

MINUTES OF REGULAR MEETING – JULY 24, 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., July 24, 2006 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None

Also Present: General Manager Jones, Assistant General Manager Cook, Director of Engineering Heiertz, Treasurer Loomis, Secretary Bonkowski, Legal Counsel Arneson, Ms. Deborah Cherney, Mr. Dick Diamond, Mr. John Hills, Mr. Wayne Posey, Mr. Christopher Smithson, Ms. Joanne Corey, Mr. Jeff Stanart, Mr. Ergun Bakall, and other members of the public and staff.

COMMUNICATIONS TO THE BOARD

President Swan asked that this item be moved following the public hearing. There being no objections, COMMUNICATIONS TO THE BOARD was moved to 3A on the agenda.

ITEMS TOO LATE TO BE AGENDIZED

General Manager Jones reported that it came to staff's attention after the agenda was posted that there was a need to meet with legal counsel relative to anticipated litigation under Government Code Section 54956.9(b), significant exposure to litigation with one or more potential cases. On MOTION by Miller, seconded and unanimously carried, IT WAS DETERMINED THAT THERE WAS A NEED TO TAKE IMMEDIATE ACTION TO CONFER WITH LEGAL COUNSEL RELATIVE TO ANTICIPATED LITIGATION, GOVERNMENT CODE SECTION 54956.9(b); SIGNIFICANT EXPOSURE TO LITIGATION (ONE OR MORE POTENTIAL CASES) WHICH CAME TO THE ATTENTION OF THE DISTRICT SUBSEQUENT TO THE AGENDA BEING POSTED, AND THIS MATTER WAS ADDED TO THE AGENDA AS ITEM 18B1 UNDER OTHER BUSINESS (see page 12).

PUBLIC HEARING - SEWER CHARGES TO BE COLLECTED ON THE TAX ROLL

General Manager Jones reported that by adoption of Resolution No. 1987-45, the Board of Directors elected to have sewer charges for certain parcels of land located in the Newport North area collected on the tax roll together with the District's general taxes. Pursuant to the requirements of the Health and Safety Code of the State of California, a public hearing on the report is required. He said that the District Secretary has noticed a hearing for this meeting for objections or protests to the report, if any.

President Swan said this was the time and place for a hearing on the report relative to collection of sewer charges on the tax roll for parcels of land located in the Newport North area, and declared the hearing open. He asked the Secretary how the hearing was noticed.

Secretary Bonkowski said that the report was filed with her on July 5, 2006 and notice of the filing of the report and the time and place of this hearing was published in the Orange Coast Daily Pilot on July 10 and July 17, 2006. She further said that a notice was also posted in the District office on July 5, 2006. On MOTION by Miller, seconded by Matheis, and unanimously carried, THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

Legal Counsel Arneson described the nature of the proceedings, saying that the purpose of the hearing was to provide an opportunity for all persons interested or the owner of any parcel within the area to present objections or protests to the report.

President Swan asked Secretary Bonkowski whether she had received any written communications concerning this matter, and she stated that she had not. President Swan asked if there was anyone present who wished to address the Board concerning the report and the proposed collection of sewer charges on the tax roll. There was no one present who wished to be heard. President Swan then inquired if there were any comments or questions from members of the Board of Directors. There were none.

On MOTION by Miller, seconded by Matheis and unanimously carried, THE HEARING WAS CLOSED AND RESOLUTION NO. 2006-26 WAS ADOPTED BY TITLE AS FOLLOWS:

RESOLUTION NO. 2006-26

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE
RANCH WATER DISTRICT ADOPTING REPORT OF SEWER
CHARGES TO BE COLLECTED
ON THE TAX ROLL

COMMUNICATIONS TO THE BOARD

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 currently the deep aquifer treatment system wells C-8 and C-9 and wells 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 14, 15, 16 and 17 are in operation. Wells 13 and 18 are currently undergoing rehabilitation work. 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), 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 Layne Christensen Company and Bakersfield Well & Pump, Inc. to construct a total of eight wells. Well drilling activities are complete and it will take an additional

18 months to complete the well head facilities. 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. Jones.

With respect to the OCWD annexation of certain IRWD lands, OCWD released the Environmental Impact Report (EIR) in early January 2006. The extended comment period for the EIR closed March 17. Staff has been working with OCWD to review comments on the EIR, and anticipates responses to be prepared and an OCWD Board action on the EIR and annexation in August. This was confirmed by Mr. Jones.

CONSENT CALENDAR

On MOTION by Reinhart, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 9 WERE APPROVED AS PRESENTED.

