

MINUTES OF REGULAR MEETING – NOVEMBER 23, 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 November 23, 2009 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: Withers.

Also Present: General Manager Jones, Assistant General Manager Cook, Director of Engineering and Construction Burton, Director of Planning and Water Resources Heiertz, Director of Finance Cherney, Legal Counsel Arneson, Mr. Jim Reed, Ms. Beth Beeman, Mr. Paul Weghorst, Mr. Bruce Newell, Mr. Tom Bonkowski, Mr. Malcolm Cortez, Mr. Mike Hoolihan, Ms. Kay Phillis, Ms. Patty Uematsu, and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION:

1) Ms. Vicki Hernandez, a resident of Orange, who lives near the Peters Canyon Reservoir, asked if the reservoir levels could be raised as the wildlife were not habituating the area as in past years when the levels were higher. As this reservoir is owned by the County of Orange, Mr. Paul Jones said he would contact the County and provide her with a response sometime next week.

2) 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 7, C-8, C-9, 10, 12, 14, 15, 16, and 17 will operate in accordance with the District's annual pumping plan. Wells 2, 4, 5, 11, 13, and 18 will operate a portion of the week. Wells 1, 3, and 6 will be off. The District's currently planned pumping for November is 3,045 AF. 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, 2009. Metropolitan Water District has given notice to OCWD to extract 22,000 acre feet in fiscal year 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, 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 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. 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. 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.

ITEMS TOO LATE TO BE AGENDIZED – None.

PRESENTATION

Ms. Mary Aileen Matheis, President of Shadetree Partnership, Inc., said that she attended the City of Santa Ana's Board of Recreation and Parks Board meeting last week where she accepted on behalf of Shadetree Partnership and the Irvine Ranch Water District special service awards in appreciation of outstanding contributions to the residents of Santa Ana. She then presented to Shadetree's General Manager Bonkowski and Director Bonkowski their award. She said that to date, Shadetree has provided over 25,000 trees to the community. She then presented to President Reinhart IRWD's award.

CONSENT CALENDAR

General Manager Jones made a minor correction on Item No. 3, noting that staff is also recommending ratification of the November 2, 2009 minutes. On MOTION by Matheis, seconded and unanimously carried, CONSENT CALENDAR ITEMS 3 THROUGH 15 WERE APPROVED AS FOLLOWS:

3. MINUTES OF REGULAR BOARD MEETINGS

Recommendation: Ratify the November 2, 2009 Adjourned Regular Meeting and approve the Minutes of the November 9, 2009 Regular Board Meeting 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, Douglas Reinhart, and Peer Swan.

5. STRATEGIC MEASURES DASHBOARDS

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

CONSENT CALENDAR (CONTINUED)

6. OCTOBER 2009 FINANCIAL REPORTS

Recommendation: Receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for October 2009; approve the October 2009 Summary of Wire Transfers and ACH payments in the total amount of \$17,890,361.35; and approve the October 2009 Warrants Nos. 304714 through 305736, Workers' Compensation distributions and voided checks in the total amount of \$8,417,226.56.

7. ELECTION OF NATION WATER RESOURCES ASSOCIATION (NWRA) CALIFORNIA CAUCUS POSITIONS

Recommendation: That the Board support Wayne A. Clark (Municipal Water District of Orange County), "Jerry" Gladbach (Castaic Lake Water Agency), Lawrence M. Libeu (Rancho California Water District), Adrienne "Ann" J. Matthews (Kern County Water Agency), and Dr. Betty H. Olson (Santa Margarita Water District) for five positions on the National Water Resources Association California Caucus and recommend election of those candidates.

8. UPCOMING PROJECTS STATUS REPORT

Recommendation: Receive and file.

9. DESTRUCTION OF WELL NOS. 14, 68, AND 74 FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the destruction of Well Nos. 14, 68, and 74, project 10285; authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

10. WELLS 21 AND 22 DESIGN VARIANCE NO. 7

Recommendation: That the Board authorize the General Manager to execute Variance No. 7 in the amount of \$75,556 with RBF Consulting for Wells 21 and 22, project 10285.

11. IRVINE DESALTER PROJECT – MANGANESE REMOVAL SYSTEM FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Irvine Desalter Project – Manganese Removal System, project 10376; authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

CONSENT CALENDAR (CONTINUED)

12. TWO-YEAR REIMBURSEMENT AGREEMENT BETWEEN IRWD AND THE CITY OF IRVINE FOR THE ADJUSTMENT/RELOCATION OF MISCELLANEOUS FACILITIES RELATED TO CITY STREET PROJECTS, 2010/11

Recommendation: That the Board authorize the General Manager to execute a two-year Reimbursement Agreement between IRWD and the City of Irvine for the installation of miscellaneous facilities (2010/11); authorize an increase to the Fiscal Year 2009/10 Capital Budget in the amount of \$330,000, from \$90,200 to \$420,200 for project 11254; in the amount of \$45,000, from \$120,000 to \$165,000 for project 20543; and in the amount of \$27,500, from \$60,500 to \$88,000, for project 30325; and approve Expenditure Authorizations in the amount of \$330,000 for project 11254, in the amount of \$45,000 for project 20543, and in the amount of \$27,500 for project 30325.

13. MANNING WATER TREATMENT PLANT UPGRADES DESIGN VARIANCE NO. 3

Recommendation: That the Board approve an Expenditure Authorization in the amount of \$109,000 and authorize the General Manager to execute Variance No. 3 with Water 3 Engineering/RMC Water and Environment, in the amount of \$60,962, to provide engineering design services for the Manning Water Treatment Plant upgrades, project 11161.

14. CEQA COMPLIANCE FOR A SUPPLEMENTAL WATER SUPPLY PROJECT

Recommendation: That the Board authorize the General Manager to approve Variance No. 2 in the amount of \$29,631 for the on-call California Environmental Quality Act (CEQA) Consultant Services Agreement with ESA; authorize an increase to the Fiscal Year 2009/10 Capital Budget for project 11459 by \$39,700, from \$13,387,000 to \$13,426,700, for related CEQA services; and approve an Expenditure Authorization for project 11459.

15. OPERATIONS CENTER FACILITIES EXPANSION PHASE 1 EXPENDITURE AUTHORIZATION AND VARIANCE NO. 2

Recommendation: That the Board approve Expenditure Authorizations for projects 11422, 21422 and 31422 for \$63,100 each; and approve Variance No. 2 with RRM Design Group in the amount of \$178,788 for additional engineering design services for the Operations Center Facilities Expansion Phase 1 project.

ACTION CALENDAR

NEWPORT COAST CATHODIC PROTECTION CONSTRUCTION AWARD

Director of Engineering Burton reported that pipelines in the Newport Coast area are actively corroding due to corrosive soils and dissimilar metal corrosion cells, and that four major corrosion leaks have occurred in this area in the last five years.

Mr. Burton said that the project was advertised to a select list of three contractors: Corpro Companies, American Construction and Supply, Inc. (ACS), and Farwest Corrosion Control Company. He said that a bid opening was held with Corpro and ACS submitting responsive bids. The apparent low bidder is ACS with a low bid of \$1,962,095. The engineer's estimate of \$1,201,938, prepared by RBF Consulting and a third-party estimator, was significantly lower than the contractor's bids; however, staff believes the bids received represent the true cost for the work as evidenced by the 10% cost difference. He said that follow-up discussions with RBF Consulting showed that the discrepancy in the engineer's estimate occurred because its estimator did not fully understand the project scope and level of effort to complete the work.

In response in Director Swan's inquiry, staff was asked to agendaize an item for an Engineering and Operations Committee meeting to summarize when Southern California Gas Company provided Cathodic protection to its lines in the Newport Coast area. On MOTION by LaMar, seconded and unanimously carried, THE BOARD APPROVED EXPENDITURE AUTHORIZATIONS FOR PROJECT 10917 IN THE AMOUNT OF \$1,041,400, PROJECT 20410 IN THE AMOUNT OF \$237,600 AND PROJECT 30917 IN THE AMOUNT OF \$1,041,400; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH AMERICAN CONSTRUCTION AND SUPPLY, INC. IN THE AMOUNT OF \$1,962,095 FOR THE NEWPORT COAST CATHODIC PROTECTION PROJECTS 10917, 20410, AND 30917.

ORANGE PARK ACRES TRANSMISSION MAIN DESIGN VARIANCE NO. 2

As a result of the June 2008 annexation, the former Orange Park Acres Mutual Water Company (OPAMWC) is now the OPA Service Area within IRWD. To optimize the integration of the OPA water and sewer services, the Board awarded a contract to Stantec to concurrently prepare a Sub Area Master Plan (SAMP), assist with interim fire protection improvements, and prepare the Preliminary Design Report (PDR) for the replacement of the existing Transmission Main which was constructed in 1929 and continues to require emergency repairs. By proceeding with the PDR while the SAMP was being developed, the replacement of the Transmission Main could be expedited.

Director of Engineering Burton reported that in October, the final OPA SAMP was presented to the Engineering and Operations Committee which identified items that are not currently within the final design scope of work. He said that these improvements must be constructed for the proposed transmission main and service area to operate at the higher IRWD Zone 5 pressure and for the needed fire protection system upgrades. These additional facilities include five PRV stations, Meads Pump Station upgrades, three emergency intertie bi-directional meters, EOCWD turnout relocation, and 9,420 linear feet of six, eight, and 12-inch pipelines. He said that the following additional improvements are also required: a Rancho Santiago parallel distribution main; pressure reducing stations 1 and 2 in Rancho Santiago; a service main in an alley between Glen Albyn and Equestrian Lane; a distribution main in Jon's Way; a Calle Grande distribution main; a Chapman distribution main; a surge analysis for the OPA Transmission Main; traffic control plans for the OPA transmission main; relocation of the East Orange County Water District turnout; additional pressure reducing stations in Hilton Lane, Orange Park Boulevard, and Meads Avenue; Meads Pump Station upgrades; pipes, pneumatic tank, MCC, building 8-inch pipelines in Shetland Lane, Hillside Drive, a private drive off of Morada, Amapola, Frank Street, and Old Chapman; replace emergency interconnect meters and modifications at Amapola

and Sandberg. Based on the additional phases identified in the SAMP, the project was separated into three construction packages to expedite the design process and to bid manageable packages. He said that the design Variance No. 2 in the amount of \$267,850 to Stantec will cover all of these additional improvements.

President Reinhart said that this item was reviewed at the Engineering and Operations Committee on November 17, 2009 and he strongly recommends moving forward with this item. Following discussion on PRVs to be installed in residential homes in this area, Mr. Jones said that he will ask staff in our Public Affairs Department to insert articles in the monthly newsletter and the website indicating how these can be maintained. President Reinhart also suggested that IRWD should not be responsible for residential PRVs located in the Turtle Rock area. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED EXPENDITURE AUTHORIZATIONS FOR PROJECT 11407 IN THE AMOUNT OF \$81,400, PROJECT 11408 IN THE AMOUNT OF \$200,200, PROJECT 11409 IN THE AMOUNT OF \$40,700, AND PROJECT 11410 IN THE AMOUNT OF \$37,400; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 2, IN THE AMOUNT OF \$267,850, WITH STANTEC CONSULTING FOR THE ORANGE PARK ACRES TRANSMISSION MAIN, PROJECTS 11407, 11408, 11408, AND 11410.

RECLAIMED WATER RECHLORINATION STATIONS – CONSTRUCTION AWARD

Director of Engineering Burton reported that in 2008, staff selected Psomas to design the permanent dechlorination stations for the Sand Canyon and Rattlesnake reservoirs. The new dechlorination stations will increase the amount of sodium bisulfite stored at Rattlesnake Reservoir and provide a building to house the chemical injection pumps and storage tank at Sand Canyon Reservoir.

Mr. Burton said that in October 2009, Psomas completed the design for the Reclaimed Water Dechlorination Stations Project and the project was advertised for construction to a select bid list of 11 contractors. The bid opening was held and six contractors submitted responsive bids. He said that the apparent low bidder is F.T. Ziebarth Company (Ziebarth) with a low bid of \$627,700. The engineer's estimate was \$670,000.

On MOTION by Swan, seconded and unanimously carried, THE BOARD AUTHORIZED A BUDGET REDUCTION IN THE AMOUNT OF <\$277,100> FOR PROJECT 30206; APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$821,500 FOR PROJECT 30206; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH F.T. ZIEBARTH COMPANY IN THE AMOUNT OF \$627,700 FOR THE RECLAIMED WATER DECHLORINATION STATIONS PROJECT 30206.

FOUR-AGENCY INTERCONNECTION STUDY – CONSULTANT SELECTION

General Manager Jones reported that the City of Santa Ana, Mesa Consolidated Water District (MCWD), City of Newport Beach and IRWD requested proposals to study the adequacy of emergency interconnections between the potable water systems of these agencies. Currently the agencies have a number of emergency interconnections between them and each of the agencies has groundwater and imported water supply sources sufficient to meet current operating needs.

Mr. Jones said that in an effort to be more prepared in emergency outages, wild fire situations, and/or extreme drought conditions, the agencies identified a need to analyze the adequacy of their existing interconnections. The study will define capacities and operational requirements for each interconnection, quantify the availability of water supply from each agency in various scenarios and make recommendations for improvements to existing interconnections or recommend new interconnections as required.

Mr. Jones said that Requests for Proposal for engineering services were sent to five firms: AECOM, Brown and Caldwell, DCSE, RBF, and Stantec. Proposals were received from AECOM, Brown and Caldwell, RBF, and Stantec. The agencies' evaluation of the proposals resulted in a unanimous outcome with RBF ranked first and Stantec ranked second. The representatives from the four agencies met with RBF's Project Manager, Robert Reid, and negotiated a final scope and cost of \$127,000.

Mr. Jones said that IRWD was requested by the three other agencies to manage the project. Each of the four agencies have committed to pay a proportional share of the cost based on a combination of the total number of existing interconnections and miles of pipes in the study area for each agency.

President Reinhart said that this item was reviewed by the Engineering and Operations Committee on November 17, 2009. Vice President Swan asked staff to look at OCWD's mid-basin schedule for the injection at Edinger to determine how it will inter-relate with our project.

On **MOTION** by Reinhart, seconded and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH RBF CONSULTING IN THE AMOUNT OF \$127,700 FOR THE INTERCONNECTION STUDY, PROJECT 10564, AND TO SECURE PROPORTIONAL REIMBURSEMENT TOTALING \$69,364 FROM THE CITIES OF NEWPORT BEACH, SANTA ANA, AND THE MESA CONSOLIDATED WATER DISTRICT FOR THESE AGENCIES' SHARE OF THE STUDY.**

BAKER WATER TREATMENT PLANT AGREEMENT AMENDMENT AND MEMORANDUM OF UNDERSTANDING

Using a PowerPoint presentation, Mr. Burton said that in July 2008, the Board authorized a Professional Services Agreement with RBF/Carollo for engineering design and construction phase services. In October 2008, the Board approved the "Agreement for Construction, Operation and Maintenance of the Baker Water Treatment Plant" (Baker Plant Agreement) between the participating agencies of ETWD, IRWD, MNWD, SMWD, TCWD, and MWDOC. At the onset of the project, RBF/Carollo prepared a comprehensive Technical Memorandum that evaluated the various design elements of the project which identified concerns regarding the hydraulics of the Baker Pipeline. To address those concerns, a design variance was issued with RBF/Carollo to perform a full-scale flow test of the Baker Pipeline which was completed in May 2009. The flow test verified the maximum flow capacity through the Baker Pipeline and confirmed the elevation of the hydraulic grade line (HGL) at the end of the Baker Pipeline near the Baker WTP site.

Mr. Burton said that during the preliminary design phase of the project, the initial design capacity of the Baker WTP was anticipated to be a minimum of 34.5 cfs with the potential of expanding to an ultimate plant capacity of 40 cfs. The previously developed cost estimates for the ultimate 40 cfs plant, prepared in June 2009, identified an anticipated construction cost of \$52,032,000; this construction cost resulted in a unit cost of treated water at \$684 per acre foot. After completing their initial flow analysis of the Baker Pipeline, staff requested that RBF/Carollo identify alternatives that could increase the ultimate capacity of the plant beyond 37 cfs to achieve a design capacity near the previously anticipated ultimate capacity of 40 cfs. RBF/Carollo identified an alternative that would provide 43.5 cfs to the Baker WTP through the Baker Pipeline. Under this alternative, the HGL of the raw water at the Baker WTP would need to be reduced from 720 feet to 690 feet. The water from the Baker Pipeline would be discharged into a forebay at the Baker WTP site and then pumped into the microfiltration units for treatment. The anticipated construction cost for this forebay alternative is \$60,839,000, which results in a unit cost of treated water of \$766 per acre foot. Implementation of the forebay alternative would maximize the delivery of raw water to the Baker WTP.

Mr. Burton said that the purpose of Amendment No. 1 to the Baker Plant Agreement is to modify the agreement to increase the plant design capacity from 34.5 to 43.5 cfs and to increase the capacity share in the plant for IRWD, MNWD, and SMWD. IRWD's capacity share will increase from 7.5 to 10.5 cfs. The individual capacities for each of the participating agencies and their corresponding percent share in the Baker WTP per the existing Baker Plant Agreement and per the proposed Amendment No. 1 to the Baker Plant Agreement are summarized below.

Agency	Original Agreement (Dec. 2008)		Amendment No. 1	
	Approximate Flow Rate, in cfs, corresponding to Capacity Right	Capacity Right, % of total	Approximate Flow Rate, in cfs, corresponding to Capacity Right	Capacity Right, % of total
ETWD	5.0	14.49%	5.0	11.494%
IRWD	7.5	21.74%	10.5	24.138%
MNWD	10.0	28.99%	13.0	29.885%
SMWD	10.0	28.99%	13.0	29.885%
TCWD	2.0	5.79%	2.0	4.598%
Total	34.5	100.00%	43.5	100.000%

Mr. Burton said that the MOU establishes the basis on which each participating agency agrees to the Baker Pipeline capacity value analysis and the proposed exchange in Baker Pipeline capacity through the proposed capacity sales and purchases. Additionally, it establishes a commitment that all participating agencies will exchange capacity in the Baker Pipeline, either by sale or purchase of capacity, such that each Agency's capacity subscription in the Baker Pipeline matches its capacity subscription in the Baker WTP. The final agreement among the agencies for pipeline capacity transfers will ultimately require approval by SAC. A summary of the anticipated Baker Pipeline capacity transfer costs is presented as follows:

Agency	Baker Pipeline Capacity Transfer Cost ¹
ETWD	\$ -1,403,793
IRWD	\$ 768,818
MNWD	\$ -3,649,862
SMWD	\$ 4,401,531
TCWD	\$ -116,694
Total	\$0

¹ Costs calculated as of November 2009. A positive value indicates payment to the agency. A negative value indicates payment by the agency.

Mr. Burton said that the Baker Plant Agreement allows participating agencies to opt-out of the project when preliminary design cost estimates are available (Project Go/No-Go Decision Point No. 1) and when construction bids are received (Project Go/No-Go Decision Point No. 2). Each participating agency is presenting the above recommendations and associated cost information to their respective Boards in November 2009 to request authorization for continued participation in the project. Staff from all other participating agencies have indicated they are recommending continued participation in the Baker WTP Project.

This item was reviewed at the Engineering and Operations Committee on November 17, 2009. Since the Committee meeting, a provision has been added to the Baker Pipeline Capacity Transfer MOU to calculate value of the capacity transfers at the time the transfers are made.

On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE PRESIDENT TO EXECUTE AMENDMENT NO. 1 TO THE AGREEMENT FOR CONSTRUCTION, OPERATION AND MAINTENANCE OF THE BAKER WATER TREATMENT PLANT BETWEEN EL TORO WATER DISTRICT (ETWD), IRVINE RANCH WATER DISTRICT (IRWD), MOULTON NIGUEL WATER DISTRICT (MNWD), SANTA MARGARITA WATER DISTRICT (SMWD), TRABUCO CANYON WATER DISTRICT (TCWD), AND MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) TO INCREASE THE PLANT DESIGN CAPACITY FROM 34.5 TO 43.5 CFS AND TO INCREASE IRWD'S CAPACITY SHARE IN THE PLANT FROM 7.5 TO 10.5 CFS SUBJECT TO NON-SUBSTANTIVE CHANGES AND APPROVAL BY THE PARTICIPATING AGENCIES; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN ETWD, IRWD, MNWD, SMWD, AND TCWD TO ALLOW THE SALE OF EXCESS IRWD CAPACITY IN THE BAKER PIPELINE TO OTHER PARTICIPATING AGENCIES THAT REQUIRE CAPACITY IN THE BAKER PIPELINE AND WILL INCLUDE A PROVISION TO CALCULATE THE VALUE OF THE CAPACITY TRANSFERS AT THE TIME THE CAPACITY TRANSFERS ARE MADE SUBJECT TO NON-SUBSTANTIVE CHANGES AND APPROVAL BY THE PARTICIPATING AGENCIES.

GENERAL MANAGER'S REPORT

General Manager Jones reported that the OCSD Board approved a reserve and reconciliation agreement last Wednesday evening and complimented IRWD staff on this document. He said

that the next step is the solids capacity exchange and draft terms agreement which he anticipates will be resolved in December.

Mr. Jones said that last Monday the first Business Outreach luncheon was held with 80 vendors and business owners in attendance. He said that staff provided an overview of IRWD as well as state-wide issues with Doug Reinhart in attendance as the Master of Ceremony. He said that IRWD is planning to hold these events two to three times a year. Additionally, he said that Public Affairs will be providing a quarterly newsletter to these businesses.

Mr. Jones said that EOCWD has sent out a Request for Proposal for wholesale as well as resale operations of their agency. He said that IRWD will prepare a joint response with the City of Tustin for wholesale operations which is due early March 2010. He said that the retail operations proposal is due on February 1. Staff was asked to bring this item to the Finance and Personnel Committee as well as the Strategic Planning meeting for discussion.

DIRECTORS' COMMENTS

Director LaMar reported on his attendance at the CORO event and the Urban Water Institute conference on water quality in San Diego. He said that he attended a lunch with Mr. Paul Jones and Mr. Dan Griset of MWD relative to water issues. He said tomorrow he would be attending the Irvine Chamber of Commerce breakfast as well as the MWDOC/OCWD Joint Planning Committee meeting on Wednesday morning.

Director Matheis reported on her attendance at the Urban Water Conference and CORO event. She also noted an article in today's O.C. Register relative to absentee ballots noting that the Registrar of Voters said that cost savings are minimal due to postage and printing. She also noted an editorial by George Skelton relative to the bond measure.

Director Swan reported on his attendance at the ACWA Board of Director's meeting in Sacramento, an ACWA Region 10 Planning meeting, the CORO event, and an OCBC Infrastructure and Governmental Affairs meeting. He also noted an editorial in the OC Register by Phil Isenberg relative to the Delta Package.

Director Reinhart reported on his attendance at the WateReuse Board meeting and GE Water Summit in New York. He said that the next meeting of WateReuse will be held in San Diego and they will be embarking on working with the State Health Department for direct potable reuse. He said that Mr. Paul Jones is leading the California section which is receiving a lot of publicity. He also noted his attendance at the IRWD Business Outreach luncheon.

CLOSED SESSION

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

CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL:

- (1) EXISTING LITIGATION - Government Code Section 54956.9(a) – SEMA Construction v. City of Tustin; City of Tustin v. IRWD
- (2) EXISTING LITIGATION - Government Code Section 54956.9(a) – [Case under seal]
- (3) ANTICIPATED LITIGATION - Government Code Section 54956.9(b) – significant exposure to litigation (one potential case)

CLOSED SESSION WITH REAL PROPERTY NEGOTIATOR – Government Code Section 54956.8

- (4) Property: Various parcels - Portions of Sections 25, 26, 34, and 35 of T23S R19E MDB&M.
Negotiating Parties: Ernest Conant, Legal Counsel Representing Parties
Agency Negotiator: Paul Jones, General Manager
Purpose of Negotiations: Price and Term of Payment

OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors Matheis, LaMar, Swan, and Reinhart present. No action was reported.

ADJOURNMENT

There being no further business, President Reinhart adjourned the meeting at 8:45 p.m.

APPROVED and SIGNED this 14th day of December, 2009.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT