

MINUTES OF REGULAR MEETING – MARCH 11, 2024

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order by President Reinhart at 5:00 p.m. on March 11, 2024 at the District offices, 15600 Sand Canyon Avenue, Irvine.

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

Director Absent: None.

Oral and Written Communications: None.

Items too late to be agendized: None.

Also Present: General Manager Cook, Executive Director of Operations Chambers, Executive Director of Water Policy Weghorst, Executive Director of Technical Services Burton, Director of Water Quality and Regulatory Compliance Colston, Director of Information Technology Kaneshiro, Director of Water Resources Sanchez, Director of Human Resources Mitcham, Director of Safety and Security Choi, Director of Maintenance Manning, Director of Water and Recycling Operations Zepeda, Director of Strategic Communication and Advocacy Compton, Secretary Bonkowski, Assistant Secretary Swan, General Counsel Collins, Consultant Newell and members of the staff and public.

PRESENTATION – PROCLAMATION

General Manager Cook presented Secretary Bonkowski a Proclamation for her 46 years of service to the District.

CONSENT CALENDAR

On MOTION by LaMar, seconded by Withers and unanimously carried, CONSENT CALENDAR ITEMS 5 THROUGH 12 WERE APPROVED AS FOLLOWS:

5. BOARD MEETING MINUTES

Recommendation: That the minutes of the February 12, 2024 Regular Board meeting be approved as presented.

6. 2024 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: That the Board adopt a “sponsor/support” position on SB 1218 (Newman); a “watch” position on AB 2579 (Quirk-Silva); and a “seek amendments” position on AB 2729 (Patterson) and SB 1210 (Skinner).

CONSENT CALENDAR (CONTINUED)

7. JANUARY 2024 TREASURY REPORT

Recommendation: That the Board receive and file the Treasurer's Investment Summary report, the summary of fixed and variable rate debt, and the disclosure report of reimbursements to Board members and staff, approve the January 2024 summary of payroll ACH payments in the total amount of \$2,504,775, and approve the January 2024 accounts payable disbursement summary of warrants 440235 through 440792, Workers' Compensation distributions, ACH payments, virtual card payments, wire transfers, payroll withholding distributions, and voided checks in the total amount of \$36,955,448.

8. REVISED PERSONNEL POLICIES AND PROCEDURES

Recommendation: That the Board adopt the following resolution superseding Resolution 2023-3 and establishing revised personnel policies and procedures.

RESOLUTION NO. 2024-3

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT,
SUPERSEDING RESOLUTION NO. 2023-3,
ESTABLISHING REVISED PERSONNEL POLICIES AND PROCEDURES

9. PLANNING AREA 1 ORCHARD HILLS NEIGHBORHOOD 4 CONSTRUCTION CHANGE ORDERS

Recommendation: That the Board authorize the General Manager to approve Change Order No. 1 in the amount of \$483,529.48 with Irvine Community Development Company, LLC for the Planning Area 1 Jeffrey Road Extension, Project 12784; authorize a budget addition for Project 12784 in the amount of \$605,000 for the Planning Area 1 Jeffrey Road Extension Domestic Water Improvements; and authorize a budget addition for Project 12948 in the amount of \$259,000 for the Planning Area 1 Orchard Hills Neighborhood 4 Domestic Water.

10. PLANNING AREA 51 HERITAGE FIELDS CAPITAL FACILITIES

That the Board authorize the General Manager to accept Heritage Fields' construction contract with FYDAQ Company, Inc. in the amount of \$1,667,287 for the Marine Way Capital Domestic Water, Sanitary Sewer and Recycled Water Improvements, Projects 12371, 12386, and 12387; and authorize the General Manager to accept Heritage Fields' construction contract with FYDAQ Company, Inc. in the amount of \$232,314.80 for the Lynx Capital Domestic Water and Sanitary Sewer Improvements, Projects 12432 and 12433.

CONSENT CALENDAR (CONTINUED)

11. THREE-YEAR CATHODIC PROTECTION SYSTEM MONITORING FOR CALENDAR YEARS 2024 THROUGH 2026 – CONSULTANT SELECTION

That the Board authorize the General Manager to execute a Professional Services Agreement in the amount of \$406,337.80 with V&A Consulting Engineers for the Three-Year Cathodic Protection Monitoring for Calendar Years 2024 through 2026.

12. IRWD BUDGET SOFTWARE PROJECT AND CONSULTANT SELECTION

Recommendation: That the Board authorize a budget increase for project 12964 in the amount of \$237,614 and authorize the General Manager to execute a Professional Services Agreement with Questica in the amount of \$477,364 for the IRWD Budget Software Project.

ACTION CALENDAR

13. DRAFT TERMS FOR WATER MANAGEMENT PROGRAM AGREEMENT WITH HOMER LLC

Using a PowerPoint presentation, Water Resources Planner Palacio provided background on the Pilot Program with Homer LLC. In 2023, a Pilot Program agreement was executed between IRWD and Homer that allowed IRWD to use Homer's CVC capacity in 2023 in exchange for IRWD allowing Homer to recharge an equal amount of water at the IRWD Water Bank. In late 2023, IRWD's use of the CVC was restricted and IRWD successfully called upon the use of Homer's CVC capacity to deliver approximately 1,800 acre-feet (AF) of water to the IRWD Water Bank. Homer has through the end of 2024 to recharge a like amount of water at the IRWD Water Bank. The recharge of Homer's water will occur after all other IRWD program recharge needs have been met. She said that based on the success of the Pilot Program, staff has been working with Homer to develop a longer-term Water Management Program.

Ms. Palacio presented draft terms for the proposed Water Management Program and said that the program would provide for a capacity exchange similar to the Pilot Program as well as water exchange transactions on a 1-for-1 basis and both types of exchanges would be managed under this agreement. She noted that the program would include a capacity exchange that would allow IRWD to use Homer's CVC capacity to deliver up to a total of 8,000 AF of IRWD secured water supplies to the IRWD Water Bank over the first six years of the program. After IRWD's use of Homer's CVC capacity in any year, Homer would be able to recharge an equal amount of its water at the IRWD Water Bank by the end of the following year. The recharge of Homer's water would be subject to actual recharge rates and other scheduled IRWD program deliveries. By the end of the third year following the recharge of Homer's water at the IRWD Water Bank, Homer would either obtain approval to transfer its stored water, net of losses, to another water banking program, or IRWD would recover the water for Homer by pumping wells at the IRWD Water Bank. The recovery of Homer's water would occur after all other IRWD program recovery needs have been met. All of Homer's water would be returned to Homer by the end of the term of the Program, which would be December 31, 2033. The capacity exchange component of the Water Management Program would only be triggered when IRWD calls for the use of Homer's CVC capacity and Homer has secured approval for IRWD's use of that CVC capacity.

Director Swan said that this item was reviewed at the February 15, 2024, Supply Reliability Programs Committee Meeting. Following discussion, on MOTION by Swan, seconded by Withers, and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A WATER MANAGEMENT PROGRAM AGREEMENT WITH HOMER LLC BASED ON THE TERMS PRESENTED, SUBJECT TO SUBSTANTIVE CHANGES APPROVED BY THE SUPPLY RELIABILITY PROGRAMS COMMITTEE AND SPECIAL LEGAL COUNSEL.

14. WELLS 6, 12, 14, AND 15 SITE IMPROVEMENTS CONSULTANT SELECTION

Executive Director of Technical Services Burton reported that the Dyer Road Wellfield (DRWF) provides a critical local groundwater source for IRWD's potable water supply and that IRWD has 18 potable water wells within its DRWF that produce groundwater from the Orange County Groundwater Basin. In 2021, IRWD retained Hazen & Sawyer to develop the "IRWD Well Condition Assessment" and as part of this project, Hazen performed a condition assessment of the existing assets at many of the groundwater well sites owned and operated by IRWD, including the 16 DRWF wells. In 2023, IRWD retained Dudek to prepare the "Wellhead Rehabilitation Program Development" report, which assigned well condition scores and prioritized the wellhead rehabilitation projects into two groups: Group 1 well sites needed HVAC and electrical improvements and Group 2 well sites did not. The top four well sites that had the highest well condition scores in Group 1 were Wells 6, 12, 14, and 15.

Mr. Burton said that the scope of work for the Wells 6, 12, 14, and 15 Site Improvements project includes project management, the development of a preliminary design report (PDR), preparation of design documents, and bid assistance. The consultant is responsible for conducting a supplemental condition assessment to augment Hazen's previous assessment and providing rehabilitation recommendations in a PDR for all assets that are obsolete, non-compliant, and/or have outlived their useful service life. The assets include electrical, supervisory control and data acquisition (SCADA), HVAC, civil, mechanical, and structural facilities. The final design documents will be based on the recommendations and design criteria provided in the PDR.

Mr. Burton said that in January 2024, staff issued a Request for Proposal for the design services to five consultants: AECOM, Cannon Corporation, Tetra Tech, West Yost Associates, and Woodard & Curran. AECOM and West Yost Associates declined to submit a proposal citing staffing limitations. He said that staff evaluated the proposals received and based on their respective project approaches, engineering effort, and the strength of their team and relevant experience, staff recommends the selection of Tetra Tech as staff believes a rigorous effort is needed to prepare the PDR and final design package for all four wells, and will likely take closer to the upper limit of 5,700 hours proposed by Tetra Tech. He said that additionally, Tetra Tech's design team has extensive relevant experience on previous IRWD projects with electrical and SCADA improvements, including the Dyer Road Wellfield Surge Tanks and several pump station projects.

Director McLaughlin said that this item was reviewed at the February 20, 2024, Engineering and Operations Committee meeting. Following discussion, and on MOTION by McLaughlin, seconded by Withers and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH TETRA TECH IN THE AMOUNT OF \$1,094,000 TO PROVIDE ENGINEERING DESIGN SERVICES FOR THE WELLS 6, 12, 14, AND 15 SITE IMPROVEMENTS, PROJECT 11570.

OTHER BUSINESS

15. General Manager's Report

General Manager Cook introduced to the Board Ms. Laura Cunningham, the District's new External Affairs Manager.

16. Receive oral update(s) from District liaison(s) regarding communities within IRWD's service area and interests.

Consultant Newell said that all is going well in Santiago Canyon.

17. Directors' Comments and Meeting Reports

Director McLaughlin reported that she attended a San Joaquin Wildlife Sanctuary Board meeting.

Director Withers reported that he attended a NWRI Board of Directors' meeting, an Urban Water Institute conference in Palm Springs, and an ISDOC Executive Committee meeting.

Director Swan reported that he attended a MWDOC Administration and Finance Committee meeting, PPIC's 2024 Speaker Series Event on California's Economic future in Sacramento, a MWDOC Administrative and Finance Committee meeting, a San Joaquin Wildlife Sanctuary Board meeting, a MWDOC Board meeting, the Urban Water Institute conference in Palm Springs, a CASA 2024 Policy Forum in Washington, D.C., an ACWA DC 2024 Water Conference, a MWDOC Planning and Operations Committee meeting, Southern California Water Dialogue Steering Committee meeting, a MWDOC Workshop Board meeting with MWD Directors, Chamber of Commerce meetings, and an ACWA Quarterly Regulatory Committee meeting.

Director LaMar reported on his attendance at a CCEEB Water Quality Task Force meeting, a community tour presentation review with staff, an ACWA DC 2024 Water Conference in Washington, D.C., an ACWA Quarterly Regulatory Committee meeting, an IRWD 2024 community tour, and today a meeting at Scripps Institute relative to forecasting changes in the water structure.

Director Reinhart reported on his attendance at an OCWD Water Issues Committee meeting, a MWDOC Administration and Finance Committee meeting, a MWDOC Board meeting, a OCWD Administration and Finance Issues Committee meeting, the Urban Water Institute 2024 conference, an OCWD Board meeting, a MWDOC Board meeting, a monthly discussion of District activities with the General Manager, an OCWD Board meeting, and an OCWD Communications and Legislative Liaison Committee meeting.

Recess and Reconvene

At 5:44 p.m. President Reinhart recessed the Board meeting to hold Special Annual meetings of Bardeen Partners, Inc. and the IRWD Water Service Corporation.

At 5:47 p.m., the meeting was reconvened.

18. CLOSED SESSION

Legal Counsel Collins said that the following Closed Session would be held:

- A. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION- Pursuant to Government Code Section 54956.9(d)(1): *Graciela Montejano v. IRWD, Paul Cook and Does 1 through 50*, Case No. 30-2022-01251588-CU-OE-NJC.

Following the Closed Session, the meeting was reconvened with Directors McLaughlin, Withers, Swan, LaMar and Reinhart present. Legal Counsel Collins said that there was no action to report.

19. Adjournment

There being no further business, President Reinhart adjourned the meeting at 6:25 p.m.

APPROVED and SIGNED this 25th day of March 2024.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, General Counsel
Hanson Bridgett LLP