

## MINUTES OF REGULAR MEETING – AUGUST 24, 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 August 24, 2009 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: Withers.

Also Present: Acting 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. Jim Reed, Mr. Bruce Newell, Mr. Mike Hoolihan, Ms. Kirsten McLaughlin, Mr. Paul Weghorst, Ms. Shannon Reed, Mr. Rob Jacobson, Mr. Randy Sundberg, Mrs. Nancy Swan and other members of the public and staff.

WRITTEN COMMUNICATION: None.

### ORAL COMMUNICATION:

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 1, 4, 7, C-8, C-9, 10, 13, 14 and 17 are in operation in accordance with the District's annual pumping plan. Wells 6, 15, and 18 will operate a portion of the week. Wells 2, 3, 5, 11, 12 and 16 are inactive. The District's planned pumping for August is 3,630 acre-feet. This was confirmed by Mr. Cook, Acting 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, 2009. 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 fiscal years 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. Cook.

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. 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 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.

ITEMS TOO LATE TO BE AGENDIZED – None.

CONSENT CALENDAR

On **MOTION** by Matheis, seconded and unanimously carried, CONSENT CALENDAR ITEMS 3 THROUGH 11 WERE APPROVED AS FOLLOWS:

3. MINUTES OF REGULAR BOARD MEETINGS

Recommendation: That the minutes of the August 10, 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 attendance at meetings and events for Steven LaMar, Mary Aileen Matheis, Douglas Reinhart, Peer Swan and John Withers.

5. STRATEGIC MEASURES DASHBOARDS

Recommendation: Receive and file the Strategic Measure Dashboard and information items.

6. JULY 2009 FINANCIAL REPORTS

Recommendation: Receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for July 2009; approve the July 2009 Summary of Wire Transfers and ACH payments in the total amount of \$12,942,900.85; and approve the July 2009 Warrants Nos. 302362 through 303150, Workers' Compensation distributions and voided checks in the total amount of \$6,430,932.12.

7. PROPOSED TELECOMMUNICATIONS SITE LEASES

Recommendation: That the Board authorize the General Manager to enter into leases with Clearwire and T-Mobile with monthly lease rates of at least \$2,000 and \$1,500 for larger and smaller site footprints, respectively, and escalated annually by three percent.

## CONSENT CALENDAR (CONTINUED)

### 8. 2009 LEGISLATIVE UPDATE

Recommendation: That the Board take an *oppose* unless amended position on S. 787 (Feingold).

### 9. UPCOMING PROJECTS STATUS REPORT

Recommendation: Receive and file.

### 10. DYER ROAD WELLFIELD WELL NO. 6 STARTER REPLACEMENT

Recommendation: That the Board authorize an increase to the Fiscal Year 2009-10 Capital Budget in the amount of \$118,300 from \$110,000 to \$228,300; approve an Expenditure Authorization in the amount of \$228,300; and authorize the General Manager to execute a sole source equipment purchase from One Source Distributors in the amount of \$121,437.86 for the Dyer Road Wellfield Well No. 6 Starter Replacement, project 11203.

### 11. ZONE 3 SAND CANYON AVENUE PIPE REPLACEMENT BUDGET INCREASE, VARIANCE, CONTRACT CHANGE ORDER AND EXPENDITURE AUTHORIZATION

Recommendation: That the Board authorize an increase to the Fiscal Year 2009-10 Capital Budget in the amount of \$237,300, from \$2,154,700 to \$2,392,300; authorize the General Manager to execute Variance No. 1 to Guida Surveying, Inc. in the amount of \$76,602; authorize the General Manager to execute Contract Change Order No. 5 in the amount of \$125,843.46 to C.M. Peich, Inc.; and approve an Expenditure Authorization in the amount of \$237,300 for construction of the Zone 3 Sand Canyon Avenue Pipe Replacement, project 11158.

## ACTION CALENDAR

### DELTA/WATER LEGISLATIVE PACKAGE LETTER

Acting General Manager Cook said that this item provides information on the Delta/Water Legislative Package currently under debate in the California Legislature and a draft of IRWD's response letter to the Senate Natural Resources and Water and Assembly Water, Parks and Wildlife Committees. He said that that staff recommends that the Board approve sending the proposed letter acknowledging the legislature's commitment to finding solutions for California's water supply and Delta challenges and outlining IRWD's current concerns related to the Delta/Water Legislative Package.

Ms. Kirsten McLaughlin reported that a joint informational hearing of the Assembly Water, Parks and Wildlife and the Senate Natural Resources and Water Committees was held on August 18, 2009 and that two more hearings are scheduled for August 25 and 27. At the conclusion of

all the informational hearings, a Conference Report consisting of final drafts of the five Delta Package bills, will be compiled for approval by the Conference Committee.

Director LaMar said he was very impressed with staff's letter and that it is important to have IRWD on the record with our key points. In response to Director Matheis' inquiry relative to a Committee appointment, Director LaMar said that Senate President Pro Tem Steinberg has not made a decision on this; however, three Senate Democrats are very involved with this legislative package. Vice President Swan said that he felt it would be wiser to carry over the five reprint bills that make up the Delta package into the next legislative session to provide more thought out solutions. Following discussion, it was the consensus to add language to the letter addressing Vice President Swan's concerns. On MOTION by LaMar, seconded and unanimously carried, **THE BOARD APPROVED SENDING A RESPONSE LETTER TO THE MEMBERS OF THE SENATE NATURAL RESOURCES AND WATER COMMITTEE AND THE ASSEMBLY WATER, PARKS AND WILDLIFE COMMITTEE RELATIVE TO THE DELTA/WATER LEGISLATIVE PACKAGE AS AMENDED TO INCORPORATE THE COMMENT BY VICE PRESIDENT SWAN.**

#### DOMESTIC WATER FACILITY FIRE IMPROVEMENTS – EXPENDITURE AUTHORIZATION AND CONSULTANT SELECTION

Director of Engineering Burton reported that as a result of the Santiago Fire destroying IRWD's Portola Hills Zone 8-9 booster pump station in 2007, this facility was re-built with a metal roof and hatches to harden the facility. Mr. Burton said that in February 2008, IRWD hired RRM Design Group and Firesafe Solutions to review IRWD facilities in potential wildfire areas and make recommendations to harden these facilities. He said they recommended replacing wood roofs on pump stations with a metal truss support structure, concrete tiles, metal fascia, and metal soffits. Spaces on the roof edges and in the soffits where embers may enter will be minimized and sealed off with closure pieces to further mitigate against any fires, and the hatches above the pumps and motors will also be constructed of metal.

Mr. Burton said that staff assessed the vulnerability of all IRWD domestic water pump stations and determined that four domestic water pump stations are located in potential wildfire areas including Foothill Zone 4-6 BPS, Portola Zone 6-8 BPS, Lake Forest Zone 2-3 West BPS, and Santiago Zone 5-6 BPS. All four pump stations have wood roofs that could burn and plastic skylights that could melt in a wildfire. Additionally, these four pump stations are either the only pump station supplying a pressure zone or are one of only two pump stations supplying a pressure zone.

Mr. Burton said that in July 2009, IRWD issued a Request for Proposal for the design of the Domestic Water Facility Fire Improvements Project to AECOM, Cho Design Associates, De Revere, RRM Design, R.W. Beck, and Tetra Tech. AECOM, De Revere, RRM Design, and Tetra Tech submitted proposals, and Cho Design Associates and R.W. Beck teamed to submit a single proposal. He said that following a review of the proposals, staff recommends awarding the design contract to AECOM as they have a clear understanding of the scope of work and previous experience from designing the metal roof at the Portola Zone 8-9 BPS.

President Reinhart said that the Engineering and Operations Committee met on August 18, 2009 and concurs with the staff recommendation. In response to Vice President Swan's inquiry relative to the Turtle Rock Crest pump station, Mr. Heiertz said that this facility was augmented a few years ago with a secondary source of supply. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE AN ENGINEERING SERVICES AGREEMENT WITH AECOM IN THE AMOUNT OF \$103,670, AND APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$135,800 FOR THE DOMESTIC FACILITY FIRE IMPROVEMENTS, PROJECT 11359.

STATUS OF TITLE XVI ECONOMIC STIMULUS FUNDING PROJECTS AND EXPENDITURE AUTHORIZATION REQUESTS FOR PROJECT NOS. 10286 AND 11419

Director of Planning and Water Resources Heiertz reported that the Irvine Ranch Water District was selected to receive economic stimulus funding in the amount of \$17.5 million under the American Recovery and Reinvestment Act of 2009 (ARRA), Title XVI for the Tustin Legacy Well 1, Wells 21 and 22 and the Natural Treatment System (NTS) Site 67 (Cienega full scale) projects. He then reviewed the funding amounts allocated to the District as follows:

	ARRA funding amount	Less Rec. admin	Funding to IRWD
Tustin Legacy Well 1	\$ 444,139	(\$ 75,000)	\$ 369,139
Wells 21 & 22	\$11,691,871	(\$150,000)	\$11,541,871
NTS Site 67	\$ 5,661,296	(\$150,000)	\$ 5,511,296
<b>Total</b>	<b>\$17,797,306</b>	<b>(\$375,000)</b>	<b>\$17,422,306</b>

Mr. Heiertz said that the Bureau of Reclamation (Bureau) requires separate cooperative agreements for each of these projects. Cooperative agreements will not be executed, nor funds awarded, until all ARRA and Title XVI pre-construction requirements have been met, including: (1) a finding that the feasibility study meets the requirements of Title XVI; (2) compliance with the National Environmental Policy Act (NEPA) and other environmental laws; and (3) an approved determination of financial capability. If compliance with NEPA cannot be completed by February 28, 2010, the Bureau may re-allocate funding to another project to ensure compliance with statutory requirements and the intent of the ARRA. The ARRA funding must be obligated by September 30, 2010 and work should be substantially completed by September 30, 2011. He said that staff is working to complete all Title XVI pre-construction requirements, and then provided an update of each of the projects. In regard to the Cienega Site 67, he said staff will be recommending a contract with consultants to assist in evaluating the performance and feasibility of the existing Cienega demonstration project technology and to evaluate the feasibility of alternative treatment technologies. Staff met with the Bureau on August 12, 2009 to discuss IRWD's additional feasibility evaluation of the project and they concur and indicated that revised design details would not likely require an addendum to the previously approved Title XVI feasibility report. He said that additional CEQA and NEPA proceedings may be required.

President Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on August 18, 2009. In response to Director LaMar's concerns relative to the September 30, 2011 deadline, Mr. Heiertz said that the Bureau is open to a discussion on an extension of time; however, staff believes the projects will be substantially completed within that timeframe. Vice President Swan reported that he attended the Newport Bay Watershed Executive Committee meeting this week and said that the County is reviewing various treatment techniques, including purchasing large parcels of land for surface water treatment methods. He asked staff to meet with County staff to convey effective selenium removal treatment methods.

On MOTION by Reinhart, seconded and unanimously carried,  
EXPENDITURE AUTHORIZATIONS IN THE AMOUNT OF \$78,800 AND \$11,000 FOR PROJECTS 10286 AND 11419 WERE APPROVED, AND THE GENERAL MANAGER WAS AUTHORIZED TO APPROVE VARIANCE NO. 1 WITH ESA IN THE AMOUNT OF \$28,600 FOR THE CEQA AND NEPA COMPLIANCE FOR WELLS 21 AND 22 AND TUSTIN LEGACY WELL 1.

#### OCSB BAYVIEW AVENUE ADMINISTRATIVE TRANSFER AGREEMENT

IRWD staff and legal counsel have worked with the Orange County Sanitation District (OCSB) staff and legal counsel to develop the Administrative Transfer Agreement (Transfer Agreement) relative to sewer flows. This agreement will transfer three neighborhoods located in the City of Newport Beach west of the San Joaquin Hills Transportation Corridor adjacent to Jamboree Road from the Consolidated Revenue Area to Revenue Area 14. Staff is recommending the Board approve the Transfer Agreement subject to non-substantive changes.

On MOTION by Swan, seconded and unanimously carried, THE BOARD APPROVED THE ADMINISTRATIVE TRANSFER AGREEMENT WITH THE ORANGE COUNTY SANITATION DISTRICT SUBJECT TO NON-SUBSTANTIVE CHANGES AS MAY BE APPROVED BY THE GENERAL MANAGER AND LEGAL COUNSEL.

#### ADDENDUM NO. 2 TO THE FINAL ENVIRONMENTAL IMPACT REPORTS (FEIRS) FOR THE MICHELSON WATER RECLAMATION PLANT (MWRP) PHASE 2 AND 3 CAPACITY EXPANSION AND THE SAN JOAQUIN FRESHWATER MARSH ENHANCEMENT PLAN FOR THE CAMPUS ACCESS AND FLOOD PROTECTION IMPROVEMENTS

Director of Planning and Water Resources Heiertz reported that the District (IRWD) has modified the design of the MWRP Phase 2 and 3 Expansion Project to include two improvements. Mr. Heiertz said that these improvements include an access road between Campus Drive and the IRWD's San Joaquin Marsh Campus, and minor modifications to the design and alignment of the MWRP Flood Protection Improvements. The new design calls for the realignment of sections of the flood wall as well as minor design and height modifications.

Mr. Heiertz said that the proposed Addendum No. 2 to both FEIRs for the MWRP Phase 2 and 3 Capacity Expansion and the San Joaquin Freshwater Marsh Enhancement Plan was prepared in accordance with CEQA and its implementing guidelines. The addendum analyzed the environmental consequences associated with the Campus Access road improvements and modifications to the design and alignment of flood protection facilities.

On MOTION by Matheis, seconded and unanimously carried, THE BOARD APPROVED ADDENDUM NO. 2 TO THE FINAL ENVIRONMENTAL IMPACT REPORTS FOR THE MICHELSON WATER RECLAMATION PLANT PHASES 2 AND 3 CAPACITY EXPANSION PROJECT AND THE SAN JOAQUIN FRESHWATER MARSH ENHANCEMENT PLAN, INCLUDING THE DETERMINATIONS IN THE ADDENDUM, AND APPROVED THE MODIFICATIONS TO THE PROJECT CONSISTING OF THE CAMPUS ACCESS ROAD IMPROVEMENTS AND MODIFICATIONS TO THE DESIGN AND ALIGNMENT OF FLOOD PROTECTION FACILITIES.

GENERAL MANAGER'S REPORT – None.

#### DIRECTORS' COMMENTS

Director LaMar reported on his attendance at the first Bay Delta Ad Hoc Committee meeting and thanked Director Swan for his input. He said that the next meeting is scheduled for September 9. He said he attended MWDOC's Public Affairs and Legislative meeting relative to the Delta bills, MWDOC's Board meeting, the Assembly Select Committee on the State's Water Crisis where General Manager Jones spoke on IRWD's rates and programs; and an Assembly Hearing hosted by the Friends of the Delta. He further reported that he moderated a session on water conservation during the San Bernardino Water Forum.

Director Matheis said that she attended the Urban Water conference in San Diego. She said that she was unable to attend the RAB El Toro meeting last week.

Director Swan reported on his attendance at the CASA conference, WACO Planning meeting, MWDOC's Board meeting, Newport Bay Watershed Executive Committee meeting where he was elected Vice Chair; and the San Bernardino Water Conference. He said that he was unable to attend the OCBC Infrastructure Committee meeting. He said he will be attending ACWA's Region 3 two-day tour later this week.

President Reinhart reported that IRWD's rate structure was receiving a lot of exposure and that many agencies are providing rate structures; however, they are not providing variances for large lots as is our policy. He further said he attended MWDOC's Board meeting; the Urban Water Institute conference, and that he and General Manager Jones met with El Toro Water District's General Manager and Board member relative to various water issues.

ADJOURNMENT

APPROVED and SIGNED this 14<sup>h</sup> day of September, 2009.

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President, IRVINE RANCH WATER DISTRICT

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Assistant Secretary, IRVINE RANCH WATER  
DISTRICT

APPROVED AS TO FORM:

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Legal Counsel - Bowie, Arneson, Wiles & Giannone