

MINUTES OF REGULAR MEETING – NOVEMBER 11, 2019

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:04 p.m. by President LaMar on November 11, 2019 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive of Technical Services Burton, Executive Director of Finance and Administration Clary, Executive Director of Water Policy Weghorst, Executive Director of Operations Chambers, Director of Treasury and Risk Management Jacobson, Director of Water Resources Sanchez, Director of Water Recycling Operations Zepeda, Director of Water Operations Roberts, Director of Maintenance Operations Mykitta, Director of Public Affairs Beeman, Director of Human Resources Roney, Government Relations Officer Compton, Natural Resources Manager Swift, Director of Administrative Services Mossbarger, Director of Water Quality and Regulatory Compliance Colston, Public Affairs Manager Fabris, Engineering Manager Cortez, Engineering Manager Akiyoshi, Graphic Design Specialist Denhaan, Public Affairs Specialist Rivenburg, Legal Counsel Collins, Assistant Secretary Swan, and members of the public.

WRITTEN COMMUNICATIONS: None.

ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

CONSENT CALENDAR

Prior to the consideration of the Consent Calendar, President LaMar provided comments on Item No. 6, CHANGES TO GENERAL MANAGER’S COMPENSATION. Mr. LaMar reported that on October 28, 2019, the Board conducted its annual performance evaluation of the General Manager. The Board was asked to consider changes to his compensation as a result of that performance review.

Mr. LaMar said that pursuant to Government Code Section 54953(c)(3), prior to taking final action on changes to the General Manager’s compensation, he was providing a summary of the recommended action before the Board. The recommendation is to increase the annual base salary of the General Manager by 3.59%, or \$11,000, to \$317,800, effective October 1, 2019, to provide a one-time performance award of \$18,500 as a taxable lump sum cash payment, and to maintain the automobile allowance of \$725 per month. All other aspects of the General Manager’s compensation would remain unchanged.

There being no further comments, on MOTION by Reinhart, seconded by Swan, and unanimously carried (Reinhart, Withers, Swan, Matheis, and LaMar voting aye), CONSENT CALENDAR ITEMS 3 THROUGH 9 WERE APPROVED AS FOLLOWS:

CONSENT CALENDAR (CONTINUED)

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

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

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the October 28, 2019 Regular Board Meeting be approved as presented.

5. ACWA 2019 MEMBERSHIP MEETING AND 2020-2021 ELECTION

Recommendation: That the Board support the candidates selected by the ACWA Nominating Committee and designate Vice President Mary Aileen Matheis as the IRWD voting delegate for the December 4, 2019 membership meeting.

6. CHANGES TO GENERAL MANAGER'S COMPENSATION

Recommendation: That the Board approve an increase to the annual salary of the General Manager to the amount of \$317,800, a one-time performance award in the amount of \$18,500, and maintain the General Manager's automobile allowance at \$725 per month, effective October 1, 2019.

7. ORANGE COUNTY TRANSPORTATION AUTHORITY PIPELINE CROSSING OC-276 LICENSE AGREEMENT

Recommendation: That the Board authorize the General Manager to execute the Orange County Transportation Authority License OC-276 for the 12-inch domestic water pipeline serving Innovation Park, subject to non-substantive changes.

8. 2020 INVESTMENT POLICY

Recommendation: That the Board adopt the following resolution by title:

RESOLUTION NO. 2019 - 28

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT APPROVING AN INVESTMENT
POLICY AND AUTHORIZING THE TREASURER AND ASSISTANT
TREASURER(S) TO INVEST AND REINVEST FUNDS OF THE
DISTRICT AND OF EACH OF ITS IMPROVEMENT DISTRICTS
AND TO SELL AND EXCHANGE SECURITIES

ACTION CALENDAR

SAND CANYON PROFESSIONAL CENTER – PHASE II CONSTRUCTION UPDATE AND LISTING AGREEMENT

General Manager Cook reported that some aspects of the Sand Canyon Professional Center construction update were covered by Director of Treasury and Risk Management Jacobson at the Special Board meeting tour. The listing agreement part of this item is related to an extension with the existing brokerage team through February 29, 2020.

Mr. Jacobson added that the leasing interest in the building has increased. Meetings are held with the brokerage team twice a month. Currently there are negotiations with a prospective tenant who is interested in 75% of the building. Commercial leasing within the Irvine Spectrum area is currently stable and the Irvine Company has started a couple new office projects in the area, which is promising.

Director Swan reported that this item was reviewed by the Finance and Personnel Committee on November 5, 2019, and agrees with the staff recommendation. On MOTION Swan, seconded by Matheis, and unanimously carried (Reinhart, Withers, Swan, Matheis, and LaMar voting aye), **THE BOARD APPROVED A NEW LISTING AGREEMENT WITH THE EXISTING BROKERAGE TEAM OF CUSHMAN & WAKEFIELD AND COLLIERS INTERNATIONAL UNDER THE SAME TERMS AND COMMISSION RATES AS THE PREVIOUSLY EXECUTED LISTING AGREEMENT, WITH A TIME EXTENSION THROUGH FEBRUARY 29, 2020.**

CRYSTAL COVE IN-LIEU DOMESTIC WATER AGREEMENT

General Manager Cook reported that the Crystal Cove homeowner association (HOA) common area are irrigated with recycled water. The Crystal Cove HOA reported to IRWD that they were seeing increasing levels of algae and debris in their irrigation equipment resulting in increased landscape maintenance costs. District staff determined that the source of the debris was related to IRWD's San Joaquin Reservoir. In addition, staff was also working to address repeated issues with a 10-inch recycled water pipeline in the Crystal Cove area. Staff recommends that IRWD address both issues by converting the Crystal Cove HOA irrigation system to potable water on an interim basis; make improvements at the San Joaquin Reservoir to prevent debris from entering the recycled water distribution system; and to replace the failing recycled water pipeline on Seawatch within the Crystal Cove community.

Director of Water Operations Roberts described how staff proposed to convert the HOA from recycled to potable water. He reported that there are two sources of water to the Crystal Cove community, the first through Signal Peak down to Seawatch, an easement road with a 10-inch recycled pipeline that has experienced multiple failures; the domestic line parallel to it has not experienced any issues. The second source of water is through an additional 10-inch pipeline through the Pelican Hills Golf Course. Staff recommends disconnecting both sources of recycled water and temporarily connecting the Crystal Cove irrigation system to the domestic water system using a back flow preventer device for the duration of the project.

President LaMar noted that this item was not reviewed by a committee. On MOTION by Matheis, seconded by Swan, and unanimously carried (Reinhart, Withers, Swan, Matheis, and LaMar voting aye), THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE AN IN-LIEU DOMESTIC WATER AGREEMENT WITH CRYSTAL COVE HOMEOWNERS ASSOCIATION FOR THE TEMPORARY USE OF POTABLE WATER FOR LANDSCAPE IRRIGATION DURING THE CONSTRUCTION OF THE SAN JOAQUIN FILTRATION PROJECT AND THE SEAWATCH RECYCLED PIPELINE REPLACEMENT PROJECT FOR A PERIOD OF 36 MONTHS OR UNTIL BOTH PROJECTS ARE COMPLETE, WHICHEVER IS LATER.

GENERAL MANAGER’S REPORT

General Manager Cook reported that IRWD’s San Joaquin Marsh was named a wetland of distinction by the Society of Wetland Scientists. It is a rare honor, as only 20 are named in the United States. He thanked Director Swan’s vision and Ian Swift and his staff for operating and maintaining the marsh to be recognized as one of the world’s most valuable wetland ecosystems.

DIRECTORS’ COMMENTS

Director Reinhart reported on his attendance at the OCBC’s Annual Economic Forecast; the MWDOC Board Meeting Workshop with the MWD directors; and the SOCWA Board Meeting.

Director Withers reported on his participation at the OCWD/OCSD joint groundbreaking ceremony for phase three of the Groundwater Replenishment System.

Director Swan reported on his attendance at the monthly WACO meeting; and his participation in the Water Education Foundation’s 2019 Water Summit and the Water Education Foundation’s Central Coast Tour.

Director Matheis reported on her participation in the Water Education Foundation’s 2019 Water Summit; her attendance at the monthly WACO meeting; the ISDOC Executive Committee Meeting; and the Astounding Inventions Appreciation Reception.

President LaMar reported on his attendance at the OCBC’s Annual Economic Forecast; the monthly WACO meeting; and the National Water Resources Association Conference.

COMMUNITY UPDATES: None.

ADJOURNMENT

There being no further business, President LaMar adjourned the meeting at 5:36 p.m. in memory of William “Bill” Woollett Jr., Irvine’s first city manager; and in memory of Ed Royce Sr., former MWDOC Board Director.

APPROVED and SIGNED this 25th day of November, 2019.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, Legal Counsel
– Lewis Brisbois