4. MINUTES OF BOARD MEETINGS

Recommendation: That the minutes of the July 10, 2006 Board of Directors' meeting be approved as presented.

5. RATIFY/APPROVE OF BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS

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

6. STRATEGIC MEASURES DASHBOARDS

Recommendation: Receive and file.

7. JUNE 2006 FINANCIAL REPORTS

Recommendation: Receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate SWAP Summary for June 2006; and approve the June 2006 Summary of Wire Transfers and ACH payments in the total amount of \$7,036,132.62; and the June 2006 Warrant Nos. 270700 through 271772, Workers' Compensation Distributions and voided checks in the total amount of \$12,633,627.95.

8. EL TORO ROAD SEWAGE LIFT STATION BYPASS AUTOMATION BUDGET ADDITION AND EXPENDITURE AUTHORIZATION

Recommendation: That the Board approve the addition of project 20483 to the fiscal year 2006/07 Capital budget for \$81,000, and approve an Expenditure Authorization for \$81,000 for the El Toro Road Sewage Lift Station Bypass Automation.

9. PLANNING AREA 1, PORTOLA PARKWAY DOMESTIC AND RECLAIMED WATER PIPELINES – EXPENDITURE AUTHORIZATION APPROVAL

Recommendation: That the Board approve Expenditure Authorizations for project 10782 for \$48,300 and project 30782 for \$50,600 for funding the additional design for Planning Area 1 Portola Parkway domestic and reclaimed water pipelines.

ACTION CALENDAR

PHASE 1 - MICHELSON WATER RECLAMATION PLANT 2005 UPGRADES – CONSTRUCTION ENGINEERING SERVICES SELECTION

General Manager Jones reported that staff recommended that the Board authorize the General Manager to execute a professional services agreement with Malcolm Pirnie, Inc. to provide engineering services during construction for the Michelson Water Reclamation Plant (MWRP) 2005 Upgrades Project.

Director of Engineering Heiertz reported that in June 2006, the Board awarded the construction contract to Gateway Pacific Contractors for the MWRP 2005 Upgrades project. The project consists of construction of a new secondary clarifier with ancillary equipment and north and south inlet sewer flow meters. Mr. Heiertz said that staff typically requests a proposal for engineering services during construction from the project design consultant; however, in this case, it was decided to request proposals from several engineering consultants. He said that proposals were received from Brown & Caldwell, Malcolm Pirnie, and Tetra Tech, and that HDR Engineering declined to submit a proposal. Mr. Heiertz said that staff selected Malcolm Pirnie based upon the strength and experience of their project team and their understanding of the scope of work. He further said that Malcolm Pirnie has demonstrated a strong wastewater design background, have successfully completed similar work on past IRWD projects, and are well versed in IRWD construction processes and standards.

Vice President Reinhart reported that this item was reviewed and approved by the Engineering and Operations meeting on July 18, 2006. On MOTION by Reinhart, seconded and unanimously carried, THE GENERAL MANAGER WAS AUTHORIZED TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH MALCOLM PIRNIE, INC. FOR \$175,500 FOR THE PHASE 1 – MICHELSON WATER RECLAMATION PLANT 2005 UPGRADES, PROJECT 20276.

ON-CALL CONSTRUCTION INSPECTION SERVICES VARIANCE

General Manager Jones reported that staff recommends authorization to execute a variance with Tetra Tech, Inc. to provide on-call construction inspection services during fiscal years 2006 through 2008.

Director of Engineering Heiertz reported that as a part of an unparalleled growth cycle in residential and commercial infrastructure, District staff has been tasked with inspecting approximately 230 construction projects during the fiscal year 2006/07. These include projects with increased complexities, additional coordination requirements, and the aggressive scheduling by entities including the Irvine Community Development Company (ICDC) and the City of Irvine. Mr. Heiertz

said that the District's inspection group consists of six full-time inspection positions plus one Engineering Department staff member who is on long-term assignment from the GIS Section. He said that in order to provide the required inspection and management of these construction projects, staff is recommending that the District's inspection capabilities be augmented by consultants.

Mr. Heiertz said that staff recently requested proposals from Butier and Tetra Tech to continue construction inspection contracts for an additional two years. Both firms proposed individuals that are familiar with IRWD standards and procedures, and have proven to be effective inspectors. In April 2006, the Board approved a variance of up to \$270,000 with Butier for on-call inspection services. Staff is now requesting approval of a variance with Tetra Tech for a not to exceed amount of \$459,300 for continued on-call construction inspection services. Tetra Tech's fee proposal is cost competitive and reflects an appropriate level of manpower and effort to complete the required inspection services effectively.

Staff intends to assign contract inspectors from Butier and Tetra Tech based on matching individual qualifications to the types of construction projects and the overall availability of inspection staff. If the inspectors do not meet our qualifications, the District has the ability to substitute other inspectors from Tetra Tech and can cancel the contract if inspection services are no longer needed.

Vice President Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on July 18, 2006. On MOTION by Reinhart, seconded and unanimously carried, **THE GENERAL MANAGER WAS AUTHORIZED TO EXECUTE A VARIANCE WITH TETRA TECH, INC. FOR \$459,300 FOR ON-CALL CONSTRUCTION INSPECTION SERVICES DURING FISCAL YEARS 2006 THROUGH 2008.**

BUDGET ADJUSTMENTS AND EXPENDITURE AUTHORIZATIONS FOR IRVINE AVENUE AND SANTA ANA HEIGHTS FIRE IMPROVEMENTS

General Manager Jones reported that improvements are being constructed by the City of Newport Beach (Newport) under a reimbursement agreement approved by the IRWD Board of Directors on May 24, 2004. Construction is now complete and several construction change orders have been issued by Newport for the projects requiring Board approval.

Director of Engineering Heiertz reported that in May 2004, IRWD and Newport approved a reimbursement agreement for relocating IRWD's 6-inch waterline in Irvine Avenue and replacing it with a 12-inch PVC line. In October 2004, Newport awarded a contract to W.A. Rasic in the amount of \$2,457,067 for the Irvine Avenue water main replacement. IRWD's share of the Irvine Avenue project costs was \$415,425. In May 2005, IRWD opened bids for the Santa Ana Heights Fire Improvements in Anniversary Lane and Riverside and Kline Drives. Mr. Heiertz said that W. A. Rasic was the low bidder for the fire improvement project. He said that Newport and IRWD agreed to amend the existing agreement to include the fire improvement project and issue a change order to W. A. Rasic for \$689,082. He further said that since awarding the contracts, staff has been involved in negotiations and approval of several construction change orders totaling \$119,811.

Vice President Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on July 18, 2006. On MOTION by Reinhart, seconded and unanimously carried, THE ADDITION OF PROJECT 10364 TO THE FISCAL YEAR 2006/07 CAPITAL BUDGET FOR \$612,700 WAS APPROVED; A BUDGET REDUCTION FOR PROJECT 10482 BY <\$17,500> FROM \$1,105,500 TO \$1,088,000 WAS APPROVED; AND EXPENDITURE AUTHORIZATIONS FOR PROJECT 10364 FOR \$58,300 AND FOR PROJECT 10482 FOR \$181,600 WERE APPROVED FOR THE IRVINE AVENUE AND SANTA ANA HEIGHTS FIRE IMPROVEMENTS.

PLANNING AREA 6, ZONES 6 AND D DOMESTIC AND RECLAIMED WATER IMPROVEMENTS PROJECT (PORTOLA PARKWAY) – FY 2006/07 CAPITAL

Director of Engineering Heiertz reported that a Supplemental Reimbursement Agreement with the Irvine Community Development Company (ICDC) was previously approved and executed for all IRWD capital pipelines within Planning Area (PA) 6. Mr. Heiertz said that improvements are required for this project and are included in the PA 6 Sub-Area Master Plan update. These improvements include Zones 6 and D pipelines located within Portola Parkway from Portola Springs Road to just north of the Foothill Transportation Corridor, SR-241.

Mr. Heiertz said that in May 2006, ICDC bid the project which includes an Assessment District, a non-Assessment District (ICDC funded), and IRWD items of work. He said that bids were received from All American Asphalt, Griffith Company, Hillcrest Contracting (Hillcrest), and Kennedy Pipeline; with the low bid received from Hillcrest; however, All American was the low bidder for the IRWD facilities at a cost savings of \$46,048. Mr. Heiertz that since the IRWD improvements were deletable items of work within the total contract, ICDC contacted All American to see if they would perform only IRWD facilities in which they declined the offer. As re-advertising IRWD facilities would delay the project, it was determined that it would be advantageous to have Hillcrest perform the construction activities for all the improvements to be built for a total cost of \$2,171,943.54.

Vice President Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on July 18, 2006. On MOTION by Reinhart, seconded and unanimously carried, AN INCREASE OF THE FY 2006/07 CAPITAL BUDGET FOR PROJECTS 10780 BY \$865,600, FROM \$319,400 TO \$1,185,000 AND PROJECT 30780 BY \$390,200, FROM \$1,009,800 TO \$1,400,000 WAS AUTHORIZED; AND EXPENDITURE AUTHORIZATIONS FOR PROJECT 10780 FOR \$1,162,700 AND PROJECT 30780 FOR \$1,384,600 WAS APPROVED FOR FUNDING THE CONSTRUCTION OF THE PLANNING AREA 6 ZONES 6 AND D DOMESTIC AND RECLAIMED WATER IMPROVEMENTS PROJECT.

PA 6 ZONE 4 AND C RESERVOIRS, ZONE 4-6, AND C-D BOOSTER PUMP STATION

Director of Engineering Heiertz reported that this project consists of the Planning Area 6 Zone 4 Reservoir, Zone C Reservoir, Zone 4-6 booster pump station (BPS), and Zone C-D BPS and construction of a reservoir management system at IIC-East Reservoir, all being constructed by Gateway Pacific Contractors.

Mr. Heiertz reported that Change Order No. 7 is being requested to account for an additional 460 feet of 16-inch domestic and reclaimed water discharge piping and changes to the storm drain required by the Orange County Flood Control (OCFD) at a cost of \$279,074.

Mr. Heiertz said that the project includes the construction of a complete Reservoir Management System (RMS) chloramination disinfection facility for the Zone 4 Reservoir. Since the installation of other RMS facilities is anticipated at several other domestic water reservoir sites, staff also proposes to develop RMS standard format drawings for inclusion within the IRWD Construction Manual. Standard technical specifications will also be developed for the RMS equipment and its appurtenant components. He said that Daniel Boyle Engineering has submitted Variance No. 7 for \$48,053 to perform the modifications to the Zone 4 Reservoir RMS facility and to prepare the RMS standard drawings and specifications.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on July 18, 2006. On MOTION by Reinhart, seconded and unanimously carried, BUDGET INCREASES TO THE FY 2006/07 CAPITAL BUDGET FOR PROJECT 10551 BY \$338,100, FROM \$6,072,300 TO \$6,410,400 AND PROJECT 30179 BY \$331,800, FROM \$5,294,300 TO \$5,626,100 WERE AUTHORIZED; EXPENDITURE AUTHORIZATIONS FOR \$338,100 AND \$331,800 WERE APPROVED; AND THE GENERAL MANAGER WAS AUTHORIZED TO EXECUTE CHANGE ORDER NO. 7 WITH GATEWAY PACIFIC CONTRACTORS FOR \$279,074 FOR THE PA 6 ZONE 4 RESERVOIR, ZONE C RESERVOIR, ZONE 4-6 BPS, ZONE C-D BPS PROJECT, PROJECTS 10551 AND 30179; AND VARIANCE NO. 7 TO THE AGREEMENT WITH DANIEL BOYLE ENGINEERING FOR \$48,053 FOR PROVIDING DESIGN SERVICES FOR THE RESERVOIR MANAGEMENT SYSTEM.

SETTING CONNECTION FEES AND PROPERTY TAXES FOR FY 2006-07

General Manager Jones reported that each year, the Board considers connection fees and property tax rates and makes adjustments as a result of changing assumptions and capital needs. Mr. Jones said that in FY 2005-06, the Board re-established a tax rate within various Improvement Districts of approximately \$0.02 and increased connection fees by 23%. These actions were taken as a result of the potential loss or reallocation of 1% property tax revenues, increased future capital costs, and to maintain the 75% debt service coverage ratio covenant. He said for this fiscal year, staff recommends that connection fees be increased by 29%.

Using a power point presentation, Mr. Smithson reviewed the fundamental objectives to be considered by the Board in setting connection fees and property taxes which included minimizing and equitably allocating new capital costs; maintaining the 50/50 split between connection fees and property taxes; minimizing rate and fee "shock"; maintaining the 75% debt service coverage ratio; and maintaining the District's replacement fund for its intended use. These fundamental objectives are supplemented by a variety of assumptions, including cost of debt, the District's rate of return and the ENR index, as well as how 1% property tax revenues are to be allocated. He said that in reaching this year's recommendation, staff discussed the factors influencing rates with the Irvine Company on numerous occasions during the course of the year.

Mr. Smithson then reviewed a summary of potential alternatives, connection fee recommendations, and property tax rate recommendations in various improvement districts

The proposed connection fees and property taxes were reviewed by the: Enterprise Model Ad Hoc Committee on June 27 and July 15, 2006 as well as the Finance and Personnel Committee on July 5, 2006. President Swan stated that the Committee recommendations were to adopt staff's recommendations, modified to change the connection fee increase to 21%, which can meet objectives using a modified projection scenario tested by the model. Director Withers said he was concerned as The Irvine Company was not in attendance for tonight's Board meeting even though they had been in attendance during the various Committee meetings. Director Miller encouraged the Board and staff to work with TIC during this fiscal year relative to the connection fees. General Manager Jones commented that connection fees have been low and TIC has been receiving benefits between \$60,000 and \$80,000 annually. Director Withers said he still felt uncomfortable with the process and without TIC's presence this evening. Following discussion, on MOTION by Miller, seconded and carried (4-1) Withers voting no, THE FOLLOWING RESOLUTIONS WERE ADOPTED BY TITLE:

RESOLUTION NO. 2006-27

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA, RESCINDING RESOLUTION NO. 2006-20 AND ADOPTING CHANGES TO THE SCHEDULE OF RATES AND CHARGES AS SET FORTH IN "EXHIBIT "D" TO THE RULES AND REGULATIONS OF IRVINE RANCH WATER DISTRICT FOR WATER, SEWER, AND RECLAIMED WATER SERVICE AND EXHIBITS THERETO

RESOLUTION NO. 2006-28

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA ESTABLISHING AD VALOREM TAX RATES FOR FISCAL YEAR 2006-07

Both President Swan and Director Miller thanked staff or all of their hard work on this item. Mr. Ergun Bakall, MWDOC Director, said that the District has done a great job in keeping the rates low for its customers.

FOOTHILL ZONE 6A BOOSTER PUMP STATION IMPROVEMENTS AND EVALUATION OF TURTLE ROCK RECLAIMED WATER BOOSTER PUMP STATION

General Manager Jones reported that this project would at a minimum determine if another pump should be added to the existing three pumps at the Foothill Zone 6A Booster Pump Station (BPS) which pumps domestic water from the Zone 6 Reservoir to the Zone 6A Reservoir. Mr. Jones said that the Engineer will evaluate the entire facility to identify other potential needed improvements including, but not limited to, equipment replacement, electrical improvements, and instrumentation and control (I&C) improvements.

Director of Engineering Heiertz reported that the Turtle Rock Reclaimed Water BPS was constructed in 1985 to supply reclaimed water to the Turtle Rock area. In 1992 the BPS was expanded for the addition of three speed pumps. Staff would like to have three tasks performed on this facility as follows: 1) Evaluate the existing pumping facilities to identify the cause(s) of the VSD failures and to recommend needed improvements, and to evaluate the entire BPS facility to identify other potential needed improvements including, but not limited to, equipment replacement, electrical improvements, and instrumentation and control improvements; 2) Evaluate alternatives for delivering reclaimed water from the Zone D system to the Turtle Rock Zone BPS; and 3) Determine the feasibility of converting the irrigation service in this area from domestic water to reclaimed water from the Zone D system.

Mr. Heiertz said that staff received proposals for engineering design services for the Foothill Zone 6A BPS improvements and the evaluation of Turtle Rock reclaimed water BPS from AKM, EarthTech, Lee & Ro and URS. He said that even though the low bid was received by URS, it contains a significantly less level of effort than would be required to successfully complete the work. For the Foothill Zone 6A BPS, URS's proposed level of effort would be inadequate to accommodate the District's design review process which includes substantial coordination and multiple design reviews with several departments. In addition, the hours proposed to complete the preliminary alternatives evaluations and the hydraulic modeling associated with the Turtle Rock Zone B BPS were on average about 73 percent less than the hours proposed by the other firms. He said due to the substantial difference between the level of effort proposed by URS and the other proposing firms, staff has determined that URS would be incapable of successfully achieving the goals and objectives of the project with their proposed level of effort. He further said that staff recommends that Lee and Ro be awarded the professional services agreement since their design approach, schedule, and man-hours are consistent with the project goals.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on July 18, 2006. Following discussion, on MOTION by Reinhart, seconded and unanimously carried, EXPENDITURE AUTHORIZATIONS WERE APPROVED FOR \$129,800 FOR PROJECT 10239 AND \$159,500 FOR PROJECT 30103 AND THE GENERAL MANAGER WAS AUTHORIZED TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH LEE AND RO FOR \$236,892 FOR ENGINEERING SERVICES FOR THE FOOTHILL ZONE 6A BPS IMPROVEMENTS AND EVALUATION OF THE TURTLE ROCK RECLAIMED WATER BPS, PROJECTS 10239 AND 30103.

NTS MONITORING PLAN (WETTRAQ) – CONSULTANT SELECTION

General Manager Jones reported that the purpose of this item was to recommend selection of a consultant to provide professional services in the development of the Natural Treatment System (NTS) Wetland Performance Tracking Plan (WetTraq) as noted in the master plan and EIR.

Mr. Norris Brandt reported that the primary purpose of WetTraq was to provide IRWD with data to optimize the operation of NTS for effectiveness, including meeting regulatory reporting requirements and early warning of any potential environmental impacts, provide information for site operation and maintenance, vegetation management, sediment management, and wildlife/habitat management within NTS sites, and provide standardized protocols for sampling/testing with an

emphasis on cost effectively producing NTS performance/management data. WetTraq will not include a monitoring plan for the Cienega Filtration Project (Cienega) as a separate plan is being developed independently by the Cienega consultant team due to the significantly greater amount of data required for that highly complex facility.

Mr. Brandt said that staff developed a Request for Proposals (RFP) that was sent to six firms with expertise in developing water quality monitoring plans and urban runoff treatment. The six firms were TetraTech, GeoSyntec, MEC/Weston Solutions, Larry Walker and Associates (LWA), Malcolm Pirnie, and CH2M-Hill. Following an evaluation of the bids received, staff recommends that a contract be awarded to MEC/Weston Solutions. MEC's team has extensive experience in developing and implementing monitoring plans. Their proposal demonstrates a good understanding of what is expected and also provided innovative ideas for meeting the project objectives, including automation and process simplifications to reduce IRWD staff workload while providing high quality results.

On MOTION by Miller, seconded and unanimously carried, THE GENERAL MANAGER WAS AUTHORIZED TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH WESTON SOLUTIONS, INC. FOR \$159,397 FOR THE DEVELOPMENT OF WETTRAQ AND AN EXPENDITURE AUTHORIZATION FOR \$230,300 FOR PROJECT 10868 WAS APPROVED TO FUND THE CONSULTANT AGREEMENT AND RELATED STAFF WORK.

OTHER BUSINESS

GENERAL MANAGER'S REPORT

General Manager Jones reminded the Board of the upcoming Strategic Planning meeting scheduled for Friday. Mr. Jones said that he and Mr. Dick Diamond were meeting with the General Managers of Rosedale Rio Bravo Water District and Kern Delta relative to water banking issues this week. He noted a coliform violation at the SCWD system which has been corrected; however, he said that a public notification will be distributed. He also noted a process control problem at the Michelson Water Reclamation Plant.

DIRECTORS' COMMENTS

Director Miller reminded the Board of the upcoming CSDA Ethics training on Friday. He reported that Directors Reinhart, Matheis and he attended the Water Education and Law briefing and said he was very impressed with Mr. George's presentation on the rationale for supplying a bypass canal for the delta. He asked staff to explore this alternative further for modification as well as support. It was suggested that Mr. George be invited to speak at a future WACO meeting on this matter. He also reported on his attendance at NWRI's Clark Prize event.

Director Matheis also reported on her attendance at the WEF briefing and noted that Ms. Ann Schneider was honored for achieving excellence in the field.

Vice President Reinhardt also noted his attendance at the WEF briefing.

President Swan reported that he would be speaking at the City of Newport Beach's study session tomorrow updating the group on IRWD activities. He said that it was his understanding that both the Orange County Business Council's Legislative group and ACWA's Region X would be opposing Proposition 84. He said he also attended the NWRI event. He said he had a recent meeting with Assemblyman Huff. He said on Wednesday he would be attending the Southern California Dialog Group. He further said that that MWDOC was endorsing Mr. Dennis Underwood to receive the SCWD's Harriet Weider Award.

RECESS AND RECONVENE

President Swan declared a recess at 7:28 p.m. to hold the Special Meeting of the Bardeen Partners, Inc. The meeting was reconvened at 7:35 p.m. with all Directors present.

CLOSED SESSION

President Swan reported that a Closed Session would be held with legal counsel relative to anticipated litigation; Government Code Section 54956.9(b), significant exposure to litigation (one or more cases).

OPEN SESSION

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

ADJOURNMENT

There being no further business, President Swan adjourned the meeting to Friday, July 28, 2006 at 7:45 a.m. in the multi-purpose room.

APPROVED and SIGNED this 28th day of August, 2006.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone