

MINUTES OF REGULAR MEETING – APRIL 27, 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 April 27, 2009 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Jones, Assistant General Manager Cook, Director of Engineering and Construction Burton, Director of Planning, Water Resources and Environmental Quality Heiertz, Director of Finance Cherney, Secretary Bonkowski, Legal Counsel Arneson, Mr. Jim Reed, Ms. Gina Jackson, Mr. Alex Munoz, Mr. Bruce Newell, Mr. Jeff Stanearth, Mr. Steve Malloy, Ms. Shannon Reed, Mr. Rob Jacobson, Mr. Mike Hoolihan, Mr. Paul Weghorst, Mr. John Hills, Mr. Tom Bonkowski, Mr. Dean Kirk, Mr. Jeff Smyth, and other members of the public and staff.

COMMUNICATIONS TO THE BOARD

Oral Communications: 1) 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 and 16 are in operation in accordance with the District's annual pumping plan. Wells 1, 6, 14 and 17 will operate a portion of the week. Wells 2, 3, 4, 5, 11, 13, 15 and 18 are inactive. The District's planned pumping for April is 3,375 acre-feet. 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, 2008. 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 FY 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, OCWD staff is evaluating IRWD's most current projections of the amount and general location of its future groundwater production for inclusion in OCWD's proposed update of the Long-Term Facilities Plan and Annexation Environmental Impact Report. OCWD has taken no further actions with respect to the annexation. At OCWD's request, IRWD staff has provided additional future groundwater production scenarios with annexation. 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.

PUBLIC HEARING

2009-A AND 2009-B BOND ISSUANCE

General Manager Jones reported that pursuant to the California Water Code, the Board is required to hold a public hearing and make findings pertaining to the issuance of consolidated Improvement District bonds. Mr. Jones said that at the April 13, 2009 meeting of the Board of Directors, a hearing on the proposed resolution providing for issuance of consolidated bonds for Irvine Ranch Water District was continued to the April 27, 2009 Board meeting. Director of Finance Cherney then reviewed key points of the issuance with the Board.

President Reinhart declared this to be the time and place for the hearing which was continued from the April 13, 2009 meeting of the Board of Directors of Irvine Ranch Water District on the proposed resolution of issuance of consolidated bonds for Improvement District Nos. 105, 112, 113, 121, 130, 140, 161, 182, 184, 186, 188, 212, 213, 221, 230, 240, 250, 261, 282, 284, 286 and 288 in an amount up to \$150 million, and declared the hearing open. He asked the Secretary how the Continuance of Hearing was noticed.

Secretary Bonkowski said that a Notice of Continuance of Hearing was posted on April 14, 2009 at the District office. She presented the Affidavit of Posting continuing the meeting to this evening.

President Reinhart requested Legal Counsel Arneson to describe the nature of the proceedings.

Legal Counsel Arneson said that the duly noticed and continued public hearing is being held to provide all persons interested, including all persons owning land in the included Improvement Districts or any persons otherwise interested in the bonds an opportunity to be heard concerning any matters set forth in Resolution 2009-11 and the proposed resolution of issuance, including the question of whether the cost that any of the included Improvement Districts would be increased over the cost that would be borne by the included Improvement District would pay were its bonds sold separately or that would be borne were its bonds sold without the use of the variable interest rate or negotiated private sale features.

President Reinhart inquired of the Secretary whether there have been any written communications. Secretary Bonkowski responded that there were none.

President Reinhart inquired whether there is anyone present who wishes to address the Board concerning the matter. There were none.

President Reinhart inquired whether there are any comments or questions from members of the Board. There were none. On MOTION by Swan, seconded and unanimously carried, THE HEARING WAS CLOSED, AND THE FOLLOWING RESOLUTIONS WERE ADOPTED BY TITLE:

RESOLUTION NO. 2009-14

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT MAKING FINDINGS RELATIVE TO CONSOLIDATED BONDS (SERIES 2009-A AND 2009-B)

RESOLUTION NO. 2009-15

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT PROVIDING FOR THE ISSUANCE OF CONSOLIDATED BONDS OF SAID DISTRICT, APPROVING DOCUMENTS AND AUTHORIZING AND RATIFYING CERTAIN ACTIONS (CONSOLIDATED SERIES 2009-A AND 2009-B)

WORKSHOP

PROPOSED FISCAL YEAR 2009-10 OPERATING BUDGET, PROPOSED CHANGES TO THE SCHEDULE OF RATES AND CHARGES, AND THE PROPOSITION 218 NOTICING

General Manager Jones reported that the proposed Fiscal Year (FY) 2009-10 Operating Budget has been reviewed by the Finance and Personnel Committee on three occasions and by this Board at the Public Workshop held on April 14, 2009. Mr. Jones said that the updated operating budget is now being presented in the amount of \$110.7 million to the Board for adoption, along with the proposed rates and charges. He said that upon the Board's adoption of the budget, the District is required to mail out notices to the District's customers, informing them of the proposed rate changes as required under Proposition 218.

Using a PowerPoint presentation, Mr. Christopher Smithson updated the Board on rate comparisons with neighboring agencies with increased rates as follows: 1) agencies within OCWD boundaries with sewer service provided by OCSD compared with the Irvine Ranch, Santiago and OPA rate areas, and 2) South County agencies that are not provided service by OCWD or OCSD compared with the Los Alisos rate area. The only changes that have been made to the draft Operating Budget presented on April 13, 2009 are internal staffing transfers from Department 25 to Department 30. This change had no net affect on systems and, therefore, it does not change the proposed rate projections.

The \$110.7 million for the budget represents an \$8.8 million or 8.6% total increase over the prior year's \$101.8 million operating budget. The increase can be separated into two components, controllable and uncontrollable costs as follows: 1) uncontrollable cost increases total \$8,127,500 (92%), and 2) controllable cost increases total \$722,400 (8%).

Vice President Swan reported that this item was reviewed by the Finance and Personnel Committee on March 3, March 26, and April 7, 2009, and concurs with staff's recommendation. In response to Vice President Swan's comment on the rates in Orange Park Acres as noted on the exhibit, staff was asked to prepare a rough order magnitude calculation of usage for the residents in this area. On MOTION by Swan, seconded and unanimously carried, THE BOARD AUTHORIZED STAFF TO MAIL THE PROPOSITION 218 NOTICES TO THE VARIOUS CUSTOMER GROUPS, AND ADOPTED THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2009 - 16

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE
RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
APPROVING DISTRICT'S OPERATING BUDGET FOR FISCAL
YEAR 2009-10 AND DETERMINING COMPLIANCE WITH
ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION

CONSENT CALENDAR

Vice President Swan asked that Item No. 14 be moved to the Action Calendar for discussion. There being no objection, this item was moved to the Action Calendar. On MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 5 THROUGH 13 AND 15 WERE APPROVED AS FOLLOWS:

5. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the April 13, 2009 Regular Board Meeting be approved as presented.

6. 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, Doug Reinhart, Peer Swan and John Withers.

7. STRATEGIC MEASURES DASHBOARDS

Recommendation: Receive and file.

8. MARCH 2009 FINANCIAL REPORTS

Recommendation: Receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for March 2009; approve the March 2009 Summary of Wire Transfers and ACH payments in the total amount of \$5,982,309.91; and approve the March 2009 Warrants Nos. 298984 through 299745, Workers' Compensation distributions and voided checks in the total amount of \$6,618,274.37.

CONSENT CALENDAR (CONTINUED)

9. IRVINE RANCH WATER DISTRICT APARTMENT CONSULTANT-
CONTRACT RENEWAL

Recommendation: That the Board approve the retention of Market-THINK as apartment consultant for the District's apartment properties for a period of two years at a fee not to exceed \$87,850.

10. PETERS CANYON CHANNEL WIDENING REIMBURSEMENT AGREEMENT

Recommendation: That the Board authorize the General Manager to execute a Reimbursement Agreement with Tustin Vistas Partners, LLC for the Natural Treatment System miscellaneous improvements, project 11429, subject to finalization of negotiations with Tustin Vistas Partners, LLC and non-substantive changes.

11. UNIVERSITY DRIVE PIPELINE DISCONTINUITY REPAIRS EXPENDITURE
AUTHORIZATION AND CONTRACT CHANGE ORDER NO. 2

Recommendation: That the Board approve an Expenditure Authorization for project 31207 for \$127,100; and authorize the General Manager to execute Contract Change Order No. 2 in the amount of \$82,353 to American Construction for the additional University Drive Pipeline discontinuity repairs.

12. ROBERTSON'S READY MIX RECYCLED WATER CONVERSION FINAL
ACCEPTANCE

Recommendation: That the Board accept construction of the Robertson's Ready Mix Recycled Water Conversion, project 30313; authorize the General Manager to file a Notice of Completion; and authorize release of retention 35 days after the filing of the Notice of Completion.

13. REIMBURSEMENT AGREEMENT BETWEEN IRWD AND THE CITY OF IRVINE
FOR THE INSTALLATION AND ADJUSTMENT OF IRWD FACILITIES TO
GRADE FOR ANNUAL SLURRY SEAL AND PAVEMENT REHABILITATION
PROJECT, CAPITAL IMPROVEMENT PROJECTS

Recommendation: That the Board authorize the addition of project 11451 for \$695,200, project 21451 for \$327,800, and project 31451 for \$125,400 to the Fiscal Year 2008/09 Capital budget; approve Expenditure Authorizations for project 11451 for \$695,200, project 21451 for \$327,800, and project 31451 for \$125,400; and authorize the General Manager to execute a Reimbursement Agreement with the City of Irvine for its annual slurry seal and pavement rehabilitation project, capital improvement projects 319060, 319040, 369040, and 349010.

CONSENT CALENDAR (CONTINUED)

15. LOS ALISOS WATER RECLAMATION PLANT UPGRADES ENGINEERING SERVICES DURING CONSTRUCTION VARIANCE NO. 4

Recommendation: That the Board authorize the General Manager to execute Variance No. 4 with HDR Engineering, Inc. for engineering support services during construction in the amount of \$134,202 for the Los Alisos Water Reclamation Plant Upgrades, projects 20243 and 30134.

ACTION CALENDAR

RATTLESNAKE RESERVOIR TOXICITY EVALUATION PROGRAM

Director of Water Quality Hills reported that the National Pollutant Discharge Elimination System permits are required by law to be renewed every five years to incorporate changes in laws and regulations that have occurred. Mr. Hills said that one of the recent changes is a requirement to perform toxicity monitoring on discharges to "Waters of the State" which includes the Rattlesnake and Sand Canyon Reservoirs. Toxicity monitoring performed at the Rattlesnake Reservoir has indicated low level chronic toxicity in the reservoir and the water being discharged into the reservoir. However, no source or cause of the toxicity has been identified.

Following discussion, this item is to be deferred to a future Board meeting in order for staff to research if the Rattlesnake Reservoir can be redesignated with the RWQCB as a reservoir not containing or discharging into the water of the state.

BAKER REGIONAL WATER TREATMENT PLANT ADDITIONAL CAPACITY PURCHASE

General Manager Jones reported that staff recommends that the Board authorize the General Manager to purchase up to five cubic feet per second additional capacity in the proposed Baker Water Treatment Plant and Baker Pipeline should this capacity be made available by other participants in the project. Mr. Jones said that under a 2006 Memorandum of Understanding, ETWD, IRWD, MNWD, SMWD, TCWD agreed to finance and direct planning for the project. A feasibility study was completed in January 2007, the pilot testing of the proposed microfiltration membranes was completed, and the contract for final design of the plant was awarded in August 2008. The remainder of the project's design, construction, future operation and maintenance, and administration is governed under a joint agreement among the five water districts and MWDOC. Under the agreement, plant production capacity will be held by ETWD (5 cfs), IRWD (7.5 cfs), MNWD (10 cfs), SMWD (10 cfs) and TCWD (2 cfs). Each of the five water districts has first right of refusal for capacity rights another water district may wish to sell. By separate agreement, Baker Pipeline capacity sales/purchases are being arranged to provide pipeline capacities to MNWD and ETWD that match these agencies' Baker WTP capacity rights. He said that staff recommends that IRWD negotiate the purchase up to 5 cfs additional capacity in the proposed Baker Regional WTP and the Baker Pipeline if such capacity is offered by one or

more project participant to further enhance the water supply and system reliability of the IRWD water system. The participants' pro rata design cost for 5 cfs capacity in the project is estimated to be \$586,000. Pro rata construction cost of 5 cfs is approximately \$7.5 million. The additional 5 cfs capacity in the Baker Pipeline to be acquired from SMWD is estimated to cost \$1.6 million. Therefore, the total cost of an additional 5 cfs capacity in the project would be approximately \$9.7 million.

Director Withers reported that this item was reviewed and approved by the Engineering and Operations Committee on April 21, 2009. On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO NEGOTIATE THE PURCHASE OF UP TO 5 CFS ADDITIONAL CAPACITY IN THE PROPOSED BAKER REGIONAL WATER TREATMENT PLANT AND THE BAKER PIPELINE, PROJECT 11218 IF SUCH CAPACITY IS OFFERED BY ANOTHER PROJECT PARTICIPANT.

ORANGE PARK ACRES INTERIM FIRE PROTECTION IMPROVEMENTS – EXPENDITURE AUTHORIZATION

Using a PowerPoint presentation, Principal Engineer Hoolihan reported an evaluation of the existing fire protection capability has been performed in the Orange Park Acres area, and that interim fire flow improvements have been developed until the final system improvements can be completed. Mr. Hoolihan reported on the four critical areas have been identified as needing improvements including: 1) Sandberg Lane Area; 2) Hi Top and Jons Way Area; 3) Amapola Area; and 4) Chapman Area.

Mr. Hoolihan said the improvement plan for the Sandberg Lane Area includes an interconnection to the City of Orange system on Santiago Canyon, an 8-inch pipeline replacement in Angel View Terrace, and an 8-inch parallel pipeline in Sandberg Lane from Santiago Canyon to the last fire hydrant in Sandberg Lane. The improvement plan for the Hi Top and Jons Way Area includes isolating the area and installing a skid mounted fire pump to provide 1,500 gpm fire flow capacity, and an 8-inch pipelines in Jons Way and West Jons Way. The improvement plan for the Amapola Area includes an interconnection to the City of Orange System in Amapola. The improvement plan for the Chapman Area includes an interconnection to the City of Orange system in Chapman.

Mr. Hoolihan said that the design consultant, Stantec, is currently finalizing design plans for each of the improvements. Staff is negotiating the details of the interconnection agreement with the City of Orange.

Director Withers reported that this item was reviewed and approved by the Engineering and Operations Committee on April 21, 2009. On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO APPROVE EXPENDITURE AUTHORIZATIONS FOR PROJECT 11411 IN THE AMOUNT OF \$659,400 AND FOR PROJECT 11412 IN THE AMOUNT OF \$684,300 FOR THE ORANGE PARK ACRES INTERIM FIRE PROTECTION IMPROVEMENTS, PROJECTS 11411 AND 11412.

EAST IRVINE ZONE 3 RESERVOIRS PHOTOVOLTAIC SYSTEM – CONSULTANT SELECTION

General Manager Jones reported that the East Irvine Zone 3 Reservoirs Nos. 1 and 2 were selected for a photovoltaic demonstration project based on the Photovoltaic Feasibility Study. He said that along with the recommendation for the Board to authorize an agreement for professional services and approval of an Expenditure Authorization for \$93,500.

Director of Engineering Burton reported that Photovoltaic (PV) technology (i.e. solar panels) is a proven, reliable, and non-polluting renewable source of energy. A study was completed in November 2008 by Mark Balan & Associates to investigate the feasibility of installing PV systems at various locations within the IRWD boundaries. Based on the report, the East Irvine Zone 3 Reservoirs Nos. 1 and 2 were selected for a reservoir photovoltaic demonstration project. The proposed PV system is estimated to generate 560,753 kilowatt-hours per year and may be eligible for an SCE-estimated Performance Based Incentive (PBI) of approximately \$897,000.

Mr. Burton said that in February 2009, staff issued a Request for Proposal for the design of a PV system at the East Irvine Zone 3 Reservoirs to CH2M Hill, AECOM, Linkture Consulting Engineers, Malcolm Pirnie, Mark Balan & Associates, and URS Corporation. He said that four of six consultants submitted proposals and that following review of the proposals, staff recommends awarding the design contract to the team of CH2MHill and Mark Balan & Associates as they demonstrated the most thorough understanding of the scope of work and their team has extensive PV design experience.

Director Withers reported that this item was reviewed and approved by the Engineering and Operations Committee on April 21, 2009. In response to Vice President Swan's inquiry, Mr. Weghorst said that staff would research and investigate energy stimulus funding opportunities for District projects, including the photovoltaic projects. On MOTION by Withers, seconded and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH CH2M HILL IN THE AMOUNT OF \$135,898 FOR THE EAST IRVINE ZONE 3 RESERVOIRS PHOTOVOLTAIC SYSTEM AND APPROVED AN EXPENDITURE AUTHORIZATION FOR \$93,500.**

MICHELSON WATER RECLAMATION PLANT PHASE 2 EXPANSION – VARIANCE NO. 6

Director of Engineering Burton reported that IRWD has corrosion-related deterioration in some of its recycled water pipelines, particularly those pipelines within close proximity to the MWRP. The likely cause of the corrosivity is the high dosage of chlorine gas injected at MWRP needed for disinfection.

Mr. Burton that that HDR, in conjunction with staff, is completing an evaluation of corrosion control treatment options. Four different options were identified and evaluated with the recommended option to replace the existing chlorine gas disinfection system with a sodium hypochlorite disinfection system. Conversion to sodium hypochlorite would eliminate the pH reduction caused by the injection of chlorine gas and replace it with a disinfection process that increases the effluent pH while also accomplishing the necessary disinfection of the plant effluent.

Mr. Burton said that although the sodium hypochlorite option yields a slightly higher operating cost than the current disinfection process, it provides several non-economic benefits to both the operations staff and to the community. These benefits include the elimination of the many safety concerns associated with the delivery, storage, handling, and injection of chlorine gas. Additionally, the regulatory compliance efforts and costs required under the California Accidental Release Prevention (CalARP) Program, the EPA Risk Management Plan (RMP) Program, and the OSHA Process Safety Management (PSM) Program for chlorine gas will be eliminated.

Mr. Burton said that since time is of the essence in implementing this solution, staff solicited a sole source design proposal from HDR. HDR submitted Variance No. 6 in the amount of \$250,200 for the engineering design services needed to implement the proposed sodium hypochlorite storage and feed system. The design of this system requires the preparation of 19 new drawings and modification of 24 existing drawings previously developed for the MWRP Phase 2 Expansion project. The proposed scope of services also includes the corrosion control treatment option evaluation and assistance to staff with the implementation of an interim sodium hypochlorite storage and feed system.

Director Withers reported that this item was reviewed at the Engineering and Operations Committee on April 21, 2009. On MOTION by Withers, seconded and unanimously carried, THE BOARD APPROVED VARIANCE NO. 6 IN THE AMOUNT OF \$250,200 WITH HDR ENGINEERING, INC. FOR ADDITIONAL ENGINEERING DESIGN SERVICES FOR THE MICHELSON WATER RECLAMATION PLANT PHASE 2 EXPANSION, PROJECTS 20214 AND 30214.

ALTON PARKWAY EXTENSION REIMBURSEMENT AGREEMENT, BUDGETS, EXPENDITURE AUTHORIZATIONS, AND VARIANCE NO. 2

The County of Orange (County) has re-designed the Alton Parkway Extension and is currently bidding the project. This Road Extension project includes relocation of existing IRWD facilities and construction of new IRWD facilities. This extension is the one-mile, six-lane roadway from Irvine Boulevard to Commercentre Drive in the cities of Irvine and Lake Forest.

Staff has also been working on the Reimbursement Agreement to replace the old agreement. Additional design work tasks were required to complete the plans and specifications which will be cost-shared between the County and IRWD. The County's relocation of existing IRWD facilities is estimated at \$2 million, and the new IRWD facilities are estimated at \$2.7 million. The County will open bids on May 13, 2009, and the County Supervisors are scheduled to award the construction contract on June 23, 2009.

Director Withers reported that this item was reviewed at the Engineering and Operations Committee on April 21, 2009. On MOTION by Withers, seconded and unanimously, THE BOARD APPROVED THE ALTON PARKWAY EXTENSION REIMBURSEMENT AGREEMENT NO. D08-085 SUBJECT TO FINALIZATION OF NEGOTIATIONS WITH THE COUNTY AND NON-SUBSTANTIVE CHANGES; AUTHORIZED DECREASES TO THE FY 2008-09 CAPITAL BUDGET FOR PROJECT 11374 FOR \$2,178,700, FROM \$4,798,600 TO \$2,619,900, AND FOR PROJECT 24175 FOR \$601,900, FROM \$1,926,100 TO \$1,324,200; AUTHORIZED INCREASES TO THE FY 2008-09 CAPITAL BUDGET FOR PROJECT 10799 FOR \$346,500, FROM \$397,100 TO \$743,600 AND FOR PROJECT 30222 FOR \$737,600, FROM \$524,700 TO \$1,262,300; APPROVED EXPENDITURE AUTHORIZATIONS FOR PROJECT 10799 FOR \$678,700, PROJECT 11374 FOR \$2,457,100, PROJECT 24175 FOR \$1,119,600, AND PROJECT 30222 FOR \$1,117,100; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 2 WITH RBF CONSULTING IN THE AMOUNT OF \$46,400 FOR THE ALTON PARKWAY EXTENSION, PROJECTS 10799, 11374, 24175, AND 30222.

GENERAL MANAGER'S REPORT

General Manager Jones reported that SB 283 relating to the indoor recycled water provisions of the California plumbing code was heard today in the Senate Environmental Quality Committee and that the bill was amended. He said that he would provide the Board an update later in the week on the amendments.

DIRECTORS' COMMENTS

Director Withers reported on his attendance at: 1) an OCSD Board meeting and said that they are marketing 1,500 acres of property in Kings Country. He said that General Manager Ruth provided an update of accounting issues which he said would be resolved with IRWD within the next two weeks, and 2) a LAFCO meeting. He further reported on SB 790 (Parley) relative to a storm water management plan.

Director Matheis reported on her attendance at: 1) the Sea & Sage Audubon Open House event and noted the plaque they presented to IRWD; 2) a Water Education drought workshop; and 3) Mayor Sukee Kang's breakfast.

Vice President Swan reported on his attendance at: 1) Sea & Sage Audubon Open House; 2) Carbon Sequestration partnering conference call; 3) SAWPA; and 4) Newport Bay Executive Committee meeting.

President Reinhart reported on his attendance at: 1) Syphon reservoir site with staff to determine if the site was feasible for winter storage of reclaimed water; 2) a meeting with SCWD's President Dietmeier last week along with General Manager Jones; 3) Sea & Sage Audubon Open House; and 4) a residential community tour.

CLOSED SESSION

President Reinhart said that two Closed Sessions would be held with legal counsel relative to: 1) EXISTING LITIGATION – Government Code Section 54956.9(a) – Richard and Karen Luttrell vs. Griffith Company, L. Johnson Construction, Inc., City of Irvine, and IRWD; and 2) EXISTING LITIGATION - Government Code Section 54956.9(a) – SEMA Construction v. City of Tustin; City of Tustin v. IRWD.

OPEN SESSION

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

ADJOURNMENT

President Reinhart adjourned the meeting.

APPROVED and SIGNED this 11th day of May, 2009.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone