

MINUTES OF REGULAR MEETING – JANUARY 12, 2015

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 January 12, 2015 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Reinhart, Withers, Matheis, LaMar and Swan.

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Engineering and Water Quality Burton, Executive Director of Finance Clary, Executive Director of Operations Shields, Executive Director of Water Policy Weghorst, Director of Treasury and Risk Management Jacobson, Director of Water Resources Sanchez, Legal Counsel Arneson (via teleconference), Secretary Bonkowski, Mr. Ray Bennett, Mr. Christopher Smithson, Ms. Christine Compton, Mr. Jim Reed, Mr. John Jaeger and other members of the public and staff.

WRITTEN COMMUNICATION:

Mrs. Joan Irvine Smith's assistant asked that the status of the Dyer Road Wellfield be included in the minutes as follows: Currently wells 2, C-8, C-9, 10, 11, 12, 15, 16, 17 and 18 will operate in accordance with the District's annual pumping plan and that wells 1, 3, 4, 5, 6, 7, 13 and 14 will be off.

ORAL COMMUNICATION – Mr. John Jaeger commented on last November's Board election and past approvals of annual rate increases.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED – None.

WORKSHOP

IRVINE RANCH WATER DISTRICT STRATEGIC MEASURES

Using a PowerPoint presentation, Executive Director of Finance Clary provided a summary document of the IRWD Strategic Measures for the Board's review and comment. Ms. Clary said that these measures are intended to reflect the critical performance measures that gauge the District's key business objectives which include financial, customer and other key measures important to the ongoing operation of the District. She reviewed each measure and the Board provided its recommended changes.

CONSENT CALENDAR

In response to Director Swan’s inquiry, a discussion was held on item No. 7 relative to IRWD’s recycled water legislation. General Manager Cook noted that staff will be working with the Orange County Water District relative to its concerns. There being no further comments, on MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED ITEMS 4 THROUGH 7 ON THE CONSENT CALENDAR.

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the December 15, 2014 Regular Board meeting be approved as presented.

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

Recommendation: That the Board ratify/approve meetings and events for Steven LaMar, Mary Aileen Matheis, Douglas Reinhart, Peer Swan and John Withers.

6. RATIFICATION OF MEMORANDUM RELATIVE TO THE BOARD, COMMITTEE AND OTHER ASSIGNMENTS, AND APPROVAL OF AGENCY AND OUTSIDE ORGANIZATION BOARD REPRESENTATION AT MEETINGS/EVENTS FOR 2015

Recommendation: That the Board ratify the Memorandum dated January 12, 2015 entitled Officers of the Board, Committees and Other Assignments; approve attendance for meetings and events for the Board’s representation for calendar year 2015, as delineated, and adopt the following two resolutions by title:

RESOLUTION NO. 2015-1

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, RESCINDING RESOLUTION NO. 2014-3 AND REVISING THE ASSIGNMENT OF DIRECTORS TO COMMITTEES OF THE BOARD

RESOLUTION NO. 2015-2

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT RESCINDING 2004-50 AND APPOINTING MEMBER AND ALTERNATE MEMBERS TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) JPA

7. 2015 STATE LEGISLATIVE UPDATE

Recommendation: Receive and file.

ACTION CALENDAR

THIRD AMENDMENT TO AGREEMENT FOR PARTICIPATION AND FUNDING IN SPECIFIED MWDOC REBATE PROGRAMS

General Manager Cook reported that tactical incentives are one of the key elements of IRWD's Water Use Efficiency Program. These incentives are cost-effective financial incentives provided by IRWD to supplement existing regional rebate programs administered by the Metropolitan Water District of Southern California and/or MWDOC. The incentives are based on IRWD's calculated avoided costs resulting from the installation of the various conservation devices. On MOTION by Matheis, seconded by Reinhart and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE THE THIRD AMENDMENT TO THE AGREEMENT FOR PARTICIPATION AND FUNDING BY IRWD IN SPECIFIED MUNICIPAL WATER DISTRICT OF ORANGE COUNTY REBATE PROGRAMS SUBJECT TO NON-SUBSTANTIVE CHANGES FOR SPECIFIED REBATE PROGRAMS IN THE AMOUNT OF \$645,000.**

SALT MANAGEMENT PLAN UPDATE AND VARIANCE REQUEST

Using a PowerPoint presentation, Mr. Ray Bennett provided an update on the District's Salt Management Plan. He said that concentrations of total dissolved solids (TDS) in product water from the Michelson Water Recycling Plant (MWRP) appear to be increasing over time, and from March 2011 to February 2012 concentrations exceeded discharge limits as set by the Regional Water Quality Control Board (RWQCB). He said that changes in the quality of recycled water in the future are expected throughout the District as a result of changes to imported water quality as well as IRWD projects that have recently been completed or are expected to be completed. These projects include the Michelson Phase 2 Expansion, the Wells 21 and 22 Treatment Plant, the Baker Water Treatment Plant, and the Syphon Reservoir Interim Improvements.

Mr. Bennett said that staff has determined that additional analysis from the District's consultant, HDR is required. To perform this work, staff has negotiated Variance No. 2 in the amount of \$105,000 with project goals to include: 1) an understanding of why the 720 mg/l limit was exceeded; 2) a determination as whether or not future exceedences should be expected; 3) evaluation methods to control salt concentrations; and 4) identification of potential TDS discharge policies for Board's consideration.

Using charts, Mr. Bennett showed calibration results, salt contributions to water treatment, MWRP treatment, cause of permit exceedence, and future water quality. Following discussion, staff was asked to convey additional alternatives to the Water Resources Policy and Communications Committee. Vice President Matheis reported that this item was reviewed by the Water Resources Policy and Communications Committee on January 8, 2015. On MOTION by Matheis, seconded by Reinhart and unanimously carried, **THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$75,900, FROM \$396,400 TO \$472,300 FOR PROJECT 30380 (3779) AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 2 WITH HDR IN THE AMOUNT OF \$105,000.**

OTHER BUSINESS

General Manager Cook placed before each Director correspondence from the Orange County Water District seeking applicants to serve on the Ocean Desalination Citizen's Advisory Committee.

Mr. Cook noted that last week an incident occurred in Lake Forest where a generator was compromised and 500 gallons of diesel fuel was stolen out of the District's tanks.

Mr. Cook said that the District received a letter from Foothill Community Association relative to cost recovery if IRWD were to become a water service provider. Staff is currently providing information to the association.

DIRECTORS' COMMENTS

Director Swan reported on attendance at a Newport Chamber of Commerce meeting and a WACO meeting.

Director Reinhart reported on his attendance at a MWDOC Board workshop with MWD Directors. He said that relative to the recent theft reported by General Manager Cook, he suggested that IRWD's network security also be revisited. He further said that Mr. Jim McDonald at RBF Consulting passed away and suggested that tonight's Board meeting be adjourned in his memory.

Director Matheis said that she attended a Concordia University event.

Consultant Reed reported on the meetings he attended on behalf of IRWD including ISDOC, SOCWA, and WACO.

CLOSED SESSION

President LaMar said that the following Closed Session item would be held this evening:

CLOSED SESSION CONFERENCE with Real Property Negotiator relative to Government Code Section 54956.8

Property: OCSD Service Area 7 Sewer Infrastructure

Agency Negotiator: Paul Cook, General Manager

Purpose of Negotiations: Proposed Acquisition of Property - Price and Terms.

OPEN SESSION

Following the Closed Session, the meeting was reconvened with all Directors present. President LaMar said that there was no action to report from the Closed Session item.

ADJOURNMENT

President LaMar adjourned the meeting in memory of Mr. Jim McDonald.

APPROVED and SIGNED this 9th day of February, 2015.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson,
Wiles & Giannone