

## MINUTES OF REGULAR MEETING – NOVEMBER 26, 2007

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 6:00 p.m. by President Reinhart on November 26, 2007 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Withers (arrived at 6:06 p.m.), Miller, Swan, Reinhart, and Matheis

Directors Absent: None.

Also Present: General Manager Jones, Assistant General Manager Cook, Director of Engineering Heiertz, Director of Finance Cherney, Secretary Bonkowski, Legal Counsel Arneson, Mr. Jim Reed, Ms. Beth Beeman, Mr. Wayne Posey, Mr. Terry Loomis, Mr. Paul Weghorst, Mr. Mark Tettemer, and other members of the public and staff.

### 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 it was her understanding that currently wells 5, C-8 and C-9, 10, 14, 15, 17, and 18 are in operation in accordance with the District's annual pumping plan which is 2,200 AF per month for November. This was confirmed by Mr. Paul 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 agency. This was confirmed by Mr. Jones.

Relative to the OCWD annexation of certain IRWD lands, an OCWD Board workshop was held on September 24 at 4:00 p.m. to discuss the annexation status and issues. Both Director Miller and General Manager Jones attended the workshop. Director Miller reported that at the OCWD Board Workshop, OCWD staff and legal counsel were directed to work with IRWD on the Annexation Agreement. Staff and legal counsel of both agencies have come to consensus on several sections of the draft Annexation Agreement, and an additional meeting to address outstanding issues was held on October 23. Potential litigation in regard to the annexation matter was discussed twice, in Closed Session during IRWD's Strategic Planning Meeting held on October 26, and at IRWD's Regular Board Meeting on November 12. A subsequent meeting was held with OCWD's General Manager to convey IRWD's current position on the Annexation Agreement. This was confirmed by Mr. Jones.

## CONSENT CALENDAR

Director Swan asked that Item No. 13 be moved to the Action Calendar for discussion. There being no objection, this item was moved to the Action Calendar. On MOTION by Swan, seconded and unanimously carried, CONSENT CALENDAR ITEMS 3 THROUGH 12 AND 14 THROUGH 18 WERE APPROVED AS FOLLOWS:

3. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the October 26, 2007 Adjourned Regular Board Meeting and November 12, 2007 Regular Board Meeting be approved as presented.

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

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

5. STRATEGIC MEASURES DASHBOARDS

Recommendation: Receive and file.

6. 2007 STATE LEGISLATIVE WRAP-UP

Recommendation: Receive and file.

7. UPCOMING PROJECTS' STATUS REPORT

Recommendation: Receive and file.

8. OCTOBER 2007 FINANCIAL REPORTS

Recommendation: Receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate SWAP Summary for October 2007; approve the October 2007 Summary of Wire Transfers and ACH payments in the total amount of \$14,013, 460.01; and approve the October 2007 Warrant Nos. 284416 through 285227, Workers' Compensation Distributions and voided checks in the total amount of \$16,098,473.63.

9. IRWD CUSTOMER OUTREACH REGARDING WATER SUPPLY ISSUES

Recommendation: That the Board direct staff to implement a water supply outreach plan utilizing the themes, materials and communication methods outlined in the write-up; and request that MWDOC exclude the IRWD service area from its proposed regional outreach campaign.

10. ROYALTY CARPET RETROFIT FINANCING AGREEMENT

Recommendation: That the Board authorize the General Manager to execute the Retrofit Financing Agreement for the Use of Recycled Water with Royalty Carpet for a not-to-exceed amount of \$40,000.

11. ROBERTSON'S READY MIX – RECYCLED WATER CONVERSION CONSULTANT SELECTION, BUDGET AND EXPENDITURE AUTHORIZATION

Recommendation: That the Board authorize the addition of project 30313 for \$259,400 to the Fiscal Year 2007/08 Capital budget, and approve an Expenditure Authorization for \$50,100 for the Robertson's Ready Mix Recycled Water Conversion project.

12. OPPORTUNITIES STUDY – ADDITIONAL FUNDING FOR PHASE 3

Recommendation: That the Board authorize payment of \$73,725 to the City of Lake Forest related to funding Phase 3 of the Opportunities Study.

14. AMENDMENTS TO AGREEMENTS FOR DISPOSAL AND TREATMENT OF SR 261 GROUNDWATER

Recommendation: That the Board authorize the General Manager to execute Amendment No. 1 to the agreement with Orange County Sanitation District titled Permit Agreement for Discharge from Groundwater, and Amendment No. 1 to the agreement with Caltrans titled Agreement between Transportation Corridor Authority, California Department of Transportation and Irvine Ranch Water District for Disposal of Untreated Groundwater.

15. LOS ALISOS WATER RECLAMATION PLANT 2005 UPGRADES VARIANCE NOS. 1 AND 2

Recommendation: That the Board approve Variance Nos. 1 and 2 in the amount of \$102,400 and \$124,100 to HDR Engineering's engineering construction support agreement for the Los Alisos Water Reclamation Plant 2005 Upgrades, projects 20243 and 30134.

16. PRELIMINARY DISINFECTION FACILITY CHEMICAL LINE REPLACEMENT EXPENDITURE AUTHORIZATION AND CONSULTANT SELECTION

Recommendation: That the Board authorize the General Manager to execute an engineering services agreement with Tetra Tech, Inc. in the amount of \$118,410, and authorize the General Manager to approve an Expenditure Authorization in the amount of \$165,500 for project 11228.

17. RESERVOIR MANAGEMENT SYSTEMS AT NINE DOMESTIC WATER RESERVOIRS – CONSTRUCTION PHASE CONSULTANT SERVICES AWARD AND APPROVAL OF VARIANCE NO. 2

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with NMG Geotechnical, Inc. in the amount of \$68,614, and approval of Variance No. 2 in the amount of \$80,766 to DBE Psomas for Reservoir Management Systems at Nine Domestic Water Reservoirs, projects 10991 and 11165.

18. WATER SUPPLY VERIFICATION FOR EAST ORANGE PLANNED COMMUNITY TRACT 17185 (AREA 2)

Recommendation: That the Board approve the water supply verification for East Orange Planned Community Tract 17185 (Area 2).

ACTION CALENDAR

AMENDMENT NO. 1 TO LAGUNA BEACH UNIFIED SCHOOL DISTRICT APPLICATION FOR SERVICE TO THE EL MORRO LIFT STATION

Director Swan made an inquiry about the amendment with Laguna Beach Unified School District deferring payment of certain engineering costs totaling \$13,329 in five annual installments. Following discussion, on MOTION by Matheis, seconded by Miller, and carried (4-1) Matheis, Reinhart, Miller and Withers voting aye, and Swan voting no, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE LAGUNA BEACH UNIFIED SCHOOL DISTRICT'S APPLICATION FOR SERVICE AND AGREEMENT WITH IRVINE RANCH WATER DISTRICT FOR THE EL MORRO SCHOOL LIFT STATION AND FORCE MAIN.

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FY 2006-07

Director of Finance Cherney reported that staff was presenting the fourth Comprehensive Annual Financial Report (CAFR) and that all of the District's CAFRs have won awards from the Government Finance Officers Association. Ms. Cheney said that the CAFR is intended to provide a more comprehensive description of the District's scope and fiscal position than is provided in standard audited financial statements. In preparing this year's CAFR, staff sought to continue the key message points from prior year CAFRs which were benchmarked against bank and rating agency opinions on highly rated bond offerings.

Ms. Cherney said that the standard requirements of the CAFR are set forth by Government Accounting, Auditing and Financial Reporting (GAAFR) and included three sections: 1) Profile of the District, factors affecting financial condition of the District, major initiatives, and awards and acknowledgments; 2) The financial section containing the Independent Auditor's Report, management's discussion and analysis, and basic financial statements; and 3) The statistical section containing a variety of schedules and charts which provides readers with various demographical and financial information, most of which is provided in terms of a 10-

year comparison or trend. Where the data is not readily available for a 10-year period, the standards allow the District to report for a shorter period and build up to a 10-year history.

Director Swan said that this item was reviewed at the Finance and Personnel Committee on November 6, 2007. On MOTION by Swan, seconded and unanimously carried, THE BOARD APPROVED THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR FY 2006-07.

PHASE 1 – MICHELSON WATER RECLAMATION PLANT 2005 UPGRADES –  
CONSTRUCTION CHANGE ORDER

Director of Engineering Heiertz reported that in June 2006, the Board awarded the construction contract to Gateway Pacific Contractors for \$8,828,497 for the Phase 1 - Michelson Water Reclamation Plant (MWRP) 2005 Upgrades Project. Mr. Heiertz said that the project consists of construction of a new secondary clarifier with ancillary equipment. He then summarized the two change orders as follows: deletion of the north inlet flow meter station for <\$500,000.00>; deletion of the south inlet flow meter station for <\$450,000.00>; deletion of electrical for both north and south flow meter stations for <\$50,000.00>; relocation of mixed liquor flow control station for <\$85,296.36>; submersible pump change for \$43,402.58; air compressor shelter and pad for \$32,274.09; temporary flow monitoring for \$68,745.15; realign 42-inch secondary effluent line due to utility conflicts for \$22,480.64; and realign 16-inch RAS line due to utility conflicts for \$10,400.32, for a total of <907,993.58>.

Mr. Heiertz said that Change Order No. 11 consists of concrete repair to the MWRP tertiary filters in the amount of \$169,394 which is needed to address significant cracking and spalling that has been documented in the interior filter cells, on the upper support structure, and on external parts of the filter structure. He said that staff requested a proposal from Gateway Pacific to perform the repair work and its proposal was \$169,394 which is very close to the engineer's estimate of \$160,000. The repairs consist of epoxy injection grouting and coating of the exterior filter cell walls. Western Jalco will perform the repair work as a subcontractor to Gateway Pacific Contractors via Change Order No. 11 with inspection services provided by Harper & Associates.

Director Withers said that this item was reviewed and approved by the Engineering and Operations Committee on November 20, 2007. On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED A BUDGET INCREASE FOR PROJECT 20470 IN THE AMOUNT OF \$102,200 FROM \$142,000 TO \$244,200; APPROVED AN EXPENDITURE AUTHORIZATION FOR PROJECT 20470 IN THE AMOUNT OF \$217,200; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE CONTRACT CHANGE ORDER NOS. 10 AND 11 FOR PROJECTS 20276 AND 20470 IN THE AMOUNTS OF (\$907,993) AND \$169,394 WITH GATEWAY PACIFIC CONTRACTORS, INC. FOR THE PHASE 1 - MWRP 2005 UPGRADES AND MWRP TERTIARY FILTER CONCRETE CRACKING.

MICHELSON WATER RECLAMATION PLANT FLOODWALL IMPROVEMENTS  
VARIANCE AND EXPENDITURE AUTHORIZATIONS

Director of Engineering Heiertz reported that flood protection for the Michelson Water Reclamation Plant (MWRP) and other IRWD facilities adjacent to the San Diego Creek is a top priority for IRWD. Mr. Heiertz said that at the May 29, 2007 Board meeting final design of permanent floodwalls was authorized to provide 200-year flood protection to these facilities.

Mr. Heiertz said that the geotechnical investigation determined that differential soil settlement under the proposed wall of up to six inches will occur and this settlement will likely be uneven from one location to another. He said that mitigating this settlement issue will require: 1) protection of existing buried utilities, particularly in the area of Riparian View that is being raised by five to six feet. An additional separate construction project is anticipated which will include directional drilling, monitoring, and cement grouting work, and 2) The 2,300 linear foot floodwall will be built on pile foundations. The piles are expected to be located every eight linear feet at 55-foot depth. These piles will require additional geotechnical analysis and final design modifications. He said that in addition to the settlement issue, VA Consulting is performing several other out-of-scope design tasks as outlined in Variance No. 1. Meetings and coordination have become important tasks due to the other construction projects at MWRP and have resulted in not only additional meetings and design work to accommodate the MWRP Expansion and Marsh Campus projects, but also resolving various issues with the County of Orange staff.

Mr. Heiertz said that prior to starting this design effort, staff developed an action plan for mitigating short-term and long-term flood risk to the MWRP and surrounding facilities which resulted in providing temporary flood protection measures (K-rail) at MWRP in December 2006. It also included attorney/client privileged work related to IRWD's agreements with the County of Orange. The budget for this work requires approval of additional Expenditure Authorizations totaling \$583,900.

Director Withers reported that this item was reviewed and approved by the Engineering and Operations Committee on November 20, 2007. On MOTION by Withers, seconded and unanimously carried, THE BOARD APPROVED EXPENDITURE AUTHORIZATIONS FOR PROJECTS 20542 AND 30542 IN THE AMOUNTS OF \$316,000 AND \$267,900, RESPECTIVELY, AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 1 WITH VA CONSULTING, INC. IN THE AMOUNT OF \$88,600 FOR ADDITIONAL ENGINEERING SERVICES FOR THE MWRP FLOODWALL IMPROVEMENTS, PROJECTS 20542 AND 30542.

CHLORINE ANALYZERS AND RESERVOIR MIXERS AT TEN DOMESTIC WATER  
RESERVOIRS CONSTRUCTION AWARD, BUDGET INCREASE, AND EXPENDITURE  
AUTHORIZATION

Director of Engineering Heiertz reported that since Metropolitan Water District of Southern California (MWD) and the Irvine Ranch Water District (IRWD) switched to chloramines as the primary disinfectant for potable water, a number of IRWD potable water reservoirs have experienced nitrification. Mr. Heiertz said that a separate project will install the Severn Trent Services Reservoir Management System (RMS), an in-tank disinfection system, in nine reservoirs that experience the worst nitrification events. He said that the chlorine analyzers and

reservoir mixers at 10 Domestic Water Reservoirs' projects will install a chlorine analyzer to monitor the water quality in 10 additional reservoirs. The chlorine analyzers will allow staff to monitor the reservoir water quality throughout the week and respond quickly to nitrification events. In addition, a reservoir mixer will be installed in each reservoir to break thermal stratification in the reservoirs to get a well mixed water quality sample, and to mix any calcium hypochlorite added to the reservoir during nitrification events. These reservoirs include the Quail Hill Zone 4, Shady Canyon Zone 5, Turtle Rock Zone 3, Northwood Zone 2, Northwood Zone 3, East Irvine Zone 4, Foothill Zone 6, Foothill Zone 6A, Portola Zone 8, and Portola Zone 9.

Mr. Heiertz said that in February 2007, the Board authorized a design contract with DBE Psomas for the chlorine analyzers and reservoir mixers at Domestic Water Reservoirs. In October 2007, the design was completed, and plans and specifications were made available to 13 pre-selected contractors. He said that the bid opening occurred with four contractors submitting bids with the apparent low bid being Gateway Pacific Contractors with a bid amount of \$1,509,665. The engineer's estimate for the project is \$2,065,000. He further said with the recent slowdown in construction, contractors have been submitting bids at or below the engineer's estimate. All four construction bids received were below the estimate.

On MOTION by Miller, seconded and unanimously carried, THE BOARD AUTHORIZED A BUDGET INCREASE TO THE FY 2007-08 CAPITAL BUDGET FOR PROJECT 11168 BY \$332,900, FROM \$1,568,800 TO \$1,901,700; APPROVED AN EXPENDITURE AUTHORIZATION FOR PROJECT 11168 IN THE AMOUNT OF \$1,755,700; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH GATEWAY PACIFIC CONTRACTORS FOR PROJECT 11168 IN THE AMOUNT OF \$1,509,665 FOR THE CHLORINE ANALYZERS AND RESERVOIR MIXERS AT TEN DOMESTIC WATER RESERVOIRS.

SAN JOAQUIN WILDLIFE SANCTUARY NATURAL TREATMENT SYSTEM FACILITIES  
THREE-YEAR MAINTENANCE SERVICES CONTRACT – 2008 THROUGH 2011

General Manager Jones reported that current operation and maintenance needs within the San Joaquin Wildlife Sanctuary and Natural Treatment System Facilities requires landscape maintenance contract services to control and remove native and non-native vegetation along with landscape and irrigation maintenance. Mr. Jones said that the Natural Treatment System Facilities will also be transferred to Irvine Ranch Water District (District) for Operation and Maintenance during FY 2007-08.

Mr. Jones said that staff initiated a competitive bid process for the contract and five companies were selected to participate in the Request for Proposal (RFP) process. Nakae and Bemus, along with Oak Leaf Landscape, responded with no interest. Based on the responding bids, staff recommends that the contract be awarded to TruGreen LandCare.

Director Withers said that this item was reviewed at the Engineering and Operations Committee on November 20, 2007 and applauded staff on their organization with this contract. On MOTION by Withers, seconded and unanimously carried, THE BOARD APPROVED THE SAN JOAQUIN WILDLIFE SANCTUARY AND NATURAL TREATMENT SYSTEM FACILITIES MAINTENANCE SERVICES CONTRACT IN THE AMOUNT OF \$1,218,625.

HARVARD AVENUE TRUNK SEWER DIVERSION TO MICHELSON WATER RECLAMATION PLANT – CONTRACT CHANGE ORDER NO. 1

General Manager Jones reported that the Harvard Avenue Trunk Sewer (HATS) Diversion to the Michelson Water Reclamation Plant Project will be capable of diverting wastewater flows ranging from a minimum of 2.0 million gallons per day (MGD) to a maximum of 16.5 MGD with an average flow of 8.0 MGD. Mr. Jones said that in March 2007, the Board awarded a construction contract to CDM Constructors in the amount of \$7,839,000 for the construction of the project utilizing a design-build delivery approach. The project is currently under construction with substantial completion expected in April 2008.

Mr. Jones said that a Contract Change Order No. 1 (CCO No. 1) in the amount of \$203,255 was being submitted for approval with consists of four negotiated contract change requests and includes the following items: 1) City of Irvine Encroachment Permit – Extend the substantial completion date by 46 calendar days and the final completion date by 16 calendar days to account for delays associated with the permitting process; 2) project optimization – optimize the design of project facilities to develop an overall project that balances capital costs with operations and maintenance costs - \$69,926; 3) corrosion protection – change the interior coatings for Manhole No. 1, the Junction Structure, and the Vortex Manhole from Sancon to T-Lok, - \$8,731, and 4) noise mitigation – install a sound wall at Manhole No. 1 and at the Lift Station to minimize the construction noise impact on adjacent homeowners - \$124,598.

Director Withers said that this item was reviewed and approved by the Engineering and Operations Committee on November 20, 2007. On MOTION by Withers, seconded and unanimously carried, THE BOARD APPROVED CONTRACT CHANGE ORDER NO. 1 IN THE AMOUNT OF \$203,255 TO CDM CONSTRUCTORS, INC. FOR THE HARVARD AVENUE TRUNK SEWER DIVERSION TO MICHELSON WATER RECLAMATION PLANT, PROJECT 20400.

CIENEGA FIELD DEMONSTRATION PROJECT – CONSTRUCTION CHANGE ORDER AND ENGINEERING SERVICES’ AGREEMENT

Director of Engineering Heiertz reported that IRWD is continuing with the implementation of the Natural Treatment System (NTS) Master Plan to assist the County and Cities within the San Diego Creek Watershed in meeting surface water quality requirements as set by the Santa Ana Regional Water Quality Control Board (Regional Board). The Cienega Filtration Project is a specialized component of the NTS and is intended to provide a means to capture, treat, and remove selenium from the watershed to meet existing and future regulatory requirements.

Mr. Heiertz said that the City of Irvine entered into an agreement with IRWD to allow its participation in the Field Demonstration Project for nitrogen and selenium removal credits. The Cienega Field Demonstration Project (0.3 cfs) is currently being constructed to ensure that major construction and operational issues are resolved before IRWD commits to construction and operation of the Full Scale Cienega facility (3cfs). The Field Demonstration Project is located adjacent to Peters Canyon Channel under the future ball fields for Irvine Unified School District’s Creekside Alternative High School.



Mr. Heiertz said that the construction of the Cienega Field Demonstration project was awarded to CDM Constructors (CDM) on May 29, 2007. Construction of the NTS In-line Basin project was awarded to Lonerock, Inc. on February 26, 2007. The In-line Basin project consists of a series of weirs constructed in the Santa Ana/Santa Fe, San Diego and Peters Canyon County storm channels. Both IRWD projects have facilities that are to be constructed within a portion of Peters Canyon channel upstream of Barranca and within close proximity to each other. These in-channel facilities were to be constructed at different time periods as to not to conflict with one another.

During implementation of the IRWD construction projects the County restricted IRWD contractors from performing any work in the channel adjacent to and upstream of the current County's Bike Trail/Channel improvement project for water quality reasons. The restricted access did not present any issues at the time of project implementation because IRWD's contractors could work on other items of their respective projects until the County's contractor was finished in mid-August. However, the completion date for the County's project was delayed several times in two-week increments and was finally completed in mid-October.

The County's project caused IRWD's project schedules to overlap such that both IRWD contractors were vying to complete work in the channel at the same time. This caused a conflict between the two contractors and would have resulted in delay cost claims by the contractors if IRWD left the issue unresolved. Lonerock has substantially completed its work and any delay of work at Weir No. 1 will result in remobilization and other cost claims. CDM was in the first one-third of its project, but had scheduled its channel work to coincide with other heavy equipment work. CDM also needs immediate access to the channel to complete the work prior to the flood season. To eliminate the risk for construction delay, remobilization or other change order claims from the contractors, staff recommends that a Change Order to CDM's contract be approved to perform the additional work to construct the In-line Basin Project's Weir No. 1 in the amount of \$295,297 and that a credit from Lonerock in the amount of \$83,000 be negotiated for the deleted work.

The Cienega Field Demonstration project will be significantly completed in late February 2008 and ready for the one-year testing period as required by the Regional Board to prove its effectiveness. Staff requested GeoSyntec submit a proposal for a sole source Engineering Services Agreement to develop a comprehensive plan for Testing Protocols; develop a monitoring and reporting plan for the 401 Permit; provide operational support and consultation in implementation of the Testing Protocols during the one-year field demonstration period; Provide support to IRWD in coordination of the State Water Resources Control Board (SWRCB) 319(h) grant for the project; and communicate support for operational progress update presentations to the County's NSMP and the City of Irvine.

GeoSyntec is the only firm that has this unique project knowledge and solicitation of comparative proposals would not produce significant results. Staff recommends that a sole source Engineering Services Agreement with GeoSyntec Consultants be approved to provide testing protocols, operational consultation, 319(h) grant and 401 permit compliance assistance for the Field Demonstration Project in the amount of \$143,148.

Director Withers reported that this item was reviewed at the Engineering and Operations Committee on November 20, 2007. Following discussion relative to outside funding for the

project, on MOTION by Withers, seconded, and unanimously carried, THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION FOR \$479,800 FOR PROJECT 10866; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CHANGE ORDER TO CDM CONSTRUCTORS, INC. FOR \$295,300; AND AN AGREEMENT FOR ENGINEERING SERVICES WITH GEOSYNTEC CONSULTANTS FOR \$143,148 FOR THE CIENEGA FILTRATION (FIELD DEMONSTRATION) PROJECT.

GENERAL MANAGER'S REPORT: None

### DIRECTORS' COMMENTS

Director Swan reported that the location of WACO meetings will be moved to MWDOC in January. Mr. Swan said he attended the OCBC Infrastructure meeting, MWDOC Administration and Finance Committee meeting, an ACWA Regional Board meeting and orientation, and a MWDOC Board of Directors' meeting.

Director Swan suggested visiting various facilities due to the recent fires and follow up with lessons learned. General Manager reported that Supervisor Campbell held a post fire clean-up meeting on solid wastes. He said that staff would be scheduling a follow-up meeting relative to mud flows. Additionally, he said that Facilities Maintenance staff are visiting IRWD sites to check on shrubs/trees to eliminate fuel for fires. He said that they are also looking at retrofitting facilities as necessary. President Reinhart asked staff to check on fire retardants to spray on IRWD buildings (in the case of a fire).

Director Withers reported that he attended the SMWD "California Water Future is Now" meeting and the annual Exchange Club of Irvine's Thanksgiving breakfast.

Vice President Miller said he attended a NWRI Operations Committee meeting, an Urban Water Resources Center meeting on the current California water landscape, a California Water Policy Conference, an OCSG GWRS Steering Committee meeting and an NWRI Operations Committee meeting.

President Reinhart said that he attended a MWDOC MSR meeting, a SMWD "California Water Future is Now" meeting, an OPAMWC Board meeting, and an SCWD Groundwater Recovery Facility Grand Opening Ceremony.

Santiago County Water District Advisory member Mary Ann Brown reported on various community meetings being held due to the recent fires. She also said that her house would be demolished tomorrow as a result of the fires.

### CLOSED SESSION

President Reinhart said that a conference would be held with legal counsel relative to anticipated litigation (Government Code Section 54956.9(b) - significant exposure to litigation (two potential cases).

OPEN SESSION

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

ADJOURNMENT

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

APPROVED and SIGNED this 17th day of December, 2007.

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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