

MINUTES OF REGULAR MEETING – FEBRUARY 11, 2008

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 6:00 p.m. on February 11, 2008 by Vice President Matheis in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: Withers.

Also Present: General Manager Jones, Assistant General Manager Cook, Director of Engineering Heiertz, Director of Finance Cherney, Secretary Bonkowski, Legal Counsel Arneson, Mr. Jim Reed, Ms. Beth Beeman, Mr. Jim Carter, Mr. Terry Loomis, Mr. Kevin Burton, Ms. Mary Ann Brown, Mr. Bruce Newell, Mr. Paul Weghorst, 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 it was her understanding that currently wells C-8, C-9, 14, 16 and 17 are in operation in accordance with the District's annual pumping plan which is 1,400 AF per month for February. This was confirmed by Mr. Paul 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 Golden State Water Company. Contracts were awarded by OCWD to Layne Christensen Company and Bakersfield Well & Pump, Inc. to construct a total of eight wells. OCWD has reported that the project is being finalized at this time, and that a Notice of Completion should be issued in March 2008. Following well construction, each well will be owned by the individual participating agencies. Metropolitan Water District has given notice to OCWD that it will begin extracting a portion (i.e. 20,000 acre-feet) of its 50,000 acre-feet in storage beginning in fiscal year 2008-09. This was confirmed by Mr. Jones.

Relative to the OCWD annexation of certain IRWD lands, a meeting was held on December 19, 2007 with General Manager Jones, President Miller and OCWD's newly-elected Board President to discuss IRWD's current position. OCWD staff has requested IRWD's most current projections of the amount and general location of its future groundwater production. OCWD staff has indicated it would like the information to complete additional groundwater modeling of the impacts of production associated with annexation. A meeting was held on Tuesday, January 8, 2008 with OCWD staff to review future groundwater production scenarios associated with annexation for inclusion in OCWD's proposed update of the Long-Term Facilities Plan and Annexation Environmental Impact Report. This was confirmed by Mr. Jones.

President Miller arrived at 6:13 p.m.

ITEMS TOO LATE TO BE AGENDIZED: None.

CONSENT CALENDAR

On MOTION by Matheis, seconded and unanimously carried, CONSENT CALENDAR ITEMS 3 THROUGH 5 WERE APPROVED AS FOLLOWS:

3. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the January 28, 2008 Regular Board Meeting be approved as presented.

4. RATIFY/APPROVE BOARD OF DIRECTORS' 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.

5. ADMINISTRATIVE CLAIM FOR DAMAGES

Recommendation: Receive the claim for damages from Peggy A. Honeywell without action.

ACTION CALENDAR

SAN JOAQUIN MARSH CAMPUS LANDSCAPING CONSTRUCTION AWARD

The San Joaquin Marsh Campus project, currently under construction, will realign the existing Duck Club caretaker home site into a campus area with additional educational and meeting facilities, interconnecting pathways and will provide more effective use of existing facilities and surrounding open space. General Manager Jones reported that the Campus Landscaping project includes removal of several additional large trees between the Duck Club and Audubon buildings, additional landscaping and irrigation piping between and around the Duck Club and Sea & Sage Audubon buildings, and the installation of 1,300 feet of rabbit fence around the entire new landscaping area. Mr. Jones said that a bid opening was held on January 29, 2008 with two bids received. The low bid received was from Tropical Plaza Nursery, Inc. with a total bid amount of \$317,850. The engineer's estimate was \$397,000. Tropical Plaza Nursery currently performs the landscape maintenance for the Duck Club site and is very familiar with the existing irrigation system and the work to be performed. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION FOR \$388,300 FOR PROJECT 11173 AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH TROPICAL PLAZA NURSERY, INC. FOR \$317,850 FOR THE SAN JOAQUIN MARSH CAMPUS LANDSCAPING PROJECT.

GENERAL MANAGER'S REPORT

Mr. Jones reported that the Orange Park Acres Mutual Water Company (OPAWWC) shareholder's kick-off meeting is scheduled for February 13, 2008. He said he met with various individuals along with Foothills Sentry for them to have a better understanding of the process. He further said that the OPAMWC Board hired a third-party consultant to review the process and was looking forward to hearing comments.

Mr. Jones reported that on February 6, 2008 he and Mr. Paul Weghorst attended a Carpinteria Valley Board meeting to review the unbalanced water exchange. He said that the meeting went very well, and that an item will be submitted under Consent Calendar for its February 20, 2008 Board meeting.

Mr. Jones reported that Mr. Greg Heiertz and Ms. Fiona Sanchez attended a meeting at Metropolitan Water District relative to drought allocations. He said that with the data that staff and the consultant assembled, they felt that a monetary adjustment would be made to the Municipal Water District of Orange County (MWDOC).

Mr. Jones said that on February 7, 2008 MWDOC attended a meeting at South Coast Water District (SCWD) relative to a Dana Point Desalination Project and that SCWD sent a letter inviting agencies to attend another meeting on this matter.

DIRECTORS' COMMENTS

Director Reinhart reported that he, Director Swan and Vice President Matheis attended a Water Crisis Roundtable discussion on February 1, 2008. President Miller asked staff to provide him with a copy of the agenda.

Director Swan reported on his attendance at UCI's physical science lecture on methyl hydrate. He said that he met with Mr. Roy Herndon of the Orange County Water District relative to storm water technology. He said he attended the Water Crisis Roundtable discussion. He also said that he and General Manager Jones toured the Santiago Pits.

Vice President Matheis reported on her attendance at an Irvine Chamber of Commerce Legislative Committee meeting along with staff. She also said she and IRWD staff met with a consultant to select a color scheme for the three houses at the San Joaquin Marsh Campus.

President Miller reported on a meeting that he and General Manager Jones attended with two City of Newport Beach council members relative to IRWD's tiered rate structure.

RECESS AND RECONVENE

President Miller declared a recess at 6:44 p.m. to relocate in the Multi-purpose Room for two workshop items. The meeting was reconvened at 6:50 p.m. with Directors Matheis, Reinhart, Swan, and Miller present.

WORKSHOP

WATER BANKING OVERVIEW

General Manager Jones provided an overview of the Strand Ranch/Rosedale interim and long-term water banking projects and potential water supplies for banking.

WATER RESOURCE PROJECT INITIATIVES

Using a PowerPoint presentation, General Manager Jones and Director of Engineering Heiertz discussed the Baker Treatment/Santiago Aqueduct Commission project and provided an update on strategic well projects (i.e. Wells 21 and 22, and the Anaheim Well Field), the CalTrans/TCA 241 groundwater treatment project, and other potential water resource projects.

ADJOURNMENT

There being no further business, President Miller adjourned the meeting.

APPROVED and SIGNED this 25th day of February, 2008.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone