

## MINUTES OF REGULAR MEETING – MAY 27, 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. by President Miller on May 27, 2008 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Miller, Withers (arrived at 6:12 p.m.), Reinhart, and Matheis.

Directors Absent: Swan.

Also Present: Assistant General Manager Cook, Director of Engineering Heiertz, Secretary Bonkowski, Legal Counsel Arneson, Ms. Beth Beeman, Mr. Paul Weghorst, Mr. John Hills, Mr. Jim Reed, Mr. Kevin Burton, Mr. Carl Ballard, Mr. Bruce Newell, Mr. Jim Carter, Mr. Wayne Posey, Mr. Mike Hoolihan, Mr. Ed Mandich (of Hunsaker & Associates) and Mr. Steven Conner (of RBF Consulting), 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 1, 2, 4, 7, C-8, C-9, 10, 11, 12, 13, 14, 15, 16, 17 and 18 are in operation in accordance with the District's annual pumping plan. The District's planned pumping for May is 4,700 AF per month. This was confirmed by Mr. Cook, Assistant 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. OCWD has reported that the project has been finalized, and that issuance of a Notice of Completion was approved by the OCWD Board of Directors on March 19, 2008. 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. Cook.

With respect to the OCWD annexation of certain IRWD lands, OCWD staff is evaluating IRWD's most current projections of the amount and general location of its future groundwater production for inclusion in OCWD's proposed update of the Long Term Facilities Plan and Annexation Environmental Impact Report. On Friday, March 14, 2008, Paul Jones met with Orange County Water District General Manager Mike Markus to further discuss the annexation process and the status of the EIR. At OCWD's request, IRWD staff has provided additional future groundwater production scenarios with annexation. This was confirmed by Mr. Cook.

With respect to the Groundwater Emergency Service Plan, IRWD has an agreement in place with various south Orange County water agencies, MWDOC and OCWD to produce additional groundwater for use within IRWD and transfer imported water from IRWD to the south county in case of emergencies. IRWD is finalizing negotiations of an agreement with certain south Orange County water agencies to fund the interconnection facilities needed to affect the emergency transfer of water. This was confirmed by Mr. Cook.

ITEMS TOO LATER TO BE AGENDIZED – None.

PUBLIC HEARING – FORMATION OF IMPROVEMENT DISTRICTS 112 AND 212,  
ADOPTION OF PLAN OF WORKS AND DETACHMENTS FROM IMPROVEMENT  
DISTRICTS 103 AND 3(203)

Assistant General Manager Cook reported that pursuant to the California Water Code, the Irvine Ranch Water District is required to hold public hearings on the formation of Improvement Districts, adoption of Plans of Works and detachments of lands from Improvement Districts.

President Miller declared this to be the time and place for hearings on the formation of Improvement Districts Nos. 112 and 212, the adoption of the Plans of Works for each of said Improvement Districts, and the detachment of two parcels from ID Nos. 103 and 3(203) that are also located within the boundaries of ID's 112 and 212, and declared the hearings open. He asked the Secretary how the hearings were noticed.

Secretary Bonkowski said that the Notice of the filing of the report and the time and place of these hearings was published in the Orange County Register on May 12 and May 19, 2008. She said that notice was also posted in the District office on May 12, 2008, and on May 8, 2008, notices were posted in three public places within the territory proposed to be included in the Improvement Districts.

On MOTION by MATHEIS, seconded and carried (Withers absent), THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

Director Withers arrived at 6:12 p.m.

President Miller asked Legal Counsel to describe the nature of the proceedings. Legal Counsel Arneson said that the hearing was to provide all persons interested, including all persons owning land with the territory proposed to be included in the proposed Improvement Districts, an opportunity to be heard concerning any matters set forth in the resolutions relative to the formation of Improvement Districts Nos. 112 and 212, the adoption of the Plans of Works for each of said Improvement Districts, and/or the detachment of two parcels from ID Nos. 103 and 3(203) that are also located within the boundaries of ID's 112 and 212.

President Miller inquired of the Secretary whether there have been any written communications. Secretary Bonkowski said that there had been no written communications.

PUBLIC HEARING (continued)

President Miller inquired whether there was anyone present who wished to address the Board concerning the formation of Improvement Districts Nos. 112 and 212, the adoption of the Plans of Works for each of said Improvement Districts, and/or the detachment of two parcels from ID Nos. 103 and 3(203) that are also located within the boundaries of ID's 112 and 212. There was no one who wished to be heard.

President Miller inquired whether there were any comments or questions from members of the Board of Directors. There was no one who wished to be heard.

President Miller asked for a motion to close the hearings. On MOTION by Matheis, seconded by Reinhart, and unanimously carried, THE HEARINGS WERE CLOSED AND THE FOLLOWING RESOLUTIONS WERE ADOPTED BY TITLE:

RESOLUTION NO. 2008- 25:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT ORDERING THE FORMATION OF IMPROVEMENT DISTRICT NO. 112, ADOPTING PLAN OF WORKS AND SETTING FORTH THE ESTIMATED EXPENSE OF CARRYING OUT THE PURPOSE OF SAID IMPROVEMENT DISTRICT

RESOLUTION NO. 2008- 26

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT ORDERING THE FORMATION OF IMPROVEMENT DISTRICT NO. 212, ADOPTING PLAN OF WORKS AND SETTING FORTH THE ESTIMATED EXPENSE OF CARRYING OUT THE PURPOSE OF SAID IMPROVEMENT DISTRICT

RESOLUTION NO. 2008-27

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT ORDERING TERRITORY DETACHED FROM IMPROVEMENT DISTRICT NOS. 103 AND 3 (203)

CONSENT CALENDAR

Assistant General Manager Cook said that a supplemental write-up and resolution had been placed before each Director relative to Item No. 16. On MOTION by Miller, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 26 WERE APPROVED AS AMENDED AS FOLLOWS:

4. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the May 12, 2008 Regular Board Meeting be approved as presented.

CONSENT CALENDAR (continued)

5. 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.

6. DISTRICT STRATEGIC MEASURES DASHBOARD

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

7. APRIL 2008 FINANCIAL REPORTS

Recommendation: Receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for April 2008; approve the April 2008 Summary of Wire Transfers and ACH Payments in the total amount of \$5,058,755.15; and approve the April 2008 Warrants Nos. 289490 through 290313, Workers' Compensation distributions and voided checks in the total amount of \$9,167,464.27.

8. 2008 STATE LEGISLATIVE UPDATE

Recommendation: That the Board take a support if amended position on AB 2175 (Laird/Feuer) and a support position on AB 3030 (Brownley), SB 619 (Calderon) and AB 2724 (Benoit).

9. IRWD COMMUNITY SPONSORSHIP/BOTTLED WATER PROGRAM

Recommendation: That the Board adopt the modifications to the Bottled Water Program Policy as recommended by staff with the intent to phase out this program during Fiscal Year 2008/09.

10. RATES AND CHARGES FOR CUSTOMERS FORMERLY SERVED BY THE ORANGE PARK ACRES MUTUAL WATER COMPANY

Recommendation: That the Board approve the proposed rates and charges for the Orange Park Acres service area customers as of June 1, 2008.

11. UPCOMING PROJECTS STATUS REPORT

Recommendation: Receive and file.

CONSENT CALENDAR (continued)

12. FIELD GENERATORS/ENGINE MODIFICATIONS AND UPGRADES

Recommendation: That the Board authorize the General Manager to approve Expenditure Authorizations in the amounts of \$66,000 for project 11111, \$66,000 for project 21111, and \$66,000 for project 31111.

13. DYER ROAD WELLFIELD REPLACEMENT MOTORS

Recommendation: That the Board approve an Expenditure Authorization for project 11205 in the amount of \$110,000.

14. DYER ROAD WELL NO. 3 DIAGNOSTIC PROFILING

Recommendation: That the Board authorize the addition of project 11396, Dyer Road Well No. 3 Diagnostic Profiling to the Fiscal Year 2007-08 Capital budget for \$41,300, and authorize the General Manager to approve an Expenditure Authorization in the amount of \$41,300 for project 11396.

15. DYER ROAD WELL NO. 5 REHABILITATION PROJECT

Recommendation: That the Board authorize the addition of project 11398 to the Fiscal Year 2007-08 Capital budget for \$157,300; authorize the General Manager to approve an Expenditure Authorization in the amount of \$157,300 for project 11398; and award a contract in the amount of \$143,244 to General Pump Company.

16. DESIGNATE MARY AILEEN MATHEIS TO VOTE AT THE LAFCO ELECTION FOR A REGULAR SPECIAL DISTRICT COMMISSIONER SEAT

Recommendation: That the Board adopt the following resolution by title designating Mary Aileen Matheis to vote at the May 29, 2008 election for an open regular Special District commissioner seat for the Orange County Local Agency Formation Commission.

RESOLUTION NO. 2008-28

RESOLUTION OF THE IRVINE RANCH  
WATER DISTRICT DESIGNATING  
MARY AILEEN MATHEIS TO VOTE AT THE MAY 29, 2008  
ELECTION FOR AN OPEN REGULAR SPECIAL DISTRICT  
COMMISSIONER SEAT FOR THE ORANGE COUNTY LOCAL  
AGENCY FORMATION COMMISSION

CONSENT CALENDAR (continued)

17. IRWD INTERCONNECTION TO THE SOUTH ORANGE COUNTY WATER TRANSMISSION MAINS, PHASE A, FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the IRWD interconnection to the South Orange County Water Transmission Mains, Phase A, project 11159; authorize the General Manager to file a Notice of Completion, and authorize the release of retention 35 days after filing of the Notice of Completion.

18. JEFFREY ROAD SOUTH DOMESTIC WATER AND RECLAIMED WATER MAINS ENGINEERING VARIANCE

Recommendation: That the Board approve Variance No. 1 to Stantec Consulting, Inc. in the amount of \$46,915.

19. LOS ALISOS WELL NO. 2 REHABILITATION

Recommendation: That the Board authorize the addition of project 11402, Los Alisos Well No. 2 Rehabilitation, to the Fiscal Year 2007-08 Capital Budget in the amount of \$90,000, and approve an Expenditure Authorization for project 11402 in the amount of \$90,000.

20. LOS ALISOS WATER RECLAMATION PLANT UPGRADES CONTRACT CHANGE ORDER NO. 17 AND CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES VARIANCE

Recommendation: That the Board authorize the General Manager to execute Contract Change Order No. 17 in the amount of \$261,560 with W.M. Lyles Co., and execute Variance No. 1 in the amount of \$193,198.24 with Butier Engineering, Inc. for the Los Alisos Water Reclamation Plant upgrades, projects 20243 and 30134.

21. PLANNING AREAS 1 AND 2 ORCHARD HILLS ZONE 5 RESERVOIR CONTRACT CHANGE ORDER NO. 6

Recommendation: That the Board authorize the General Manager to execute Contract Change Order No. 6 in the amount of \$117,350.16 with Gateway Pacific Contractors, Inc. for the Planning Areas 1 and 2 Orchard Hills Zone 5 Reservoir, project 13162.

CONSENT CALENDAR (continued)

22. PLANNING AREA 1 ORCHARD HILLS DEVELOPMENT PROJECTS  
ENGINEERING SUPPORT SERVICES DURING CONSTRUCTION  
VARIANCE NO. 1

Recommendation: That the Board authorize the General Manager to execute Variance No. 1, in the amount of \$70,050, with Steven Andrews Engineering, Inc. for construction management and for engineering support services during construction for the Planning Area 1 Orchard Hills Development Projects Nos. 11149 and 31149.

23. PLANNING AREA 40 SUB AREA MASTER PLAN CONSULTANT  
SELECTION

Recommendation: That the Board authorize the addition of projects 11399 and 21399 to the Fiscal Year 2007/08 Capital budget in the amount of \$60,000 for each project; approve Expenditure Authorizations for projects 11399 and 21399 in the amount of \$60,000 for each project; and authorize the General Manager to execute an Engineering Services Agreement with Earthtech in the amount of \$64,928 for preparation of the Planning Area 40 Sub Area Master Plan, projects 11399 and 21399.

24. FLOW EQUALIZATION BASIN REHABILITATION BUDGET ADDITION  
EXPENDITURE AUTHORIZATION AND CHANGE ORDER

Recommendation: That the Board authorize the General Manager to approve Change Order No. 1 with Zebron Contracting, Inc. in the amount of \$166,100; authorize the addition of project 20758 to the Fiscal Year 2007/08 Capital budget for \$205,700; and authorize the General Manager to approve an Expenditure Authorization in the amount of \$205,700 for project 20758.

25. DOMESTIC VAULT LIDS REHABILITATION PROJECT EXPENDITURE  
AUTHORIZATION AND CHANGE ORDER

Recommendation: That the Board authorize the General Manager to approve Change Order No. 1 with Paulus Engineering in the amount of \$52,518, and that the Board approve an Expenditure Authorization in the amount of \$51,000 for project 10981.

CONSENT CALENDAR (continued)

26. CALLING BOND ELECTIONS AND REQUEST REGISTRAR OF VOTERS TO HOLD LANDOWNER ELECTIONS IN IMPROVEMENT DISTRICTS 112/212

Recommendation: That the Board adopt the following resolutions by title:

RESOLUTION NO. 2008- 29

CALLING A SPECIAL ELECTION IN IMPROVEMENT DISTRICT NO. 112 FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF THE IMPROVEMENT DISTRICT A PROPOSITION TO ISSUE GENERAL OBLIGATION BONDS IN THE AMOUNT OF \$28,512,300

RESOLUTION NO. 2008- 30

CALLING A SPECIAL ELECTION IN IMPROVEMENT DISTRICT NO. 212 FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF THE IMPROVEMENT DISTRICT A PROPOSITION TO ISSUE GENERAL OBLIGATION BONDS IN THE AMOUNT OF \$108,711,800

RESOLUTION NO. 2008- 31

REQUESTING THE BOARD OF SUPERVISORS TO AUTHORIZE THE REGISTRAR OF VOTERS TO RENDER SERVICES TO THE DISTRICT RELATING TO THE CONDUCT OF SPECIAL BOND ELECTIONS FOR IMPROVEMENT DISTRICT NOS. 112 AND 212 TO BE HELD ON AUGUST 26, 2008

ACTION CALENDAR

STRAND RANCH INTEGRATED BANKING PROJECT APPROVAL OF ENVIRONMENTAL IMPACT REPORT

Assistant General Manager Cook reported that the Rosedale-Rio Bravo Water Storage District (Rosedale) as the Lead Agency, in consultation with Irvine Ranch Water District (IRWD) as a Responsible Agency, has prepared a Final Environmental Impact Report (FEIR) regarding the Strand Ranch Integrated Banking Project. Mr. Cook placed before each Director a revised resolution as well as a copy of the resolution adopted today by Rosedale-Rio Bravo Water Storage District certifying the Final Environmental Impact report, adopting the written



findings, adopting a mitigation, monitoring and reporting program (MMRP), approving the project, and authorizing the filing of a Notice of Determination to proceed with the project.

Mr. Paul Weghorst, using a PowerPoint presentation, described the purpose of the Strand Ranch Project. He said that the project would: 1) provide water supply reliability and redundancy to IRWD and its customers; 2) augment the recharge and extraction capacity of Rosedale-Rio Bravo Water Storage District's groundwater conjunctive use program; and 3) allows recharge and recovery of up to 17,500 acre feet per year for IRWD.

Mr. Weghorst described: 1) the preparation of the FEIR; 2) the make-up of the FEIR; 3) certification by Rosedale; 4) Rosedale's consideration of a recent letter from the Kern Water Bank Authority, responding to the responses to its comments on the Draft EIR. He discussed the letter's points, which reiterated arguments from the KWBA's comment letter. He said that after hearing an oral presentation by KWBA on its letter, Rosedale concluded that no new information was presented. Mr. Weghorst added that after review of the letter, IRWD staff agreed with Rosedale's assessment of the letter; 5) recommendations; and 6) next steps. Mr. Weghorst said that in taking its action this morning, Rosedale made no changes to the documents (proposed FEIR, findings and MMRP) as contained in the IRWD Board's agenda material.

In response to Director Reinhart's inquiry, legal counsel Arneson said that she and Rosedale's general counsel had reviewed the documentation relative to the FEIR. In response to Director Withers inquiry, Assistant General Manager Cook said that staff would determine if it would be beneficial to ask members of the legislature, the Department of Water Resources, et. al. support this project. There being no further comments, on MOTION by Withers, seconded and unanimously carried, THE BOARD ADOPTED THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2008-32

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
IRVINE RANCH WATER DISTRICT RELATIVE TO ITS  
CONSIDERATION OF THE FINAL ENVIRONMENTAL  
IMPACT REPORT FOR THE STRAND RANCH INTEGRATED  
WATER BANKING PROJECT; ADOPTING WRITTEN  
FINDINGS PURSUANT TO THE CALIFORNIA  
ENVIRONMENTAL QUALITY ACT; ADOPTING A MITIGATION,  
MONITORING AND REPORTING PROGRAM, APPROVING  
THE PROJECT; AND AUTHORIZING THE FILING OF A NOTICE  
OF DETERMINATION TO PROCEED WITH THE PROJECT

RECLAIMED WATER DECHLORINATION STATIONS – CONSULTANT SELECTION,  
BUDGET AND EXPENDITURE AUTHORIZATIONS

Assistant General Manager Cook reported that the Michelson Water Reclamation Plant's (MWRP) NPDES permit requires the District to dechlorinate MWRP effluent prior to the effluent entering Sand Canyon and Rattlesnake reservoirs. Currently, temporary

dechlorination equipment is being utilized at these reservoirs, however, there is a need to replace the temporary equipment with permanent dechlorination stations.

Director of Water Quality Hills reported that the new upgraded dechlorination stations will significantly improve reliability and consistency of the discharged effluent dechlorination by the following additions and improvements: 1) installation of the new pumping and chemical storage equipment to improve reliability and accuracy of the dechlorination agent injection; 2) installation of the new injection equipment enclosures and a new chemical fill line and truck stop fill station to improve operations safety and chemical spills prevention; 3) on-line total chlorine residual monitoring to enhance dechlorination agent injection process control; 4) on-line sulfite monitoring of the discharged reclaimed water effluent to effectively prevent dechlorination agent overdosing; 5) on-line monitoring of total chlorine residual and sulfite in the reservoirs zone of initial dilution to expand and improve the regulatory reporting; and 6) new process control PLC-based system allowing real-time data acquisition and instantaneous transmission of the process control data and various alarms to SCADA system to increase reliability and transparency of the dechlorination process.

Director Hills said that staff issued a Request for Proposal (RFP) soliciting design services for this project to DBE Psomas, HDR Engineering Inc. and Tetra Tech. Mr. Hills said that following a comprehensive evaluation of the proposals, staff recommends awarding the design work to DBE Psomas. He also said that when this item was reviewed by Committee, there had been an error on the expenditure authorization amount and was corrected in this write-up. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED AN INCREASE TO THE FY 2007-08 CAPITAL BUDGET FOR PROJECT 30206 BY \$57,100, FROM \$504,900 TO \$562,000; APPROVED AN EXPENDITURE AUTHORIZATION FOR \$169,100 FOR PROJECT 30206; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH DBP PSOMAS FOR \$140,900 FOR THE RECLAIMED WATER DECHLORINATION STATIONS, PROJECT 30206.

#### IRVINE LAKE OPERATION AND MAINTENANCE BUDGET – FISCAL YEAR 2008/2009

Assistant General Manger Cook reported that the Irvine Ranch Water District (IRWD) and Serrano Water District (SWD) staffs have prepared a proposed Irvine Lake Annual Operations and Maintenance Budget for the period of July 1, 2008 to June 30, 2009. Pursuant to the “1928 Agreement” and its amendments, IRWD is responsible for 75 percent of cost associated with the operation and maintenance of the dam and appurtenant facilities and SWD is responsible for 25 percent.

Director of Operations Ballard reported that the proposed budget is \$124,000 less than the 2007/08 budget and that the primary reasons are as follows: 1) the Fish and Game Permit for devegetation paid for this fiscal year has a term of five years; 2) the dam surveillance contract with URS is less costly based upon the terms of the three year agreement negotiated with URS; 3) the Ogee Crest Study was removed from the proposed budget as it is not cost effective at this time; and 4) the meter improvement work to improve accounting for water out of the lake was completed this year.

Mr. Ballard said that one item not included in the budget for this next year is the potential cost for control of the Quagga mussels in the lake. He said that staff continues researching the control options and will bring recommendations and costs back to the Committee at a later date. In addition, the Division of Safety of Dams (DSOD) has advised staff that they will be transmitting a letter to the IRWD and SWD requesting that the tower and dam be evaluated for its seismic stability given the age of the facility and the most recent data available regarding potential seismic activity in the area.

Director Miller reported that this item was reviewed and approved by the Serrano Water District/IRWD Ad Hoc Committee on May 13, 2008. On MOTION by Miller, seconded and unanimously carried, THE IRVINE LAKE OPERATIONS AND MAINTENANCE BUDGET WAS APPROVED FOR THE PERIOD OF JULY 1, 2008 TO JUNE 30, 2009 IN THE AMOUNT OF \$558,200 WITH IRVINE RANCH WATER DISTRICT'S PROPORTIONATE SHARE OF THE BUDGET IN AN AMOUNT NOT TO EXCEED \$418,650 AND SERRANO WATER DISTRICT'S PROPORTIONATE SHARE IN AN AMOUNT NOT TO EXCEED \$139,550.

#### ON-CALL INSPECTION SERVICES – VARIANCE NO. 2

Director of Engineering Heiertz reported that staff proposes to continue to retain Butier Engineering (Butier) as contract inspector to complete six existing projects. He said in addition, Butier will provide inspection for the Culver Drive and Harvard Avenue Sewer Rehabilitation Project and that they are proposing to continue to assign former IRWD Chief Inspector, Gerry Stark, to perform these services.

Mr. Heiertz said that staff has negotiated with Butier to have their hourly rates remain the same to their On-Call Construction Services Inspection contract. A variance increase and time extension is provided on to the existing On-Call Construction Inspection Services contract with Butier.

Director Reinhart said that the Committee concurs with the staff recommendation, and on MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE CONTRACT VARIANCE NO. 2 IN THE AMOUNT OF \$232,365.00 WITH BUTIER ENGINEERING FOR ON-CALL INSPECTION CONSTRUCTION SERVICES.

#### ALTON PARKWAY EXTENSION – BUDGET AND EXPENDITURE AUTHORIZATION APPROVAL AND CONSULTANT SELECTION

Director of Engineering Heiertz reported that the Alton Parkway Extension will be a two-mile, six-lane roadway from Irvine Boulevard to Towne Centre Drive in the cities of Irvine and Lake Forest. The County of Orange, as the Lead Agency, approved the EIR in July 2007 and approved the RBF Consulting road design contract in April 2008. There are two design firms working on the road design: RBF working for the County on the section between Irvine Boulevard and Commercentre Drive, and Hunsaker & Associates working for Shea Baker Ranch Associates on the section between Commercentre Drive and Towne Centre Drive. He said that both firms have been involved in this project for over six years, and are very familiar

with the specifics of the road designs, utility needs, environmental issues, and interagency coordination.

Mr. Heiertz said that RBF and Hunsaker both submitted proposals and budgets for the new and relocated IRWD facilities which include potable water, reclaimed water, sewer, and site access and storm drain connections for two existing reservoirs. He said using RBF and Hunsaker, there would be very little startup budget and time needed. Utility conflicts and project coordination can be streamlined by using the same firms that will be designing the road and storm drain improvements. Cost savings also include the regular monthly project meetings with the County, Shea Baker Ranch, and the Cities. He said that staff recommends that RBF and Hunsaker be procured as sole source design firms.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on May 20, 2008. On MOTION by Reinhart, seconded and unanimously carried, **THE BOARD APPROVED THE ADDITION OF PROJECT 11374 IN THE AMOUNT OF \$4,798,600 AND PROJECT 24175 IN THE AMOUNT OF \$1,926,100 TO THE FY 2007-08 CAPITAL BUDGET; APPROVED EXPENDITURE AUTHORIZATIONS FOR PROJECTS 10799 FOR \$64,900, PROJECT 11374 FOR \$34,800, PROJECT 24175 FOR \$204,600, AND PROJECT 30222 FOR \$68,200; AND AUTHORIZED EXECUTION OF PROFESSIONAL SERVICES AGREEMENTS WITH RBF CONSULTING FOR \$179,059 AND HUNSAKER & ASSOCIATES FOR \$112,880.**

#### GENERAL MANAGER'S REPORT

Assistant General Manager Cook reported on a few IRWD service lines damages as a result of the heavy rains last week in the Santiago Canyon area. He reported on language added at the end of tonight's Board agenda providing information on the availability of agenda material prior to the meeting which is required effective July 1, 2008 pursuant to SB 343.

#### DIRECTORS' COMMENTS

Director Matheis reported on her attendance at the Coastal Coalition meeting last Thursday. She said that a PowerPoint presentation outlined the County's effort on minimizing trash. In response to her inquiry, Mr. Carl Ballard verified that the IRWD's trash boom over the San Diego Creek is currently in operation. Director Matheis also noted tonight's action providing that IRWD will be phasing out of its bottled water program as a way to decrease trash in the environment.

#### CLOSED SESSION

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

OPEN SESSION

Following the Closed session, the meeting was reconvened with Miller, Matheis, Reinhart, and Withers present. Legal Counsel Arneson stated that, with Matheis, Reinhart, Withers and Miller voting aye (Swan absent), direction to initiate a court action was given, and the action, defendants and other particulars will be disclosed to any person upon inquiry once the action is commenced, unless disclosure will jeopardize service of process or conclusion of settlement negotiations to IRWD's advantage.

ADJOURNMENT

There being no further business, President Miller adjourned the Board Meeting at 7:10 p.m.

APPROVED and SIGNED this 9<sup>th</sup> day of June, 2008.

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President, IRVINE RANCH WATER DISTRICT

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Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

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Legal Counsel