

MINUTES OF REGULAR MEETING – JULY 28, 2014

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 July 28, 2014 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: Withers.

Also Present: General Manager Cook, Executive Director of Engineering Burton, Executive Director of Finance Clary, Executive Director of Operations Sheilds, Director of Water Resources Sanchez, Director of Risk Management and Treasury Jacobson, Director of Administrative Services Mossbarger, Assistant Director of Maintenance Drake, Assistant Director of Water Operations Roberts, Legal Counsel Arneson (by teleconference), Secretary Bonkowski, Ms. Christine Compton, Ms. Gina Jackson, Mr. Jim Reed, Mr. Bruce Newell and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION

Mrs. Joan Irvine Smith's assistant addressed the Board of Directors with respect to the Dyer Road Wellfield. She said it was her understanding that currently wells 1, 2, 4, 6, C-8, C-9, 10, 12, 14, 15, 16, 17 and 18 will operate in accordance with the District's annual pumping plan. Wells 3, 5, 7, 11 and 13 will be off. This was confirmed by Mr. Cook, General Manager of the District.

The OCWD Annexation documents have been recorded and the annexation is now complete. This was confirmed by Mr. Cook.

ITEMS TOO LATE TO BE AGENDIZED: None.

PUBLIC HEARINGS

SEWER TAXES IN THE NEWPORT NORTH SERVICE AREA

General Manager Cook reported that on June 23, 2014, the Board adopted Rates and Charges for Fiscal Year 2014-15 which included monthly sewer charges of \$20.50 for a residential single family home and \$15.40 per unit for multiple family dwelling units. The Newport North customers will have the same rate, but the method of collection differs in that they pay their sewer fees on an annual basis by means of the County tax rolls.

Mr. Cook said that by adoption of Resolution No. 1987-45, the Board of Directors elected to have sewer charges for certain parcels of land located in the Newport North area collected on the tax roll together with the District's general taxes. That resolution directs the filing of a report containing a description of such parcels and the corresponding charges for each fiscal

year. Pursuant to the requirements of the Health and Safety Code of the State of California, a public hearing on the report is required.

President LaMar said this was the time and place for a hearing on the sewer taxes in the Newport North area, and declared the hearing open. He asked the Secretary how the hearing was noticed.

Secretary Bonkowski reported that the report was filed with her on June 24, 2014 and the notice of the filing of the report and the time and place of this hearing was published in the Newport Beach-Costa Mesa Daily Pilot on July 12 and July 19, 2014. She said that a notice was also posted in the District office on July 2, 2014.

On MOTION by Swan, seconded and unanimously carried, THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

President LaMar requested Legal Counsel Arneson to describe the nature of the proceedings.

Legal Counsel Arneson described the nature of the proceedings, saying that the purpose of the hearing was to provide an opportunity for all persons interested or the owner of any parcel within the area to present objections or protests to the report.

President LaMar asked Secretary Bonkowski whether she had received any written communications concerning this matter, and she stated that she had not. President LaMar asked if there was anyone present who wished to address the Board concerning the report and the proposed collection of sewer charges on the tax roll. There was no one present who wished to be heard. President LaMar further inquired if there were any comments or questions from members of the Board of Directors. There were no comments from the Board.

On MOTION by Swan, seconded and unanimously carried, THE HEARING WAS CLOSED, AND RESOLUTION NO. 2014-36 WAS ADOPTED BY TITLE AS FOLLOWS:

RESOLUTION NO. 2014-36

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE
RANCH WATER DISTRICT ADOPTING REPORT OF SEWER
CHARGES TO BE COLLECTED ON THE TAX ROLL

WORKSHOP

UPDATE ON CUSTOMER CARE AND BILLING SYSTEM

Using a PowerPoint Presentation, Director of Administration Services Mossbarger provided an update on the Customer Care and Billing System (CC&B). Mr. Mossbarger said that the purpose of the project is to upgrade the District's existing Utility Billing and Customer Service Request system with Oracle CC&B. He said that benefits include: 1) customers will benefit from a streamlined and enhanced experience interacting with IRWD; 2) the existing system's outdated architecture limits the District's ability to support and maintain the legacy system into the future; and 3) implementation of Oracle CC&B puts the framework in place to allow future

expansion, consolidations, and new services. He reviewed the project team, project timeline, application readiness, data migration and infrastructure, user readiness, a go/no-go readiness assessment scorecard, project issues/risks and mitigation plans, a go-live plan, customer accommodations, and next steps. In response to Director Reinhart's inquiry relative to a meter reading service provider change, Mr. Mossbarger said that if this occurs, a new provider would have to translate data into the CC&B program and that some costs would be incurred, but not substantial. In response to Director Reinhart's comment relative to last week's power outage, General Manager Cook said that the District's generator worked well and has the ability to run 24 hours without new fuel. Staff was then asked to determine if the solar power on the roof of the headquarters building could be used as an additional back-up source. President LaMar thanked Mr. Mossbarger for all of his assistance to minimize any problems to our customers with this transition. General Manager Cook then thanked staff for all of their efforts and specifically thanked Mr. Mossbarger, Ms. Clary, Ms. Jackson, and Ms. Sanchez who were in the audience.

CONSENT CALENDAR

On MOTION by Reinhart, seconded and unanimously carried, CONSENT CALENDAR ITEMS 5 THROUGH 8 WERE APPROVED AS FOLLOWS:

5. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the July 14, 2014 Regular Board Meeting be approved as presented.

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

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

7. JUNE 2014 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for June 2014, and Disclosure Report of Reimbursements to board members and staff; approve the June 2014 summary of payroll ach payments in the total amount of \$1,462,264 and approve the June 2014 accounts payable disbursement summary of warrants 349247 through 350334, workers' compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$31,183,742.

8. MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES CONTRACT CHANGE ORDER

Recommendation: That the Board approve Contract Change Order No. 12 in the amount of \$156,580.22 to Filanc/Balfour-Beatty for the bid quantity adjustments of earthmoving and geotechnical related activities for the Michelson Water Recycling Plant Biosolids and Energy Recovery Facilities, project 21146 (4286).

ACTION CALENDAR

FISCAL YEAR 2014-15 EXPENDITURE AUTHORIZATIONS FOR WATER BANKING AGREEMENTS AND PLANNING

General Manager Cook reported that two Expenditure Authorizations are required; 1) for \$484,000 for water banking agreements to fund staff and legal time for developing and implementing District water banking and exchange agreements with agencies such as Metropolitan Water District of Southern California (MWD), Antelope Valley-East Kern Water Agency, Central Coast Water Authority, Buena Vista Water Storage District and the Kern County Water Agency (KCWA); and 2) for water banking planning and assessing, and evaluating new properties for water banking projects as they may come available and to complete the Water Banking Business Plan. The expenditure is for \$115,500 and includes staff time, outside consultants and legal time to complete the District's planning efforts related to the water banking program.

Director Swan said that this item was reviewed and approved by Water Banking Committee on July 22, 2014. On MOTION by Swan, seconded and unanimously carried, THE BOARD APPROVED EXPENDITURE AUTHORIZATIONS FOR FY 2014-15 IN THE AMOUNT OF \$242,000 FOR WATER BANKING AGREEMENTS 14/16, PROJECT NO. 11764 (5500) AND \$115,500 FOR WATER BANKING PLANNING 14/15, PROJECT NO. 11793 (5501).

GENERAL MANAGER'S REPORT

General Manager Cook reported on the emergency drought regulations imposed by the SWRCB. He said that IRWD hosted two meetings with cities and agencies last week to: 1) develop message points, and 2) discuss drought allocation based rate structure and how to report to the SWRCB monthly beginning with the end of August. He further said that staff will keep the Board updated on this effort.

Mr. Cook reported that the Closed Session item on the Settlement Agreement with EOCWD was executed by both agencies and that staff is satisfied with the outcome. He said that he attended the EOCWD Board meeting last week which went well. He further said that EOCWD Director Davert requested a meeting with IRWD to discuss mutual water issues.

DIRECTORS' COMMENTS

Director Matheis reported on her attendance at an ACC-OC reception in Anaheim, a Southern California Water Committee meeting, an OC Coastal Coalition meeting, and a quarterly Shadetree Partnership Board meeting where Ms. Kay Phillies was appointed as a new Board member to fill the unexpired term of Ms. Janet Wells. She further said that this week she will be attending an ISDOC quarterly meeting.

Director Reinhart reported that he attended a MWDOC Board Meeting with Director LaMar. He said that the South County selection Committee appointed Mr. Larry Mckenney to fill the open seat as MWDOC's MWD representative and that the next step will be for MWDOC to interview him.

Director Swan reported that he attended a Southern California Water Dialogue meeting at MWD where there was an interesting presentation on turf removal to save water which will be placed on its website, and suggested that conservation staff review it. He said that he also attended an ACWA Board meeting in Sacramento and is planning to attend the District's recognition luncheon this Thursday. He further discussed a letter which is being circulated relative to the illegal diversion of delta water being used by the south and central areas where they do not have water rights.

Director LaMar said that he is contacting local officials including Mayor Steven Choi of Irvine and Mayor Al Murray from the City of Tustin relative to the drought situation. He said that he attended an ACWA Headwaters Task Force meeting, an NROC Executive Committee meeting where they are rebranding, and a Southern California Water Committee Water and Energy meeting.

Consultant Jim Reed reported on the meetings he attended representing the District including WACO, OCWA, and a Southern California Economic Coalition.

ADJOURNMENT

There being no further business, President LaMar adjourned the meeting at 6:24 p.m.

APPROVED and SIGNED this 11th day of August, 2014.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone