

MINUTES OF REGULAR MEETING – NOVEMBER 25, 2019

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 November 25, 2019 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Technical Services Burton, Executive Director of Water Policy Weghorst, Executive Director of Finance and Administration Clary, Executive Director of Operations Chambers, General Counsel Collins, Public Affairs Director Beeman, Director of Maintenance Mykitta, Director of Human Resources Roney, Director of Water Resources Sanchez, Secretary Bonkowski, Assistant Secretary Swan, Mr. Bruce Newell, Mr. Jim Herbert, and members of staff and the public.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

PRESENTATIONS

RESOLUTION RECOGNIZING JOHN WITHERS FOR HIS 30 YEARS OF SERVICE TO IRWD AS A DIRECTOR OF THE BOARD

President LaMar presented Director Withers with a plaque recognizing him for his 30 years of service. He highlighted accomplishments including service on the Local Agency Formation Commission for over 20 years, the Santa Ana Regional Water Quality Board being appointed by California Governors, and representation at the Orange County Sanitation District Board and the Independent Special Districts of Orange County. Director Withers thanked General Manager Paul Cook for assembling a strong staff and inspiring them.

On MOTION by Matheis, seconded by Reinhart, and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2019-29

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
RECOGNIZING JOHN WITHERS FOR HIS 30 YEARS OF SERVICE
TO IRWD AS A DIRECTOR OF THE BOARD

PRESENTATIONS (CONTINUED)

RESOLUTION RECOGNIZING PEER A. SWAN FOR HIS 40 YEARS OF SERVICE TO IRWD AS A DIRECTOR OF THE BOARD

President LaMar presented Director Swan with a plaque recognizing him for his 40 years of service. He highlighted accomplishments including his commitment to the San Joaquin Wildlife Sanctuary referring him as *Father of the Marsh*, the National Water Research Institute, the California Association of Sanitation Agencies, and the Water Education Foundation. Orange County Sanitation District's General Manager Herbert commended both Directors on their service to the Board and the community. Director Swan noted IRWD's history of maintaining rates among the lowest in Orange County, and establishing the San Joaquin Wildlife Sanctuary and opening the facilities for public use. He further noted the resolution he received in 1996, which he brought to the Board meeting, and highlighted what he accomplished at that milestone of his career as a Board member. Director Withers complimented the Board members on their diversity and said he believed that being a Board member is an honorable service for one to hold. Both Directors Matheis and Reinhart commended Director Withers and Swan on their accomplishments. General Manager Cook thanked Directors Swan and Withers for their support and for challenging him and staff to exceed expectations on what can be accomplished at the District.

There being no further comments, on MOTION by Reinhart, seconded by Matheis, and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2019-30

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
RECOGNIZING PEER A. SWAN WITHERS FOR HIS 40 YEARS OF SERVICE
TO IRWD AS A DIRECTOR OF THE BOARD

PUBLIC HEARING - CHANGES TO IRWD'S RULES AND REGULATIONS

President LaMar declared this to be the time and place for the hearing on the resolution. He asked Secretary Bonkowski to report the manner by which the Notice of Hearing was given.

Secretary Bonkowski said that the Notice of this hearing was published in the Orange County Register on November 10, 2019, and also posted in the District office on November 11, 2019. She presented an Affidavit of Posting and Proof of Publication for the Board to receive and file.

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

President LaMar inquired of the Secretary whether there have been any written communications. Secretary Bonkowski said there was none.

PUBLIC HEARING - CHANGES TO IRWD'S RULES AND REGULATIONS (CONTINUED)

President LaMar asked for a report from the Executive Director of Finance and Administration Clary.

Executive Director of Finance and Administration Clary described the proposed revisions saying they included: 1) updated definitions, responsibilities and requirements associated with the Fats, Oils and Grease Program; 2) updated monitoring and inspection requirements for the recycled water system; and 3) updated discontinuance of water service requirements consistent with new state law. Additionally, she said that they also included non-substantive changes consisting of expanded, clarified and updated definitions.

President LaMar asked if there was anyone present who wished to address the Board concerning the amended Resolution. There was none.

President LaMar asked whether there were any comments or questions from members of the Board of Directors. There was none.

President LaMar asked for a motion to Close the hearing, that the resolution be read by title only by the Secretary, that further reading of the resolution be waived, and that the Secretary be directed to place the resolution on the agenda for the December 16, 2019 meeting of the Board of Directors for a second reading, hearing and adoption.

On MOTION by Swan, seconded by Matheis, and unanimously carried, THE HEARING WAS CLOSED, THE FOLLOWING RESOLUTION WAS READ BY THE SECRETARY BY TITLE ONLY, FURTHER READING OF THE RESOLUTION WAS WAIVED, AND THE SECRETARY WAS DIRECTED TO PLACE THE RESOLUTION ON THE AGENDA FOR THE DECEMBER 16, 2019 MEETING OF THE BOARD OF DIRECTORS FOR A SECOND READING, HEARING AND ADOPTION.

RESOLUTION RESCINDING RESOLUTION NO. 2018-14
AND ESTABLISHING REVISED RULES AND REGULATIONS
OF THE IRVINE RANCH WATER DISTRICT FOR WATER,
SEWER, RECYCLED WATER, AND NATURAL
TREATMENT SYSTEM SERVICE AND EXHIBIT "A" THERETO.

CONSENT CALENDAR

On MOTION by Reinhart, seconded by Withers, and unanimously carried, CONSENT CALENDAR ITEMS 6 THROUGH 12 WERE APPROVED AS FOLLOWS:

6. 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.

CONSENT CALENDAR (CONTINUED)

7. MINUTES OF BOARD MEETINGS

Recommendation: That the minutes of the November 11, 2019 Special Board meeting and the November 11, 2019 Regular Board meeting be approved as presented.

8. OCTOBER 2019 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 October 2019 Summary of Payroll ACH payments in the total amount of \$2,117,028; and approve the October 2019 accounts payable Disbursement Summary of warrants 402586 through 403540, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$32,181,115.

9. PLANNING AREA 51 HERITAGE FIELDS CAPITAL FACILITIES

Recommendation: That the Board authorize the General Manager to execute a Supplemental Reimbursement Agreement with Heritage Fields for Planning Area 51, Great Park Neighborhoods, Districts 2, 3, 5, 6, 9, Domestic Water, Sanitary Sewer and Recycled Water Capital Improvements; authorize the General Manager to accept Heritage Fields' construction contract with Leatherwood Construction Inc. in the amount of \$1,615,806.60 for the Reach B East Sanitary Sewer Improvements, Project 10576; authorize the General Manager to accept Heritage Fields' construction contract with Leatherwood Construction Inc. in the amount of \$875,564.70 for the Reach C Sanitary Sewer and Recycled Water Improvements, Projects 10574 and 10734; authorize the General Manager to accept Heritage Fields' construction contract with Leatherwood Construction Inc. in the amount of \$225,835.00 for the Reach B East "P" Street Sanitary Sewer Improvements, Project 10868; and approve Contract Change Order No. 11 to Project 10117 in the amount of \$163,839.00 for the addition of deep sewer facility demolition and relocation tasks to the scope of the Reach B Sanitary Sewer Improvements.

10. PLANNING AREA 12 INNOVATION PARK CAPITAL FACILITIES

Recommendation: That the Board authorize the addition of the Planning Area 12 Innovation Park Capital Domestic Water Improvements, Project 11395 in the amount of \$410,000 to the FY 2019-20 Capital Budget, authorize the General Manager to execute a Supplemental Reimbursement Agreement with Irvine Community Development Company for Planning Area 12, Innovation Park, Domestic Water and Recycled Water Capital Improvements, and authorize the General Manager to accept Irvine Community Development Company's construction contract with Paulus Engineering, Inc. in the amount of \$560,844 for the Innovation Park Domestic Water and Recycled Water Improvements, Projects 11395 and 03734.

CONSENT CALENDAR (CONTINUED)

11. SYPHON RESERVOIR GEOTECHNICAL INVESTIGATIONS PROJECT PERMITTING SERVICES VARIANCE NO. 2

Recommendation: That the Board authorize the General Manager to execute Variance No. 2 in the amount of \$160,970 to the Professional Services Agreement with ESA for additional environmental permitting work associated with the Syphon Reservoir Geotechnical Investigations Project.

12. KERN FAN GROUNDWATER STORAGE PROJECT VARIANCE FOR PROFESSIONAL SERVICES WITH THE HALLMARK GROUP

Recommendation: That the Board authorize the General Manager to execute Variance No. 3 in the amount of \$77,060 to the Professional Services Agreement with Hallmark Group for the development of terms for an agreement with the California Department of Water Resources for the construction of a turnout from the California Aqueduct and the operation of the Kern Fan Groundwater Storage Project.

ACTION CALENDAR

SAN JOAQUIN RESERVOIR FILTRATION VARIANCE NO. 2

General Manager Cook reported that the San Joaquin Reservoir Filtration project will install a filtration system and disinfection improvements at the reservoir to mitigate algae and debris entering the recycled water system. Executive Director of Engineering and Technical Services Burton said that Variance No. 2 includes additional design work due to: 1) a change to the filtration system requirements, 2) addition of a concrete masonry block building to enclose the filtration system for noise abatement purposes, and 3) inclusion of a piping system to return filter backwash waste into the reservoir.

Mr. Burton said that the original scope of work included siting the proposed filtration system under a canopy structure near the reservoir's control building, and that depending on the reservoir's water quality, the disc filtration system would need up to six backwashes per hour to remove algae and debris from the filters. Based on water quality testing, the proposed filter system was to be sized with 10-micron filters for algae removal. During preliminary design, Carollo had discussions with irrigation system manufacturers and determined that current irrigation componentry (e.g., emitter and filters) are based on water filtered to a range of 70 microns to 130 microns. Therefore, the proposed filtration system will use 70-micron disc-type filters. He said that since pneumatic valves generate noise when in operation, staff recommends enclosing the equipment in a building for noise abatement instead of covering the equipment with a canopy.

Mr. Burton said that the original scope of work also included evaluating the use of the existing reservoir seepage drain system to convey the filter backwash material back into the reservoir since there are no nearby sewer facilities. He said that the recommended option for the backwash waste is to convey the waste to the back of the reservoir through a new pipeline which

will minimize the waste from entering the reservoir outlet valves near the front of the reservoir. Returning the backwash waste to the reservoir is anticipated to be Phase I of filter backwash waste disposal. In the interim, staff procured ultrasonic buoys from LG Sonic that mitigate against algae growth, and these units will be deployed this month in the reservoir. If the buoys are unsuccessful, a Dissolved Air Flotation system and centrifuge facility may be needed in combination with the backwash waste return line constructed in Phase I.

The cost for the additional work involving the change to a 70-micron filter screen size and researching options to dispose of or return the backwash waste to the reservoir is \$45,032. With regard to the new building, Carollo determined that an additional 68 plan sheets are required for the additional design elements resulting in a fee increase of \$302,097. The unit cost per sheet is approximately \$4,400, which staff determined to be reasonable.

Director Reinhart said that this item was reviewed by the Engineering and Operations Committee on November 19, 2019, and on MOTION by Reinhart, seconded by Matheis, and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 2 IN THE AMOUNT OF \$347,129 TO CAROLLO ENGINEERS FOR THE SAN JOAQUIN RESERVOIR FILTRATION, PROJECT 10379.

TURTLE RIDGE NATURAL TREATMENT SYSTEM FACILITY SEDIMENT REMOVAL CONTRACT AWARD

General Manager Cook reported that the District's Turtle Ridge Natural Treatment System (NTS) facility requires sediment removal to increase water storage volume and remove accumulated pollutants. Five bids were received for this project with New Dimension General Construction, Inc. with the apparent low bid in the amount of \$158,800. New Dimension will remove the sediment from the facility and will deliver the material to IRWD's operations yard where staff will determine final disposal options. In response to Director Swan's inquiry relative to the silt accumulation in Ponds 1 and 2, it was noted that these ponds were surveyed a few years ago. There being no further comments, on MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH NEW DIMENSION GENERAL CONSTRUCTION IN THE AMOUNT OF \$158,800 FOR SEDIMENT REMOVAL AT THE TURTLE RIDGE NATURAL TREATMENT SYSTEM FACILITY.

REVISED TERMS FOR A 4-FOR-1 PILOT EXCHANGE PROGRAM WITH MOJAVE WATER AGENCY

General Manager Cook reported that on March 11, 2019, the IRWD Board authorized the General Manager to execute a letter agreement with Mojave Water Agency (Mojave) to implement a 4-for-1 pilot exchange and a side agreement to compensate Mojave for State Water Project (SWP) exchange water delivered into storage. Mr. Cook said that the pilot exchange was executed but not implemented because IRWD and Mojave had approved the exchange after the Department of Water Resources (DWR) had increased the SWP allocation to 70%. DWR requires that the SWP allocation that is in place at the time when a 4-for-1 exchange program agreement is executed be less than 25%.

Mr. Cook said that staff has worked with Mojave to update the terms for the exchange so that Mojave could bank its SWP supplies in IRWD's water bank prior to the end of 2021. If IRWD and Mojave approve an exchange agreement based on the updated terms at the beginning of 2020 (when the initial SWP allocation could be below 25%), then it is likely that DWR will approve the 4-for-1 exchange program.

Executive of Water Policy Weghorst said that the proposed updated terms provided in the exhibit are substantially the same as those previously approved with Mojave. Mr. Weghorst said that the revisions include some clarifications requested by DWR as it relates to Metropolitan Water District of Southern California's role in the exchange of SWP water on behalf of IRWD. He said that through this proposed pilot program, IRWD would receive three acre-feet (AF) for every four AF of SWP water that Mojave delivers into storage at IRWD's water bank, with Mojave receiving compensation for the water through a separate agreement. The terms would allow Mojave, at its discretion, to deliver up to 20,000 AF of SWP Table A water to IRWD's water bank through the end of 2021.

Mojave would be able to deliver water into IRWD's water bank only if recharge capacity is available after IRWD completes the recharge of water available from its other exchange programs. In this way, IRWD retains its discretion as to whether Mojave can deliver water to IRWD's water bank. Within 10 years, IRWD would return 25% of the water to Mojave through the use of the IRWD's water bank wells (or alternatively through exchanges). The water would be returned when requested by Mojave on a second priority basis, with IRWD retaining first priority. The revised terms reflect that IRWD would return water to Mojave at an annual rate of no more than one-third of the amount delivered into storage that is allocated to Mojave. Mojave could request to recover more water should IRWD determine that capacity is available.

Director Swan reported that this item was reviewed by the Supply Reliability Programs Committee on November 21, 2019. Following discussion, on MOTION by Swan, seconded by Reinhart, and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A 4-FOR-1 PILOT EXCHANGE LETTER AGREEMENT AND A SIDE AGREEMENT TO COMPENSATE MOJAVE WATER AGENCY FOR THE WATER DELIVERED INTO STORAGE THAT INCORPORATES THE PROPOSED EXCHANGE AND COMPENSATION TERMS, BOTH AGREEMENTS SUBJECT TO SUBSTANTIVE CHANGES APPROVED BY THE SUPPLY RELIABILITY PROGRAMS COMMITTEE OR SUBJECT TO NON-SUBSTANTIVE CHANGES.**

AMENDMENTS TO LANDOWNER AND PLANNING AGREEMENTS FOR COMPLIANCE WITH SUSTAINABLE GROUNDWATER MANAGEMENT ACT

General Manager Cook reported that in 2017, the Kern Groundwater Authority (KGA) was formed in pursuit of compliance with the requirements of the Sustainable Groundwater Management Act (SGMA). Rosedale-Rio Bravo Water Storage District is a member of KGA and has prepared a draft chapter of KGA's Groundwater Sustainability Plan (GSP) that will cover Rosedale's service area.

Engineer Bennett reported that in March 2019, the IRWD Board approved two agreements with Rosedale: 1) a Landowner Agreement that would provide SGMA coverage for IRWD's Kern County water banking properties by incorporation into Rosedale's chapter of the GSP,

and 2) a Planning Agreement that would limit IRWD from selected parts of the Landowner Agreement. Mr. Bennett said that due to recent jurisdictional changes in Kern County, KGA is requesting that all undistricted landowners execute Amendment No. 1 to the Landowner Agreement that will increase the landowners' indemnity obligations and limit their ability to contest the actions of agencies with jurisdiction.

Mr. Bennett said that in April 2019, the County of Kern withdrew from its responsibility over the undistricted areas. In response to this withdrawal, the Kern County Water Agency (KCWA) agreed to be the jurisdictional authority for undistricted lands within Kern County. In accepting this authority, KCWA is requiring that all members of KGA, including owners of undistricted lands that have signed the Landowner Agreement, provide additional indemnifications and a covenant not to sue or contest. Mr. Bennett said that in September 2019, staff reviewed with the Supply Reliability Programs Committee and the Board a proposed replacement to the original Landowner Agreement that would accommodate KCWA's requirement. Since that time, KGA has decided to amend rather than replace the Landowner Agreement. At the request of various undistricted landowners including IRWD, KGA, and Rosedale, the proposed Amendment No. 1 to the Landowner Agreement includes the following provisions: 1) a limit to the indemnifications and covenant not to sue; 2) a revision that specifies when a landowner can withdraw from the GSP; and 3) the ability to terminate the agreement in the event of adjudication.

Mr. Bennett said that to provide consistency with Amendment No. 1 to the Landowner Agreement, legal counsel drafted the First Amended Planning Agreement to replace the original Planning Agreement and reference both the original and amended Landowner Agreements. As Rosedale has stated that the finalization and execution of the Amendment No. 1 to the Landowner Agreement is time sensitive, he said that staff recommends that the Board authorize the General Manager to execute Amendment No. 1 to the Landowner Agreement and the First Amended Planning Agreement subject to substantive changes approved by IRWD's legal counsel and the Supply Reliability Programs Committee or subject to non-substantive changes.

Director Swan reported that this item was reviewed by the Supply Reliability Programs Committee on November 21, 2019. On MOTION by Swan, seconded by Reinhart, and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT MANAGEMENT AGREEMENT WITH ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT AND THE FIRST AMENDED GROUNDWATER SUSTAINABILITY PLANNING AGREEMENT BETWEEN ROSEDALE RIO BRAVO WATER STORAGE DISTRICT AND IRVINE RANCH WATER DISTRICT, SUBJECT TO SUBSTANTIVE CHANGES APPROVED BY IRWD'S LEGAL COUNSEL AND THE SUPPLY RELIABILITY PROGRAMS COMMITTEE OR SUBJECT TO NON-SUBSTANTIVE CHANGES.**

GENERAL MANAGER’S REPORT

General Manager Cook reported that the District received the 2019 Sustainable and Green Development award for our WaterStar Program from the Orange County Business Council. Additionally, he said the District received an award from the Orange County Transportation Authority for participation in the Orange County Van Pool program for more than 10 years.

DIRECTORS’ COMMENTS

Director Reinhart reported on his attendance at an Irvine Exchange Club Thanksgiving breakfast.

Director Withers reported that he attended his regular meetings.

Director Swan reported on his attendance at a WACO monthly meeting, a WACO Planning Committee meeting, an OCWA Monthly Industry Insight meeting and luncheon, Newport Chamber of Commerce meetings, and Mr. William Woollett, former City of Irvine’s City Manager’s celebration of life.

Director Matheis reported on her attendance at the OCBC Turning the Red Tape in to Red Carpet awards event, and an Irvine Exchange Club Thanksgiving breakfast.

COMMUNITY UPDATE:

Consultant Bruce Newell said that he did not have any updates this evening.

ADJOURNMENT:

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

APPROVED and SIGNED this 16th day of December, 2019.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, Legal Counsel
Lewis Brisbois