

MINUTES OF REGULAR MEETING – June 8, 2020

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 June 8, 2020 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: Reinhart, Swan, Withers, LaMar and Matheis.

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, Director of Treasury and Risk Management Jacobson, Executive Director of Operations Chambers, General Counsel Collins, Director of Public Affairs Beeman, Director of Human Resources Roney, Director of Water Quality and Regulatory Compliance Colston, Director of Recycling Operations Zepeda, Director of Maintenance Mykitta, Director of Administrative Services Malone, Director of Water Resources Sanchez, Government Relations Officer/Deputy General Counsel Compton, Secretary Bonkowski, and members of staff and the public.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

CONSENT CALENDAR

General Manager Cook said that prior to voting on the Consent Calendar, and specifically Item No. 5, he said that each June the Board typically is asked to consider changes to the salary schedule for District employees. Mr. Cook 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 would like to provide a summary of the recommended action. He said that Item No. 5 will revise the District’s salary grade schedule for the Managers, Exempt Supervisors, Confidential and Exempt employee’s salary schedule, adjusting the salary ranges for a Cost of Living increase adjustment of 0.7% effective July 1, 2020. On MOTION by Swan, seconded by Withers and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes, **CONSENT CALENDAR ITEMS 3 THROUGH 6 WERE APPROVED AS FOLLOWS:**

3. BOARD MEETING MINUTES

Recommendation: That the minutes of the May 26, 2020 Regular Board meeting be approved as presented.

4. 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.

5. IRWD SALARY GRADE SCHEDULE CHANGES FOR FY 2020-21

CONSENT CALENDAR (CONTINUED)

Recommendation: That the Board adopt the following resolution by title:

RESOLUTION NO. 2020 - 12

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE
RANCH WATER DISTRICT, SUPERSEDING RESOLUTION
NO. 2020-11 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)

6. IRVINE LAKE ACCESS AND USE LICENSE EXTENSION

Recommendation: That the Board authorize the General Manager to execute a first amendment to license to extend the term of the fishing concession at Irvine Lake for a period of up to one year.

ACTION CALENDAR

METER READING SERVICES CONTRACT AWARD

General Manager Cook reported that the District's contract for meter reading services with Alexander's Contract Services, Inc. will expire on June 30, 2020. The District's current contract for meter reading service with Alexander's, originally awarded in March 2009 and extended in July 2015, expires on June 30, 2020.

Executive Director of Finance and Administration Clary reported that staff issued a Request for Information (RFI) to seven firms for contract meter reading services including Alexander's, Tribus, Liberty Utilities, Bermex, Contract Callers Inc, MeterNET, and Conservice, and that ACS and Bermex responded to the request. She said that following analysis, staff considers Alexander's to be the best qualified vendor to meet the District's needs. Ms. Clary said that staff has had an excellent working relationship with Alexander's, its error rate is at 0.2%, and have appreciated no rate increases in past five years. She said that during the evaluation, staff determined that Bermex does not currently provide meter reading services to any customers in California and proposed hiring a third-party vendor to implement the technology component required to read meters. Additionally, Bermex would also require a long lead time to fulfill its staffing recruitments, conduct new hire training, become established in California, and set up integration of meter reads to the District's billing system.

Director Swan reported that this item was reviewed by the Finance and Personnel Committee on June 2, 2020 and said that the Committee had several questions, including if there is a termination clause if an automation system is implemented in future years. Following discussion, on MOTION by Swan, seconded by Matheis, and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A FIVE-YEAR CONTRACT FOR METER READING SERVICES WITH ALEXANDER'S CONTRACT SERVICES INC. EFFECTIVE JULY 1, 2020 IN THE AMOUNT OF \$7.9 MILLION.

ACTION CALENDAR (CONTINUED)

TRABUCO CANYON WATER DISTRICT LIFT STATION CAPACITY ASSIGNMENT AGREEMENT AND BUDGET INCREASE

General Manager Cook reported that IRWD currently has unutilized and unneeded capacity ownership in the Trabuco Canyon Water District (TCWD) El Toro Road Sewage Lift Station and associated force and gravity main sewage collection pipelines. Mr. Cook said that staff from TCWD and IRWD worked cooperatively to determine the best path forward to assign IRWD's capacity ownership and associated financial obligations in these facilities to TCWD.

Executive Director of Technical Services Burton noted the schematic in the first exhibit of the Agenda package and reviewed the system overview and background noting that IRWD began providing domestic water and sewer service to existing residential and proposed residential and commercial customers in a portion of Portola Hills as a result of the 1989 annexation. He said that additionally half of the existing Portola Hills development continued as customers of TCWD. Sewage from the Portola Hills area (both TCWD and IRWD customers) was conveyed via TCWD's El Toro Road Trunk Sewer System (the El Toro System) into Santa Margarita Water District's (SMWD) Chiquita System for treatment and disposal. Due to the annexation, it resulted in agreements between IRWD, SMWD, and TCWD for conveyance, treatment and disposal of sewage generated by IRWD customers.

