

MINUTES OF REGULAR MEETING – MARCH 25, 2013

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 March 25, 2013 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Matheis, Reinhart, LaMar, and Withers

Directors Absent: Swan

Also Present: General Manager Cook, Director of Risk Management and Treasury Jacobson, Executive Director of Engineering Burton, Executive Director of Public Affairs Beeman, Director of Water Policy Heiertz, Director of Water Resources Weghorst, Assistant Director of Operations Roberts, Legal Counsel Arneson, Secretary Bonkowski, Ms. Kellie Welch, Mr. Steve Malloy, Ms. Christine Compton, Mr. Jim Reed, Mr. Mike Hoolihan, and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION:

1) Mrs. Joan Irvine Smith's assistant addressed the Board of Directors with respect to the Dyer Road wellfield. She said it was her understanding that currently wells 4, C-8, C-9, 10, 12, 13, 14, 15 and 17 will operate in accordance with the District's annual pumping plan. Wells 1, 2, 3, 5, 6, 7, 11, 16 and 18 will be off. This was confirmed by Mr. Cook, General Manager of the District.

With respect to the OCWD annexation of certain IRWD lands, on June 5, 2009, IRWD received a letter from OCWD noting that 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 (MOU) 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 was received and filed by the OCWD Board in July 2009. Staff has been coordinating with the City of Anaheim (Anaheim) and Yorba Linda Water District (YLWD) on their most recent annexation requests and has reinitiated the annexation process with OCWD. IRWD, YLWD and Anaheim have negotiated a joint MOU with OCWD to process and conduct environmental analysis of the annexation requests. The MOU was approved by the OCWD Board on July 21, 2010. 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 south Orange 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. Cook.

CONSENT CALENDAR

On MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 3 THROUGH 10 WERE APPROVED AS FOLLOWS:

3. MINUTES OF REGULAR AND ADJOURNED REGULAR BOARD MEETINGS

Recommendation: That the minutes of the March 11, 2013 Regular Board Meeting and the March 14, 2013 Adjourned 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 Steven LaMar, Mary Aileen Matheis, Doug Reinhart, John Withers and Peer Swan.

5. FEBRUARY 2013 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for February 2013; approve the February 2013 Summary of Payroll ACH payments in the total amount of \$1,356,292 and approve the February 2013 Accounts Payable Disbursement Summary of Warrants 336721 through 337404, workers' compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$13,286,966.

6. STRATEGIC MEASURES DASHBOARD

Recommendation: That the Board receive and file the Strategic Measures Dashboard and information items.

7. NOTICE OF RELEASE SECTION III, PARAGRAPH G OF QUITCLAIM DEED PER INSTRUMENT NO. 2005000536288, OFFICIAL RECORDS - GREAT PARK NEIGHBORHOOD – DISTRICT 8

Recommendation: That the Board adopt the following Resolution by title approving execution of the Notice of Release of Section III, Paragraph G of Quitclaim Deed per Instrument No. 2005000536288, Official Records - Great Park Neighborhood District 8.

RESOLUTION NO. 2013 - 12

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT APPROVING
EXECUTION OF A NOTICE OF RELEASE RELATING
TO SECTION III, PARAGRAPH G OF QUITCLAIM DEED
PER INSTRUMENT NO. 2005000536288, OFFICIAL RECORDS
GREAT PARK NEIGHBORHOOD – DISTRICT 8

CONSENT CALENDAR (CONTINUED)

8. ORANGE PARK ACRES DOMESTIC WATER PRESSURE REGULATING STATIONS AND FIRE FLOW IMPROVEMENTS - FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Orange Park Acres Domestic Water Pressure Regulating Stations and fire flow improvements, projects 11409 (1287) and 11410 (1297), authorize the filing of a Notice of Completion, and authorize the release of retention 35 days after filing of the Notice of Completion.

9. PLANNING AREA 40 CYPRESS VILLAGE PHASE 3B BUDGET AND EXPENDITURE AUTHORIZATION

Recommendation: That the Board authorize the addition of project 30416 (4318) in the amount of \$165,000 to the Fiscal Year 2012-13 Capital Budget and approve an Expenditure Authorization in the amount of \$165,000 for Planning Area 40 Phase 3B IRWD Capital Facilities, project 30416 (4318).

10. STOCKDALE INTEGRATED BANKING PROJECT ENVIRONMENTAL COMPLIANCE VARIANCE

Recommendation: That the Board approve an increase to the Fiscal Year 2012-13 Capital Budget in the amount of \$55,000 for project 11645 (3766) for additional environmental compliance work and approve an Expenditure Authorization for project 11645 (3766) in the amount of \$55,000 for the additional environmental compliance work, staff and legal time.

ACTION CALENDAR

MICHELSON WATER RECYCLING PLANT PHASE 2 EXPANSION AND FLOOD PROTECTION IMPROVEMENTS - BUDGET AND EXPENDITURE AUTHORIZATION INCREASES AND CONTRACT CHANGE ORDER

Executive Director of Engineering Burton reported that construction of the Michelson Water Recycling Plant (MWRP) Phase 2 Expansion and Flood Protection Improvement project was awarded to Filanc in July 2009 in the amount of \$87,479,450. This project will expand the recycled water production capacity to 28 million gallons per day and protect MWRP from flooding of San Diego Creek.

Mr. Burton said that as of March 1, 2013, there have been a total of 89 approved Contract Change Orders (CCO), totaling \$3,604,070. He said that extensive negotiations with Filanc were held in recent months during which several items were discussed, including the cumulative effect of the 89 approved change orders to the project schedule and contractor costs, concurrent delays, and costs due to time extensions. These costs include labor for field engineers, superintendents, as well as non-labor office overhead costs, such as project insurance and benefits for field engineers. These costs were not accounted for in previous change orders that extended the overall project completion date, particularly CCO No. 43. CCO No. 90 in the amount of \$410,000 includes extension of the project completion date to July 31, 2013; all extended overhead costs that were incurred from all previously approved change orders (CCO No. 1 through CCO No. 89) and

through the new completion date; requirement of Filanc to vacate the areas designated for the MWRP Biosolids and Energy Recovery Facilities construction; indemnification by Filanc to any delay and related costs from the contractor of MWRP Biosolids and Energy Recovery Facilities should Filanc fail to vacate the designated areas in a timely manner; and any future change orders shall be inclusive of project schedule impacts and any overhead charges, if applicable.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on March 19, 2013. On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED A BUDGET INCREASE TO THE MWRP PHASE 2 EXPANSION PROJECT 20214 (1599) IN THE AMOUNT OF \$2,365,300, FROM \$66,615,300 TO \$68,980,600; AUTHORIZED A BUDGET INCREASE TO THE MWRP PHASE 2 EXPANSION PROJECT 30214 (1706) IN THE AMOUNT OF \$1,488,500, FROM \$44,164,200 TO \$45,652,700; AUTHORIZED A BUDGET INCREASE TO THE MWRP FLOOD PROTECTION IMPROVEMENTS PROJECT 20542 (1150) IN THE AMOUNT OF \$185,700, FROM \$5,215,500 TO \$5,401,200; AUTHORIZED A BUDGET INCREASE TO THE MWRP FLOOD PROTECTION IMPROVEMENTS PROJECT 30542 (1118) IN THE AMOUNT OF \$208,400, FROM \$3,304,500 TO \$3,512,900; APPROVED EXPENDITURE AUTHORIZATIONS IN THE AMOUNT OF \$2,365,300 FOR PROJECT 20214 (1599), \$1,488,500 FOR PROJECT 30214 (1706), \$404,500 FOR PROJECT 20542 (1150), AND \$404,100 FOR PROJECT 30542 (1118); AND APPROVED CONTRACT CHANGE ORDER NO. 90 WITH FILANC IN THE AMOUNT OF \$410,000 FOR EXTENDED OVERHEAD COSTS FOR THE MWRP PHASE 2 EXPANSION AND FLOOD PROTECTION IMPROVEMENTS, PROJECTS 20214 (1599), 30214 (1706), 20542 (1150) AND 30542 (1118).

MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES CONSTRUCTION AWARD AND CONSTRUCTION PHASE AUTHORIZATION

General Manager Cook reported that the MWRP Biosolids and Energy Recovery Facilities (Biosolids) will provide biosolids digestion, dewatering, energy production, and on-site sludge drying. The project includes excavation for subsurface structures; installation of an estimated 3,000 foundation piles; three egg-shaped digesters; a state-of-the-art odor control system; a biogas conditioning system and emergency power generation using micro-turbines; a fats, oil and grease (FOG) receiving station; and new utility services

Using a PowerPoint presentation, Principal Engineer Malloy reported that bids were received from Archer Western Contractors, LLC; Filanc/Balfour Beatty Joint Venture; PCL Construction, Inc.; and J. F. Shea Construction, Inc. Mr. Malloy said that potential irregularities were identified by staff in the bid submitted by Filanc/Balfour Beatty JV. The factual basis for a determination by the Board that the irregularities in the low bid are inconsequential and cannot have affected the bid amount or given the bidder a competitive advantage over the other bidders are summarized for each of the identified potential irregularities including: minor mathematical errors; omissions in "Statements by bidder", licenses from subcontractor and joint venture, and omission of corporate seal for joint venture. He said that none of the above described irregularities entailed a failure to meet the District's specification; permitted a lower bid to be submitted; or impaired the District's ability to compare and rank the bids.

Mr. Malloy reported that a construction management (CM) team has been assembled comprised of staff and various consultants with a total of eight full-time people, four of which are District staff as well as many others who will be utilized on the team as needed. He said that staff

recommends Black & Veach (B&V) for the CM team in the total amount of \$12,509,031. B&V tasks include responding to Requests for Information (RFI); submittal reviews; schedule reviews; specialty inspections; change requests; prepare an electronic O & M manual; provide energy control procedures and a job safety analysis. Staff recommends ARCADIS-US to provide construction engineering to review and negotiate change requests; prepare change orders, ensure that all construction related documents are entered into the DCS, prepare various project status reports, and provide a construction inspector. ARCADIS-US's CM proposal is in the amount of \$2,931,368. Staff is recommending HDR to supply a construction engineer to resolve field issues, respond to contractors RFIs, negotiate change requests, and conduct third-party review of complex design and construction issues. HDR will also supply a senior construction inspector. HDR's CM proposal is in the amount of \$2,834,476. Staff is recommending NMG to perform geotechnical services, soils analysis during grading, and pile inspection services in the amount of \$588,972. Staff also recommends executing a contract for the surveying work with Borchard Surveying in the amount of \$206,680. He further reviewed other CM Services for materials testing, protective coating inspection, blower and centrifuge inspections, and stainless steel testing.

Mr. Malloy said that as part of the Biosolids SEIR, IRWD committed to ongoing public outreach with the community on a quarterly basis for the duration of the project construction through facility start-up. At community meetings, IRWD will provide updates regarding construction progress, plans for project start-up, overviews of the start-up process, overviews of the Odor Control Maintenance and Monitoring Plan, and plans for long-term operation and maintenance of the facilities. In addition, IRWD will provide periodic, independent, third-party technical reviews during construction and start-up of the project. The results of these third-party reviews will be presented at these community meetings. Dudek successfully performed the third-party project review of the Biosolids project design during preparation of the SEIR. In order to maintain continuity during the Biosolids project, staff negotiated a scope of work with Dudek to perform the third-party project reviews as required by the SEIR in the amount of \$94,616.

Mr. Malloy said that the South Coast Air Quality Management District (SCAQMD) requested additional information in order to process the 11 permits to construct the Biosolids project. IRWD's air permitting consultant, Environ, required additional authorization beyond its authorized scope of work to respond to SCAQMD. Environs' Variance No. 5 is in the amount of \$25,000.

Mr. Malloy reviewed the capital budget, expenditure authorizations, and cost allocations for this project. He also reviewed an updated the payback analysis prepared by HDR, and using the 2013 information, said the payback period is currently projected at nine years. He further reviewed the schedule and the process overview.

Director LaMar said that he is looking forward to the project which will provide many benefits to the District's customers, and noted this is the largest capital project in its history. Director Matheis said that she is very proud of Principal Engineer Malloy for developing a great team. Director Reinhart said that he is very satisfied with the bids for the project that were close in construction amounts. General Manager Cook thanked the Board for its confidence in this project. On MOTION by Withers, seconded by Matheis, and unanimously carried, THE BOARD FOUND THAT THE IRREGULARITIES IN THE BID OF FILANC/BALFOUR BEATTY JOINT VENTURE DID NOT AFFECT THE BID AMOUNT OR GIVE THE BIDDER A COMPETITIVE ADVANTAGE OVER OTHER BIDDERS AND WAIVED THE

IRREGULARITIES; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH FILANC/BALFOUR BEATTY JOINT VENTURE, IN THE AMOUNT OF \$163,465,940; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH BLACK & VEATCH IN THE AMOUNT OF \$12,509,031 FOR CONSTRUCTION MANAGEMENT AND ENGINEERING SERVICES DURING CONSTRUCTION; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH ARCADIS-US IN THE AMOUNT OF \$2,931,368 FOR CONSTRUCTION MANAGEMENT SERVICES; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH HDR ENGINEERING IN THE AMOUNT OF \$2,834,476 FOR CONSTRUCTION MANAGEMENT SERVICES; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH NMG GEOTECHNICAL IN THE AMOUNT OF \$588,972 FOR GEOTECHNICAL SERVICES AND PILE INSPECTION SERVICES; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH BORCHARD SURVEYING IN THE AMOUNT OF \$206,680 FOR SURVEYING SERVICES; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH DUDEK IN THE AMOUNT OF \$94,616 FOR THIRD-PARTY PROJECT REVIEW SERVICES; AUTHORIZED THE GENERAL MANAGER TO APPROVE ENVIRON VARIANCE NO. 5 FOR \$25,000 FOR AIR PERMITTING SERVICES; AUTHORIZED A BUDGET DECREASE FOR THE MWRP BIOSOLIDS AND ENERGY RECOVERY FACILITIES PROJECT 20847 (1617) IN THE FY 2012-13 CAPITAL BUDGET FOR THE DESIGN AND BIDDING PHASE IN THE AMOUNT OF \$159,119,800, FROM \$174,579,000 TO \$15,459,200; AUTHORIZED THE ADDITION OF THE MWRP BIOSOLIDS AND ENERGY RECOVERY FACILITIES PROJECT 21146 (4286) FOR THE CONSTRUCTION PHASE TO THE FY 2012-13 CAPITAL BUDGET IN THE AMOUNT OF \$196,465,500; AND APPROVE AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$196,465,500 FOR THE MWRP BIOSOLIDS AND ENERGY RECOVERY FACILITIES, PROJECT 21146 (4286).

RECESS AND RECONVENE

President Reinhart declared a recess at 5:52 p.m. The meeting was reconvened at 6:03 p.m. with Directors Matheis, Reinhart, LaMar, and Withers present.

PLANNING AREA 18 ZONE 3-4 AND ZONE B-C BOOSTER PUMP STATIONS – CONSULTANT SELECTION

Executive Director of Engineering Burton reported that after completion of a Preliminary Design Report (PDR) in early 2010, the Irvine Community Development Company (ICDC) halted progress on the Planning Area (PA)18 South development and final design was placed on hold. Mr. Burton said that ICDC restarted work on the development in September 2011, and at that time, the PA 18 Sub-Area Master Plan (SAMP) was updated to reflect revised land uses and to assess the impacts on the proposed domestic water, recycled water, and collections facilities serving the area. He said that in January 2012, the Board approved a Professional Services Agreement with SAIC Energy (SAIC), Environmental & Infrastructures, LLC (formerly R.W. Beck, Inc.) to revise and update the PDR based on the new demands identified in the updated SAMP. After the completion of the updated SAMP and PDR, ICDC sold the PA 18 South development to the Toll Bros. development group. The current planned development differs substantially from that which was originally contemplated in 2007. As a result, the size, configuration, and location of the pump

stations has also changed. The proposed domestic water system also now includes provisions for an emergency domestic water pump station, which was not originally planned. Due to these changes with both the development and the proposed pump station facilities, staff issued a Request for Proposals for final design engineering services associated with the final, proposed pump station facilities.

Mr. Burton said that staff received proposals for engineering design, bidding support, and construction support services from Brown & Caldwell, Dudek, Lee & Ro, and SAIC. He said that Lee & Ro's proposal demonstrated significant experience with multiple pump station projects, a staff capable of meeting the demanding design schedule, and a project manager with a successful history managing previous IRWD projects. Lee & Ro is the only firm that proposed to complete the work using internal staff for all primary disciplines which staff believes will expedite completion of the project in accordance with the aggressive design schedule.

Director Withers reported that the Engineering and Operations Committee concurs with the staff recommendation, and on MOTION by Withers, seconded and unanimously carried, THE BOARD APPROVED EXPENDITURE AUTHORIZATIONS IN THE AMOUNTS OF \$210,000 AND \$105,000 FOR PROJECTS 10446 (1648) AND 30446 (1063) AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH LEE & RO, INC. IN THE AMOUNT OF \$499,648 FOR ENGINEERING DESIGN, BIDDING SUPPORT, AND CONSTRUCTION SUPPORT SERVICES FOR THE PLANNING AREA 18 ZONE 3-4 AND THE ZONE B-C BOOSTER PUMP STATIONS, PROJECTS 10446 (1648) AND 30446 (1063).

DYER ROAD WELL FIELD WELL NOS. 2 AND 5 REHABILITATIONS AND ON-CALL HYDROGEOLOGIST CONSULTANT SELECTION

General Manager Cook reported that the District's wells are aging, and staff anticipates that several rehabilitation projects will be required in the near future to maintain well production and to obtain the anticipated service life of the wells. Mr. Cook said that staff has identified two wells, DRWF Nos. 2 and 5, that need to be rehabilitated immediately to maintain reliability in the Dyer Road Well Field. These wells have decreased in specific capacity, and videos of the wells show biofilm and blocked louvers. In addition, DRWF No. 2 has holes in the casing, which is resulting in sanding and damage to the mechanical equipment.

Executive Director of Engineering said that proposals for design and construction phase services for the rehabilitation of the two wells were received from Geoscience, Richard C. Slade & Associates (Slade), Thomas Harder & Company, and a team of Wildermuth Environmental/Shannon & Wilson. He said that staff recommends that Slade be selected for this project as its design approach and level of efforts are consistent with the project goals.

Director Withers reported that the Engineering and Operations Committee concurs with the staff recommendation. President Reinhart asked staff to have the two consultants prepare a plan for what wells will require rehabilitation work in the future. Also, he asked that an item be submitted to the Engineering and Operations Committee plotting yearly groundwater water levels in the basin. On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED THE ADDITION OF DRWF NO. 2 AND DRWF NO. 5 REHABILITATION PROJECT 11693 (4326) IN THE AMOUNT OF \$706,000 TO THE FY

2012-13 CAPITAL BUDGET; AUTHORIZED THE ADDITION OF A THREE-YEAR DOMESTIC WATER SYSTEM WELL REHABILITATION PROGRAM PROJECT 11672 (4327) IN THE AMOUNT OF \$2,097,900 TO THE FY 2012-13 CAPITAL BUDGET; AUTHORIZED THE ADDITION OF A THREE-YEAR RECYCLED WATER SYSTEM WELL REHABILITATION PROGRAM PROJECT 30402 (4328) IN THE AMOUNT OF \$1,029,000 TO THE FY 2012-13 CAPITAL BUDGET; APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$79,000 FOR THE DRWF NO. 2 AND DRWF NO. 5 REHABILITATION PROJECT 11693 (4326); APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$196,400 FOR THE THREE-YEAR DOMESTIC WATER SYSTEM WELL REHABILITATION PROGRAM PROJECT 11672 (4327); APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$106,000 FOR THE THREE-YEAR RECYCLED WATER SYSTEM WELL REHABILITATION PROGRAM PROJECT 30402 (4328); AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$102,194 WITH RICHARD C. SLADE & ASSOCIATES FOR DESIGN AND CONSTRUCTION PHASE SERVICES FOR THE DRWF NO. 2 AND DRWF NO. 5 REHABILITATION PROJECT 11693 (4326); AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$150,000 WITH RICHARD C. SLADE & ASSOCIATES FOR ON-CALL WELL REHABILITATION DESIGN AND CONSTRUCTION PHASE SERVICES FOR FUTURE WELL REHABILITATION PROJECTS; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$150,000 WITH GEOSCIENCE FOR ON-CALL WELL REHABILITATION DESIGN AND CONSTRUCTION PHASE SERVICES FOR FUTURE WELL REHABILITATION PROJECTS.

GENERAL MANAGER'S REPORT

General Manager Cook reported on recent movement on both the 2013 Water Resources Development Act (WRDA) as well as Bill 601. He said if momentum picks up, staff will be contacting the Furman Group to encourage the inclusion of language for funding the District's Syphon reservoir.

Mr. Cook said that he received information this evening that the District's medical building was categorized as an environmental friendly building and received a Leed Certification.

Mr. Cook further reported that Mr. Patrick Sheilds will be joining the District as its Executive Director of Operations on Tuesday, April 2, 2013.

DIRECTORS' COMMENTS

Director Matheis reported on her attendance at a Water Education Briefing in Sacramento, a WateReuse conference in Monterey, and an OCBC presentation.

Director Withers said that he attended an Irvine Public Schools Commission Advisory Committee meeting and a World Water Day conference with General Manager Cook at Chapman University. He said that he will be attending an OCSD Board meeting and on Thursday, Concordia University's Public Policy event.

Director LaMar reported that he attended an OCBC and ACC-OC Advocacy conference in Sacramento, and a quarterly NROC Board meeting.

Director Reinhart reported on his attendance at a WaterReuse annual conference in Monterey, and a lunch meeting with OCWD's Director Steve Shelton along with General Manager Cook.

CLOSED SESSION

President Reinhart said that the following Closed Sessions would be held:

- 1) Conference with Legal Counsel relative to litigation – Government Code Section 54956.9(d)(4) - initiation of litigation (one potential case) (potential settlement – professional services).
- 2) Conference with Real Property Negotiator (Government Code Section 54956.8).
Property: State project water entitlements to be added to various parcels – Portions of Sections 25, 26, 34, and 35 of T23S R19E MDB&M Negotiating Parties: Carpenteria Valley Water District and Dudley Ridge Water District
Agency Negotiator: Paul Cook, General Manager
Purpose of Negotiations: Price and Terms of Payment

OPEN SESSION

The meeting was reconvened with LaMar, Matheis and Reinhart present, Swan and Withers absent. President Reinhart reported that in the closed session – conference with legal counsel relative to initiation of litigation (Government Code Section 54956.9(d)(2)), on a vote of 4-0-1 (Swan absent), a compromise and release agreement was approved with the design engineering consultant in conjunction with the utility conflict occurring in the Wells 21 and 22 Wellhead Facilities and Pipelines – Project No. 10286, providing for a cash payment to IRWD and mutual releases.

No action was reported from the closed session – conference with real property negotiator.

ADJOURNMENT

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

APPROVED and SIGNED this 8th day of April, 2013.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone