

MINUTES OF REGULAR MEETING – JUNE 10, 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 June 10, 2019 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Matheis, Swan, Withers and LaMar.

Directors Absent: Reinhart.

Also Present: Executive Director of Finance and Administration / Acting General Manager Clary, Executive Director of Technical Services Burton, Executive Director of Water Policy Weghorst, Executive Director of Operations Chambers, Director of Water Resources Sanchez, Director of Public Affairs Beeman, Director of Human Resources Roney, General Counsel Collins, Assistant Secretary Swan, Government Relations Officer / Deputy General Counsel Compton, Director of Water Quality and Regulatory Compliance Colston, Director of Water Operations Roberts, and members of staff and the public.

WRITTEN COMMUNICATIONS: None.

ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

CONSENT CALENDAR

President LaMar asked that Item Nos. 5 and 7 be moved to the Action Calendar. Director Swan further asked that Item No. 8 be moved to the Action Calendar for discussion. There being no objections, these items were moved accordingly. On MOTION by Withers, seconded by Matheis and carried (4-0), CONSENT CALENDAR ITEMS 3, 4, 6, AND 9 WERE APPROVED AS FOLLOWS:

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

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

4. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the May 13, 2019 Regular Board Meeting and the May 22, 2019 Adjourned Regular Board meeting be approved as presented.

6. APRIL 2019 TREASURY REPORTS

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 April 2019 Summary of Payroll ACH payments in the total amount of \$2,012,001 and approve the April 2019 accounts payable Disbursement Summary of warrants 397438 through 398263 Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$28,361,456.

9. WATER SUPPLY ASSESSMENT FOR THE UNIVERSITY RESEARCH PARK 9 PROJECT

Recommendation: That the Board approve the Water Supply Assessment for the University Research Park 9 Project.

ACTION CALENDAR

2019 LEGISLATIVE AND REGULATORY UPDATE

Using a PowerPoint presentation, Government Relations Officer / Deputy General Counsel Compton provided the Board with an update on the 2019 Safe Drinking Water Proposals. Following discussion, on MOTION by Matheis, seconded by Swan, and carried (4-0 vote), THE BOARD ADOPTED AN "OPPOSE UNLESS AMENDED" POSITION ON AB 217 (GARCIA) AND A "SUPPORT" POSITION ON ACA 89 (COOLEY), SB 200 (MONNING), AND THE DROUGHT RESILIENCY AND WATER SUPPLY INFRASTRUCTURE ACT (FEINSTEIN).

IRWD SALARY GRADE SCHEDULE CHANGE FOR FY 2019-20

President LaMar said that pursuant to Government Code Section 54953 (c)(3), prior to taking final action on changes to salary schedules that include salary ranges for local agency executives, he wanted to provide a summary of the recommended actions. He said that the Fiscal Year 2019-20 District Salary Grade Schedules are to be revised for the Managers, Exempt Supervisors, Confidential and Exempt Employees, the General Unit, and the Non-Exempt Supervisor Unit. He further said that the revisions consist of adjustments to the salary ranges for a Cost of Living increase adjustment of 3.3 percent effective July 1, 2019, and additions, deletions, and the reclassification of certain positions. Director Withers left the Boardroom. On MOTION by LaMar, seconded by Matheis and carried (3-0) (Swan, Matheis and LaMar voting aye, and Withers absent), THE BOARD ADOPTED THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2019 –15

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT SUPERSEDING
RESOLUTION NO. 2019-9 AND ADOPTING A REVISED
SCHEDULE OF POSITIONS AND SALARY RATE RANGES
FOR THE GENERAL EMPLOYEE UNIT, THE NON-EXEMPT
SUPERVISOR UNIT, AND FOR MANAGERS, EXEMPT
SUPERVISORS, CONFIDENTIAL AND EXEMPT EMPLOYEES

RESOLUTION FOR THE SYPHON RESERVOIR IMPROVEMENT PROJECT APPLICATION FOR TITLE XVI GRAND FUNDING

Director Swan said that to be consistent with his position on Syphon Reservoir that he is voting no on this item as he believes there are other cheaper alternatives that should be investigated, and he does not believe this is a good use of either ratepayer or taxpayer money. President LaMar reported that the Board has approved moving ahead with the Syphon Reservoir and that this item is an opportunity to reduce the cost to our customers by a significant amount, and was disappointed that Director Swan believes that he needs to vote no as staff and the Board have not yet progressed to the stage of reviewing the environmental documents or making a decision on the project, and that this item would simply allow the District to obtain some federal dollars to fund investigations and the work it is doing now. Director Swan then requested Secretary Bonkowski to include the following statement verbatim into the minutes. *“1) it is consistent with my vote against this reservoir project the first time so I have been on record as voting no against this project; and 2) the sewer master plan was done and it was a plan on how to handle recycled water, and I had asked to review that before it was adopted, and apparently the Friday report shows that it was adopted, and we are going on into yet another phase so I think it is a creeping thing if we have not yet met what I thought was a commitment to be open about this transaction in studying and looking at the alternatives. I have asked for the project to be reviewed. That request was declined. I mean a 40-year Director asking to review a \$100 million project before we go spend ratepayer’s and taxpayer’s money is just so strange and unusual that if we had some kind of press coverage at all it would have been picked up as strange so because of all of these things I am voting against this. I feel totally justified in doing this. I am upset that I cannot get staff to review the assumptions made to commit to this program because I think they are in serious error. So that is my position.”*

Director Withers returned to the Board room. Director Matheis said that while this item was placed on the Consent Calendar, it is appropriate that Director Swan state his position. She said that the Committee reviewed the item, and concurs with the staff recommendation to request Federal funding. On MOTION by Matheis, seconded by Withers, and carried (3-1) (Matheis, Withers and LaMar voting aye, and Swan voting no), THE BOARD ADOPTED THE FOLLOWING RESOLUTION BY TITLE AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A RELATED AGREEMENT TO RECEIVE GRANT FUNDING.

RESOLUTION NO. 2019-16

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT AUTHORIZING
SUBMISSION OF A GRANT APPLICATION FOR THE
WATERSMART TITLE XVI WIIN WATER RECLAMATION
AND REUSE PROGRAM TO THE DEPARTMENT OF
THE INTERIOR, BUREAU OF RECLAMATION, POLICY
AND ADMINISTRATION

LADD CANYON ROAD DOMESTIC WATER PIPELINE IMPROVEMENTS
CONSTRUCTION AWARD

Executive Director of Engineering and Water Quality Burton reported that Ladd Canyon Road Domestic Water Pipeline Improvements will replace approximately 2,100 feet of six-inch pipeline with 10-inch pipeline to improve fire flow.

Mr. Burton said that the District retained MBF Consultants to design the required pipeline improvements. Staff advertised the project for electronic construction bidding to a select list of 18 pipeline contractors with the bid opening on May 21, 2019. He said that Ferreira Construction, Leatherwood Construction, Paulus Engineering, Sukut Construction and T.E. Roberts submitted bids with Paulus Engineering as the apparent low bidder with a bid of \$444,116; the engineer's estimate was \$617,515. On MOTION by Mathies, seconded by Swan and carried (4-0), **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH PAULUS ENGINEERING, INC. IN THE AMOUNT OF \$444,116 FOR THE LADD CANYON ROAD DOMESTIC WATER PIPELINE IMPROVEMENTS, PROJECT 10102.**

CONSULTANT SELECTION FOR RECYCLED WATER USE SITE INSPECTION,
TESTING, TRAINING, AND MAPPING

Recycled Water Development Manager Tettermer reported that State regulatory agencies require IRWD to conduct recycled water use site inspections, cross connection tests and Site Supervisor training. Mr. Tettermer said that since 2012, IRWD has used consulting services to augment staff's ability to conduct the work. He said to continue with this practice, staff solicited proposals from four firms to conduct inspections, testing work, training and some mapping over the next two years. Two firms responded with proposals from Aegis and Real Water. He said that over the past two years, IRWD has retained Aegis and Real Water to augment staff's efforts in performing recycled water use site inspections and tests and have been satisfied and recommends retaining the services of both qualified firms to conduct site inspection, testing, training and mapping over the next two years.

Director Matheis said that this item was reviewed by the Water Resources Policy and Communications Committee on June 5, 2019. On MOTION by Matheis, seconded by Swan and carried (4-0), **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE PROFESSIONAL SERVICE AGREEMENTS WITH AEGIS ENGINEERING MANAGEMENT AND REAL WATER CONSULTANTS, EACH IN AN AMOUNT NOT TO EXCEED \$447,500, TO PROVIDE ON-CALL RECYCLED WATER USE SITE INSPECTION, TESTING, SITE SUPERVISOR TRAINING, AND SITE MAPPING FOR A TWO-YEAR PERIOD.**

WATER EFFICIENCY TACTICAL INCENTIVES FUNDING AUTHORIZATION

Ms. Nola Hastings reported that the District's Water Use Efficiency Program includes a "Tactical Incentives" element to encourage customers to install water conservation devices that are cost-effective to the District and are one of the key elements of this program. Ms. Hastings said that the financial incentives provided by IRWD are used to

supplement existing regional rebate programs that are administered by Metropolitan Water District of Southern California or MWDOC. The IRWD incentives are provided taking into consideration costs that are avoided by IRWD as a result of the installation and use of the various water conservation devices.

Ms. Hastings said that in July 2015, the Board approved a 10-year Water Conservation Participation Agreement with MWDOC, and each fiscal year, addendums to the agreement are executed to allocate funding and to specify device rebate funding levels for the Residential, Commercial, Water Savings Incentive, Turf Removal and Spray to Drip programs. She said that proposed funding levels per device for FY 2019-20 have been revised from FY 2018-19 to reflect the elimination of indoor device incentives. She further said that the total incentives program funding in the amount of \$450,000 is included in the FY 2019-20 Operating Budget and that authorization by the Board is necessary to allocate funds to the Water Conservation Participation Agreement with MWDOC, which is necessary to continue providing program incentives through FY 2019-20.

Director Withers said that this item was reviewed by the Water Resources Policy and Communications Committee on June 5, 2019, and on MOTION by Withers, seconded by Matheis and carried (4-0), **THE BOARD AUTHORIZED THE GENERAL MANAGER TO ALLOCATE \$450,000 IN FUNDING TO THE FY 2019-20 REBATE PROGRAMS ADMINISTERED THROUGH THE WATER CONSERVATION PARTICIPATION AGREEMENT BETWEEN MWDOC AND IRWD; AND TO EXECUTE ADDENDUMS TO THE AGREEMENT AS MAY BE NECESSARY TO ALLOCATE FUNDS TO SPECIFIC PROGRAMS AND MODIFY DEVICE INCENTIVE LEVELS BASED ON CUSTOMER PARTICIPATION RATES AND REGIONAL PROGRAM FUNDING LEVELS.**

GENERAL MANAGER'S REPORT

Acting General Manager Clary reported that the District received the National Silver Anvil Award for its water efficiency water campaign, "See it from your lawn's perspective". She said that the judges complimented the District for its excellent use of focus groups, surveys and other research sources to inform the overall campaign strategy.

Ms. Clary further reported on the six-inch recycled water pipeline repair in Newport Coast noting that staff and the District's contractor Paulus Engineering conducted the repairs, which included repair of the pipe and the replacement of the asphalt, curb and gutter, and pavement striping. She said that the cause of the failure was due to the settling of a footing on a traffic light. The contractor's work was on a time and material basis, and last week, staff received the final invoice for the work in the amount of \$148,383. She said that this contract was executed as an urgent necessity contract in accordance with the District's purchasing policies, and in accordance with this policy, notification to the Board of this purchase order and amount is being provided at tonight's meeting.

DIRECTORS' COMMENTS

Director Withers relayed a repair line incident in a residential neighborhood where the customer was very grateful for the crew's and the General Manager's assistance during the

evening hours, shutting down the project until the morning to accommodate the residents to eliminate this noise.

Director Swan reported that Mr. Bob McVicker, a former IRWD employee, was selected to fill the MWDOC Board vacancy replacing Mr. Wayne Osborne. He reported on meetings he attended including an OC Forum, an OCBC meeting, a WACO Planning Committee meeting, a WACO monthly meeting, an OC Water Summit meeting, a meeting with West Basin with MWD's General Manager Jeff Kightlinger being the facilitator, and a Newport Chamber of Commerce meeting. He further asked staff to provide him with a copy of the Sewer Master Plan and a District membership list.

Director Matheis reported on her attendance at the swearing-in ceremony for the City of Irvine's Council member Mike Carroll, a Shadetree Partnership event at the Cultivation Kitchen restaurant in Anaheim with Mr. Tom and Ms. Leslie Bonkowski, along with Mr. Ian Swift, a WACO monthly meeting, and a business outreach event at the City of Lake Forest.

Director LaMar reported on his attendance at an OC Forum meeting, a CCEEB/CED meeting, an ACWA Board meeting, and an ACWA JPIA 40th Anniversary event.

COMMUNITY UPDATES

Mr. Bruce Newell reported that Southern California Edison was replacing electrical poles in the canyon area, and that on September 19, a community meeting will be held to discuss its shut-off policy.

ADJOURNMENT

There being no further business, President LaMar adjourned the meeting at 6:07 p.m.

APPROVED and SIGNED this 24th day of June, 2019.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, Legal Counsel
– Lewis Brisbois