

MINUTES OF REGULAR MEETING – JUNE 22, 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 June 22, 2009 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Matheis, Reinhart, Withers, Swan, and LaMar.

Directors Absent: None.

Also Present: General Manager Jones, Assistant General Manager Cook, Director of Engineering and Construction Burton, Director of Planning and Water Resources Heiertz, Director of Finance Cherney, Secretary Bonkowski, Legal Counsel Arneson, Mr. Rob Jacobson, Mr. Jim Reed, Mr. Bruce Newell, Mr. Jim Carter, Mr. Dan Miller, Ms. Beth Beeman, Mr. Sat Tamaribuchi, Mr. Dean Kirk, Mr. and Mrs. Ed Kaminske, Ms. Kirsten McLaughlin, Ms. Janet Wells, Mr. Wayne Posey, Mr. A. T. Kilani, Mr. Tom Roberts, Mr. Paul Weghorst, and other members of the public and staff.

COMMUNICATIONS TO THE BOARD

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 6, 7, C-8, C-9, 10, 12, 14, 15, 16, 17 and 18 are in operation in accordance with the District's annual pumping plan. Wells 5, 11 and 13 will operate a portion of the week. Wells 1, 2, 3 and 4 are inactive. The District's planned pumping for June is 2,070 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, on June 5, 2009, IRWD received a letter from OCWD noting that within the past 30 days, OCWD has completed the formal responses to comments they previously received on the draft program environmental impact report. The letter further noted that with this task completed, OCWD has exercised its right to terminate the 2004 Memorandum of Understanding regarding annexation. OCWD also indicated that due to the lack of progress on the annexation issue, the draft program environmental impact report will not be completed. On June 8, 2009, OCWD completed the Long-Term Facilities Plan which will be recommended to the OCWD Board to be received and filed in July 2009. OCWD will

continue to work with IRWD on the annexation issue to determine if a satisfactory arrangement can be developed with both parties. 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.

ITEMS TOO LATE TO BE AGENDIZED: None.

PRESENTATION

RESOLUTION COMMENDING EDWARD "ED" KAMINSKE, JR. FOR HIS DEDICATED SERVICE TO THE DISTRICT

General Manager Jones presented Mr. Ed Kaminske with a resolution commending his service to the District since 1984. On MOTION by Swan, seconded and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2009 – 19

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT COMMENDING EDWARD "ED" KAMINSKE, JR. FOR HIS DEDICATED AND LOYAL SERVICE TO THE DISTRICT

GREAT PARK DEVELOPMENT UPDATE

Great Park Chief Executive Officer, Mike Ellzey, presented an update on the Great Park Development. Mr. Ellzey said that to celebrate the fourth anniversary of the Orange County Great Park, an event is being held, *Growing the Park*, from 10 a.m. to 4 p.m. on Saturday, July 11. In response to Director Matheis' inquiry, discussion was held on the proposed recreational lake which will be supplied with reclaimed to irrigate the entire park.

PUBLIC HEARING

PROPOSED CHANGES TO THE SCHEDULE OF RATES AND CHARGES EFFECTIVE JULY 1, 2008

General Manager Jones reported that the Fiscal Year (FY) 2009-10 Operating Budget was adopted by this Board at the public workshop held on April 27, 2009. The proposed changes to the rates and charges were publicly noticed by mail as required under Proposition 218 and protests to the implementation of those rates and charges were tallied by an independent accounting firm. He said that as of June 15, 2009, 21 protests were

received by the District. He asked the Secretary if additional protests were received, and she said that two more were received and copies were placed before each Director.

President Reinhart declared this to be the time and place for a hearing on the proposed changes to the rates and charges. He asked the Secretary how the hearing was noticed.

Secretary Bonkowski said that the hearing was noticed by mail and presented an affidavit of mailing. On MOTION by Swan, seconded and unanimously carried, **THE AFFIDAVIT OF MAILING BY AN INDEPENDENT PROCESSING FIRM AS PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.**

President Reinhart asked Legal Counsel to describe the nature of the proceedings. Legal Counsel Arneson said the purpose of tonight's public hearing was to receive input and protests regarding the proposed changes to the rates and charges and to adopt changes to the Schedule of Rates and Charges as set forth in an exhibit to the Rules and Regulations of the Irvine Ranch Water District. She said the Board's findings in regard to the percentage of protests received would be incorporated into the proposed resolution. Additionally, she said that there was a correction in the title of the resolution whereas Resolution No. 2009-45 will not be rescinded as indicated.

President Reinhart asked for a staff report from the Director of Finance on the proposed rates and charges, and inquired whether there had been any written protests tallied by the independent processing firm. Ms. Cherney said that customized notices of the proposed changes to the rates and charges had been mailed to the District's rate payers. She said that an independent service was hired that received protests at a post office box. She further said that 21 protests were received as well as the two protests received today which represent 0.018% of the total customers, which was less than the 50% that would have been required to prevent the Board from adopting the proposed rates and charges.

President Reinhart inquired whether there was anyone present who wishes to address the Board regarding the proposed changes to the rates and charges. There were two individuals who wished to be heard, and Ms. Linda King and Mr. Richard Baron addressed the Board in opposition to the rate increase. President Reinhart further inquired whether there are any comments or questions from members of the Board of Directors. Director Swan complimented staff on keeping the rates the lowest in Orange County. On MOTION by Swan, seconded and unanimously carried, **THE HEARING WAS CLOSED AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:**

RESOLUTION NO. 2009-20

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE
RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
ADOPTING CHANGES TO THE SCHEDULE OF RATES AND CHARGES AS
SET FORTH IN EXHIBIT "B" TO THE RULES AND
REGULATIONS OF IRVINE RANCH WATER DISTRICT
FOR WATER, SEWER AND RECLAIMED WATER
SERVICE AND EXHIBITS THERETO

WORKSHOP

SETTING CONNECTION FEES AND PROPERTY TAXES FOR FY 2009-10 ASSUMPTIONS AND INITIAL MODEL RUNS

Using a PowerPoint presentation, Mr. Christopher Smithson provided the following fundamental objectives for setting connection fees and property taxes for this fiscal year: 1) minimize and equitably allocate new capital costs, including maintaining the 50/50 split between connection fees and property taxes; 2) minimize rate and fee “shock”; 3) maintain 75% debt service coverage ratio, including swaps; and 4) maintain the District’s replacement fund for its intended use. He said that the factors influencing rate increases include the Capital cost projections – the addition of solids disposal from the Orange County Sanitation District, and the change in the District’s return and debt rates.

Mr. Smithson reviewed modeling scenarios providing variations with the 1% general property tax levy future receipts including: 1) current baseline – revenue remains until FY 2011. Reduced every four years by 25% - eliminated after FY 2023; 2) Proposition 1A suspension – State borrows all receipts three times over 10 years with payback; 3) LAO style permanent shift proposal – receipts immediately reduced by 40% and remains at reduced level until FY 2028. Step down thereafter until eliminated; 4) permanent receipt of property taxes – revenue remains undiminished; and 5) near term 1% loss – complete loss of revenue in a year designated in near term.

General Manager Jones said that staff will be submitting this item to the July 7 Finance and Personnel Committee meeting and to the Board in July.

CONSENT CALENDAR

On MOTION by Matheis, seconded and unanimously carried, CONSENT CALENDAR ITEMS 7 THROUGH 21 WERE APPROVED AS FOLLOWS:

7. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the June 8, 2009 Regular Board Meeting be approved as presented.

8. RATIFY/APPROVE BOARD OF DIRECTORS’ ATTENDANCE AT MEETINGS AND EVENTS

Recommendation: That the Board ratify/approve the meetings and events for Steven LaMar, Mary Aileen Matheis, Doug Reinhart, Peer Swan and John Withers.

9. STRATEGIC MEASURES DASHBOARDS

Recommendation: Receive and file

CONSENT CALENDAR (CONTINUED)

10. STATE LEGISLATIVE UPDATE

Recommendation: That the Board take a Support position on SB 696 (Wright).

11. 2009 SELECTION OF STATE LOBBYIST AND LOCAL GOVERNMENT CONSULTANT

Recommendation: That the Board approve a Professional Services Agreement for a term of six months with Isenberg/O'Haren in the amount of \$6,500 per month retainer plus reimbursable direct expenses for a total not to exceed \$42,900, and a Professional Services Agreement for a term of six months with Curt Pringle and Associates in the amount of \$7,500 per month retainer plus reimbursable direct expenses for a total not to exceed \$49,500.

12. PLACING NOMINATION OF PEER A. SWAN AS CHAIR OF THE ASSOCIATION OF CALIFORNIA AGENCIES (ACWA) REGION 10 BOARD

Recommendation: That the Board support and adopt the following resolution by title placing in nomination Director Peer Swan for Chair of the ACWA Region 10 Board for the 2010/11 term.

RESOLUTION NO. 2009-21

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT,
ORANGE COUNTY, CALIFORNIA,
PLACING IN NOMINATION PEER A. SWAN
AS CHAIR OF THE ASSOCIATION OF CALIFORNIA
WATER AGENCIES, REGION 10

13. MAY 2009 FINANCIAL REPORTS

Recommendation: Receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for May 2009; approve the May 2009 Summary of Wire Transfers and ACH payments in the total amount of \$4,356,109.71; and approve the May 2009 Warrants Nos. 300654 through 301363, Workers' Compensation distributions and voided checks in the total amount of \$9,971,334.46.

CONSENT CALENDAR (CONTINUED)

14. BAYVIEW SEWAGE LIFT STATION IMPROVEMENTS AND BAKER PIPELINE FLOW TEST - FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Bayview Sewage Lift Station Improvements, project 20530, and the Baker Pipeline flow test, project 11218; 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.

15. WATER OPERATIONS FISCAL YEAR 2009/10 EXPENDITURE AUTHORIZATIONS

Recommendation: That the Board authorize the General Manager to approve Expenditure Authorizations for project 10386 for \$354,000; project 11250 for \$143,000; project 10994 for \$781,000; project 30994 for \$363,000; project 10997 for \$335,500; and project 11036 for \$86,900.

16. WEATHER BASED IRRIGATION TIMER (SMARTIMER) REBATE REBATE PROGRAM AGREEMENT

Recommendation: That the Board authorize the General Manager to execute the Agreement between Irvine Ranch Water District and the Municipal Water District of Orange County for participation in the weather-based irrigation timer (SmarTimer) rebate program for single-family residential, multi-family residential and commercial properties to provide \$25,000 from the approved Fiscal Year 2009/10 Operating budget for continued funding of irrigation controllers.

17. ORANGE PARK ACRES SUB-AREA MASTER PLAN AND FIRE PROTECTION IMPROVEMENTS ENGINEERING SERVICES VARIANCE NO. 3

Recommendation: That the Board authorize the General Manager to execute Variance No. 3 with Stantec Consulting, Inc. in the amount of \$25,060 for the Orange Park Acres Sub-Area Master Plan and Fire Protection Improvements, projects 11407, 11408, 11409, and 11410.

18. FISCAL YEAR 2009/10 EXPENDITURE AUTHORIZATIONS

Recommendation: That the Board approve Expenditure Authorizations for Fiscal Year 2009/10 for \$71,500 for project 10564, the Engineering Planning Study Reserve; \$10,411,000 for project 20110, OCSD CORF; \$249,700 for project 30337, on-site reclaimed water conversions; and \$145,800 for project 30336, off-site reclaimed water conversions.

CONSENT CALENDAR (CONTINUED)

19. ASSESSMENT OF WATER SUPPLY FOR PLANNING AREA 33 (LOTS 107, 108, 112 AND 113) GENERAL PLAN AMENDMENT AND ZONE CHANGE

Recommendation: That the Board approve the assessment of water supply for Planning Area 33 (Lots 107, 108, 112 and 113) general plan amendment and zone change.

20. WASTEWATER OPERATIONS FISCAL YEARS 2009/10 EXPENDITURE AUTHORIZATIONS

Recommendation: That the Board authorize the General Manager to approve Expenditure Authorizations for project 20552 for \$174,100; project 20572 for \$192,500; project 20541 for \$75,900; project 20543 for \$120,000; projects 11269, 21269 and 31269 for \$60,000 each; projects 11273, 21273, and 31273 for \$33,000 each; projects 11316, 21316 and 31316 for \$14,300, \$15,400 and \$22,000 respectively; projects 11292, 21292, and 31292 for \$16,500, \$22,000, and \$11,000 respectively; projects 11294, 21294, and 31294 for \$80,000, \$65,000 and \$65,000 respectively; projects 11297, 21297, and 31297 for \$16,500, \$11,000, and \$11,000 respectively; projects 11299, 21299 and 31299 for \$33,000, \$22,000 and \$33,000 respectively; project 20561 for \$50,600; project 11236 for \$42,900; project 20559 for \$60,000; project 11231 for \$110,000; and project 20793 for \$77,000 for Wastewater Operations Capital budget items.

21. REIMBURSEMENT AGREEMENTS BETWEEN IRWD AND THE CITIES OF IRVINE AND LAKE FOREST FOR THE ADJUSTMENT/RELOCATION OF MISCELLANEOUS FACILITIES RELATED TO CITY STREET PROJECTS.

Recommendation: That the Board approve the final reimbursement amount of \$312,156 under the existing Reimbursement Agreement with the City of Irvine, for Capital improvement projects 318140 and 318200, annual local street rehabilitation and slurry seal project for the Villages of Rancho San Joaquin, University Park, and Turtle Rock, projects 10891, 20891 and 30891; authorize the General Manager to execute Reimbursement Agreements between IRWD and the City of Lake Forest for two street rehabilitation projects, PW2007.17D.2 and PW2007.17F, for street resurfacing and slurry seal improvements for Trabuco Road and Lake Forest Drive, projects 11254, 20543 and 30325; authorize an increase to the Fiscal Year 2008/09 Capital Budget in the amount of \$77,000, from \$264,000 to \$341,000 for project 10891; in the amount of \$44,000, from \$264,000 to \$308,000 for project 20891; and in the amount of \$56,100, from \$102,300 to \$158,400, for project 30891; approve Expenditure Authorizations in the amount of \$77,000 for project 10891, in the amount of \$44,000 for project 20891, and in the amount of \$56,100 for project 30891; and approve Expenditure Authorizations in the amount of \$90,200 for project 11254, and in the amount of \$60,500 for project 30325.

ACTION CALENDAR

IRVINE LAKE OPERATION AND MAINTENANCE BUDGET FOR FISCAL YEAR 2009-2010

General Manager Jones reported that staff from Irvine Ranch Water District (IRWD) and Serrano Water District (SWD) have prepared a proposed Irvine Lake Annual Operations, Maintenance and Capital Budget for the period of July 1, 2009 through June 30, 2010 (FY 2009-10). Pursuant to the "1928 Agreement" and its amendments, IRWD is responsible for 75 percent of costs associated with the operation and maintenance of the dam and appurtenant facilities and SWD is responsible for 25 percent. The proposed budget is \$54,100 less than the FY 2008-09 Budget. The primary reason for the net reduction is the removal of the 710 Tower Valve Riser Project from the Capital portion of the budget. New costs for FY 2009-10 are related to: 1) Control and monitoring of quagga mussels will increase staff time and scuba diver inspection costs; 2) This year the Department of Fish and Game required the Districts to prepare a monitoring and control plan for quagga mussels. Funds have been allocated to seek additional assistance from our consultant with regard to the plan; 3) The Irvine Lake Sanitary Survey (the cost will be split 50 percent IRWD, 50 percent SWD); and 4) The Division of Safety of Dams has requested an evaluation of the downstream alluvium for potential liquefaction failure; a fault running through the dam to determine its activity; and the capability of the dam should the tower fail during an earthquake.

President Reinhart said that this item was not submitted to the SWD/IRWD Ad Hoc Committee due to time constraints. Vice President Swan asked staff to investigate the source of quagga mussels, i.e. if it is most prevalent by the Santiago lateral. On MOTION by Withers, seconded and unanimously carried, **THE BOARD APPROVED THE IRVINE RANCH WATER DISTRICT'S PROPORTIONATE SHARE OF THE AFOREMENTIONED IRVINE LAKE OPERATIONS, MAINTENANCE AND CAPITAL BUDGET FOR THE PERIOD OF JULY 1, 2009 TO JUNE 30, 2010 IN AN AMOUNT NOT TO EXCEED \$363,075.**

APPROVAL OF SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S FISCAL YEAR 2009/10 BUDGET

Each fiscal year, the SOCWA budget is subject to the approval of each member agencies' respective Board or Council. IRWD's portion of SOCWA's budget for FY 2009-2010 is \$364,940. This reflects an increase of \$128,090 from FY 2008-2009, which is attributed to a new Project Committee 21 Capital Project for the design of the replacement of SOCWA's Effluent Transmission Main Reach B.

On MOTION by Swan, seconded and unanimously carried, **THE BOARD APPROVED SOCWA'S FISCAL YEAR 2009-2010 BUDGET IN THE AMOUNT OF \$364,940.**

2009 WATER USE EFFICIENCY LEGISLATION

General Manager Jones reported that staff will provide an update on water efficiency legislation including AB 49 (Feuer), SB 261 (Dutton/Ducheny), SB 460 (Wolk) and unbacked legislation jointly sponsored by the Association of California Water Agencies (ACWA) and the Santa Ana Watershed Project Authority (SAWPA). He said it is widely believed that the ACWA/SAWPA proposal will be amended into SB 261 (Ducheny) at a later date.

Using a PowerPoint presentation, Ms. Kirsten McLaughlin reported that staff continues to work closely with the small working group of water agencies that have come together to develop a comprehensive urban water use efficiency legislative proposal that works for urban agencies. The proposal that this group has developed incorporates three paths for urban requirements: 1) the “simple” 20% reduction approach from 10-year baseline; 2) a water use efficiency standard based on efficient use in the following categories: indoor residential, landscape, commercial, industrial and institutional; and 3) a 5% reduction requirement for agencies who were members of the California Urban Water Conservation Council prior to 1994 and who have met or are below the applicable state hydrologic region target as set in the DWR 20 x 2020 Plan (April 30, 2009). The agriculture requirements include: 1) implementation of water use efficiency best management practices, and 2) preparation of Agriculture Water Management Plans.

Ms. McLaughlin said that both ACWA and SAWPA are working to combine the two proposals. It is expected that SB 261 would be the vehicle for a combined proposal. She said that the combined proposal would: 1) set a 20% reduction target of 1.74 million AF; 2) require urban agencies to develop/implement Water Management Plans to be submitted as part of the 2010 UWMP; 3) have agencies with efficient water use report that they will maintain efficiency; 4) have California State University assess all plans to determine if the State is on track to meet 20%, and if not, track to meet the state-wide goals. She then provided a side by side comparison of both proposals.

Director Matheis reported that this item was reviewed and approved by the Water Resources Policy and Communications Committee on June 15, 2009. Following discussion, on **MOTION** by Matheis, seconded and unanimously carried, **THE BOARD TOOK A SUPPORT POSITION ON AB 49 (FEUER) AND A SUPPORT IF AMENDED POSITION ON THE ACWA/SAWPA WATER USE EFFICIENCY LEGISLATIVE PROPOSAL.**

COOPERATIVE AGREEMENT FOR THE NEWPORT BAY WATERSHED AND THE CENTRAL WATERSHED MANAGEMENT AREA

General Manager Jones reported that IRWD has long been part of the cooperative efforts to control the flow of sediment and nutrients into the Newport Bay. In 1999, IRWD became a signatory agency to the Cooperative Agreement for the Newport Bay Watershed which was designed to address these issues through a collaboration of multiple entities. Over the years additional regulatory requirements and changes to the governance have increased the scope of issues to be addressed by the agencies participating in the agreement, including controlling the flow of nutrients into the

Newport Bay causing the necessity of an amendment and a full restatement of the agreement.

Director Matheis reported that this item was reviewed and approved by the Water Resources Policy and Communications Committee on June 15, 2009. Vice President Swan asked that the motion be amended to have the individual identified on the signature page execute the agreement. On MOTION by Matheis, seconded and unanimously carried, **THE BOARD AUTHORIZED EITHER THE BOARD MEMBER OR GENERAL MANAGER NAMED ON THE AGREEMENT TO EXECUTE THE COOPERATIVE AGREEMENT FOR THE NEWPORT BAY WATERSHED AND THE CENTRAL WATERSHED MANAGEMENT AREA – THIRD AMENDMENT AND FULL RESTATEMENT OF COOPERATIVE AGREEMENT.**

TACTICAL INCENTIVES UPDATE AND SIXTH AMENDMENT TO AGREEMENT FOR PARTICIPATION IN SPECIFIED MUNICIPAL WATER DISTRICT OF ORANGE COUNTY REBATE PROGRAMS

General Manager Jones reported that the Water Conservation Business Plan (Plan) approved by the Board in April 2005 was designed to reinvigorate and re-focus IRWD's water conservation efforts. Mr. Jones said that the Plan included a "Tactical Incentives" element to encourage customers to install water conservation devices and that incentive payments are based on the water and wastewater systems avoided costs for each device and are therefore cost-effective for IRWD. He said that the Metropolitan Water District of Southern California (MWD) recently made changes to the program due to its funding being depleted and staff is recommending that the Board authorize the General Manager to approve a Letter Agreement providing temporary bridge funding in order to maintain the program for IRWD customers, as well as execute the Sixth Amendment to the Agreement for co-funding in the amount of \$425,000 for FY 2009-10.

Director LaMar said that this item was reviewed and approved by the Water Resources Policy and Communications Committee on June 15, 2009. On MOTION by LaMar, seconded and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE THE CO-FUNDING BY IRWD IN SPECIFIED MWDOC/MET REBATE PROGRAMS LETTER DATED MAY 20, 2009 AND TO EXECUTE THE SIXTH AMENDMENT TO THE AGREEMENT FOR PARTICIPATION AND CO-FUNDING BY IRVINE RANCH WATER DISTRICT IN SPECIFIED MUNICIPAL WATER DISTRICT OF ORANGE COUNTY REBATE PROGRAMS IN THE AMOUNT OF \$425,000 FOR COST-EFFECTIVE TACTICAL INCENTIVE CONSERVATION MEASURES.**

GENERAL MANAGER'S REPORT

General Manager Jones reminded the Board of Friday's Strategic Planning Meeting at 7:30 a.m. at the Duck Club.

DIRECTORS' COMMENTS

Director LaMar reported that he and President Reinhart met with Directors Clark and Bakall of MWDOC to discuss various water issues. He said that he also attended an MWD Community Leaders breakfast meeting and an OCWA monthly luncheon meeting.

Director Withers said that LAFCO recently selected Mr. Derek McGregor (from Trabuco Highlands) as its alternate public member on the Commission. In response to Vice President Swan's inquiry, Mr. Withers said that a Selection Committee of the SARWQCB will be finding the replacement for Gerald Thibeault once he retires.

Director Matheis reported that she attended the Orange County Forum. She also said she attended the Shadetree Partnership nursery event last Saturday and that it was a very successful event. She thanked Tom Bonkowski, General Manager, for his efforts with this organization. She also noted that Leslie Bonkowski, Matt Rayl and Dale Skidmore attended the event with 70 volunteers, and thanked them for attending the event.

Vice President Swan reported on his attendance at the Water Education Foundation Bay Delta tour, the WACO Planning meeting, and the OCBC Infrastructure Committee meeting.

President Reinhart reported on his attendance at the meeting with MWDOC's Directors Bakall and Clark, the MWD Community Leaders' Breakfast meeting, and the MWDOC Board meeting.

CLOSED SESSION

President Reinhart said that a Closed Session would be held this evening with Real Property Negotiator (Government Code Section 54956.8) - Property: Various parcels - Portions of Sections 4, 5, 8, 9, 15, 16, 25 and 35 of T23S R19E MDB & M - Negotiating Parties: Ernest Conant, Legal Counsel Representing Parties - Agency Negotiator: Paul Jones, General Manager - Purpose of Negotiations: Price and Term of Payment

OPEN SESSION

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

ADJOURNMENT

President Reinhart adjourned the meeting to Friday, June 26 at 7:30 a.m. at the District's Duck Club facility.

APPROVED and SIGNED this 13th day of July, 2009.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone