

MINUTES OF REGULAR MEETING – MAY 11, 2015

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 May 11, 2015 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Engineering and Water Quality Burton, Executive Director of Finance and Administration Clary, Executive Director of Water Policy Weghorst, Director of Public Affairs Beeman, Director of Human Resources Roney, Director of Water Resources Sanchez, Director of Treasury and Risk Management Jacobson, Assistant Director of Recycling Operations Lee, Assistant Director of Maintenance Drake, Assistant Director of Water Operations Roberts, Legal Counsel Arneson, Secretary Bonkowski, Ms. Christine Compton, Mr. Mike Hoolihan, Mr. Mark Tettermer, Mr. Eric Akiyoshi, Mr. Jacob Moeder, Mr. Barkev Meserlian, Ms. Jo Ann Corey, Ms. Lindsey Stuvick, Ms. Shavonne Mays, Mr. Jim Reed, Mr. Bruce Newell, Mr. Dean Kirk, and other members of the public and staff.

Written and Oral Communications: None.

Items too late to be agendized: None.

WORKSHOPS

PRELIMINARY RECYCLED WATER AND SEWER SYSTEMS STRATEGIC PLAN

Using a PowerPoint presentation, Principle Engineer Hoolihan provided an overview of the sewer/recycled water system strategic analysis. Mr. Hoolihan reviewed the Capital Outlay Revolving Funds and Equity payments (together referred to as CORF) to Orange County Sanitation District (OCSD) indicating that IRWD may expend approximately \$255 million over the next 25 years. He said that preliminary flow monitoring results indicate sewer flows in the IBC area have increased from 3.16 million gallons per day (MGD) to 5.42 MGD between 2008 and 2014. Staff estimates IRWD's CORF liability will increase from the current cost of approximately \$1.5 million per year to an average of \$14 million per year over the next three years as a result of the increased flow. In addition, the average CORF cost over the next 25 years is estimated to be approximately \$10.2 million per year or a combined total of \$255 million.

Mr. Hoolihan reported that the District's Mass Balance Model was used to perform the strategic plan analysis. Using a chart, he reviewed the model flow diagram which compares treatment capacities, sewer flows, and seasonal storage availability and helps staff evaluate IRWD's ability to meet recycled water demands. He said that as an output, the model will predict the amount of sewer flow that will be sent to OCSD for treatment and disposal, and the need for imported untreated water to supplement the recycled water system. He said that the baseline run included

three key assumptions: 1) the Michelson Water Recycling Plant (MWRP) operating at its current flow rate at approximately 20 MGD; 2) the current Orange County Water District's Green Acres Project (GAP) agreement is not renewed by July 1, 2026; and 3) IRWD's seasonal storage remains at its existing capacity of 4,550 acre-feet (AF).

Mr. Hoolihan said that the model compares a single project or combinations of projects to the baseline model to measure the impacts to OCSD CORF and Metropolitan Water District of Southern California's untreated water requirements. He then reviewed the following projects which potentially will lower CORF including: 1) *ILP North Conversion Project* – conversion of approximately 3,500 AF per year of untreated water demand to recycled water; 2) *Syphon Reservoir Expansion* – expansion of Syphon Reservoir to approximately 5,000 AF of seasonal storage; 3) *Michelson Lift Station Sewage Flows to MWRP* – treating sewer flows from the Michelson Lift Station at MWRP; 4) *IBC Sewer Flows to MWRP* – treating sewer flows from the IBC area at MWRP; 5) *MWRP Phase 3 Expansion* – expansion of MWRP treatment capacity from 28 MGD to 33 MGD; and 6) *OCWD GAP Service* – the service of all GAP demands from MWRP. He said due to substantial increases in the OCSD CORF in recent years that are expected to grow as development continues, the models indicates that an immediate reduction in IRWD flows to OCSD would be beneficial to IRWD. Director Withers left the Board room at 6:00 p.m. Director Swan made several suggestions to staff and noted his concerns about expanding the Syphon Reservoir. He further suggested that plumbing retrofits be investigated for residential use.

DRAFT DROUGHT ACTION PLAN

Using a PowerPoint presentation, Director of Water Resources Policy Sanchez discussed the District's draft Drought Action Plan. Ms. Sanchez reviewed Governor Brown's Executive Order mandating a 25% reduction in statewide urban potable water use from 2013 levels. She said that on May 5, 2015, the State Water Resources Control Board adopted emergency regulations allocating agency-mandated reductions ranging from 8% to 36% with IRWD's mandated target at 16%. She said that the emergency regulations also prohibit use of potable water on turf medians irrigated with spray irrigation as well as irrigating around new construction.

Director of Public Affairs Beeman reviewed immediate and longer-term programs for water savings and an outreach plan to increase water savings. Following discussion, Director Swan made suggestions for messaging customers. Mr. Mark Tetterer reviewed immediate recycled water use at Royalty Carpets; providing truck filling stations for street sweeping, and construction activities including dust control and grading activities. He also reported on proposed conversions for irrigation, cooling tower, industrial process, and a temporary pump station at Baker Ranch. For long-term, Assistant Director of Maintenance Drake, Assistant Director of Recycling Operations Lee, and Assistant Director of Operations Roberts reviewed various operational measures including potable water reductions for agency-wide irrigation; hydrant flushing; and system leak detection. Additionally, operations measures for converting potable water to recycled water to perform tasks at the Michelson Water Recycling Plant, the Biosolids project, and in the collection system were discussed. Director Matheis left the Board room at 7 p.m.

CONSENT CALENDAR

On MOTION by Swan, seconded and carried (3-0) (Swan, Reinhart and LaMar aye and Withers and Matheis absent), CONSENT CALENDAR ITEMS 5 THROUGH 7 WERE APPROVED AS FOLLOWS:

5. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the April 27, 2015 Regular Board meeting be approved as presented.

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

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

7. ADDENDUM NO. 1 TO THE FINAL IS/MND FOR THE RESERVOIR MANAGEMENT SYSTEM, CHLORINE ANALYZERS AND RESERVOIR MIXERS/SAMPLERS AT DOMESTIC WATER RESERVOIRS PROJECT

Recommendation: That the Board approve the proposed Addendum No. 1 to the Final Initial Study/Mitigated Negative Declaration for the Reservoir Management System, Chlorine Analyzers and Reservoir Mixers/Samplers at Domestic Water Reservoirs project, including the determinations set forth in Addendum No. 1; approve the modifications to the project; and authorize staff to file a Notice of Determination with the Orange County Clerk/Recorder and State Clearinghouse.

ACTION CALENDAR

MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF ORANGE AND THE IRVINE RANCH WATER DISTRICT REGARDING THE PROVISION OF SEWER SERVICE IN THE CITY OF ORANGE SPHERE OF INFLUENCE

On January 13, 2015, the Orange City Council voted to support IRWD's LAFCO application to provide sewer service to Orange County Sanitation District Service Area 7 (Service Area 7), subject to: 1) IRWD submitting a formal application; and 2) IRWD signing a Memorandum of Understanding with the City of Orange (City) to facilitate a future agreement with the City that would allow it to take over sewer service in areas currently in its sphere of influence if those areas were ever annexed to the City. On March 23, 2015, staff submitted an application to LAFCO to provide sewer service to Service Area 7. On MOTION by Swan, seconded and carried, (3-0) (Swan, Reinhart and LaMar aye and Withers and Matheis absent), THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN THE IRVINE RANCH WATER DISTRICT AND THE CITY OF ORANGE REGARDING THE PROVISION OF SEWER SERVICE IN THE CITY OF ORANGE SPHERE OF INFLUENCE, SUBJECT TO NON-SUBSTANTIVE CHANGES.

GENERAL MANAGER’S REPORT

General Manager Cook reported that the meeting with OCWD and the Department of Toxic Substances Control regarding the south basin is being rescheduled to tomorrow, and will provide a follow-up report to the Board.

Mr. Cook also said he will be attending an OCBC Infrastructure Committee meeting tomorrow.

DIRECTORS’ COMMENTS

Director Swan reported that he has continued interest in the San Juan Capistrano tiered rate case and had an interesting meeting with a UCLA professor and students last week discussing this matter. He said he attended MWDOC’s elected official’s forum, and a Newport Chamber of Commerce meeting. He complimented staff on recent landscaping improvements at the Zone 3 Reservoir in Newport Coast.

Director Reinhart reported on his attendance at a monthly WACO meeting and an ACWA Spring Conference in Sacramento.

Director LaMar reported on his attendance at a WACO monthly meeting and an ACWA Spring Conference.

Consultant Jim Reed reported on meetings he attended on behalf of the District including an ISDOC quarterly meeting, a monthly WACO meeting, and a SOCWA Board meeting.

ADJOURNMENT

President LaMar adjourned the meeting at 7:30 p.m.

APPROVED and SIGNED this 26th day of May, 2015.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson,
Wiles & Giannone