

MINUTES OF REGULAR MEETING – April 12, 2021

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 Reinhart on April 12, 2021 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: LaMar, McLaughlin, Swan, and Reinhart.

Directors Absent: Withers.

Also Present: General Manager Cook, Executive Director of Technical Services Burton, Executive Director of Water Policy Weghorst, Executive Director of Finance and Administration Clary, Director of Treasury and Risk Management Jacobson, Manager of Strategic Planning and Analysis Christopher Smithson, Executive Director of Operations Chambers, Director of Water Quality and Regulatory Compliance Colston, Director of Recycling Operations Zepeda, Director of Information Services Malone, Director of Water Resources Sanchez, Director of Maintenance Mykitta, Director of Human Resources Mitcham, Government Relations Officer/Deputy General Counsel Compton, Secretary Bonkowski, General Counsel Collins, Consultant Newell, MWD Director Dennis Erdman, and members of staff and the public.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED: None.

WORKSHOP

FISCAL YEARS 2021-22 AND 2022-23 OPERATING AND NON-OPERATING BUDGETS

The proposed Fiscal Year (FY) 2021-22 Operating Budget for IRWD is \$180.2 million, representing an increase of \$6.6 million, or 3.8%, when compared to the Operating Budget for FY 2020-21. The proposed FY 2022-23 Operating Budget for IRWD is \$187.7 million, representing an increase of \$7.6 million, or 4.2%, when compared to the proposed Operating Budget for FY 2021-22. The proposed FY 2021-22 Non-Operating Budget is \$76.7 million, representing a decrease of \$12.0 million when compared to the Non-Operating Budget for FY 2020-21. The proposed FY 2022-23 Non-Operating Budget is \$84.1 million, representing an increase of \$7.4 million when compared to the proposed Non-Operating Budget for FY 2021-22.

Using a PowerPoint presentation, Manager of Strategic Planning and Analysis Smithson said that the assumptions driving the proposed budgets and associated rates include both uncontrollable and controllable increases and reviewed the cost escalators in both areas. Using charts, Mr. Smithson reviewed the projected water sales for potable and non-potable budgets. He reviewed the key drivers of the budgets including salaries and benefits, purchased water, repairs and maintenance, and electricity. He further reviewed the proposed general plant funding, revenues and expenses by system, non-operating net income key assumptions, and recommended next steps which include a second workshop on April 26, 2020. He said that in the fall of 2021, the Finance and Personnel Committee and the Board will consider possible rate changes to be effective after January 1, 2022.

Director Swan said that this item was reviewed by the Finance and Personnel Committee on three occasions, and the Committee recommended a deferral of rate increases until January 2022. General Manager Cook thanked staff for its efforts in preparing these budgets.

CONSENT CALENDAR

On MOTION by LaMar, seconded by Swan, and unanimously carried by a roll call vote (4-0-1 McLaughlin, Swan, LaMar and Reinhart voting aye, 0 noes, and 1 absent) ITEMS 4 AND 5 WERE APPROVED AS FOLLOWS:

4. BOARD MEETING MINUTES

Recommendation: That the minutes of the March 22, 2021 Regular Board meeting be approved as presented.

5. 2021 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: That the Board adopt an “oppose” position on AB 602 (Grayson) and a “support” position on SB 427 (Eggman).

ACTION CALENDAR

FINAL INITIAL STUDY/MITIGATED NEGATIVE DECLARATION FOR LAKE FOREST ZONE B TO C PUMP STATION PROJECT

A Final Initial Study/Mitigated Negative Declaration (Final IS/MND) has been prepared for the proposed Lake Forest Zone B to C Pump Station Project for the purpose of the proposed project is to improve operational flexibility and water quality in IRWD’s recycled water system. The proposed project includes constructing a new pump station, developing a new intertie between the Upper Oso Reservoir and the Lake Forest Zone C system, and demolishing the existing Zone B to C Pump Station. The proposed intertie would provide the ability to isolate the Upper Oso Reservoir from IRWD’s recycled water distribution system.

On MOTION by LaMar, seconded by Swan, and unanimously carried by a roll call vote (4-0-1 McLaughlin, Swan, LaMar and Reinhart voting aye, 0 noes, and 1 absent), THE BOARD FOUND ON THE BASIS OF THE WHOLE RECORD BEFORE IT (INCLUDING THE FINAL INITIAL STUDY/MITIGATED NEGATIVE DECLARATION AND THE COMMENTS RECEIVED) THAT THERE IS NO SUBSTANTIAL EVIDENCE THAT THE LAKE FOREST ZONE B TO C PUMP STATION PROJECT WILL HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT AND THAT THE FINAL MITIGATED NEGATIVE DECLARATION REFLECTS IRWD'S INDEPENDENT JUDGMENT AND ANALYSIS, ADOPTED THE PROPOSED FINAL MITIGATED NEGATIVE DECLARATION FOR THE LAKE FOREST ZONE B TO C PUMP STATION PROJECT AND THE ASSOCIATED MITIGATION MONITORING AND REPORTING PROGRAM, APPROVED THE LAKE FOREST ZONE B TO C PUMP STATION PROJECT, AND AUTHORIZED STAFF TO POST AND FILE A NOTICE OF DETERMINATION.

GENERAL MANGER'S REPORT

General Manager Cook reported that it was quiet on the COVID-19 front, and that staff is healthy and productive.

COMMUNITY UPDATES

Consultant Newell reported that all is going well in the canyons.

DIRECTORS' COMMENTS

Director Swan reported on his attendance at an IRP meeting at MWD, a Southern California Water Dialogue meeting, a Newport Chamber of Commerce meeting, an OCBC forecast meeting, a San Joaquin Wildlife Sanctuary Board meeting, a Sea and Sage Sanctuary event, an ACWA 2021 Washington, D.C. virtual conference and Federal Water Issues Webinar, a MWDOC Planning Committee meeting, a MWDOC Dialogue Steering Committee meeting, a MWDOC Board meeting, and a Groundwater Banking JPA Special Board meeting.

Director Mc Laughlin reported on her attendance at an ACWA 2021 Washington, D.C. virtual conference and Federal Water Issues Webinar, an OCWD webinar on salinity management, a meeting with Irvine's Vice Mayor Tammy Kim, and an IRWD Business Outreach virtual event.

Director LaMar welcomed newly-elected MWD Director Dennis Erdman to tonight's meeting. He further reported on his attendance at a WACO meeting, an IRWD Business Outreach virtual event, OCBC's virtual Sacramento Advocacy Summit, ACWA's Washington, D.C. virtual conference and other ACWA meetings.

Director Reinhart reported on his attendance at MWDOC and OCWD meetings, a South County Agencies Joint meeting with MWDOC and OCWD, an OCWD salinity management meeting, a SOCWA Board meeting, a Groundwater Banking JPA Special Board meeting, and an IRWD Business Outreach virtual event.

CLOSED SESSION

Legal Counsel Collins said the following Closed Session would be held:

CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Government Code Section 54956.9(d)(1): *Kessner, et al. v. City of Santa Clara, IRWD, et al.*, Santa Clara County Superior Court Case No. 20CV364054.

OPEN SESSION

At 6:38 p.m. the meeting was reconvened with Directors Swan, LaMar, McLaughlin, and Reinhart present. President Reinhart said that there was no action to report.

ADJOURNMENT

There being no further business, President Reinhart adjourned the meeting.

APPROVED and SIGNED this 26th day of April 2021.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, General Counsel
Hanson Bridgett LLP