

## MINUTES OF REGULAR MEETING – June 22, 2020

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 June 22, 2020 via teleconference pursuant to the provisions of the Governor’s Executive Orders N-25-20 and N-29-20 due to COVID-19. Members of the public did not attend this meeting in person.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Technical Services Burton, Executive Director of Water Policy Weghorst, Director of Treasury and Risk Management Jacobson, Executive Director of Operations Chambers, General Counsel Collins, Director of Public Affairs Beeman, Director of Human Resources Roney, Director of Water Quality and Regulatory Compliance Colston, Director of Recycling Operations Zepeda, Director of Maintenance Mykitta, Director of Administrative Services Malone, Director of Water Resources Sanchez, Government Relations Officer/Deputy General Counsel Compton, Secretary Bonkowski, and members of staff and the public.

WRITTEN: None.

ORAL COMMUNICATIONS: Director Swan asked that tonight’s Board meeting be adjourned in memory of Ms. Madeline Swinden.

ITEMS TOO LATE TO BE AGENDIZED: None.

### CONSENT CALENDAR

On MOTION by Reinhart, seconded by Swan, and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes, CONSENT CALENDAR ITEMS 3 THROUGH 7 WERE APPROVED AS FOLLOWS:

#### 3. BOARD MEETING MINUTES

Recommendation: That the minutes of the June 8, 2020 Regular Board meeting be approved as presented.

#### 4. 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, Steven LaMar and John Withers, as described.

CONSENT CALENDAR (Continued)

5. MAY 2020 TREASURY REPORT

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Summary of Fixed and Variable Rate Debt, and Disclosure Report of Reimbursements to Board members and staff, approve the May 2020 Summary of Payroll ACH payments in the total amount of \$2,106,403, and approve

the May 2020 Accounts Payable Disbursement Summary of Warrants 408210 through 408858, Workers' Compensation Distributions, Wire Transfers, payroll withholding Distributions and voided checks in the total amount of \$15,098,804.

6. MICHELSON WATER RECYCLING PLANT PAVING AT NORTH ODOR SCRUBBER AND DIVERTER CHUTES FINAL ACCEPTANCE

Recommendation: That the Board accept construction of Michelson Water Recycling Plant Paving at North Odor Scrubber and Diverter Chutes, Projects 07890 and 07891, authorize the General Manager to file a Notice of Completion, and authorize the Release of Retention 35 days after filing of the Notice of Completion.

7. SANTIAGO HILLS ZONE C+ RESERVOIR STRAINER MODIFICATIONS CONSTRUCTION AWARD

Recommendation: That the Board authorize the General Manager to execute a construction contract with Paulus Engineering, Inc. in the amount of \$215,965.99 for the Santiago Hills Zone C+ Reservoir Strainer Modifications, Project 05407.

ACTION CALENDAR

PRIMARY DISINFECTION FACILITY SODIUM HYPOCHLORITE STORAGE AND FEED SYSTEM CONSTRUCTION AWARD, CONSULTANT SELECTION, AND BUDGET INCREASE

General Manager Cook reported that this project includes removal of the existing chlorine gas system and related appurtenances and the installation of a new sodium hypochlorite storage and feed system within the existing chlorination building. He said that upon completion of this project, gaseous chlorine will no longer be used at any IRWD facility.

Executive Director of Engineering and Technical Services Burton reported that the District retained Carollo to design the PDF Sodium Hypochlorite Storage and Feed System project, and that staff approved the plans in February 2020 and advertised the project for construction bidding to a select list of 15 mechanical contractors. Mr. Burton said that the bid opening was held on June 2, 2020, with bids received from Pacific Hydrotech Corporation, Environmental Construction, Inc., and Steve P. Rados, Inc. He said that Pacific Hydrotech Corporation is the apparent low bidder with a bid amount of \$5,537,800. The engineer's estimate, prepared by Carollo, is \$5,900,000.

Mr. Burton said that Carollo provided engineering design services for the project, and staff requested Carollo to submit a proposal for engineering services during construction. He said that Carollo's proposal includes scope for meeting attendance, submittal reviews, responses to

contractor requests for information, miscellaneous construction support, site visits during construction, and record drawing preparation. Carollo recently provided similar engineering services during construction for previous gaseous chlorine conversion projects at the Rattlesnake Reservoir and Initial Disinfection Facility.

Director Reinhart said that the consultant selection recommendation was reviewed by the Engineering and Operations Committee on March 17, 2020. In response to Director Swan's inquiry, Mr. Burton relayed that Steve P. Rados, Inc. was recently added to the list of contractors, and has not performed contractor services for over 15 years at the District. On MOTION by Reinhart, seconded by Matheis, and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes, THAT THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$5,050,000, FROM \$2,976,900 TO \$8,026,900; AUTHORIZE THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH PACIFIC HYDROTECH CORPORATION IN THE AMOUNT OF \$5,537,800; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH CAROLLO ENGINEERS IN THE AMOUNT OF \$363,353 FOR ENGINEERING SERVICES DURING CONSTRUCTION FOR THE PRIMARY DISINFECTION FACILITY SODIUM HYPOCHLORITE STORAGE AND FEED SYSTEM, PROJECT 06214.

#### SAND CANYON OFFICE IMPROVEMENT PROJECT CONSTRUCTION AWARD AND BUDGET INCREASE

General Manager Cook reported that the Sand Canyon Headquarters was receiving its first refresher since this facility was constructed nearly 30 years ago. He said that staff has been developing a scope of work to refresh the building and reconfigure office areas to provide for more efficient use of office space as well as physical distancing especially now during COVID-19.

Ms. Tanja Fournier, Project Manager for this project, reported that for over the past several months, staff and architects from Ware Malcomb have been developing a scope of work to refresh the building and reconfigure areas to provide for more efficient use of the Sand Canyon building. Ms. Fournier said that Phase I of the refresh project includes predominantly carpet and painting in the Board Room, Multi-Purpose Room, Lunchroom area, and the lobby, which is nearly complete. She said that with most of the Sand Canyon staff still working remotely due to COVID-19, staff is now working diligently to complete the remaining improvements throughout the building before staff returns full-time to the Sand Canyon building, thereby also taking advantage of favorable construction pricing.

Ms. Fournier said that the District retained architect Ware Malcomb for design services and Newport Real Estate Services (NRES) for construction management services. She said that NRES received bids from three pre-qualified general contractors including Layton Construction Company, KPRS Construction, and Howard Building Corporation. Layton Construction Company was the low bidder with a bid amount of \$1,799,849.79. This bid price is approximately \$45.00 per square foot, based on the actual office area being improved. She further said that staff expects all of the work associated with this project to be completed by the end of 2020. Director Swan commented that this project was appropriately being funded through the Replacement Reserve fund and that there were no impacts that would affect the District's rates. Director Matheis said that she was pleased that this project would be putting people to work during these difficult times.

General Manager Cook said that the staff recommendation was revised to reflect a lower amount budget amount due to an oversight with inclusion of General & Administrative costs. He then reviewed the amounts with the Board. There being no objection to the revised amounts, on MOTION by Withers, seconded by Swan, and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes, BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$600,000, FROM \$177,500 TO \$777,500, FOR OFFICE SPACE IMPROVEMENT PROJECT 01257, AND AN INCREASE IN THE AMOUNT OF \$600,000, FROM \$471,000 TO \$1,071,000, FOR OFFICE SPACE IMPROVEMENT PROJECT 01336, AND AN INCREASE IN THE AMOUNT OF \$600,000, FROM \$441,500,000 TO \$1,041,500, FOR OFFICE SPACE IMPROVEMENT PROJECT 01549, AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH LAYTON CONSTRUCTION COMPANY IN THE AMOUNT OF \$1,799,849.79 FOR THE OFFICE SPACE IMPROVEMENT PROJECT AS REVISED.

#### KERN FAN GROUNDWATER STORAGE PROJECT UPDATE AND APPOINTMENT OF GROUNDWATER BANKING AUTHORITY BOARD MEMBERS

General Manager Cook reported that IRWD and Rosedale-Rio Bravo Water Storage District are forming the Groundwater Banking Authority, a Joint Powers Authority (Authority) of the two agencies that will plan, design, construct and operate the Kern Fan Groundwater Storage Project (Kern Fan Project).

Using a PowerPoint presentation, Director of Water Policy Sanchez said that Proposition 1 provides \$2.7 billion for public benefits associated with water storage projects that will provide specific public and ecosystem benefits with funding through the Water Storage Investment Program (WSIP). She said that IRWD and Rosedale jointly submitted a WSIP grant application for the Kern Fan Project and was granted \$67.5 million in conditional funding for the project.

Ms. Sanchez said that the proposed Kern Fan Project will be constructed in two phases with Phase 1 IRWD and Rosedale acquiring up to 640 acres in the Kern Fan area and constructing recharge and recovery facilities as necessary to develop a fully functioning water banking project. Additionally, they will be constructing a new dedicated conveyance canal from the California Aqueduct to ensure the ability to convey flows from the SWP to the new recharge facilities. In Phase 2, IRWD and Rosedale will acquire an additional 640 acres of land to construct additional water banking facilities. The overall project would consist of approximately 500 cubic feet per second (cfs) of canal capacity from the California Aqueduct with the capacities shared equally by both parties.

Ms. Sanchez reviewed the Federal funding and said that in December 2019, staff submitted a feasibility study that is required for Reclamation to recommend the Kern Fan Project for federal funding through the Water Infrastructure Improvements for the Nation Act. In April 2020, staff prepared and submitted an updated feasibility study that included a 30% Design Report and corresponding project costs prepared by Dee Jaspar and Associates. On June 5, Reclamation notified IRWD that the policy review was complete and that all the policy requirements have been satisfied. In addition, Reclamation has recently conducted a Design, Estimating and Construction (DEC) review to confirm that the project is technically feasible with outcome pending. Following completion of the DEC review and the development of

findings, Reclamation will prepare a Joint Resolution Memo with a recommendation regarding federal funding for the Kern Fan Project.

Ms. Sanchez said that multiple agreements are required with the Department of Water Resources and the California Department of Fish and Wildlife, and to implement the Kern Fan Project, the Authority will need to develop and execute the several agreements with state agencies involved with the project. She said that the purpose of these agreements will be to coordinate construction and operation of the Kern Fan Project, and to provide the public benefits necessary for the Authority to receive \$67.5 million in WSIP funding.

Ms. Sanchez said that execution of the Aqueduct Turnout and Exchange Agreements are critical path items for the successful implementation of the Kern Fan Project. Principles for these critical agreements were finalized in May 2020. IRWD and Rosedale have requested that DWR execute a Letter of Concurrence on the principles for the Exchange Agreement and the principles for the Aqueduct Turnout Agreement. Execution of the Letter of Concurrence is in progress and expected to be completed by the end of June 2020. She further reviewed the environmental documentation schedule and project schedule.

Ms. Sanchez said that an agreement was authorized between Rosedale and IRWD creating the Joint Powers Authority which will plan, design and operate the Kern Fan Project. She said that on April 8, 2020, the agreement forming the Authority was executed with an effective date of July 1, 2020 subject to the terms of a side letter agreement. The side agreement prevents the operation of the Authority until IRWD and Rosedale have received reasonable assurances that it will be feasible to execute the critical path turnout and exchange agreements. The Letter of Concurrence with DWR will provide the reasonable assurances contemplated by the side agreement.

Ms. Sanchez said that Rosedale and IRWD will each have two representatives on the Authority Board of Directors and that staff recommends the IRWD Board appoint the members of the Supply Reliability Programs Committee, including the designated alternate to the Committee, as Board members and alternate Board member to the Authority. As per the Joint Powers Agreement, IRWD's two Board member representatives of the Authority combined will represent one vote in actions taken by the Authority. Rosedale will also have two Board members on the Authority that combined will also represent one vote. All actions taken by the Authority Board require a unanimous decision. She said that the initial actions of the Authority Board will be to adopt the Authority Bylaws; setting a time and place for regular meetings; adopt banking resolutions; establish initial funding requirements; approve previous expenditures of IRWD and Rosedale on the Kern Fan Project; adopt a Conflict of Interest Code for filing with the Fair Political Practices Commission; appoint officers; and establish Committee representatives.

Director Swan reported that this item was reviewed by the Supply Reliability Programs Committee extensively on June 18, 2020. On MOTION by Swan, seconded by Reinhart, and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes, THE BOARD APPOINTED THE MEMBERS OF THE SUPPLY RELIABILITY PROGRAMS COMMITTEE, INCLUDING THE DESIGNATED ALTERNATE TO THE COMMITTEE, AS BOARD MEMBERS AND ALTERNATE BOARD MEMBER TO THE GROUNDWATER BANKING AUTHORITY.

## OTHER BUSINESS

### GENERAL MANAGER'S REPORT

General Manager Cook reported that as a follow-up to the June 8 Board meeting Board item terminating IRWD ownership of the Trabuco Canyon Water District's El Toro Road Lift Station, this item was also recently approved by the TCWD Board of Directors, and is anticipating that he will be executing the agreement this week.

Mr. Cook updated the Board on SB 939 which would prohibit a landlord from evicting tenants of commercial property during COVID-19, and said that the bill is currently in the Senate Appropriations Committee suspense file, and noted that staff had worked with CSDA to obtain amendments to the bill.

### DIRECTORS' COMMENTS

In response to Director Withers' suggestion to notify the City of Santa Ana that no chlorination products will be used in its city due to the construction of the District's Primary Disinfection Facility Sodium Hypochlorite storage facility (approved this evening), General Manager Cook said that once the facility is complete, staff will notify the City accordingly.

Director Swan asked that in addition to adjourning tonight's Board meeting in memory of Ms. Madeline Swinden, he would also like to include Mr. Jack Keating from Newport Beach. He further reported on his attendance at Newport Chamber of Commerce meetings, a meeting at West Basin, an OCBC Government Affairs Committee meeting, and a Newport Beach Watershed Executive Committee meeting.

Director LaMar reported on his attendance at a Southern California Water Coalition meeting on the history of water, an NCC Board meeting, and an ACWA meeting with MCWD relative to disadvantaged communities.

Director Reinhart reported on his attendance at an OCWD Water Issues Committee meeting, an OCWD Administration Finance Committee meeting, and an OCWD Board meeting.

Director Matheis also reported on her attendance at a Southern California Water Coalition meeting on the history of water with Mr. Tim Quinn as presenter, and an Urban Water Planning meeting. She further said she appreciated the efforts of Ms. Fiona Sanchez relative to her item tonight on the Kern Fan Groundwater Storage Project update.

### COMMUNITY UPDATE

The District's consultant, Mr. Bruce Newell, updated the Board on activities in the canyon including a record-breaking Chipper Day event where residents removed trees and branches for chipping.

ADJOURNMENT

There being no further business, President Matheis adjourned the meeting in memory of Ms. Madeline Swinden and Mr. Jack Keating.

APPROVED and SIGNED this 13<sup>nd</sup> day of July 2020.

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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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Claire Hervey Collins, General Counsel  
Hanson Bridgett LLP