In 2019, IRWD and SMWD successfully negotiated an agreement to terminate IRWD's unutilized and unneeded capacity in the SMWD Chiquita System for treatment and disposal. He said that one remaining agreement, the "Agreement between IRWD and TCWD Relating to Certain Sewer Capacity Rights," dated April 24, 1989, obligates IRWD to pay capital replacement and operating costs for TCWD's El Toro Road Sewage Lift Station and associated force and gravity mains. Mr. Burton further said that all costs are allocated to IRWD based on its remaining proportional capacity ownership, 0.66 million gallons per day, in each element of the El Toro System (33.68%) which is unutilized and unneeded by IRWD.

Mr. Burton said that subsequent to IRWD's work with SMWD, IRWD approached TCWD to terminate the April 24, 1989 agreement. IRWD and TCWD staff collaborated on buy-out conditions and presented draft term sheets to their respective Boards of Directors in early 2020. Recently, TCWD's consultant Hazen & Sawyer completed a condition assessment and rehabilitation study on the El Toro System Lift Station. The updated costs from that study, and other minor increases to the pipeline rehabilitation unit costs were reviewed, modified and agreed upon by staff from both TCWD and IRWD.

Mr. Burton said that the Assignment Agreement with the recommended terms and conditions is included as an exhibit and the buy-out amount is \$4,526,000. The Assignment Agreement will be presented for approval by both TCWD and SMWD's Board of Directors in mid-June, and as such, staff recommends the Board authorizes the General Manager to execute the agreement, subject to non-substantive changes.

Following discussion, on MOTION by Reinhart, seconded by Withers, and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE THE EL TORO TRUNK SEWER SYSTEM WASTEWATER CAPACITY ASSIGNMENT AGREEMENT SUBJECT TO NON-SUBSTANTIVE CHANGES; AND AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$1,970,000, FROM \$2,630,000 TO \$4,600,000, FOR THE TERMINATION OF SERVICES AT THE TRABUCO CANYON WATER DISTRICT EL

ACTION CALENDAR (CONTINUED)

TORO ROAD SEWAGE LIFT STATION, FORCE MAINS, AND GRAVITY MAINS, PROJECT 11227.

2020 LEGISLATIVE AND REGULATORY UPDATE

Government Relations Officer/Deputy General Counsel Compton provided an update on the 2019-2020 legislative session, regulatory issues, and IRWD priorities. Ms. Compton said that Governor Newsom released the May revision to his proposed Fiscal Year 2020-21 Budget, and for FY 2020-21, the May Revise proposes \$133.9 billion in total General Fund expenditures, projects \$129.6 billion in total General Fund revenues, and proposes to draw down the Budget Stabilization Account/Rainy Day Fund to \$8.3 billion, which is a \$7.8 billion decrease.

Ms. Compton reviewed legislation related to de-energization events and noted there is one bill that would be beneficial to IRWD with regard to PSPS events, SB 1099. that would require air districts to adopt a rule to allow critical facilities with a permitted emergency backup generator to use that generator during a de-energization event of other loss of power. She reported on legislation related to fees on residential housing development

Following discussion, Ms. Compton further reviewed legislation related to fees on residential housing developments along with additional 2020 state and federal legislation of interest to the District.

Director LaMar reported that this item was reviewed by the Water Resources Policy and Communications Committee on June 4, 2020, and said Ms. Compton is doing a great job and appreciated her efforts. On MOTION by LaMar, seconded by Matheis, and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes, THE BOARD RECEIVED AND FILED THE 2020 LEGISLATIVE AND REGULATORY UPDATE.

GENERAL MANAGER'S REPORT

General Manager Cook reported that relative to COVID-19, there are no additional cases that the District is aware of contracting this disease. Mr. Cook said that today the District had its occupational medical supplier, ProCare, perform a voluntary screening of employees by taking temperatures and asking a few questions relative to general health. He said that the District is planning to continue this service for now at three District facilities a few times a week.

Mr. Cook said that relative to the Biosolids project, starting tomorrow, solids will be introduced into the facility.

DIRECTORS' COMMENTS

Director Withers reported that he attended his regular meetings including an ISDOC Executive Committee meeting and a WACO meeting.

Director Swan reported that he attended a MWDOC Planning and Operations Committee meeting, a West Basin meeting, a WACO meeting, an OCBC Governmental Advocacy meeting, and Newport Beach Chamber of Commerce meetings.

DIRECTORS' COMMENTS (CONTINUED)

Director LaMar reported on his attendance at ACWA Board, Executive and Legislative Committee meetings, a WACO meeting, a Natural Communities Coalition Committee meeting, a California Environmental Dialogue meeting, and a MWDOC workshop with MWD Directors.

Director Reinhart reported on his attendance at an OCWD Board meeting, a MWDOC Board workshop, a SOCWA Board meeting, and a WACO meeting.

Director Matheis reported on her attendance at a WACO meeting, a MWDOC workshop with MWD Directors, and an ISDOC Executive Committee meeting. She further said that she was amazed and proud of all IRWD's accomplishments over the last three months during the COVID-19 pandemic.

COMMUNITY UPDATES

None.

ADJOURNMENT

There being no further business, President Matheis adjourned the meeting at 6:02 p.m.

APPROVED and SIGNED this 22nd day of June 2020.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, General Counsel
Hanson Bridgett LLP