

MINUTES OF REGULAR MEETING – FEBRUARY 24, 2025

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 February 24, 2025 at the District offices, 15600 Sand Canyon Avenue, Irvine.

Directors Present: Ferons, LaMar, Withers, and President Reinhart.

Directors Absent: Swan.

Oral and Written Communications: None.

Items too late to be agendaized: None.

Also Present: General Manager Cook, Executive Director of Finance and Administration Adly, Executive Director of Technical Services Burton, Executive Director of Operations Chambers, Executive Director of Water Policy Weghorst, Director of Strategic Communications and Advocacy / Deputy General Counsel Compton, Director of Water Quality Colston, Director of Human Resources Mitcham, Director of Recycling Operations Zepeda, Director of Maintenance Operations Manning, Director of Water Resources Sanchez, Director of Information Technology Kaneshiro, Director of Accounting and Treasury Lin, Director of Financial Planning and Data Analytics, Engineering Manager Akiyoshi, Water Efficiency Supervisor Seesangrit, Consultant Newell, Kevin Hardy of the National Water Research Institute, General Counsel Collins, Secretary Swan, members of the staff, and public.

PRESENTATION

Mr. Hardy, Executive Director of the National Water Research Institute, presented to the Board its annual report of activities, key performance indicators, research projects, and upcoming plans for 2025.

WORKSHOP

5. GROUNDWATER WORKPLAN UPDATED

Using a PowerPoint presentation, Engineering Manager Akiyoshi shared the updated IRWD Groundwater Workplan, identified the changed conditions and water supply considerations since the last update in 2021. He shared the future groundwater production requirements and recommendations for the next five years.

Director Ferons reported that this item was reviewed by the Engineering and Operations Committee on February 18, 2024, and that the Committee supports the staff's conclusions and recommendations.

CONSENT CALENDAR

On MOTION by Withers, seconded by LaMar, CONSENT CALENDAR ITEMS SIX THROUGH TEN WERE APPROVED 4-0 AS FOLLOWS:

CONSENT CALENDAR (CONTINUED)

6. BOARD MEETING MINUTES

Recommendation: That the minutes of the January 27, 2025 Regular Board meeting be approved as presented.

7. JANUARY 2025 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 2025 Summary of Payroll ACH payments in the total amount of \$2,656,596, and approve the January 2025 accounts payable disbursement summary of warrants 447024 through 447619, Workers' Compensation distributions, ACH payments, virtual card payments, wire transfers, payroll withholding distributions, and voided checks in the net total amount of \$40,381,131.

8. 2025 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: That the Board adopt "support" positions on AB 259 (Rubio) and SB 72 (Caballero), and an "oppose" position on AB 269 (Bennett).

9. WATER SUPPLY ASSESSMENT AND WATER SUPPLY VERIFICATION FOR THE VISTA POINT PROJECT

Recommendation: That the Board approve the Water Supply Assessment and contingent upon approval of the Water Supply Assessment, approve the Water Supply Verification for the Vista Point Project.

10. RESOLUTION ADOPTING RATES, APPEAL, AND EXHAUSTION

Recommendation: That the Board adopt the resolution establishing a procedure for ratepayer objections to proposed water and sewer fees and charges.

RESOLUTION NO. 2025-1

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT
ESTABLISHING A PROCEDURE FOR RATEPAYER OBJECTIONS TO
PROPOSED WATER AND SEWER FEES AND CHARGES

ACTION CALENDAR

11. WATER EFFICIENCY TACTICAL INCENTIVE BUDGET INCREASE

Water Efficiency Supervisor Seesangrit shared the background of the regional rebate program that was approved by the Board in June 2024. Due to the tremendous participation from residents, it is anticipated that the program will surpass the current budgeted amount. Director Ferons reported that this item was reviewed by the Water Resources Policy and Communications Committee on February 6, 2025, and the committee supports the staff recommendation. On MOTION by Ferons, seconded by LaMar, and unanimously carried, 4-0, THE BOARD

ACTION CALENDAR (CONTINUED)

AUTHORIZED AN INCREASE TO THE FY 2024-25 OPERATING BUDGET FOR TACTICAL INCENTIVES IN THE AMOUNT OF \$496,000 FROM OVER-ALLOCATION REVENUES AND AUTHORIZE THE GENERAL MANAGER TO ALLOCATE THE FUNDING TO THE FY 2024-25 REBATE PROGRAMS ADMINISTERED THROUGH THE WATER CONSERVATION PARTICIPATION AGREEMENT BETWEEN MWDOC AND IRWD; AND TO EXECUTE ADDENDA 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.

12. PROPOSED 2025 DEBT ISSUANCE

Executive Director of Finance and Administration Adly reported that the District's Letters of Credit are coming due, and in working with the District's municipal financial advisor Public Financial Management, the current economic conditions may potentially generate a great savings for IRWD.

Following discussion with the Board, on MOTION by LaMar, seconded by Withers, and unanimously carried, 4-0, THE BOARD AUTHORIZED STAFF TO CAUSE THE ISSUANCE OF FIXED AND/OR VARIABLE RATE GENERAL OBLIGATION BONDS IF MARKET CONDITIONS WILL GENERATE SAVINGS AND PROVIDE SUFFICIENT VALUE TO REFUND THE 2010 BUILD AMERICA BONDS; CAUSE THE LETTERS OF CREDIT EXTENSION FOR THE 2008A AND 2009B; LETTERS OF CREDIT SUBSTITUTION FOR THE 2009A; AND DEFEASANCE OF THE SERIES 1993 BONDS; AND TO RETAIN UNDERWRITERS, BOND COUNSEL, AND DISCLOSURE COUNSEL AS NEEDED FOR THE ISSUANCE AND LETTERS OF CREDIT; AND ADOPT THE RESOLUTION BY THE FOLLOWING TITLE:

RESOLUTION NO. 2025-2

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT
AUTHORIZING CERTAIN ACTIONS IN CONNECTION
WITH REDEMPTION OF THE
BONDS OF IRVINE RANCH WATER DISTRICT,
CONSOLIDATED SERIES 1993

13. OPERATIONS CENTER WAREHOUSE AND WATER QUALITY STORAGE BUILDING CONSULTANT VARIANCE AND CONSTRUCTION AWARD

Executive Director of Technical Services Burton provided an overview of the building expansion project for the Operations Center Warehouse and Storage for the Water Quality department. Following questions from the Board, on MOTION by LaMar, seconded by Withers, and unanimously carried, 4-0, THE BOARD AUTHORIZED A BUDGET INCREASE FOR PROJECT 11854 IN THE AMOUNT OF \$3,625,000, FROM \$797,000 TO \$4,422,000, AND FOR PROJECT 11855 IN THE AMOUNT OF \$3,588,000, FROM \$797,000 TO \$4,385,000; AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 5 IN THE AMOUNT OF \$625,942 WITH STANTEC ARCHITECTURE, INC.; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH KPRS

ACTION CALENDAR (CONTINUED)

CONSTRUCTION SERVICES, INC., IN THE AMOUNT OF \$5,761,704 FOR THE OPERATIONS CENTER WAREHOUSE AND WATER QUALITY STORAGE BUILDING, PROJECTS 11854 AND 11855.

OTHER BUSINESS

14. General Manager's Report

General Manager Cook stated that he along with District staff had a positive and productive meeting with the staff at OC SAN.

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

Mr. Newell reported that with a burn scar of 1,500 acres from the Airport fire, the residents of the canyon communities were nervous with the potential mud slides from the recent rainfall, but all went well. He said that he and the canyon community are looking forward to an upcoming Santiago Canyon Area System Overview training with Director of Water & Recycling Operations Zepeda's team.

16. Directors' Comments and Meeting Reports

Director Ferons reported that he attended the MWDOC Workshop Board Meeting with MWD Directors; a meeting with District staff regarding Yardtopia; a meeting regarding Water Supply Issues with Director Mark Anderson and General Manager Fernando Paludi of Trabuco Canyon Water District with General Manager Cook; and a briefing and Tour of Michelson Water Recycling Plant with Councilmember James Mai.

Director Withers reported that he attended the ISDOC Quarterly Luncheon, Fountain Valley; the ISDOC Executive Committee Meeting via teleconference; the WACO Monthly Meeting via teleconference; the NWRI Board of Directors Meeting via teleconference; the Orange County Water Association Monthly Industry Insight Meeting and Luncheon; and the OC Forum Luncheon: Orange County's Voice in Washington in Newport Beach.

Director LaMar reported that he attended the WACO Monthly Meeting via teleconference; the CCEEB Water, Chemistry and Waste Project Meeting via teleconference; the ACWA Bay Delta Working Group Meeting via teleconference; the COAST Fire Prevention Working Group Meeting via teleconference; and the OC Forum Luncheon: Orange County's Voice in Washington, in Newport Beach.

President Reinhart reported on his attendance at the MWDOC Planning and Operations Committee Meeting via teleconference; the MWDOC Workshop Board Meeting with MWD Directors via teleconference; the OCWD Communications and Legislative Liaison Committee Meeting via teleconference; the WACO Monthly Meeting via teleconference; the MWDOC Administration and Finance Committee Meeting via teleconference; the OCWD Water Issues Committee Meeting via teleconference; the OCWD Administration and Finance Issues Committee Meeting via teleconference; the MWDOC Board Meeting via teleconference; and the OCWD Board Meeting via teleconference.

OTHER BUSINESS (CONTINUED)

17. ADJOURNMENT

At 6:17 p.m., President Reinhart adjourned the Board meeting.

APPROVED and SIGNED this 10th day of March 2025.

President, IRVINE RANCH WATER DISTRICT

District Secretary,
IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, General Counsel
Hanson Bridgett LLP