

MINUTES OF REGULAR MEETING – JULY 8, 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 July 8, 2024 at the District offices, 15600 Sand Canyon Avenue, Irvine.

Prior to roll call, President Reinhart asked the Secretary to make a statement.

Secretary Swan announced that pursuant to California Government Code Section 54953, Director LaMar will join the Board meeting via teleconference shortly. He will be participating from the Everline Resort located at 400 Resort Road, Olympic Valley, California. The agenda was posted in the resort's lobby 72-hours in advance for any member of the public to review and participate remotely if desired per the Affidavit of Posting from the Everline Resort Events Manager, Katarina Ratkowiak. Secretary Swan said that all votes this evening will be taken by a roll call vote.

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

Directors Absent: LaMar until 5:11 p.m. when he joined the meeting by video conference.

Also Present: General Manager Cook, Executive Director of Finance Adly, Executive Director of Technical Services Burton, Executive Director of Operations Chambers, Executive Director of Water Policy Weghorst, Director of Water Resources Sanchez, Director of Human Resources Mitcham, Director of Maintenance Manning, Director of Recycling Operations Zepeda, Director of Financial Planning and Data Analytics Smithson, Director of Information Technology Kaneshiro, Director of Water Quality and Regulatory Compliance Colston, Director of Safety and Security Choi, QA/QC Compliance Administrator Drzymkowski, Engineering Manager Moeder, Community Consultant Newell, General Counsel Collins, Secretary Swan, and members of the staff and public.

Oral and Written Communications: None.

Items too late to be agendized: None.

PRESENTATION – PROCLAMATION

General Manager Cook presented Michele Drzymkowski a Proclamation for her 31 years of service to the District.

(Director LaMar joined the meeting via teleconference at 5:11 p.m.)

PUBLIC HEARING

5. SEWER CHARGES IN IRWD'S NEWPORT NORTH AREA

President Reinhart declared this to be the time and place for a hearing on the sewer charge report for the Newport North area and declare the hearing open. He asked the Secretary how the hearing was noticed. Secretary Swan said that the report was filed with her on June 18, 2024, and notice of the filing of the report and the time and place of this hearing was published in the Daily Pilot on June 23, 2024 and June 30, 2024. She said that a notice was also posted in the District office on June 18, 2024 and on the District's Web site on June 18, 2024.

PUBLIC HEARING (CONTINUED)

On MOTION by Swan, seconded by Withers, and unanimously carried by a roll call vote (5-0) LaMar, McLaughlin, Withers, Swan, and Reinhart voting aye, and zero noes THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

President Reinhart asked Legal Counsel to describe the nature of the proceedings. Legal Counsel Collins said that the public hearing on the sewer charge report is an annual requirement of the Health and Safety Code, Section 5473, in order to collect the sewer charges on the tax roll.

President Reinhart asked the Secretary whether there have been any written communications. She said there had been none.

President Reinhart asked whether there is anyone present who wished to address the Board regarding the proposed collection of sewer charges on the tax roll. There were none.

President Reinhart asked whether there were any comments or questions from members of the Board of Directors. There were none. General Counsel Collins requested that Board adopt a revised motion to the resolution with their permission to address a minor typographical error, that the previous rates and charges resolution is referenced as Resolution 2024-9, when it should be 2023-9. On MOTION by Swan, seconded by McLaughlin, and unanimously carried by a roll call vote (5-0) LaMar, McLaughlin, Withers, Swan, and Reinhart voting aye, and zero noes, THE HEARING WAS CLOSED, THAT GENERAL COUNSEL'S EDIT BE ADDRESSED, AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2024 - 9

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT ADOPTING THE
SEWER CHARGE REPORT AND AUTHORIZING COLLECTION OF SEWER CHARGES
ON THE TAX ROLL FOR IRWD'S NEWPORT NORTH AREA

CONSENT CALENDAR

Items 11 and 9 were moved to the Action Calendar per the requests Director Swan and President Reinhart respectively. On MOTION by McLaughlin, seconded by Withers and unanimously carried by a roll call vote (5-0) LaMar, McLaughlin, Withers, Swan, and Reinhart voting aye, and zero noes, CONSENT CALENDAR ITEMS 6, 7, 8, 10, 12 AND 13 WERE APPROVED AS FOLLOWS:

6. BOARD MEETING MINUTES

Recommendation: That the minutes of the June 10, 2024 Regular Board meeting be approved as presented.

CONSENT CALENDAR (CONTINUED)

7. MAY 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 May 2024 summary of payroll ACH payments in the total amount of \$3,687,424, and approve the May 2024 accounts payable disbursement summary of warrants 442539 through 443139, Workers' Compensation distributions, ACH payments, virtual card payments, wire transfers, payroll withholding distributions, and voided checks in the total amount of \$27,048,989.

8. LUMP SUM PAYMENT OPTION FOR EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR 2024-25 TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Recommendation: That the Board approve the lump sum payment for employer contributions to the California Public Employees' Retirement System (CalPERS) by making a one-time contribution of \$8,631,732 for IRWD's FY 2024-25 employer Unfunded Accrued Liability (UAL) contribution.

10. 2023-2024 ORANGE COUNTY GRAND JURY REPORT RESPONSE TO "EMERGING OPPORTUNITIES IN SOUTH COUNTY WATER/WASTEWATER SERVICE"

Recommendation: That the Board authorize the General Manager to provide the Presiding Judge of the Superior Court with the proposed response to Finding F4 and Recommendation R2 of the 2023-2024 Orange County Grand Jury report entitled "*Emerging Opportunities in South County Water/Wastewater Service.*"

12. WOODBIDGE RECYCLED WATER PIPELINE REPLACEMENT CONTRACT CHANGE ORDER, BUDGET INCREASE, AND FINAL ACCEPTANCE

Recommendation: That the Board authorize a budget increase in the amount of \$200,000, from \$15,218,000 to \$15,418,000, approve Contract Change Order No. 13 in the amount of \$15,908.79, accept construction of the Woodbridge Recycled Water Pipeline Replacement, authorize the General Manager to file a Notice of Completion, and authorize the payment of the retention 35 days after the date of recording the Notice of Completion for Project 11571.

13. TECHNICAL INFORMATION MANAGEMENT SYSTEM THREE-YEAR SOFTWARE CONTRACT RENEWAL

Recommendation: That the Board authorize the General Manager to execute a three-year contract with Accelerated Technology Laboratories, Inc. in the total amount of \$482,616, with a per Fiscal Year Operating Budget cost in the amount of \$160,872 for Fiscal Years 2024-2025, 2025-2026, and 2026-2027.

ACTION CALENDAR

Items eleven and nine were designated to be voted on together after being addressed.

11. SAN JOAQUIN RESERVOIR ASPHALT CONCRETE LINER INTERIM REPAIRS CONSTRUCTION AWARD

Executive Director of Technical Services Burton answered Director Swan's questions regarding the future repairs to the San Joaquin Reservoir.

9. 2024 LEGISLATIVE AND REGULATORY UPDATE

President Reinhart expressed his desire that staff and the Water Resources Policy and Communications Committee watch SB 1255 closely if it is amended and where it goes, as he is very concerned about it. In addition, with the "Water Bond" (SB 867) being signed by the Senate pro Tempore, who was serving as the Acting Governor, he worries that it is an inadequate amount of funding, considering the enormous effort required to bring California's water infrastructure up to date.

On MOTION by Reinhart, seconded by McLaughlin and unanimously carried by a roll call vote (5-0) LaMar, McLaughlin, Withers, Swan, and Reinhart voting aye, and zero noes, ITEMS 11 AND 9 WERE APPROVED AS FOLLOWS:

11. SAN JOAQUIN RESERVOIR ASPHALT CONCRETE LINER INTERIM REPAIRS CONSTRUCTION AWARD

THAT THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH PAVEWEST, INC., IN THE AMOUNT OF \$279.856 FOR THE SAN JOAQUIN RESERVOIR ASPHALT CONCRETE LINER INTERIM REPAIRS, PROJECT 11851.

9. 2024 LEGISLATIVE AND REGULATORY UPDATE

THAT THE BOARD ADOPTED A "WATCH" POSITION ON AB 805 (ARAMBULA) AND A "SUPPORT IF AMENDED" POSITION ON SB 1134 (CABALLERO).

14. SANTIAGO RESERVOIR IMPROVEMENTS PROJECT UPDATE, CONSULTANT VARIANCE, AND BUDGET INCREASE

General Manager Cook introduced item 14, referencing that while there have been other discussions regarding Irvine Lake recently, this presentation will solely focus on the Santiago Reservoir Improvements Project itself.

Using a PowerPoint presentation, Engineering Manager Moeder presented the project overview for the Santiago Creek Dam and the timeline to address the improvements. He focused on key design accomplishments, summarized the cracking study findings and risk analysis, discussed the potential mitigation alternative, and highlighted the completed environmental activities and anticipated upcoming activities as it relates to the Environmental Impact Report.

ACTION CALENDAR (CONTINUED)

He proceeded to focus on the additional scope of work needed and the related costs while providing an updated “all-in” project cost. At 6:17 p.m., Director LaMar excused himself to return to his conference, but he complimented the presentation and voiced his support of the staff recommendation. Mr. Moeder continued to outline two different scenarios of the construction project’s potential schedule and the next steps with the Division of Safety of Dams and the Environmental Impact Report.

Following questions from the Board, on MOTION by Withers, seconded by McLaughlin and unanimously carried by a roll call vote (4-0) McLaughlin, Withers, Swan, and Reinhart voting aye, and zero noes, THE BOARD APPROVED VARIANCE NO. 7 WITH AECOM IN THE AMOUNT OF \$721,677 FOR ADDITIONAL ENGINEERING DESIGN SERVICES AND AUTHORIZED A BUDGET INCREASE FOR PROJECT 01813 IN THE AMOUNT OF \$200,693,000, FROM \$139,307,000 TO \$340,000,000, FOR THE SANTIAGO RESERVOIR IMPROVEMENTS, PROJECT 01813.

OTHER BUSINESS

15. General Manager’s Report

General Manager Cook reported that on May 29, 2024, a 12-inch ductile iron recycled mainline break occurred on Newport Coast Drive near San Joaquin Hills Road. The District procured the services of Paulus Engineering under the urgent necessity clause to repair the pipeline, asphalt paving, and other facilities. The repairs were completed quickly, with staff coordinating closely with the City of Newport Beach’s Public Works and Police Departments. The work was completed at a cost of \$522,939 with most of the cost being associated with the roadway restoration.

In addition, he added that the Build America Bonds (BABs) refunding as mentioned in a recent Weekly Report will be suspended and considered at a later time due to a negative shift in the market conditions.

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

Consultant Newell reported that all is well in the Canyons and made it through July 4th without any incidents. The Santiago Creek will be drying up soon due to seasonal weather, and to much surprise, there are currently big trout in the creek. In September, there will be a community Fire Meeting, and IRWD is invited to present.

17. Directors’ Comments and Meeting Reports

Director McLaughlin stated that she attended the South Orange County Watershed Management Area Executive Council meeting in Laguna Hills; and participated in the Southern California Water Coalition’s June 2024 Webinar: “Flowing Toward the Future.”

Director Withers reported on his participation in the NWRI Board of Directors’ Meeting, the Southern California Water Coalition’s June 2024 Webinar: “Flowing Toward the Future;” and the monthly ISDOC Executive Committee meeting via teleconference.

OTHER BUSINESS (CONTINUED)

Director Swan reported on his participation in the MWDOC Planning and Operations Committee meeting; the Southern California Water Dialogue Planning Committee June Meeting; the MWDOC Workshop Board Meeting with MWD Directors in June; the WACO Monthly Meeting; the WACO Planning Committee Meeting; the MWDOC Board of Directors' Meeting; the Southern California Water Coalition's June 2024 Webinar: "Flowing Toward the Future;" the Southern California Water Dialogue Meeting; the IRWD Connect 2024 Luncheon; the MWDOC Planning and Operations Committee Meeting; the Southern California Water Dialogue Planning Committee July Meeting; and the MWDOC Workshop Board Meeting with MWD Directors in July.

President Reinhart reported on his participation in the MWDOC Administration and Finance Committee Meeting; the OCWD Water Issues Committee Meeting; the OCWD Administration and Finance Issues Meeting; the MWDOC Board of Directors; Meeting; the OCWD Board of Directors' meeting; the American Council of Engineering Companies, Orange County Chapter Awards Dinner in Placentia; the Serrano Water District Workshop at Villa Park City Hall; the IRWD Connect 2024 Luncheon; the MWDOC Planning and Operations Committee Meeting; and the MWDOC Workshop Board meeting with the MWD Directors.

18. Adjournment

There being no further business, President Reinhart adjourned the meeting at 6:37 p.m.

APPROVED and SIGNED this 22nd day of July 2024.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, General Counsel
Hanson Bridgett LLP