

MINUTES OF REGULAR MEETING – JANUARY 9, 2017

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 Matheis on January 9, 2017 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Finance Clary, Executive Director of Water Policy Weghorst, Executive Director of Operations Shields, Executive Director of Engineering and Water Quality Burton, Director of Water Resources Sanchez, Director of Public Affairs Beeman, Director of Human Resources Roney, Director of Treasury and Risk Management Jacobson, Legal Counsel Arneson (via teleconference), Assistant Director of Recycling Zepeda, Secretary Bonkowski, Government Relations Officer Compton, Principle Engineer Akiyoshi, Ms. Ruby Karimi, Mr. Allen Shinbashi, Mr. Bruce Newell, Mr. Jim Reed, Ms. Cheryl Kelly, Mr. Dan McDonough, and Mr. Marc Kleiman.

ORAL AND WRITTEN COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED

CONSENT CALENDAR

On MOTION by Reinhart, seconded and unanimously carried, CONSENT CALENDAR ITEMS 3 THROUGH 7 WERE APPROVED AS FOLLOWS:

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

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

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the December 12, 2016 Regular Board Meeting be approved as presented.

5. 2016 GENERAL DISTRICT ELECTION RESULTS

Recommendation: That the Board adopt the following resolution declaring results of the November 8, 2016 General District Election.

RESOLUTION NO. 2017-1

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE
RANCH WATER DISTRICT DECLARING RESULTS OF
NOVEMBER 8, 2016 GENERAL DISTRICT ELECTION

CONSENT CALENDAR (CONTINUED)

6. SALARY GRADE SCHEDULE CHANGES FOR SUPERVISORS, MANAGERS, AND
CONFIDENTIAL EMPLOYEES

Recommendation: That the Board adopt the following resolution by title rescinding Resolution No.2016-16 and establishing a Revised Schedule of Positions and Salary Rate Changes.

RESOLUTION NO. 2017 - 2

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT,
RESCINDING RESOLUTION NO. 2016-16 AND
ESTABLISHING A REVISED SCHEDULE OF POSITIONS
AND SALARY RATE RANGES

7. SAN JOAQUIN MARSH CAMPUS SEWER LIFT STATION REHABILITATION
CONSTRUCTION AWARD

Recommendation: That the Board authorize a budget increase in the amount of \$57,700, from \$181,000 to \$238,700, for project 5186 and authorize the General Manager to execute a construction contract with GCI Construction in the amount of \$104,600 for San Joaquin Marsh Campus Sewer Lift Station Rehabilitation, project 5186.

ACTION CALENDAR

ASSET OPTIMIZATION – SERRANO SUMMIT PROPERTY PROJECT MARKETING AND
SALE ADVISORY SERVICES

Director of Treasury and Risk Management Jacobson reported in October 2016, staff distributed a Request for Proposal to provide advisory services relative to the sale of the Serrano Summit property. Mr. Jacobson said that the proposed services in the scope of work include managing the project's market study process and infrastructure cost analysis, as well as preparation of a project offering package, review of qualified bids and other services related to completing a sale transaction. He said that in November 2016, proposals were received from Province West, Land Advisors Organization and Hoffman Group. Evaluation of advisory/brokerage proposals also included an unsolicited proposal received in September 2016 from entitlement consultant Lewis Operating Group. He said that following an evaluation of the proposals and interviews with each firm, two finalists, Province West and Lewis, were invited to meet with the IRWD Asset Management Committee to discuss their respective firms' background and experience, strategy for

maximizing the District's return on the property sale, proposed fee structure and relevant transaction history. He said that based on information received during discussions with staff and the Committee, as well as its successful transaction history with similar properties in the Lake Forest/Orange County market and competitive fee proposal, staff recommends the retention of Province West to provide advisory/brokerage services related to the sale of the Serrano Summit residential property. Province West recently completed two large sale transactions in the City's Opportunity Study Area, including the sale of the Baker family's interest in the Baker Ranch project to Toll Brothers. Province West's proposed fee for advisory/brokerage services is 1.0% of the sale price.

Director Withers reported that this item was reviewed and approved by the Asset Management Committee on December 19, 2016. On MOTION by Withers, seconded and unanimously carried, **THE BOARD AUTHORIZED THE RETENTION OF PROVINCE WEST TO PROVIDE ADVISORY/LAND BROKERAGE FIRM SERVICES RELATED TO THE MARKETING AND SALE OF THE SERRANO SUMMIT PROPERTY FOR A FEE OF 1.0% OF THE SALE PRICE PAYABLE UPON CLOSE OF ESCROW.**

ELECTION OF OFFICERS FOR 2017

Outgoing President Matheis thanked staff for their efforts last year with various projects, and legislative issues. General Manager Cook acted as temporary Chair and called for nominations. Director Swan nominated Director Reinhart as President. There being no further nominations, Director Swan made a motion for nominations to be closed. On MOTION by Director Swan, seconded by Director Withers and unanimously carried, **DOUGLAS REINHART WAS ELECTED PRESIDENT FOR 2017.** Director Matheis nominated Director Swan as Vice President. There being no further nominations, Director Matheis made a motion for nominations to be closed. On MOTION by Director Matheis, seconded by Director Withers and unanimously carried, **PEER SWAN WAS ELECTED VICE PRESIDENT FOR 2017.** President Reinhart thanked Director Matheis for her efforts as President in 2016.

GENERAL MANAGER'S REPORT

General Manager Cook introduced Ms. Rubina Karimi, who is assisting in the General Manager's office due to the retirement of the Assistant Secretary Nancy Savedra.

Mr. Cook reported that last week the District hosted a Federal Funding coordination meeting with the District's Federal consultant, Mr. Hal Furman, and other Southern California agencies to discuss joint strategies with the incoming administration.

Mr. Cook said that at Tuesday's MWDOC Planning and Operations Committee meeting a discussion was held relative to desalination. He said that IRWD generated a letter reiterating our position relative to water reuse issues. He further said that he and staff will keep tracking this issue and report back to the Board.

Mr. Cook said that he was asked by Mr. A.G, Kawamura, former California Secretary of Agriculture, to speak to a farming group where he discussed IRWD's water use efficiencies, PVID purchases, and water banking activity.

Mr. Cook said that last Friday he and Directors LaMar and Matheis met with MWDOC's newly-elected Board member Ms. Megan Schneider for a briefing of IRWD.

DIRECTORS' COMMENTS

Director LaMar also reported on his attendance at the meeting relative to Federal funding to discuss how to obtain funding for water projects beneficial to IRWD, a WACO monthly meeting, a briefing meeting with MWDOC's newly-elected Board Member Ms. Megan Schneider, and that tomorrow he will be attending an NWRA annual planning session where he said it will be a good exercise to compare notes with 17 western state representatives.

Director Withers said that tomorrow he and Director Matheis will be attending an ISDOC Executive Committee meeting as well as an NWRI Operations Committee meeting, and Wednesday a LAFCO Commissioners' meeting. He said that the newly-elected OCWD Board President would like to meet with our newly-elected IRWD President sometime in the near future.

Director Swan reported on his attendance at a WACO meeting, a MWDOC meeting, and a West Basin meeting where Ms. Debra Mann from MWD spoke on recycled water projects.

Director Matheis reported on her attendance at a Colorado Water Users conference and noted that Lake Mead is at its lowest level ever in history, MWDOC's Elected Officials meeting where they discussed a Delta fix.

Director Reinhart reported that he attended MWDOC's Board and Committee meetings along with MWDOC's elected officials meeting, and a Colorado Rivers Users conference.

ADJOURNMENT

President Reinhart adjourned the meeting to 8:00 a.m. on Friday, January 13, 2017, to the Operations Center Multi-Purpose Room to hold a Strategic Planning Workshop.

APPROVED and SIGNED this 23rd day of January, 2017.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone