

## MINUTES OF ADJOURNED REGULAR MEETING – JULY 8, 2008

The Adjourned Regular Meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order by President Miller at 5:00 p.m. on July 8, 2008 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Matheis, Miller, Swan, Withers, and Reinhart

Directors Absent: None

Also Present: General Manager Jones, Assistant General Manager Cook, Legal Counsel Arneson, Ms. Debby Cherney, Mr. Christopher Smithson, Mr. Jim Reed, Mr. Sat Tamaribuchi, Mr. Dean Kirk, and other members of the public and staff.

COMMUNICATIONS TO THE BOARD - None

### SETTING CONNECTION FEES AND PROPERTY TAXES FOR FISCAL YEAR 2008/09

General Manager Jones reported that at the workshop on June 23, 2008, the Board considered variations in key assumptions used in the Enterprise Model to be used in setting connection fees and property taxes for FY 2008-09, and reviewed a matrix of 15 alternate scenarios that varied the spreads on cost of debt and interest as well as alternate assumptions regarding the potential receipt of 1% property tax revenues. Mr. Jones said that the Board directed staff to review these alternate scenarios with the Finance and Personnel Committee on July 1, 2008 and provide a standard year-over-year connection fee increase and to review scenarios 5, 10 and 15 without bond funding for replacement projects. He said that the Committee reviewed the scenarios and reached a recommended action for Fiscal Year 2008-09 that will be discussed and modeled with the Board at this meeting.

Mr. Jones said that staff altered the model this year to simplify tracking capital adjustments from buy-ins, reimbursements from other agencies, and grants. In doing this, native water revenue was inadvertently omitted from the "Other Revenue Sources". He said that the annual adjustments identified in Exhibit "A" now include the addition of native water revenue in the model.

Using the Enterprise Model, staff reviewed all 15 scenarios with the Board with the baseline for each being the connection fees and tax rates identified in the matrix. Following discussion, the Board narrowed the scope of assumptions related to 1% revenue and rates and provided staff with further direction on the utilization of the Finance and Personnel Committee's recommendation for a one-year increase of connection fees to 10% and not changing property tax rates for this fiscal year.

### ADJOURNMENT

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

APPROVED and SIGNED this 11th day of August, 2008.

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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