

MINUTES OF REGULAR MEETING – JANUARY 9, 2006

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order by President Swan at 6:00 p.m., January 9, 2006 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Withers, Miller, Swan, and Matheis

Directors Absent: Reinhart

Also Present: Assistant General Manager Cook, Director of Engineering Heiertz, Treasurer Loomis, Secretary Bonkowski, Legal Counsel Arneson, Ms. Beth Beeman, Mr. Rob Jacobson, Ms. Deborah Cherney, Mr. Dick Diamond, Mr. Jim Reed, Dr. Tom Bishop, and other members of the public and staff.

WRITTEN COMMUNICATIONS: None

ORAL COMMUNICATIONS:

Mrs. Joan Irvine Smith addressed the Board of Directors with respect to the Dyer Road Wellfield. Mrs. Smith said that it was her understanding that all wells are off except C-8 and C-9 at the DATS treatment facility to take advantage of the Metropolitan Water District (MWD) in-lieu program offered through the Orange County Water District (OCWD). This was confirmed by Mr. Cook, Assistant 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), the agencies participating are the cities of Anaheim, Westminster, Santa Ana, Buena Park, and Garden Grove, Yorba Linda Water District and Southern California Water Company. Contracts have been awarded by OCWD to Beylik Engineering and Bakersfield Well & Pump, Inc. to construct a total of eight wells. The well drilling is complete and it will take an additional 18 months to complete the wellhead facilities. OCWD will be releasing the Environmental Impact report in early January 2006. OCWD is required to have the wells operational by March 2008. Following well construction, each well will be owned by the individual participating agencies. This was confirmed by Mr. Cook.

ITEMS TOO LATE TO BE AGENDIZED – None

PRESENTATION

CALIFORNIA URBAN WATER CONSERVATION COUNCIL'S CERTIFICATE OF RECOGNITION

Assistant General Manager Cook presented the Certificate of Recognition for the California Urban Water Conservation Council 2005 Excellence Award to Board of Directors Mary Aileen Matheis, Darryl Miller, Peer Swan and John Withers for Statewide/Institutionalized Innovations in Water Conservation Program Implementation.

CONSENT CALENDAR

On MOTION by Swan, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 8 WERE APPROVED AS FOLLOWS:

4. APPROVAL OF BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS

Recommendation: Approve the meetings and events for Mary Aileen Matheis, Darryl Miller, Doug Reinhart, Peer Swan and John Withers.

5. MINUTES OF BOARD MEETINGS

Recommendation: That the minutes of the December 12, 2005 Board of Directors' meetings be approved as presented.

6. IRVINE RANCH WATER DISTRICT ACQUISITION OF THE IRVINE COMPANY'S IRRIGATION WELLS AND FACILITIES

Recommendation: That the Board approve the Conveyance Agreement (Amendment #1 to amended and restated agreement, Irvine Sub-Basin), and subject to non-substantive changes, authorize the General Manager to accept the water rights and real property for the facilities from The Irvine Company.

7. 2006 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 \$5,000 per month retainer plus reimbursable direct expenses for a total not to exceed \$33,000.

8. ADMINISTRATIVE CLAIM FOR DAMAGES

Recommendation: That the Board receive the claim for damages from Jaime Quinonez without action.

ACTION CALENDAR

OFFICERS OF THE BOARD, COMMITTEE AND OTHER ASSIGNMENTS, APPROVAL/RATIFICATION OF BOARD OF DIRECTOR ATTENDANCE AT MEETINGS/EVENTS, AND ADOPTION OF REVISED COMMITTEE ASSIGNMENTS

Assistant General Manager Cook reported that the Board of Directors serve on various standing and established ad hoc committees and represent the District in various other assignments which

are periodically reviewed by the President. Mr. Cook said that President Swan has reviewed various committee and other assignments, and has made changes in the Memorandum provided in the exhibit to the write-up. He said that staff has prepared a resolution revising the assignment of Directors to Committees of the Board for adoption. Additionally, pursuant to Resolution 2003-47 adopted on December 15, 2003, approval/ratification of attendance of events and meetings are required by the Board of Directors. For meetings and events shown on the memorandum without specific dates, approval was requested to authorize attendance for calendar year 2006. Based upon the annual assignment of Board members for outside agency representation, attendance at these meetings are considered authorized under the District's policy. These assignments are as follows:

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| • ISDOC | Matheis (Member) and Withers (Alternate) |
| • Irvine Chamber of Commerce | Matheis (Member) and Withers (Alternate) |
| • National Water Resources Institute (NWRI) | Withers (Member) and Miller (Alternate) |
| • Nature Reserve of Orange County (NCCP) | Jones (Member) and Matheis (Alternate) |
| • Newport Bay Watershed Executive Comm. | Swan (Member) and Jones and Brandt (Alts.) |
| • Newport Chamber of Commerce | Swan (Member) and Matheis (Alternate) |
| • Orange County Business Council | Reinhart (Member) and Swan (Alternate) |
| • Orange County Council of Governments | Matheis (Member) and Swan (Alternate) |
| • South County Chamber of Commerce | Bishop* (Member) and Swan (Alternate) |
| • Southern California Dialog Group | Swan (Member) and Jones (Alternate) |
| • Southern California Water Committee | Matheis (Member) and Reinhart (Alternate) |
| • UCI Urban Water Research Center | Matheis and Jones (Members) and Swan (Alt.) |
| • Urban Water Institute | Matheis (Member) and Swan (Alternate) |
| • WateReuse | Miller (Representative) and Swan (Alternate) |
| • WACO | All Board Members |

* Appointed outside representative

Director Miller thanked President Swan for making these changes to the memorandum. President Swan said that additional changes would most likely be made during the year. There being no further comments, on MOTION by Miller, seconded and unanimously carried, THE BOARD RATIFIED THE MEMORANDUM DATED JANUARY 9, 2006 ENTITLED OFFICERS OF THE BOARD, COMMITTEE AND OTHER ASSIGNMENTS, THE ATTENDANCE FOR THE MEETINGS AND EVENTS FOR THE BOARD'S REPRESENTATION FOR CALENDAR YEAR 2006 WAS APPROVED AS DELINEATED ABOVE, AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2006-1

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, RESCINDING
RESOLUTION NO. 2005-7 AND REVISING THE
ASSIGNMENT OF DIRECTORS TO COMMITTEES
OF THE BOARD

SANTIAGO COUNTY WATER DISTRICT (SCWD) AND IRVINE RANCH WATER DISTRICT (IRWD) CONSOLIDATION AGREEMENT

Assistant General Manager Cook noted that the recommended motion for this item was reflected in the staff write-up, not on the agenda. Mr. Cook then reported that in October 2005, the Santiago County Water District adopted a resolution of intent to consolidate with IRWD, and that IRWD also adopted a conforming resolution in November 2005. Mr. Cook said that as a result of these resolutions and related actions, staff and legal counsel of both agencies have prepared a Consolidation Agreement reflecting the terms and conditions agreed-to for this consolidation; a Resolution of Application to the Orange County Local Agency Formation Commission (LAFCO) for approval of this consolidation; and a Notice of Exemption for the consolidation action. Mr. Cook said that this evening staff was requesting that the Board authorize the President to execute the Consolidation Agreement subject to non-substantive changes approved by legal counsel. He said that staff would be filing the CEQA Notice of Exemption with the County of Orange for the 30 day period. He further said that staff would be submitting the Resolution of Application to LAFCO at our next Board meeting for adoption.

Mr. Cook said that the terms and conditions of the proposed Consolidation Agreement between IRWD and SCWD are essentially unchanged from those previously presented to the Board and include additional detail on the formation of improvement districts, governance and other matters. He noted two areas of clarification added to the agreement which address changed circumstances and reflect a more detailed understanding items related to the acquisition balance. One of these items relates to actions taken by LAFCO at its December commission meeting and the other item reflects a clearer understanding of an outstanding loan between SCWD and the Transportation Corridor Agency (TCA).

Director Miller reported that the proposed Consolidation Agreement and Categorical Exemption was reviewed and approved by the SCWD/IRWD Ad Hoc Committee on January 5, 2006. In response to Director Withers comment that he read a local newspaper article on the proposed consolidation, staff was asked to provide copies of the article to the remainder of the Board. Mr. Withers said that the Board owes Director Miller a debt of gratitude for bringing this effort to a positive conclusion, and thanked him on his hard work. Mr. James Reed and Dr. Tom Bishop, former LAWD Board of Directors, were also thanked their initial meeting with SCWD Board of Directors relative to their consolidation with IRWD several years earlier. Following discussion, staff was also asked to schedule a celebratory event following the consolidation effort with all parties involved. On MOTION by Miller, seconded and unanimously carried, **THE PRESIDENT WAS AUTHORIZED TO EXECUTE THE CONSOLIDATION AGREEMENT WITH THE SANTIAGO COUNTY WATER DISTRICT SUBJECT TO NON-SUBSTANTIVE CHANGES APPROVED BY LEGAL COUNSEL.**

GENERAL MANAGER'S REPORT

Assistant General Manager Cook reported on the two comment letters received on the MWRP EIR and said that an additional letter would be forthcoming from an environmental group based in Newport Beach following the City's review. Mr. Cook reported that as of January 1, 2006, in

order to comply with AB 1234 (Salinas), that our Board of Directors would need to provide a brief report on meetings attended at the District's expense during regularly scheduled Board meetings under *Directors' Comments*.

DIRECTORS' COMMENTS

Director Miller reported that he and all of the Directors attended the January 6 WACO meeting.

Director Withers reported on the upcoming OC Leadership Symposium scheduled this week and said that in light of the attendance by other agencies, that he, President Swan and Director Matheis would be attending. He reported on the upcoming SARWQCB meetings scheduled for January 18. He noted that LAFCO would be holding its annual meeting on January 27 at IRWD's facility. He further said that the Opportunity Study in Lake Forest was finally moving forward.

Director Matheis reported on her attendance at the Colorado River Water Users Association. She asked staff to register her to attend the Southern California Water Committee event scheduled on January 20. She reported on the recent Governor's speech. She further noted that she attended an Open House for Assemblywoman Lynn Daucher, and noted that she would be supporting a bill relative to the Prado Dam.

President Swan reported on his attendance at the recent WACO, OCBC, MWDOC PAMO meetings and that he would be attending an upcoming MWDOC Board meeting as well as a WACO planning meeting. He further reported on his activities touring the San Joaquin Wildlife Sanctuary.

ADJOURNMENT

There being no further business, President Swan adjourned the meeting at 6:40 p.m.

APPROVED and SIGNED this 23rd day of January, 2006.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone