

## MINUTES OF REGULAR MEETING – AUGUST 8, 2011

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 LaMar on August 8, 2011 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Withers (arrived at 6:07 p.m.), LaMar, Matheis, Swan, and Reinhart

Directors Absent: None.

Also Present: Interim General Manager Cook, Senior Director of Finance Cherney, Senior Director of Operations Pedersen, Director of Engineering Burton, Secretary Bonkowski, Assistant Secretary Savedra, Treasurer Jacobson, Legal Counsel Arneson, Director of Water Resources Heiertz, Director of Public Affairs Beeman, Mr. Paul Weghorst, Mr. Mike Hoolihan, Mr. Lars Oldewage, Mr. Christian Kessler, Mr. Jim Reed, and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION:

Mrs. Joan Irvine Smith's assistant addressed the Board of Directors with respect to the Dyer Road Wellfield. She said it was her understanding that currently wells C-8 and C-9 will operate in accordance with the District's annual pumping plan. Wells, 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17 and 18 will be off. This was confirmed by Mr. Cook, Interim 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, 2009. Metropolitan Water District has given notice to OCWD to extract 22,000 acre feet in fiscal year 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. Cook.

With respect to the OCWD annexation of certain IRWD lands, on June 5, 2009, IRWD received a letter from OCWD noting that 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 (MOU) 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 was received and filed by the OCWD Board in July 2009. Staff has been coordinating with the City of Anaheim (Anaheim) and Yorba Linda Water District (YLWD) on their most recent annexation requests and has reinitiated the annexation process with OCWD. IRWD, YLWD and Anaheim have negotiated a joint MOU with OCWD to process and conduct environmental analysis of the

annexation requests. The MOU was approved by the OCWD Board on July 21, 2010. This was confirmed by Mr. Cook.

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 Orange 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. Cook.

ITEMS TOO LATE TO BE AGENDIZED: None.

PUBLIC HEARINGS - DETACHMENT OF PARCELS AND RESCINDING ADOPTION OF PLAN OF WORKS FOR IMPROVEMENT DISTRICT 256

Interim General Manger Cook reported that on July 11, 2011, the IRWD Board of Directors declared its intention to detach territory from Improvement District (ID) No. 256 and adopt a Plan of Works (POW). Mr. Cook said that public hearings for these actions were opened on July 25, then continued to tonight to allow for additional discussion of the Orange Park Acres (OPA) sewer plan at the August 3, 2011 OPA Ad Hoc Committee meeting. He said that a plan for connecting properties in ID 256 that do not have sewer service into a community sewer system has been presented to the OPA residents through a series of community meetings. In anticipation of the vote regarding the use of General Obligation (GO) bonds to construct a community sewer, a POW was completed as a required step for the use of GO bonds to finance the necessary improvements. Staff also prepared, in cooperation with the County Surveyor, the required documents to detach from ID 256 properties that already have sewer service and paid sewer connection fees to Orange County Sanitation District.

Mr. Cook said that based on current community feedback, the proposed vote for the authorization of GO bonds for the sewer system, which requires approval by two-thirds of the voters within the ID, does not appear to have sufficient support at this time. He said that staff recommends that the proceedings to adopt the POW be terminated because it will likely need to be revised for a future sewer project. Staff recommends that the hearings be held so the proposed detachments can be completed. The expense of the legal descriptions has already been incurred and these properties will need to be excluded from the ID if a community sewer system plan is pursued in the future. Mr. Cook noted his communications with Supervisor Campbell and Mrs. Joyce Crosthwaite of LAFCO relative to this matter. He said that he will be preparing a letter on behalf of the OPA Homeowners' Association in the next few weeks on how to contact IRWD for sewer service. Director Withers arrived at 6:07 p.m.

President LaMar declared this to be the time and place for the continuation of the July 25, 2011 hearing on the detachment of territory from Improvement District No. 256 and the hearing on the adoption of a Plan of Works for Improvement District No. 256. He declared that the hearings were open and asked the Secretary how the hearings were noticed.

Secretary Bonkowski said that the time and place of the hearings was published in the Orange County Register on July 11, 2011 and July 18, 2011. She said that a notice was also posted in the District office on July 6, 2011, and on July 7, 2011, notices were posted in three public places within the territory proposed to be detached and the improvement district.

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

President LaMar requested Legal Counsel to describe the nature of the proceedings. Legal Counsel Arneson said that the purpose of the public hearings is to allow members of the public and the Board to consider any matters concerning the detachment of the specified parcels and the adoption of the POW.

President LaMar inquired of the Secretary whether there have been any written communications. Secretary Bonkowski said that there were no communications.

President LaMar inquired whether there is anyone present who wishes to address the Board concerning the detachment or the Plan of Works. There were none.

President LaMar inquired whether there are any comments or questions from members of the Board of Directors. Following discussion, staff was asked to prepare an item for the Finance and Personnel Committee meeting relative to possible IRWD financing pursuant to AB 741. President LaMar said that the hearings will be closed and asked for a recommendation to close the hearings and adopt two resolutions.

On MOTION by Swan, seconded and unanimously carried, THE HEARINGS WERE CLOSED AND THE FOLLOWING RESOLUTIONS WAS ADOPTED BY TITLE:

RESOLUTION NO. 2011-35

RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE IRVINE RANCH WATER DISTRICT ORDERING  
THE DETACHMENT OF SPECIFIED TERRITORIES  
FROM IMPROVEMENT DISTRICT NO. 256

RESOLUTION NO. 2011-36

RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE IRVINE RANCH WATER DISTRICT RESCINDING  
DECLARATION OF INTENTION TO ADOPT A PLAN  
OF WORKS FOR IMPROVEMENT DISTRICT NO. 256  
(RESCINDING RESOLUTION NO. 2011-29)

CONSENT CALENDAR

On MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 7 WERE APPROVED AS FOLLOWS:

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the July 25, 2011 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, John Withers and Peer Swan.

6. RESOLUTION COMMENDING JOHN PALOMARES FOR HIS SERVICE TO THE DISTRICT

Recommendation: That the Board adopt the following resolution by title commending John Palomares for over 33 years of dedicated service to the District.

RESOLUTION NO. 2011 -37

RESOLUTION OF THE BOARD OF DIRECTORS  
OF IRVINE RANCH WATER DISTRICT COMMENDING  
JOHN PALOMARES FOR HIS DEDICATED AND  
LOYAL SERVICE TO THE DISTRICT

7. AGREEMENTS AND QUITCLAIMS OF EASEMENTS WITH FORMER CARPENTER IRRIGATION DISTRICT CUSTOMERS

Recommendation: That the Board authorize the Board President and District Secretary to execute three separate and identical Agreements and Quitclaims of Easements with Walter and Irma Ashford, Saul and Joann Fox, and Kurt and Lana Hamilton.

ACTION CALENDAR

APPROVAL TO PURCHASE REPLACEMENT ION CHROMATOGRAPH

An ion chromatograph (IC) is utilized in the District's water quality laboratory to analyze approximately 2,900 water and wastewater samples annually for common anions. Staff recommends replacing the existing 16-year old unit as it does not have the capability to perform required analyses and also due to the high maintenance costs associated with the existing unit. The Fiscal Year (FY) 2011-12 Operating Budget includes \$46,000 in general plant funds for the purchase of the IC. This amount, coupled with a prior-year encumbrance of reallocated general plant funds in the amount of \$45,000, will provide the funding for the replacement unit.

On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A SOLE-SOURCE PURCHASE OF A REPLACEMENT ION CHROMATOGRAPH FROM DIONEX CORPORATION FOR \$90,307.

#### GENERAL MANAGER'S REPORT

Interim General Manager Cook reported on the Bureau of Reclamation's local field services grant for \$73,500 for a water/energy pilot program with IRWD, Southern California Edison and West Basin Municipal Water District as project partners.

Mr. Cook said that Mr. Kightlinger of Metropolitan Water District has signed off on a Pilot Exchange agreement that will provide for recharge, storage and recovery of 5,000 AF of water of AVEK State Water Project supplies at the Strand Ranch Integrated Banking Project. He then recognized Water Resources Manager Paul Weghorst for his efforts on this project.

Mr. Cook said that the next Strategic Planning Workshop is scheduled for October 7 from 10 a.m. to 2 p.m.

He further said that the District's Sand Canyon entrance will be closed tomorrow due to the installation of a sewer lateral for the District's medical building being constructed next to our facility, and that signage would be in place for directing traffic.

#### DIRECTORS' COMMENTS

Director Reinhart reported that SOCWA's Board cancelled the Memorandum of Understanding with IRWD to deliver sludge to the Michelson Water Recycling Plant Biosolids Facility. He reported that he attended the WACO meeting last Friday and commended Mr. Paul Cook on his presentation on the District's water banking program.

Director Swan reported on his attendance at WACO, a Joint MWDOC/OCWD Planning meeting, and a Southern California Dialogue meeting.

Director Matheis reported on her attendance, along with Mr. Paul Cook and Ms. Kirsten McLaughlin, to meet with congressional representatives in Washington, DC relative to proposed funding for the District's Syphon Reservoir.

#### CLOSED SESSION

President LaMar said that a Closed Session will be held with special counsel relative to anticipated litigation, Government Code Section 54956.9(b); significant exposure to litigation (one potential case).

OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors Swan, Reinhart, Withers, Matheis and LaMar present. President LaMar said there was no action to report.

ADJOURNMENT

There being no further business, Director LaMar adjourned the meeting at 7:00 p.m.

APPROVED and SIGNED this 22nd day of August, 2011.

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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