

MINUTES OF REGULAR MEETING – MARCH 9, 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 March 9, 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 Water Resources and Environmental Quality Heiertz, Director of Finance Cherney, Secretary Bonkowski, Legal Counsel Arneson, Mr. Jim Carter, Mr. Paul Weghorst, Mr. Jeff Stanart, Ms. Beth Beeman, Mr. Rob Jacobson, Mr. Kevin Burton, Mr. Jim Reed, Ms. Kirsten McLaughlin, and other members of the public and staff.

COMMUNICATIONS TO THE BOARD (ORAL COMMUNICATIONS ON PAGE 2)

Written Communications: None.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED – None.

CONSENT CALENDAR

On MOTION by Matheis, seconded and unanimously carried, CONSENT CALENDAR ITEMS 3 THROUGH 6 WERE APPROVED AS FOLLOWS:

3. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the February 20, 2009 Adjourned Regular Board meeting and the February 23, 2009 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 Mary Aileen Matheis, Peer Swan, Doug Reinhart and John Withers.

5. ADDENDUM TO STRAND RANCH INTEGRATED BANKING PROJECT ENVIRONMENTAL IMPACT REPORT

Recommendation: That the Board approve a variance to the Professional Services Agreement with ESA Water to prepare an addendum to the Strand Ranch Integrated Banking Project Environmental Impact Report for \$24,779, and approve an Expenditure Authorization in the amount of \$38,300 for project 11368, Water Banking Expansion.

6. ACCEPTANCE OF OFFER AND GRANTING OF EASEMENT – CITY OF IRVINE

Recommendation: That the Board adopt the following resolution by title accepting the City of Irvine's offer of compensation of \$4,600 for a slope easement and authorizing the General Manager to execute a Grant of Easement to the City of Irvine.

RESOLUTION NO. 2009 - 8

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT  
ACCEPTING THE OFFER OF COMPENSATION AND  
AUTHORIZING THE GENERAL MANAGER  
TO EXECUTE A GRANT OF EASEMENT  
TO THE CITY OF IRVINE

ACTION CALENDAR

2009 STATE LEGISLATION

Using a PowerPoint presentation, Legislative Affairs Specialist McLaughlin reported on the 2009 legislation priorities for IRWD. She reviewed SB 613 (Harman) – Revenue Pledge/General Obligation bonds; SB 283 (DeSaulnier) – Plumbing Code; AB 1366 (Feuer, et. al.) Water Softeners; and Water Use Efficiency Legislation. Both Vice President Swan and President Reinhart raised concerns about gray water, and it was the consensus that future legislation on this matter be opposed by the District. Ms. McLaughlin then discussed other legislation and water bond proposals.

Director Matheis reported that this item was reviewed and approved by the Water Resources Policy and Communications Committee on March 5, 2009. She said she appreciated staff's efforts on these issues. On MOTION by Matheis, seconded and unanimously carried, **THE BOARD SUPPORTED STAFF'S EFFORTS TO SPONSOR SENATE BILL 613 (HARMAN): REVENUE PLEDGE LEGISLATION, AND FURTHER RECEIVED AND FILED THE REPORT.**

COMMUNICATIONS TO THE BOARD (CONTINUED)

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, 13, 14 and 18 will operate a portion of the week. Well 2, 3, 5, 6, 7, 11, 12 and 16 are inactive. The District's planned pumping for February is 3,270 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.

#### ACTION CALENDAR (CONTINUED)

#### SELECTION OF CONSULTANT FOR PREPARATION OF PHASE III OF THE CENTRAL ORANGE COUNTY INTEGRATED REGIONAL WATER MANAGEMENT PLAN

General Manager Jones reported that the State of California is encouraging the development of an Integrated Regional Water Management Plan (IRWMP) to promote regional collaboration and insure greater support for the higher priority projects where projects with multiple benefits may be developed while streamlining the grant review and approval process.

Mr. Jones said that the County of Orange has divided the County into three watershed areas: north, central and south. The southern watershed area applied for and received grant funding under Prop. 50 – Phase 1. He said knowing there would be a Prop. 50 – Phase II, the County and IRWD teamed up to prepare an IRWMP for central Orange County. He said it was agreed among the key stakeholders that Phase III should be led by the County as it will ultimately be the administrator of the IRWMP. To help write the Phase III IRWMP, the County and IRWD developed and distributed a Request for Proposal (RFP) for a consultant to assist with this effort. He said that the RFP was sent to 11 firms, and that proposals were received from RBF and Tetra Tech. The panel selected RBF Consulting.

Director Withers reported that on March 9, 2009, the Water Resources Policy and Communications Committee reviewed both proposals, and concurred with staff's recommendation. On MOTION by Withers, seconded and unanimously carried, THE BOARD APPROVED THE SELECTION OF RBF CONSULTING FOR \$89,652 TO COMPLETE THE PHASE III CENTRAL ORANGE COUNTY INTEGRATED REGIONAL WATER MANAGEMENT PLAN.

### REVISED PERSONNEL POLICIES AND PROCEDURES

General Manager Jones reported that staff has developed the Personnel Policies and Procedures to consistently address personnel-related issues at the Irvine Ranch Water District. Mr. Jones said that staff recently reviewed the policies and identified a need to revise the following policies: 1) Policy No. 2 – General Policies: Reflects District use of a shared drive of the IRWD network (the s:\drive) for employee access to safety regulations; 2) Policy No. 3 – Organization and Structure: Reflects updated location information for each facility; 3) Policy No. 8 – Salary: Reflects current District practice with regard to timing of premium pay; 4) Policy No. 9 – Overtime Pay: Includes language which prohibits the payment of overtime or standby in specific circumstances related to the use of sick and vacation time in the same day and removes the referral to the specific dollar amount for overtime meal allowance; 5) Policy No. 11 – Health, Vision, Dental, Accident and Life Insurance: Reflects the wider variety of voluntary benefits offered by the District; 6) Policy No. 19 – Leave of Absence: Reflects new FMLA regulations regarding military family care leaves of absence and reflects the availability of paid family leave benefits; 7) Policy No. 23 – Education and Training: Reflects the addition of two certificates of competence; 8) Policy No. 29 – Harassment: Clarifies procedures for reporting conduct in violation of the harassment policy; 9) Policy No. 34 – Employee Personal Computer and Ham Radio Purchase Plan: Removes all references to the disbanded Personal Computer Loan Committee and to the Ham Radio Purchase Plan and removes language allowing employees to borrow District software for use on personal computers and information about the potential income tax consequences of the interest-free loan program which are not applicable under current IRS regulations; 10) Policy No. 36 – Performance Recognition Program: Reflects the current District practice of allowing employees of all levels to make recommendations for and receive performance recognition upon approval of the Director of Human Resources and General Manager; 11) Policy No. 37 – Commuter Trip Reduction (Ridesharing) Plan: Reflects the change from District-owned vans to a contracted commuter vanpool provider and requirement to sign the OCTA agreement, and also includes a statement about the unavailability of pool vehicles for personal errands; 12) Policy No. 39 – Deferred Compensation Plan: Reflects the changes to the deferred compensation direct contribution program and matching contribution program that went in to effect July 1, 2008 and January 1, 2009; 13) Policy No. 41 – Flexible Advantage Plan: Reflects current information about the number of flex spending accounts available to employees and to use more general language about voluntary benefit programs available to employees and also reflects the most current list of allowable status changes under the flex program as established by the IRS and to remove the language which addresses the potential impact of the program to future Social Security benefits which does not apply to District employees; 14) Policy No. 43 – Employee Driving Standards: Reflects recent position title changes; and 15) Policy No. 50 – Vehicle and Equipment Usage: Reflects recent position title

changes and additions, and also removes references to use of vanpool vehicles for conducting official District business and to include a statement about the unavailability of pool vehicles for personal errands.

Vice President Swan reported that this item was reviewed and approved by the Finance and Personnel Committee on March 3, 2009. On MOTION by Swan, seconded and unanimously carried, THE BOARD APPROVED THE REVISIONS TO POLICIES AS LISTED ABOVE AND ADOPTED THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2009 -

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT,  
RESCINDING RESOLUTION NO. 2008-63 AND  
ESTABLISHING REVISED PERSONNEL POLICIES  
(FOR POLICY NOS. 2, 3, 8, 9, 11, 19, 23, 29, 34, 36, 37, 39, 41, 43 & 50)

GENERAL MANAGER'S COMMENTS

Mr. Jones reported that: 1) as a follow-up to Mr. Bill Turner's comments at the last Board meeting, a meeting has been scheduled for March 18 to critique his website relative to the TCE plume; 2) in response to a question raised by a Board member, staff had been applying for stimulus funding and then placed before each Board Director a listing of State Revolving fund applications for various projects, including MWRP improvements, NTS sites, and Strand Ranch wells. Director Swan suggested that all environmental filing, i.e. CEQA or NEPA, be performed in advance in order for the projects to be "shovel ready"; 3) he had a meeting with the Great Park last Friday where they discussed the water feature and suggested that Fuscoe Engineering provide an overview at a future IRWD Board meeting. Additionally, he said the Great Park group would like IRWD to support three of their projects; and 4) Mr. Kevin Burton is the newly appointed Director of Engineering and Construction.

DIRECTORS' COMMENTS

Director LaMar said that he attended two orientation meetings and thanked Mr. Paul Jones, Mr. Paul Cook, Ms. Debby Cherney, and Mr. Rob Jacobson for their efforts.

Director Matheis reported that she attended an ACWA Legislation conference in Washington, DC, and a WACO meeting last Friday.

Vice President Swan reported on his attendance at an ACWA Legislation conference in Washington, DC, a WACO meeting, and a WetCat II hearing in Sacramento.

Director Reinhart reported that he attended a WACO meeting and a tour of IRWD facilities with Metropolitan Water District's Board Chairman Timothy Brick.

ADJOURNMENT

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

APPROVED and SIGNED this 23rd day of March, 2009.

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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 - Bowie, Arneson, Wiles & Giannone