

MINUTES OF REGULAR MEETING – FEBRUARY 23, 2009

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:00 p.m. by President Reinhart on February 23, 2009 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Matheis, Reinhart, Withers, Swan, and LaMar (appointed at 5:18 p.m.).

Directors Absent: None.

Also Present: General Manager Jones, Assistant General Manager Cook, Acting Director of Engineering Malloy, Director of Finance Cherney, Secretary Bonkowski, Legal Counsel Arneson, Mr. Ergun Bakall, Mr. Bruce Newell, Mr. Jim Carter, Ms. Mary Ann Brown, Mr. Paul Weghorst, Mr. Jeff Stanearth, Ms. Beth Beeman, Mr. Carl Ballard, Mr. William C. Turner, and other members of the public and staff.

COMMUNICATIONS TO THE BOARD

Written Communications: None.

Oral Communications: 1) 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, 10, 15, and 17 are in operation in accordance with the District's annual pumping plan. Wells 1, 4, 6, 13, 14 and 18 will operate a portion of the week. Well 2, 3, 5, 7, 11, 12 and 16 are inactive. The District's planned pumping for February is 3,240 acre-feet. 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), 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. 22,000 acre-feet) of its 48,500 acre-feet in storage beginning in fiscal year 2008-09. It is expected that an additional 22,000 acre-feet will be extracted in FY 2009-10. The extraction is being performed by agencies that constructed conjunctive use wells under this program. IRWD is not a participant. This was confirmed by Mr. Jones.

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. OCWD has taken no further actions with respect to the annexation. At OCWD's request, IRWD staff has provided additional future groundwater production scenarios with annexation. This was confirmed by Mr. Jones.

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 South County in case of emergencies. IRWD has approved the operating agreement with certain south Orange County water agencies to fund the interconnection facilities needed to affect the emergency transfer of water. MWDOC and OCWD have also both approved the operating agreement. This was confirmed by Mr. Jones.

2) Mr. William C. "Bill" Turner, representing citizens who initiated a website called "El Toro Now", discussed the underground plume created by the El Toro Marine Corps Air Station and his group's belief that toxic vapors are surfacing into Woodbridge, a residential neighborhood in Irvine. He asked that District staff review his website for any inaccuracies.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED – None.

President Reinhart requested that No. 13 be placed at the beginning of the agenda for action at this time. There being no objections, this item was moved to the next order of business.

ACTION CALENDAR

APPOINTMENT OF IRWD BOARD MEMBER

General Manager Jones reported that upon the resignation of Darryl Miller from the Board, staff implemented an extensive process of noticing the vacancy with postings at the city halls within IRWD's service area, IRWD's bulletin board and web site, and advertising in the Orange County Register. Mr. Jones said that the deadline for receiving resumes was set at the close of business on February 4, 2009.

Mr. Jones said that applications were received from 42 candidates, and a Candidates' Forum was conducted at the February 9, 2009 Board Meeting. An Ad Hoc Committee consisting of two IRWD Board members was formed to review the qualifications of the candidates and to engage in further discussions with candidates.

Mr. Jones said that at the Adjourned Regular Meeting of February 20, 2009, the Board received a report from the Ad Hoc Committee regarding the results of their interviews and recommendations for appointment of a Board member. He said the Board unanimously recommended the selection of Mr. Steven E. LaMar to fill a term expiring November 30, 2010, and directed that a conforming resolution be brought to the Board for adoption at its February 23, 2009 meeting.

On MOTION by Swan, seconded and unanimously carried, THE BOARD RATIFIED THE APPOINTMENT OF MR. STEVEN E. LaMAR EFFECTIVE FEBRUARY 23, 2009 TO FILL THE TERM OF OFFICE ENDING NOVEMBER 30, 2010 AS A RESULT OF MR. DARRYL MILLER'S RESIGNATION, AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE.

RESOLUTION NO. 2009 - 6

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT,
ORANGE COUNTY, CALIFORNIA APPOINTING
STEVEN E. LaMAR TO THE OFFICE OF DIRECTOR OF
SAID DISTRICT

Director Withers said he was very impressed with the 42 candidates who applied for the open position, and it made the decision by the Board a difficult one. He said that Mr. LaMar's background and experience will be an asset to the Board and was very pleased with the appointment. Mr. LaMar said that it was his second time to go through the process, and was very honored to have been appointed to this position. He said that he felt that his involvement at the state level on water issues may have distinguished him from the other candidates. He said he was looking forward to working with the Board of Directors on matters of the District.

Secretary Bonkowski administered the oath of office to Mr. LaMar and he assumed his duties as Director.

CONSENT CALENDAR

On MOTION by Swan, seconded and unanimously carried, CONSENT CALENDAR ITEMS 3 THROUGH 12 WERE APPROVED AS FOLLOWS:

3. MINUTES OF BOARD MEETINGS

Recommendation: That the minutes of the February 9, 2009 and February 17, 2009 Regular Board Meetings 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, Doug Reinhart, and John Withers.

5. STRATEGIC MEASURES DASHBOARDS

Recommendation: Receive and file.

6. STATUS REPORT OF UPCOMING PROJECTS

Recommendation: Receive and file.

7. JANUARY 2009 FINANCIAL REPORTS

Recommendation: Receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for January 2009; approve the January 2009 Summary of Wire Transfers and ACH payments in the total amount of \$13,065,455.86; and approve the January 2009 Warrants Nos. 297461 through 298262 Workers' Compensation distributions and voided checks in the total amount of \$7,106,781.09.

8. QUITCLAIM OF REAL PROPERTY – CAMPUS CENTER

Recommendation: That the Board adopt the following resolution by title approving execution of the quitclaim deeds to Campus and Jamboree Association, Plaza-Irvine Owners Association, Avenue One Community Association, Inc., and 3000 The Plaza Owners Association.

RESOLUTION NO. 2009 -7

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
APPROVING EXECUTION OF THE QUITCLAIM DEEDS TO
CAMPUS AND JAMBOREE ASSOCIATION,
PLAZA-IRVINE OWNERS ASSOCIATION,
AVENUE ONE COMMUNITY ASSOCIATION, INC., AND
3000 THE PLAZA OWNERS ASSOCIATION

9. CHLORINE ANALYZERS AND RESERVOIR MIXERS AT TEN DOMESTIC WATER RESERVOIRS – FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Chlorine Analyzers and Reservoir Mixers at 10 Domestic Water Reservoirs, project 11168; authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

10. PLANNING AREA 6 ZONE 6 AND ZONE D RESERVOIRS EXPENDITURE AUTHORIZATIONS

Recommendation: That the Board approve Expenditure Authorizations for \$564,900 for project 10426; and \$408,500 for project 30180 for Planning Area 6 Zone 6 and Zone D Reservoirs, projects 10426 and 30180.

11. JEFFREY ROAD SOUTH RECLAIMED WATER AND DOMESTIC WATER MAINS CONTRACT CHANGE ORDER NO. 13

Recommendation: That the Board approve Contract Change Order No. 13 with SEMA Construction in the amount of \$114,570.43 for the Jeffrey Road South Reclaimed Water and Domestic Water Mains, projects 10283 and 30189.

12. ZONE 3 SAND CANYON AVENUE PIPE REPLACEMENT CONTRACT CHANGE ORDER

Recommendation: That the Board authorize the General Manager to execute Contract Change Order No. 1 in the amount of \$102,050 to C.M. Peich, Inc. for construction of the Zone 3 Sand Canyon Avenue Pipe Replacement, project 11158.

ACTION CALENDAR

PRESSURE REDUCING VALVES MODIFICATIONS – CONSTRUCTION AWARD

Principle Engineer Malloy reported that portions of the District's domestic water system operate by pumping water into higher pressure zones and supplying water into reduced pressure zones through pressure reducing valves. Mr. Malloy said that the PRV Modifications project will add a second PRV to 11 PRV stations with pressure breaks greater than 80 psi that serve pressure zones without a reservoir. In the event one PRV fails, the second PRV will maintain the pressure difference between the pressure zones. The 11 PRV stations in the project serve Turtle Rock Zone 4 Reduced, Turtle Ridge Zone 520 Hydraulic Grade Line (HGL), Turtle Ridge Zone 560 HGL, Turtle Ridge Zone 685 HGL, Shady Canyon Zone 590 HGL, Newport Coast Zone 5, and Newport Coast Zone 2.

Mr. Malloy said that a bid opening was held with 10 bids, and that the apparent low bid was from Gateway Pacific Contractors with a bid of \$695,637. Bids from the other contractors ranged from \$736,000 to \$1,020,380 and the engineer's estimate was \$950,000. Staff met with Gateway Pacific Contractors after the bid opening and discussed the gap between the bids and Gateway expressed a high level of comfort with its bid. Gateway Pacific Contractors has successfully completed several District construction projects.

On MOTION by Withers, seconded and unanimously carried, THE BOARD APPROVED A BUDGET INCREASE FOR PROJECT 11345 BY \$99,000, FROM \$941,600 TO \$1,040,600; APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$841,500 FOR PROJECT 11345; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH GATEWAY PACIFIC CONTRACTORS FOR \$695,637 FOR THE PRV MODIFICATIONS, PROJECT 11345.

SAND CANYON ZONE A PUMP STATION REHABILITATION – EXPENDITURE AUTHORIZATION AND CONSULTANT SELECTION

Principle Engineer Malloy reported that the Sand Canyon Zone A Pump Station Rehabilitation Project will rebuild the Zone A Pump Station to pump water directly from Sand Canyon Reservoir to the Zone A system. Mr. Malloy said that the project will also install strainers to filter the water, and construct a sodium hypochlorite injection system to disinfect the water for distribution in the Zone A system. The benefit of rebuilding the Zone A Pump Station is the water from Sand Canyon Reservoir will not be returned to the Michelson Water Reclamation Plant where more energy is required to pump to the Zone A system.

Mr. Malloy said staff issued a Request for Proposal for the design of the Sand Canyon Zone A Pump Station Rehabilitation Project to Stantec Consulting, Tetra Tech, and URS Corporation and that all three consultants submitted proposals. He said that after reviewing the proposals, staff recommends awarding the design contract to Stantec Consulting because they have a clear understanding of the scope of work and have a strong team with extensive pump station design experience. Stantec's base fee proposal of \$222,909 is within the range of the other consultants. In addition to the base scope of work, staff negotiated with Stantec Consulting to include six optional items for design. These optional items include bench scale analysis for hydrogen sulfide in the water discharged from Sand Canyon Reservoir and design of a new building to house the sodium hypochlorite injection system. These optional items total \$54,338.

Director Withers reported that this item was reviewed and approved by the Engineering and Operations Committee on February 17, 2009. On MOTION by Withers, seconded and unanimously carried, **THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$313,500 FOR PROJECT 30038, AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE AN ENGINEERING SERVICES AGREEMENT WITH STANTEC CONSULTING IN THE AMOUNT OF \$277,247 FOR SAND CANYON ZONE A PUMP STATION REHABILITATION.**

GENERAL MANAGER'S COMMENTS

General Manager Jones reported that the American Council of Engineers will be awarding IRWD with an Award of Excellence plaque for the El Modena Natural Treatment System site, and that a luncheon celebration is scheduled for March 25, 2009. He said that he and Mr. Paul Weghorst will be making two presentations on water banking, one tomorrow morning at the El Toro Water District's Engineering and Finance Committee, and the second at the Central Coast Water Authority on Wednesday.

DIRECTORS' COMMENTS

Director Withers reported that tomorrow he will be making a presentation at the Regional Water Quality Control Board on what he has learned during his tenure on that Board.

Vice President Swan reported on his attendance at the Newport Watershed Board meeting, OCWD's Board meeting, an ACWA Region 10 meeting at SMWD, a City of Irvine Ad Hoc Committee meeting, and the annual OCBC dinner. He said that he will be attending the ACWA delegation in Washington, DC as well as the Southern California Dialog meeting. He asked staff to review and possibly apply for various upcoming Award of Excellence recognitions. such as the Clair A. Hill Water Agency Award.

Director Reinhart said that as a member of the Ad Hoc Board Selection Committee, he had attended several candidate in-depth interviews.

Referring to Item No. 14 on the Action Calendar, Mr. Jim Carter, a member of the Santiago County Water District Advisory Committee, suggested the Modjeska Canyon as a potential PRV site due to its terrain. Mr. Jones said that staff would review his suggestion.

CLOSED SESSION

President Reinhart said that a Closed Session would be held this evening with legal counsel – anticipated litigation (Government Code Section 54956.9(c)) – initiation of litigation (one potential case).

OPEN SESSION

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

ADJOURNMENT

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

APPROVED and SIGNED this 9th day of March, 2009.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone