

MINUTES OF ADJOURNED REGULAR MEETING – NOVEMBER 29, 2006

The adjourned regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order by President Swan at 7:45 a.m., November 29, 2006 in the IRWD's Duck Club, Riparian View, Irvine, California.

Directors Present: Reinhart, Swan, Miller, Withers and Matheis

Directors Absent: None

Also Present: General Manager Jones, Assistant General Manager Cook, Director of Engineering Heiertz, Ms. Joan Arneson, Mrs. Janet Wells, Ms. Beth Beeman and other members of the staff.

WORKSHOP

General Manager Jones reviewed the agenda, ground rules and desired outcomes of the workshop.

OCWD ANNEXATION STRATEGY

General Manager Jones reported that Director of Engineering Heiertz would be presenting an update of recent events related to the annexation of additional IRWD territory into the Orange County Water District (OCWD). He said that staff has prepared a counter offer to the OCWD list of terms to be met by IRWD as conditions for annexation.

Director of Engineering Heiertz reported on the "IRWD Annexation Agreement Term Sheet" prepared in July 2006 by OCWD which outlined conditions for annexation of additional territory within IRWD. Mr. Heiertz then reviewed staff's response to the OCWD term sheet prepared in October 2006 which is currently being reviewed by OCWD management.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY SERVICE REVIEW ISSUES

General Manger Jones reported that the Municipal Water District of Orange County (MWDOC) is currently undergoing a Municipal Service Review (MSR) conducted by the Local Agency Formation Commission (LAFCO). Mr. Jones said that in parallel, MWDOC has conducted an internal process to evaluate its services and consider policy changes to address budgeting, accountability and scope of service issues raised by member agencies. Mr. Jones then reviewed the status of MWDOC's internal review process, the resulting recommended policy changes, and the LAFCO MSR process. He further discussed the next steps and possible options relative to MWDOC's services and governance.

IRVINE RANCH WATER DISTRICT POLICY POSITION PAPERS

Director of Public Affairs Beeman said that staff was proposing that the policy position paper titled *California Water Infrastructure Funding* be revised and updated. Ms. Beeman said that this paper was initially written in anticipation of multiple bond initiatives being promoted, at that time, by the Legislature and the Governor. Since then, the voters of California have passed Proposition 84 and other bond measures. The water community is now preparing for a potential water bond in 2008 that would address, more directly, funding water infrastructure improvements – more specifically, large water storage and conveyance improvement projects.

The Board then reviewed and made comments on this policy position paper entitled *California Water Infrastructure Funding*.

IRWD GOALS AND PRIORITIES

Assistant General Manager Cook reviewed the fiscal year 2006/07 goals and objectives and the target activities activity priority list and descriptions. It was the consensus that he make changes to the list as discussed.

MISCELLANEOUS ITEMS

General Manager Jones reported on various *Value Areas*.

ADJOURNMENT

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

APPROVED and SIGNED this 18th day of December, 2006.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone