

MINUTES OF REGULAR MEETING – JULY 11, 2016

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 July 11, 2016 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Engineering and Water Quality Burton, Executive Director of Finance Clary, Executive Director of Water Policy Weghorst, Executive Director of Operations Shields, Director of Treasury and Risk Management Jacobson, Director of Water Resources Sanchez, Director of Public Affairs Beeman, Director of Human Resources Roney, Assistant Director of Recycling Operations Zepeda, Assistant Director of Water Operations Roberts, Assistant Director of Maintenance Drake, Legal Counsel Arneson, Secretary Bonkowski, Principle Engineer Akiyoshi, Mr. Matt Veeh, Mr. John Dayer, Mr. Allen Shinbachi, Ms. Kelly Hubbard, Ms. Dorian McElroy, Ms. Sunny Lee, Ms. Amy McNulty, Ms. Lindsay Swain, and Mr. Greg Kester.

WRITTEN COMMUNICATIONS: None.

ORAL COMMUNICATIONS: None.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED: None.

PRESENTATIONS

IRWD'S NEW COMBINATION SEWER CLEANING VACTOR

Manager of Fleet Services Dayer provided an overview of the capabilities and features of the Combination Sewer Cleaning Vactor, the newest addition to IRWD's fleet.

DEPARTMENT OF HOMELAND SECURITY URBAN AREA SECURITY INITIATIVE GRANT OVERVIEW

Manager of Fleet Services Dayer provided an overview of the Municipal Water District of Orange County's successful effort to secure a Department of Homeland Security Urban Area Security Initiative grant to purchase mobile diesel refueling trailers; one of which will be assigned to IRWD.

WORKSHOP

IRVINE RANCH WATER DISTRICT BIOSOLIDS PROGRAM OVERVIEW

Using a PowerPoint presentation, Mr. Greg Kester of the California Association of Sanitation Agencies provided an overview of California's perspective of biosolids use. He highlighted usage for the last two years, state mandated goals by 2020, future of organics in landfills, and opportunities for IRWD.

Executive Director of Operations Shields provided an overview of the preparation for pellet production at IRWD including goals and expectations, project milestones, process overview, challenges, opportunities and next steps. Following discussion, Director Swan made suggestions for scheduling focus groups and contacting other entities to test and support the product.

CONSENT CALENDAR

Requests were made by Director Matheis to move Item No. 12 and by Director Reinhart to move Item No. 13 to the Action Calendar. There being no objections, both items were moved accordingly. On MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 6 THROUGH 11 WERE APPROVED AS FOLLOWS:

6. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the June 27, 2016 Regular Board meeting be approved as presented.

7. PROPOSED SALARY GRADE SCHEDULE CHANGES FOR FY 2016-17

Recommendation: That the Board rescind Resolution No. 2015-27 and adopt the following resolution by title:

RESOLUTION NO. 2016 -16

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT,
RESCINDING RESOLUTION NO. 2015-27 AND
ESTABLISHING A REVISED SCHEDULE OF POSITIONS
AND SALARY RATE RANGES

8. DYER ROAD WELLFIELD WELL NO. 18 REHABILITATION CONSTRUCTION AWARD

Recommendation: That the Board authorize the General Manager to execute a construction contract with Best Drilling and Pump, Inc. in the amount of \$345,520 for the Dyer Road Wellfield Well No. 18 Rehabilitation, project 4401.

CONSENT CALENDAR (CONTINUED)

9. IRVINE BUSINESS COMPLEX APPURTENANCE RELOCATIONS BID REJECTION

Recommendation: That the Board reject all bids received for the Irvine Business Complex Appurtenance Relocations, projects 6849 and 6850, and authorize staff to re-bid the project after revising the project documents.

10. 2016 LEGISLATIVE UPDATE

Recommendation: That the Board adopt a “WATCH” position on SB 814 (Hill) and a “SUPPORT IF AMENDED” position on AB 2909 (Levine).

11. UPDATED WATER USE EFFICIENCY OUTREACH PROGRAMS

Recommendation: That the Board authorize the General Manager to execute a Professional Service Agreement with Suple Advertising & Design in the amount of \$115,000 for a water use efficiency message and creative development program.

ACTION CALENDAR

ELECTION OF CALIFORNIA SPECIAL DISTRICTS ASSOCIATION SOUTHERN NETWORK SEAT B BOARD MEMBER

Director Matheis expressed her support for Mr. Bill Nelson. She further noted that the Independent Special District of Orange County will be having an election for officers, and if any individuals are interested, to notify staff as the Board would be required to adopt a resolution of support.

On MOTION by Matheis, seconded and unanimously carried, THE BOARD REVIEWED THE CANDIDATES FOR THE SOUTHERN NETWORK SEAT B REPRESENTATIVE ON THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS, AND AUTHORIZED THE DISTRICT TO CAST ITS BALLOT IN FAVOR OF ORANGE COUNTY CEMETERY DISTRICT DIRECTOR BILL NELSON AND TO SUBMIT IT TO CSDA NO LATER THAN THE AUGUST 5, 2016, DEADLINE.

STAKEHOLDER OUTREACH SERVICES

Director LaMar said he recommended Curt Pringle and Associates for outreach services and highlighted its past successful work efforts with the District. On MOTION by LaMar, seconded and unanimously carried, THE BOARD APPROVED A SIX-MONTH PROFESSIONAL SERVICES AGREEMENT, FROM APPROXIMATELY JULY 15, 2016, THROUGH JANUARY 14, 2017, WITH CURT PRINGLE & ASSOCIATES FOR \$6,000 PER MONTH FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$36,000.

SPECIALIZED LEGAL COUNSEL SERVICES – ENVIRONMENTAL QUALITY AND COMPLIANCE

In order to ensure that IRWD remains in compliance with environmental regulations while at the same time not negatively impacting operations, it is critical that the District be engaged in monitoring regulations and participating in policy discussions. Due to the wide-ranging scope of environmental issues that may affect IRWD, staff is seeking to augment existing resources with specialized legal counsel services. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A LETTER OF ENGAGEMENT WITH NOSSAMAN LLP TO PROVIDE SPECIALIZED LEGAL COUNSEL FOR ENVIRONMENTAL ISSUES.

WATERSMART SOFTWARE VARIANCE NO. 3

Director Withers said that his employer was previously a consultant for WaterSmart Software and he will recuse himself from voting on this item. He left the Board room at 7:48 p.m.

General Manager Cook reported that the District's Water Smart Program, developed and administered by WaterSmart Software Inc., provides enhanced water use information to IRWD's customers separate from monthly water bills. Mr. Cook said that staff requested proposals from multiple consultants to continue this customer engagement and analytics program over the next two years. He said that to maintain program continuity, a variance is required with WaterSmart Software for up to six months until the consultant selection process is complete.

Following discussion, on MOTION by Reinhart, seconded and carried (4-1) (Matheis, Reinhart, LaMar and Swan voting aye, and Withers absent), THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN IRWD AND WATERSMART SOFTWARE INC. IN THE AMOUNT OF \$107,850 TO CONTINUE ADMINISTERING IRWD'S WATER SMART PROGRAM FOR UP TO SIX ADDITIONAL MONTHS. Director Withers returned to the Board room at 7:55 p.m.

DECLARATION OF WATER SHORTAGE LEVEL ONE

Using a PowerPoint presentation, Director of Water Resources Sanchez provided an overview of the executive orders and the State Board emergency regulation. She said that in response to drought conditions, the Governor issued Executive Order B-2-15 on April 1, 2015 which mandated a 25 percent statewide reduction in urban potable water use from 2013 levels. Ms. Sanchez said that subsequent regulatory action by the State Water Resources Control Board established IRWD's specific potable water use conservation target at 16 percent which equated to the need to save approximately 8,000 acre-feet of potable water.

Ms. Sanchez said that in May 2016, the State Board adopted a further revised regulation extending the term of the regulation until January 2017. The revised regulation incorporates a new methodology for calculating water reduction targets where agencies can self-certify the availability of supplies to meet projected demands, assuming another three dry years. She said that staff submitted IRWD's self-certification which demonstrated the sufficiency of available

supplies to meet projected demands. Therefore, IRWD's mandatory conservation target was reduced to zero percent, retroactive to June 1, 2016. She said that the appropriate level of shortage that reflects local conditions, IRWD's reduced conservation target and the continued state drought emergency are a Water Shortage Level One.

Director LaMar said that this item was reviewed by the Water Resources Policy and Communications Committee on June 6, 2016 and the Committee concurs with staff's recommendation. Following discussion with the Board and legal counsel relative to Director Swan's request to amend language in the resolution deleting all items related under "Level Two Measures Rescinded", as well as other changes under the section of "Additional Measures to be in Effect", on MOTION by Swan, seconded and unanimously carried, **THE BOARD DIRECTED STAFF TO AMEND LANGUAGE IN THE RESOLUTION AS NOTED AND ADOPTED THE FOLLOWING RESOLUTION BY TITLE:**

RESOLUTION NO. 2016-17

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
RESCINDING RESOLUTION NO. 2015-18 AND
DECLARING WATER SHORTAGE LEVEL ONE
(SHORTAGE CONDITION)

GENERAL MANAGER'S REPORT

General Manager Cook noted the upcoming OCWD's Water Issues Committee meeting agenda item. He said that he will not be in attendance at tomorrow's Finance and Personnel Committee meeting as he will be attending an Orange County Business Council meeting. He said that he has been invited to speak at a Bioenergy meeting next week being held at the District's Duck Club. He said that he is looking forward to this Thursday's Strategic Planning Session and noted that there is a Closed Session item on the agenda.

DIRECTORS' COMMENTS

Director LaMar reported on his attendance at a WACO meeting.

Director Withers reported on his attendance at an OCSD Legislative and Public Affairs Committee meeting held this afternoon.

Director Swan reported on his attendance at an Irvine Museum exhibit, a MWDOC Board meeting with Directors Reinhart and LaMar relative to Colorado River issues, an MWD lunch meeting at West Basin Municipal Water District, a Newport Chambers meeting, an ACC-OC City leaders meeting, and a WACO meeting.

Director Reinhart reported on his attendance at a WACO meeting and a MWDOC Board meeting.

Director Matheis reported on her attendance at an ISDOC quarterly meeting and a Sea & Sage Audubon Butterfly Garden Dedication ceremony with Director Swan at the San Joaquin Wildlife

Sanctuary, and noted that she is working with the Urban Water Institute relative to its upcoming conference in August.

ADJOURNMENT

President Matheis adjourned the meeting to Thursday, July 14, 2016 at 8:00 a.m. to hold a Strategic Planning Workshop in the Sand Canyon Multi-Purpose Room and also in memory of former County of Orange's Supervisor Marian Bergeson as well as President Matheis' sister.

APPROVED and SIGNED this 25th day of July, 2016.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone