

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

Directors Present: Withers (arrived at 5:58 p.m.), Matheis, Reinhart, Swan, and LaMar.

Directors Absent: None.

Also Present: General Manager Jones, Assistant General Manager Cook, Director of Engineering and Construction Burton, Director of Planning and Water Resources Heiertz, Director of Finance Cherney, Secretary Bonkowski, Assistant Secretary Savedra, Legal Counsel Arneson, Mr. Jim Reed, Ms. Shannon Reed, Mr. Bruce Newell, Mr. Dan Miller, Mr. Dean Kirk, Mr. Wayne Posey, Mr. Dave Mazzarella, Mr. Mike Hoolihan, Mr. Bob Ohlund, Mr. Steve Malloy, Mr. John Hills, Ms. Kirsten McLaughlin, Mr. Peter Herzog, Ms. Kristine Thalman, and other members of the public and staff.

COMMUNICATIONS TO THE BOARD

Written Communications: Secretary Bonkowski reported that letters were received from the Building Industry Association of Southern California's Orange County Chapter and the NAIOP Commercial Real Estate Development Association, all in regard to item No. 14 setting connection fees and property taxes for fiscal year 2009-10.

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 2, 5, C-8, C-9, 10, 12, 14 and 16 are in operation in accordance with the District's annual pumping plan. Wells 4, 13, 15 and 17 will operate a portion of the week. Wells 1, 3, 6, 7 and 18 are inactive. The District's planned pumping for July is 2,350 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, on June 5, 2009, IRWD received a letter from OCWD noting that within the past 30 days, OCWD has completed the formal responses to comments they previously received on the draft program Environmental Impact Report. The letter further noted that with this task completed, OCWD has exercised its right to terminate the 2004 Memorandum of Understanding regarding annexation. OCWD also indicated

that due to the lack of progress on the annexation issue, the draft program Environmental Impact Report will not be completed. On June 8, 2009, OCWD completed the Long-Term Facilities Plan which will be recommended to the OCWD Board to be received and filed in July 2009. OCWD will continue to work with IRWD on the annexation issue to determine if a satisfactory arrangement can be developed with both parties. 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

General Manger Jones reported that on June 22, 2009, the Board adopted Rates and Charges for Fiscal Year 2009-10 which included monthly sewer charges of \$16.60 for a residential single family home and \$12.45 per unit for multiple family dwelling units. The Newport North customers will have the same rate, but the method of collection differs in that they pay their sewer fees on an annual basis by means of the County tax rolls. Mr. Jones said 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. That resolution directs the filing of a report containing a description of such parcels and the corresponding charges for each fiscal year. Pursuant to the requirements of the Health and Safety Code of the State of California, a public hearing on the report is required.

President Reinhart said this was the time and place for a hearing on the sewer taxes in the Newport North area, and declared the hearing open. He asked the Secretary how the hearing was noticed.

Secretary Bonkowski reported that the report was filed with her on July 2, 2009 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 14 and 21, 2009. She said that a notice was also posted in the District office on July 2, 2009.

On MOTION by Swan, seconded and unanimously carried (Withers absent), THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

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

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 Reinhart asked Secretary Bonkowski whether she had received any written communications concerning this matter, and she stated that she had not. President Reinhart 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. He then inquired if there were any comments or questions from members of the Board of Directors. There were none.

On MOTION by Swan, seconded by Matheis and unanimously carried (Withers absent), THE HEARING WAS CLOSED, AND RESOLUTION NO. 2009-23 WAS ADOPTED BY TITLE AS FOLLOWS:

RESOLUTION NO. 2009-23

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

CONSENT CALENDAR

General Manager Jones made a correction on item No. 5, noting that Director LaMar attended the meeting on July 17 with Senator Correa and OCWD regarding AB 1466 instead of Director Withers. On MOTION by Swan, seconded and unanimously carried (Withers absent), CONSENT CALENDAR ITEMS 4 – 13 WERE APPROVED AS FOLLOWS:

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the July 13, 2009 Regular Board Meeting be approved 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 amended.

6. STRATEGIC MEASURES DASHBOARDS

Recommendation: Receive and file the Strategic Measure Dashboard and Information items.

CONSENT CALENDAR (CONTINUED)

7. JUNE 2009 FINANCIAL REPORTS

Recommendation: Receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for June 2009; approve the June 2009 Summary of Wire Transfers and ACH payments in the total amount of \$10,578,544.68; and approve the June 2009 Warrants Nos. 301364 through 302361, Workers' Compensation distributions and voided checks in the total amount of \$12,718,069.39.

8. OFFICERS OF THE BOARD, COMMITTEE AND OTHER ASSIGNMENTS

Recommendation: That the Board ratify the Memorandum dated July 22, 2009 entitled Officers of the Board, Committee and Other Assignments.

9. RESERVOIR MANAGEMENT SYSTEM INSTALLATION AT NINE DOMESTIC WATER RESERVOIRS – FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the reservoir management systems installation at nine domestic water reservoirs, projects 10991 and 11165; authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

10. SCADA BACKBONE NETWORK UPGRADE DESIGN VARIANCE NO. 4

Recommendation: That the Board approve Expenditure Authorizations in the amount of \$66,000 for project 10925, \$49,500 for project 20925 and \$49,500 for project 30925; and authorize the General Manager to execute Variance No. 4, in the amount of \$34,260, with Malcolm Pirnie for engineering services for the SCADA Backbone Network Upgrade Design projects 10925, 20925 and 30925.

11. WATER QUALITY PLANNING RESERVES FISCAL YEAR 2009/10 BUDGET AND EXPENSE AUTHORIZATIONS

Recommendation: That the Board approve Expenditure Authorizations in the amount of \$107,300 for project 11328; \$48,400 for project 21328; and \$91,900 for project 31328 for the Fiscal Year 2009/10 Water Quality Planning Reserves.

12. HEAVY DUTY CREW TRUCK AIR QUALITY PERMIT

Recommendation: That the Board authorize the General Manager to execute the Settlement Agreement as proposed by the South Coast Air Quality Management District.

CONSENT CALENDAR (CONTINUED)

13. DESTRUCTION OF WELL NOS. 14, 68 AND 74 CONSTRUCTION AWARD

Recommendation: That the Board approve an Expenditure Authorization for project 10285 in the amount of \$158,600; find that the irregularities in the bid from Boart Longyear did not affect the bid amount or give the bidder a competitive advantage over other bidders and waive the irregularities; and authorize the General Manager to execute a construction contract with Boart Longyear in the amount of \$149,875.00 for the destruction of Well Nos. 14, 68, and 74, project 10285.

ACTION CALENDAR

SETTING CONNECTION FEES AND PROPERTY TAXES FOR FY 2009/10

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 since the Board workshop on July 13, 2009, staff met with various representatives of building industry organizations about the impact of the proposed connection fee increases. Also, a Special Finance and Personnel Committee meeting was held on July 23, 2009 to discuss alternatives and updated assumptions on the receipt of 1% property tax revenue.

Mr. Jones said that staff recommends the Board consider setting tax rates and connection fees in accordance with Scenario 4B for FY 2009-10 outlined in the matrix. He said that this matrix updates the prior assumptions on the receipt of 1% property tax revenue and incorporates capital cost reductions as a result of the bids received for the Michelson Water Reclamation Plant (MWRP) expansion and floodwall protection projects. The most current available information on the California State budget is that the State will exercise a borrowing of 8% of the District's property tax revenues for FY 2009-10. As a result, staff adjusted the 1% property tax assumptions to include 8% borrowings in FY 2009-10, FY 2015-16 and FY 2020-21, with a step down thereafter of 1% property tax receipts in two-year increments until it is extinguished.

Mr. Jones said that the resulting recommendation for FY 2009-10 includes a reduction in the proposed connection fee increase from the 9.9% level originally recommended at the July 13, 2009 workshop, to a 5% increase. In addition, staff is also recommending a melded increase in tax rates \$0.005. Staff's recommendation is based upon: 1) the current State budget proposal which includes a suspension of Proposition 1A and an 8% reduction in local government 1% tax revenues; 2) the prevailing investment earnings and debt interest rates; and 3) the current economic climate in the housing industry. He placed before each Board of Director a copy of the letters received from the NAIOP dated July 24, 2009, and a letter from the Building Industry Association of Southern California dated July 23, 2009. He said that the both letters thank IRWD for meeting with them in regard to the connection fee adjustment.

Vice President Swan reported that this item was reviewed by the Finance and Personnel Committee meetings on June 2, July 7 and July 23, 2009 and at the Board Workshops on June 22

and July 13, 2009. Director Matheis complimented staff on their efforts and BIA and NAIOP for their cooperation and understanding. Ms. Kristine Thalman of BIA thanked Mr. Paul Jones and staff for taking the time to meet with them in regard to the connection fees for the coming year. Mr. Peter Herzog of NAIOP also thanked staff for the time spent with them to assist them to understand the fees. On MOTION by Swan, seconded and unanimously carried (Withers absent), THE BOARD APPROVE A 5.0% INCREASE IN CONNECTION FEES AND A \$0.005 INCREASE ON AVERAGE IN THE AD VALOREM PROPERTY TAX RATES AND THE BOARD ADOPTED THE FOLLOWING RESOLUTIONS BY TITLE:

RESOLUTION NO. 2009-24

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA, ADOPTING CHANGES TO THE SCHEDULE OF RATES AND CHARGES AS SET FORTH IN "EXHIBIT "B" TO THE RULES AND REGULATIONS OF IRVINE RANCH WATER DISTRICT FOR WATER, SEWER, RECYCLED WATER AND NATURAL TREATMENT SYSTEM SERVICE AND EXHIBITS THERETO

RESOLUTION NO. 2009-25

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA ESTABLISHING AD VALOREM TAX REVENUES FOR FISCAL YEAR 2009-10

LAKE FOREST AREA SUB AREA MASTER PLAN

General Manager Jones reported that the existing Lake Forest area is roughly bound by the I-5 Freeway to the south, Bake Parkway to the west, El Toro Road to the east, and Glenn Ranch Road to the north. Mr. Jones said that the City of Lake Forest has recently completed CEQA for the Lake Forest Opportunity Study which defines land use changes and future development limitations within the City. In addition, the Lake Forest area has not had a comprehensive water and sewer system analysis completed since the consolidation of IRWD and the former Los Alisos Water District (LAWD).

Mr. Jones said that to address issues associated with providing water, non-potable, and sewer for the Opportunity Study development areas and Lake Forest, staff has solicited proposals for preparation of a Sub Area Master Plan (SAMP). The work will include analysis of existing domestic, non-potable, and wastewater collection systems for the entire Lake Forest area, impacts of future development, and regional integration with the surrounding IRWD systems. As part of the regional integration, the impacts of the Baker plant on the domestic and wastewater systems will be analyzed as well.

Mr. Jones said that Requests for Proposal for engineering services were sent on May 5, 2009 to AECOM, Dudek, Hunsaker & Associates, RBF Consulting, and Stantec Consulting. Four firms

submitted proposals on June 1, 2009 with AECOM declining to submit a proposal. Staff's evaluation of the proposals resulted in a clear ranking, with Dudek first and Stantec Consulting second. Staff worked with Dudek to refine and clarify their scope and separated optional tasks that were not part of the original Request for Proposals. Dudek's revised cost estimate, based on the refined scope, was \$137,920. This was comparable to Stantec's scope and proposed cost estimate. Staff then requested that Dudek include in its scope of work an additional task to establish demands based directly on water meter account data and existing IRWD GIS data to improve the accuracy of the hydraulic modeling. The cost for this added scope of work was \$21,360, bringing the total cost for the Lake Forest SAMP Consultant contract amount to \$159,280.

President Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on July 21, 2009. On MOTION by Reinhart, seconded and unanimously carried (Withers absent), **THE BOARD AUTHORIZED THE GENERAL MANAGER TO APPROVE EXPENDITURE AUTHORIZATIONS FOR PROJECT 11246 IN THE AMOUNT OF \$170,500, AND FOR PROJECT 21246 IN THE AMOUNT OF \$88,000; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE AN ENGINEERING SERVICES AGREEMENT WITH DUDEK IN THE AMOUNT OF \$159,280 FOR PREPARATION OF THE LAKE FOREST SAMP, PROJECTS 11246 AND 21246.**

MICHELSON WATER RECLAMATION PLANT PHASE 2 EXPANSION CONSTRUCTION AWARD

General Manager Jones reported that the Michelson Water Reclamation Plant (MWRP) Phase 2 Expansion project will increase the nominal treatment capacity of the plant from 18 million gallons per day (mgd) to 28 mgd. Through the course of the project's development, the MWRP Flood Protection Improvements project was also incorporated into the MWRP Phase 2 Expansion project. The consolidation of the two projects will result in increased construction efficiencies and reduced construction costs.

Using a PowerPoint presentation, Principal Engineer Malloy provided an overview of the existing MWRP and the MWRP Phase 2 expansion. Mr. Malloy then reviewed that bidding process. The bid opening was held on July 14, 2009 with seven contractors submitting bids. J.R. Filanc Construction Company, Inc. (Filanc) is the apparent low bidder with a bid amount of \$87,479,450. Staff has reviewed Filanc's bid and has determined that the bid is responsive. Staff found one minor irregularity with the low bid. Staff conferred with legal counsel and legal counsel concurred that there is a sufficient basis for a factual finding by the Board that the irregularity in Filanc's bid is inconsequential and cannot have affected the bid amount or given the bidder a competitive advantage over the other bidders. He said that staff recommends waiving the minor irregularity in Filanc's bid and awarding the construction contract to the apparent low bidder, Filanc, in the amount of \$87,479,450. The engineer's estimate for the project is \$117,569,160 with \$111,200,000 estimated for the MWRP Phase 2 Expansion work and \$6,369,160 estimated for the MWRP Flood Protection Improvements work.

General Manager Jones recognized Mr. Malloy for his efforts on this project. On MOTION by Swan, seconded and unanimously carried, **THE BOARD APPROVED AN INCREASE TO THE**

FY 2009-10 CAPITAL BUDGET FOR PROJECT 20214 BY \$6,115,300, FROM \$60,500,000 TO \$66,615,300; FOR PROJECT 30214 BY \$6,979,300, FROM \$37,184,900 TO \$44,164,200; FOR PROJECT 30542 BY \$569,100, FROM \$2,541,200 TO \$3,110,300; DECREASED THE FY 2009-10 CAPITAL BUDGET FOR PROJECT 20542 BY \$81,800, FROM \$5,082,100 TO \$5,000,300; APPROVED EXPENDITURE AUTHORIZATIONS IN THE AMOUNT OF \$55,863,300 FOR PROJECT 20214, IN THE AMOUNT OF \$3,722,300 FOR PROJECT 20542, IN THE AMOUNT OF \$37,520,700 FOR PROJECT 30214, AND IN THE AMOUNT OF \$2,504,300 FOR PROJECT 30542; FOUND THAT THE IRREGULARITY IN THE BID FROM J.R. FILANC CONSTRUCTION COMPANY, INC. DID NOT AFFECT THE BID AMOUNT OR GIVE THE BIDDER A COMPETITIVE ADVANTAGE OVER OTHER BIDDERS AND WAIVED THE IRREGULARITY; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH J.R. FILANC CONSTRUCTION COMPANY, INC. IN THE AMOUNT OF \$87,479,450 FOR CONSTRUCTION OF THE MICHELSON WATER RECLAMATION PLANT PHASE 2 EXPANSION, PROJECTS 20214 AND 30214, AND THE MWRP FLOOD PROTECTION IMPROVEMENTS, PROJECTS 20542 AND 30542.

WATER OPERATIONS TRANSDYN REPLACEMENT CONSULTANT SELECTION

Director of Engineering Burton said that IRWD water system operators currently utilize five separate SCADA systems and that staff completed a SCADA System Master Plan in April 2003 to facilitate the integration of these separate SCADA systems into one system. The Master Plan outlined the goals and objectives for IRWD's SCADA systems and established an approach for implementing improvements. He said that recommendations from the Master Plan for the SCADA replacement included: 1) replacing PLC hardware to allow for standardized PLC programming; 2) standardizing programming for the HMI portion of the SCADA system; 3) replacing the obsolete Transdyn SCADA system; and 4) integrating SCADA with IRWD's computerized maintenance management (CMMS). Staff completed an evaluation in September 2004 and Wonderware was selected as the new SCADA system HMI platform.

Mr. Burton said that in November 2006, the Board awarded a Professional Services Agreement to MSO Technologies, Inc. to implement the Transdyn SCADA Replacement with a completion date of February 2008. Cost and schedule variances were requested and approved which increased the total cost to \$957,990 and extended the completion to November 2008. He said that as of January 2009, MSO had installed system hardware at the Operations Center and only transitioned six (unique from the nine facilities mentioned above) out of 120 facilities to the new system. In February 2009, MSO requested a variance for approximately \$450,000 and a schedule extension to February 2010 for completion of the Transdyn replacement.

Mr. Burton said that in March 2009, IRWD retained a third-party consultant, DLT&V (formerly TMV Systems) to assess the work being performed by MSO. DLT&V's recommendation was to not complete the simplified HMI software approach being implemented by MSO. DLT&V recommended abandoning the simplified approach and proceeding with the full-scale replacement of the old controls systems using IRWD's new PLC and HMI SCADA Standards which were used for the LAWRP Upgrades and some new water facilities. In May 2009, staff notified MSO to stop work on this project and MSO's contract

was terminated. He said that by utilizing the new approach as outlined by DLT&V, staff revised the Transdyn replacement technical specifications to incorporate this approach, utilizing the new IRWD HMI and PLC standards. Under this revised approach, staff will implement the SCADA upgrade for the water system in seven facility groups. The first contract will upgrade four of the SCADA system's geographical areas and complete major technical development tasks that will set the stage for programming of the remaining groups. The first areas to be completed are East Irvine, Portola Springs, Foothill Ranch, and Portola Hills (Group 1) and will be completed March 2010. Existing PLC hardware will be upgraded in cases where hardware is not compatible with new programs. The remaining six facility groups will be implemented in parallel after the first group is completed.

Mr. Burton said that in April of 2009, staff evaluated proposals from four consultant teams interested in providing system integration services for the MWRP Phase 2 Expansion project. Based on staff's evaluation of qualifications and approach, DLT&V was ranked the most qualified and listed as the required system integrator in the specifications for the MWRP Phase 2 Expansion project. Also, staff determined that the Tetra Tech/Vertech team was qualified for the Water Operations Transdyn Replacement project for a \$598,951 negotiated fee proposal.

President Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on July 21, 2009. On MOTION by Reinhart, seconded and unanimously carried, (Withers absent), **THE BOARD APPROVED AN INCREASE TO THE FY 2009-10 CAPITAL BUDGET IN THE AMOUNT OF \$209,000 FOR PROJECT 10489 AND \$44,000 FOR PROJECT 30489; APPROVED EXPENDITURE AUTHORIZATIONS IN THE AMOUNT OF \$209,000 FOR PROJECT 10489 AND \$44,000 FOR PROJECT 30489; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH TETRA TECH, INC., IN THE AMOUNT OF \$598,951, TO COMPLETE THE WATER OPERATIONS SCADA SYSTEM REPLACEMENT IMPLEMENTATION, PROJECTS 10489 AND 30489.**

SAND CANYON AVENUE GRADE SEPARATION CONSULTANT SELECTION AND EXPENDITURE AUTHORIZATION

General Manager Jones reported that in order to alleviate traffic congestion and improve safety, the City of Irvine is planning to construct an underpass structure to replace the existing at-grade railroad crossing on Sand Canyon Avenue between Burt Road and Laguna Canyon Road. Sand Canyon Avenue will be realigned and lowered approximately 20 feet below the railroad track and the construction will include a temporary railroad shoofly system to divert train traffic during construction. Sand Canyon Avenue through the project area will be widened from four lanes to six lanes to match the road segments north and south of the project area. In addition, the project includes constructing a new storm drain and storm water pump station from Marine Way to Laguna Canyon Road.

Mr. Jones said that a Request for Proposal for providing design engineering and construction phase services was issued to RBF Consulting, Stantec Consulting, Tetra Tech, and Dean Ryan Consultants. Proposals were received from all four consultants. He said following review, staff recommends that Tetra Tech be awarded the work based on its outstanding proposal, knowledge

and understanding of key issues, and excellent qualifications of its project team. As a contingency, staff negotiated three optional design tasks into Tetra Tech's proposal to allow for a simultaneous design approach with the City. The optional tasks will be included in the contract, but will only be authorized if required.

President Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on July 21, 2009. On MOTION by Reinhart, seconded and unanimously carried, (Withers absent) **THE BOARD AUTHORIZED THE ADDITION OF PROJECT 11455 FOR \$1,220,000, AND PROJECT 21455 FOR \$1,220,000 TO THE FY 2009-10 CAPITAL BUDGET; APPROVED EXPENDITURE AUTHORIZATIONS FOR PROJECTS 11455 AND 21455 FOR \$170,000 EACH; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH TETRA TECH, INC. FOR \$250,000 FOR THE DESIGN OF IRWD PIPELINES RELOCATION FOR SAND CANYON GRADE SEPARATION PROJECT.**

SERVICE METER GEOGRAPHIC INFORMATION SYSTEM PROJECT

Principal Engineer Hoolihan reported that previously, the EMA Optimization (2001) and GIS Technology Upgrade Studies (2004) recommended linking IRWD's Customer Service and GIS databases via GPS meter points. This will allow staff to implement a number of additional applications that benefit multiple departments including geographic based customer service notifications (e.g. service interruptions, and environmental documentation notices); analysis of water usage penalties and customer calls based on geographic location; improved calibration of water, reclaimed, and sewer generation demand forecasts; improved allocation of water, sewer, and reclaimed water demands for hydraulic modeling; better responsiveness to customer service calls; and the ability for users to access customer service data from GIS applications such as Mapplet and Field Mapplet.

Mr. Hoolihan said that in October 2008, the District's consultant, DCSE, linked approximately 6,000 customer service accounts to the GIS database. To complete the work, IRWD must collect coordinate points for the remaining 77,000 service meters. Consultants will use Global Positioning Satellite (GPS) techniques and populate each meter point with IRWD's Account Sequence Number so the point can be linked to the Customer Service Database. In addition to collecting coordinate data for meters, the District requested two optional tasks: 1) linking the meter information to the existing parcel data, and 2) linking the meters to the appropriate main pipelines via service laterals. Staff combined all three of these tasks into a single Request for Proposal (RFP). He said that the RFP was sent to DCSE, Nobel Systems, iWater, Stantec, and Alexander's. Staff ranked the consultants based on their proposals and recommends DCSE as they have a thorough and technically sound proposal.

Director Withers arrived at 6:58 p.m. President Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on July 21, 2009. Subsequent to the Engineering and Operations Committee meeting, staff worked with DCSE to revise its approach, and DCSE was able to lower its cost to \$328,968 from \$350,528. On MOTION by Reinhart, seconded and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSULTANT SERVICES AGREEMENT WITH DCSE FOR**

\$328,968; AND APPROVED EXPENDITURE AUTHORIZATIONS IN THE AMOUNTS OF \$125,200 FOR PROJECT 18313, \$141,200 FOR PROJECT 28313, AND \$141,200 FOR PROJECT 38313 FOR THE SERVICE METER GIS PROJECT, PROJECTS 18313, 28313, 38313.

GENERAL MANAGER'S REPORT

General Manager Jones reported that the State Legislature has adopted a budget with an 8% city/county property tax shift and that the AB 15 *trailer* describes this shift. He said the budget will set up a revenue augmentation fund to pay some obligations and also set up a JPA for note issues. He said that he and President Reinhart will be meeting with Supervisors Bates, Moorlach, and Campbell on separate occasions to discuss this matter.

DIRECTORS' COMMENTS

Director LaMar reported on his attendance at the MWDOC Board meeting and said they will be filling its vacancy through an appointment process beginning on August 6 with a candidate forum. He said this morning he and General Manager Jones met with MWDOC's Board members Ackerman and Clark to discuss SB 787, an amendment to the Federal Clean Water Act relative to government's jurisdiction on wetlands. He said that Ms. Ackerman suggested the formation of a Technical Ad Hoc Committee. He further said that he and staff attended a meeting with Senator Lou Correa relative to AB 1366 (water softeners).

Director Withers suggested the creation of a Federal Affairs Ad Hoc Committee considering the current efforts of monitoring legislative activities. He further noted an item approved by the OCSD Board relative to a semiconductor item for surcharges.

Director Matheis reported on her attendance at the South County Chambers' Annual Regional Cities Ball along with the Sea and Sage Audubon summer barbecue. She also noted Shadetree Partnership's nursery event on July 18 with Senator Lou Correa attending with its summer service corps volunteer group. The Senator provided Tom Bonkowski with a Certificate of Recognition honoring Shadetree's commitment to bringing environmental awareness and active participation to the community.

Director Swan reported on his attendance at: 1) ACWA's Region 5 conference at Castaic Lake where they discussed problems with water softeners; 2) OCBC Infrastructure meeting; and 3) Sea and Sage Audubon event. He suggested that an item be added to the Water Resources Policy and Communications Committee to discuss a potential El Nino event and a plan for transferring water to various reservoirs. He said with the fire season approaching, he asked that an item be submitted to the Engineering and Operations Committee and then the Board to discuss IRWD's electrical back-up systems and generators.

Director Reinhart reported on his attendance at MWDOC's Board meeting and the Special Finance and Personnel Committee meeting.

CLOSED SESSION

President Reinhart said that a Closed Session would be held with legal counsel relative to:
Existing litigation – Government Code Section 54956.9(a) – State ex rel. Armenta v. James
Jones Company et al.

OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors Matheis, Reinhart,
Swan, LaMar and Withers present.

ADJOURNMENT

No action was reported.

APPROVED and SIGNED this 10th day of August, 2009.

President, IRVINE RANCH WATER DISTRICT

Assistant Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone