

MINUTES OF REGULAR MEETING – JANUARY 13, 2014

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 LaMar on January 13, 2014 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Swan, Withers (arrived at 5:12 p.m.), Matheis, LaMar and Reinhart

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Finance Clary, Executive Director of Engineering and Planning Burton, Executive Director of Operations Shields, Director of Water Resources Weghorst, Director of Human Resources Roney, Director of Public Affairs Beeman, Assistant Director of Conservation Sanchez, Assistant Director of Water Operations Drake, Legal Counsel Arneson (via conference call), Secretary Bonkowski, Director of Risk Management and Treasury Jacobson, Ms. Christine Compton, Mr. Jim Reed, Mr. Bruce Newell and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION

Mrs. Joan Irvine Smith's assistant addressed the Board of Directors with respect to the Dyer Road Wellfield. She said it was her understanding that currently wells 4, C-8, C-9, 10, 14, 15 and 17 will operate in accordance with the District's annual pumping plan. Wells 1, 2, 3, 5, 6, 7, 11, 12, 13, 16 and 18 will be off. This was confirmed by Mr. Cook, General Manager of the District.

On October 31, 2013, the District received its fully executed copy of the Annexation Agreement with the Orange County Water District. 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 Orange County in case of emergencies. On October 14 2013, the IRWD Board 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 approved the operating agreement. This was confirmed by Mr. Cook.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED: None.

WORKSHOP

2014 STATE LEGISLATIVE UPDATE

Ms. Christine Compton placed before each Director a document relative to 2014 Water Bond funding and amendment requests. Director Withers arrived at 5:12 p.m. Ms. Compton provided an update on the State Budget noting that the November state revenue numbers were released; the District's 2014 legislative priorities including the 2014 water bond funding and amendment requests.

CONSENT CALENDAR

On MOTION by Reinhart, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 6 WERE APPROVED AS FOLLOWS:

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the December 16, 2013 Regular meeting as presented.

5. 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, Peer Swan and John Withers as described.

6. BUREAU OF RECLAMATION WATERSMART GRANT APPLICATIONS

Recommendation: That the Board authorize staff to apply for Bureau of Reclamation WaterSMART grants with maximum award of up to \$1.0 million in total funding to improve water and energy use efficiency, and commit to authorizing matching funds of at least 50% of project costs; agree to meet established deadlines for entering into a cooperative agreement, and adopted the following resolutions by title:

RESOLUTION NO. 2014 - 1

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT AUTHORIZING
SUBMISSION OF A GRANT APPLICATION FOR
THE IRVINE LAKE PIPELINE CONVERSION PROJECT
TO THE DEPARTMENT OF THE INTERIOR, BUREAU
OF RECLAMATION, POLICY AND ADMINISTRATION

RESOLUTION NO. 2014 -2

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT AUTHORIZING
SUBMISSION OF A GRANT APPLICATION FOR THE
STOCKDALE INTEGRATED BANKING PROJECT TO
THE DEPARTMENT OF THE INTERIOR, BUREAU OF
RECLAMATION, POLICY AND ADMINISTRATION

ACTION CALENDAR

REVISED WATER, SEWER AND RECYCLED WATER REGIONAL ALLOCATIONS

General Manager Cook reported that the master consolidation resulting from the Long Term Financial Plan (LTFP) included significant changes for both the remaining and newly-formed Improvement Districts. Mr. Cook said that the Board approved updated regional capital cost allocations at the District's December 16, 2013 Board meeting, and that this evening staff recommends adopting the revised regional allocations.

On MOTION by Reinhart, seconded and unanimously carried, THE BOARD ADOPTED THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2014-3

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT ADOPTING
REVISED WATER, SEWER AND RECYCLED
WATER REGIONAL ALLOCATIONS

GENERAL MANAGER'S COMMENTS

General Manager Cook reported that the first quarter biosolids community update is scheduled for this Wednesday at 6 p.m. at the Learning Center.

DIRECTORS' COMMENTS

Director Withers reported on his attendance at an OCSD Legislative and Public Affairs meeting this morning.

Director Matheis reported on her attendance along with Director Withers at an ISDOC Executive Committee meeting, and last Friday's WACO meeting along with Directors Withers, Swan, and LaMar. She said she attended Shadetree Partnership's monthly event and encouraged the Board to visit its nursery. She further thanked Mr. Tom Bonkowski, Ms. Leslie Bonkowski, Mr. Dave Asman and Mr. Ian Swift for their efforts at these events as well as efforts in making this organization very successful.

Director Reinhart reported on his attendance at a SOCWA Board meeting,

Director Swan reported on his attendance at a tour of the Prado Reservoir's structure with the One Water One Watershed Committee, and following the tour, met with the Santa Ana Flood Control representatives relative to the reservoir. He further said he attended WACO last Friday and will be attending the CASA conference this week at Indian Wells.

Director LaMar reported on his attendance at MWDOC's Public Affairs Committee as well as WACO.

RECESS AND RECONVENE

President LaMar recessed the Board meeting at 5:42 p.m. to hold special corporation meetings for Bardeen Partners, Inc., Improvement Corporation, and Water Service Corporation. At 5:49 p.m., the IRWD Board meeting was reconvened.

OTHER BUSINESS

CLOSED SESSION

President LaMar said that two Closed Sessions would be held as follows:

- 1) Conference with Labor Negotiators – Government Code Section 54957.6
Agency Designated Representatives: Paul Cook and Jenny Roney
Employee Organization: Irvine Ranch Water District Employees Association, and
- 2) Conference with Legal Counsel relative to anticipated litigation –
Government Code Section 54956.9(d)(2) – significant exposure to litigation (one potential case).

OPEN SESSION

The meeting was adjourned with all Directors present. President LaMar said that there was no action to report from the Closed Session items.

ADJOURNMENT

President LaMar adjourned the meeting.

APPROVED and SIGNED this 27th day of January, 2014.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone