific Contractors, Inc. recently completed the Zones 4 and C Reservoirs and Pump Stations in PA 6, and staff found their work to be of very good quality. The engineer's estimate was \$3,710,000.

Mr. Heiertz said that a budget adjustment is required for this project. The current budget includes \$2,700,000 for the construction cost which was based on the Preliminary Design Report plus estimated costs for the added reservoir management system (RMS). The requested budget adjustment includes additional earthwork costs, RMS changes to the plans and specifications, and additional construction phase services and additional design efforts. On MOTION by Miller, seconded and unanimously carried, THE FY 2006/07 CAPITAL BUDGET WAS INCREASED FOR PROJECT 13162 BY \$1,824,800, FROM \$3,566,900 TO \$5,391,700; AN EXPENDITURE AUTHORIZATION WAS APPROVED FOR \$4,938,100 FOR PROJECT 13162; AND THE GENERAL MANAGER WAS AUTHORIZED TO EXECUTE A CONTRACT WITH GATEWAY PACIFIC CONTRACTORS, INC. FOR \$3,985,137 FOR THE ORCHARD HILLS ZONE 5 RESERVOIR, PROJECT 13162.

GENERAL MANAGER'S REPORT

General Manager Jones reported that he received a copy of the letter sent from the Orange County Water District relative to Yorba Linda Water District's (YLWD) attempt to proceed with annexing into OCWD directly through LAFCO for the Bryant Ranch lands. He said that YLWD objected to paying the annexation charge to OCWD and repayment of \$290,000 in attorney's fees incurred by OCWD to collect YLWD's replenishment assessments. Mr. Jones said he would provide copies of this letter to the Board. He further said that a Groundwater Producers meeting was scheduled to discuss this issue.

DIRECTORS' COMMENTS

Vice President Miller asked that staff submit an item to the next Water Resources Policy and Communications Committee meeting to discuss a Letter of Support for the GWRS. He reported on his attendance at a WateReuse 2007 California section annual conference on March 4 and 5, 2007 held in San Diego.

President Reinhart reported on his attendance at an Orange Park Acres Mutual Water Company's Board meeting. He also reported on his attendance at a WateReuse 2007 California section annual conference.

Director Matheis reported on her attendance at a Orange County Forum's "State of the County" address. She further reported on her attendance at the WateReuse conference.

CLOSED SESSION

President Reinhart said that a Closed Session would be held as follows:

Conference with real property negotiator (Government Code Section 54956.8)

Property: Assets of Orange Park Acres Mutual Water Company Agency

Negotiator: Paul Jones

Negotiating Parties: Orange Park Acres Mutual Water Company

Under Negotiation: Price and terms of acquisition

OPEN SESSION

Following the Closed Session, the meeting was reconvened with Reinhart, Miller, Matheis, and Withers present. No action was reported.

ADJOURNMENT

There being no further business at 8:25 p.m., President Reinhart adjourned the meeting.

APPROVED and SIGNED this 26th day of March, 2007.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone