

MINUTES OF REGULAR MEETING – AUGUST 10, 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 August 10, 2015 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Withers (arrived at 5:08 p.m.), Matheis, Reinhart, LaMar and Swan.

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Finance and Administration Clary, Executive Director of Water Policy Weghorst, Director of Human Resources Roney, Assistant Director of Recycling Operations Lee, Assistant Director of Water Operations Roberts, Director of Administration Services Mossbarger, Director of Treasury and Risk Management Jacobson, Director of Public Affairs Beeman, Director of Water Resources Sanchez, Assistant Director of Maintenance Drake, Principle Engineer Hoolihan, Principal Engineer Mori, Public Affairs Manager Veeh, Purchasing Manager Aguilar, Assistant Treasurer Fournier, Regulatory Compliance Manager Lewis, Legal Counsel Arneson, Secretary Bonkowski, Ms. Kellie Welch, Ms. Gretchen Ronin, Mr. Jeff Thomas, Mr. Brett Barbre, Mr. Sat Tamaribuchi, Ms. Marta Ramos, Ms. Jennifer Davis, Ms. Shana Llewellyn, Ms. Shavonne Mays, Ms. Shelly Wang, Ms. Megan Vigliotti, Mr. Jim Reed, and other members of the public and staff.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

PRESENTATIONS

EXTRAORDINARY SUPPLY PROGRAM PRESENTATION

Executive Director of Water Policy Weghorst provided a presentation explaining the successful conclusion of recharging, recovering, and conveying 1,000 acre-feet of water from IRWD Strand Ranch to the IRWD service area. Mr. Weghorst highlighted the critical roles of each of IRWD's partners in the Extraordinary Supply Program and thanked MWDOC by presenting Board members Barbre, Thomas, and Tamaribuchi along with its Assistant General Manager/District Engineer Seckel a plaque.

CSUF LEADERSHIP DEVELOPMENT FOR PUBLIC AGENCIES PRESENTATION AND RECOGNITION OF DISTRICT GRADUATES

Ms. Megan Vigliatti and Ms. Shelly Wang with the University Extended Education, California State University, Fullerton provided a presentation about their series entitled "Leadership Development for Public Agencies" and honored the District's most recent graduates of the program including Ms. Marta Ramos, Sr. Human Resources Analyst; Ms. Jennifer Davis, Treasury Analyst; Ms. Shana Llewellyn Customer Service Specialist, Ms. Shavonne Mays, Water Use Efficiency Specialist and Mr. Colt Martin, Mechanical Services Manager was absent.

CONSENT CALENDAR

On MOTION by Swan, seconded and unanimously carried, CONSENT CALENDAR ITEMS 5 through 16 were approved as follows:

5. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the July 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, John Withers, Peer Swan, Mary Aileen Matheis and Douglas Reinhart.

7. FISCAL YEAR 2015-16 GENERAL COUNSEL SERVICES FOR BOWIE, ARNESON, WILES & GIANNONE

Recommendation: That the Board approve and authorize the General Manager to execute the Engagement Agreement with Bowie, Arneson, Wiles & Giannone effective July 1, 2015 for general counsel services in the amount not to exceed \$400,000.

8. 2016 MEDICAL INSURANCE COVERAGE RENEWAL

Recommendation: That the Board authorize the continuance of the District's health care coverage with CalPERS for calendar year 2016 with changes in employee and District contribution levels as listed in Table A.

9. DENTAL INSURANCE COVERAGE FOR CALENDAR YEAR 2016

Recommendation: That the Board authorize the General Manager to extend the District's contract with the Association of California Water Agencies' Joint Power Insurance Authority for Delta Preferred Option Plan A with child and adult orthodontic coverage for calendar year 2016.

10. 2015 LEGISLATIVE UPDATE

Recommendation: That the Board take a "SEEK AMENDMENTS" position on the Santa Ana Mountains to Sea National Monument proposal.

11. AMENDMENTS TO REMARKETING AGREEMENTS FOR FEE REDUCTIONS

Recommendation: That the Board approve the amendments to the Remarketing Agreements with Merrill Lynch and Goldman Sachs for the Series 1993, Refunding Series 2008A, and Series 2009B bonds and authorize the President to execute the amended Remarketing Agreements.

CONSENT CALENDAR (CONTINUED)

12. HIDDEN CANYON ZONE 3 TO 4 DOMESTIC WATER AND ZONE B TO C RECYCLED WATER BOOSTER PUMP STATIONS FINAL ACCEPTANCE

Recommendation: That the Board authorize the General Manager to accept construction of Hidden Canyon Zone 3 to 4 Domestic Water and Zone B to C Recycled Water Booster Pump Stations, projects 10446 (1648) and 30446 (1063); authorize the General Manager to file a Notice of Completion; and authorize the release of retention 35 days after filing a Notice of Completion.

13. WELLS ET-1 AND ET-2 REHABILITATION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of Wells ET-1 and ET-2 Rehabilitation, project 30402 (4328); 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.

14. GREEN ACRES PROJECT PIPELINE SEGMENT CATHODIC PROTECTION SYSTEM UPGRADES FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Green Acres Project Pipeline Segment Cathodic Protection System Upgrades, project 30415 (4396); 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.

15. AMENDMENT NO. 2 TO SANTA ANA WATERSHED TASK FORCE AGREEMENT

Recommendation: That the Board authorize the General Manager to execute Amendment No. 2 to the Agreement to Form a Task Force to Conduct a Basin Monitoring Program for Nitrogen and Total Dissolved Solids in the Santa Ana River Watershed.

16. FISERV ELECTRONIC COMMERCE SERVICES AGREEMENT EXTENSION

Recommendation: That the Board authorize the General Manager to execute a five-year agreement with Fiserv Solutions, LLC for electronic commerce services effective August 1, 2015 for a total cost of \$900,000.

ACTION CALENDAR

BUSINESS INTELLIGENCE SOFTWARE UPGRADE CONSULTANT SELECTION

Director of Administration Mossbarger reported that staff issued a Request for Proposal for consulting services to upgrade the District's Oracle Business Intelligence (BI) software. The installed version of the Oracle BI software is no longer supported and requires an upgrade to a version supported by Oracle. Mr. Mossbarger said that a Request for Proposal was issued on May 15, 2015 to five consultants with experience performing Oracle BI software upgrades including BI Minds, Cogizant, DiLytics, Infosys, and KPMG. He said that staff reviewed and ranked the proposals and selected DiLytics, Infosys and KPMG for interviews. He said that based on the interviews and the proposal rankings, staff believes that DiLytics has the best understanding of the Oracle BI Software Upgrade project, has the most experienced project team, submitted an optimal project schedule, and is the most capable of assisting the District with the upgrade.

Director Swan reported that this item was reviewed and approved by the Finance and Personnel Committee on August 4, 2015. On MOTION by Swan, seconded and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH DILYTICS, INC. IN THE AMOUNT OF \$417,600 AND APPROVED A CAPITAL BUDGET INCREASE OF \$119,900 EACH FOR PROJECTS 6181 AND 6184 FOR A TOTAL BUDGET INCREASE OF \$239,800.**

CHANGES TO EXISTING RULES AND REGULATIONS FIRST READING AND INTRODUCTION

General Manager Cook reported that from time to time staff compiles proposed changes to the District's Rules and Regulations for Water, Sewer, Recycled Water, and Natural Treatment System Service. Mr. Cook said the proposed changes are limited to Sections 7 and 12, Use of District Sewerage Facilities and Service Charges, respectively, as well as the addition of an exhibit to the Rules and Regulations that identify maximum allowable local concentration discharge limits for certain constituents.

Regulatory Compliance Manager Lewis reported on the proposed changes to Section 7 - Use of District Sewerage Facilities. Ms. Lewis said that the primarily minor adjustments relate to existing definitions and small textual edits. She said that the most significant changes were for: 1) non-residential customers - consistent with what the Board approved in the Rates and Charges, added an option for customers to request an "Alternative Service Charge" based on the quality and quantity of discharged flows which may or may not be accepted based on the discretion of the District; and 2) added an exhibit which contains maximum allowable discharge concentration limits for certain constituents.

Executive Director of Finance Clary said that changes to Section 12 - Service Charges include primarily small textual edits including: 1) added livestock in addition to horses as a grounds for a residential variance (i.e., pigs, chickens, goats, etc.); and 2) commercial, industrial and irrigation customers - subsequent to the establishment of a base index, allow for the possibility of an on-site survey to ensure water efficient business uses; and 3) adjustments for leaks, allowances for bill adjustments on a case by case basis if there are circumstances causing a delay in fixing a leak (as

opposed to up to six months- some customers believed they should receive six months of adjustments).

On MOTION by Swan, seconded and unanimously carried, THE RESOLUTION WAS INTRODUCED FOR A FIRST READING TO BE READ BY TITLE ONLY BY THE SECRETARY, THAT FURTHER READING OF THE RESOLUTION BE WAIVED, AND THE SECRETARY WAS DIRECTED TO PLACE THE RESOLUTION ON THE AGENDA FOR THE AUGUST 24, 2015 MEETING OF THE BOARD OF DIRECTORS FOR A SECOND READING, HEARING AND ADOPTION.

Secretary Bonkowski then read the title of the resolution as follows:

RESOLUTION NO. 2015-

RESOLUTION RESCINDING RESOLUTION NO. 2014-50
AND ESTABLISHING REVISED RULES AND REGULATIONS
OF THE IRVINE RANCH WATER DISTRICT FOR WATER,
SEWER, RECYCLED WATER, AND NATURAL
TREATMENT SYSTEM SERVICE AND EXHIBIT "A" THERETO.

OTHER BUSINESS

GENERAL MANAGER'S REPORT

General Manager Cook said that staff placed before each Director an IRWD Drought Reporting Update with the good news of reduced water use by residents. In response to Director Reinhart's inquiry, Director of Water Resources Sanchez reported on the chart noting a 27% overall savings or 2,047 acre-feet of potable water saved to reach the District's interim goal, which is on track for the overall savings target.

Mr. Cook said that tomorrow he will be attending an ACWA Storage Task Force meeting in Sacramento. Director Swan asked for a briefing of this effort.

Mr. Cook further noted that Ms. Fiona Sanchez was interviewed today by the TV station Univision relative to the drought and the feature will broadcast tonight at 11:00 p.m.

DIRECTORS' COMMENTS

Director Withers reported that tomorrow he will be attending an OCBC Infrastructure meeting, and this Wednesday a LAFCO meeting where an item is agendaized on the Focused Municipal Service review for Orange County Sanitation District Service Area 7.

Director Swan reported on meetings he attended including a Newport Bay Watershed Organizational Committee meeting, a briefing and tour with LAFCO Commissioner Brothers, OCWD meetings, a Newport Chamber of Commerce meeting, and a WACO meeting.

Director Reinhart reported that he attended a MWDOC Board workshop and a SOCWA Board meeting.

Director Matheis reported that she attended a WACO meeting and tomorrow she will be attending a WEROC emergency training class.

Director LaMar also reported on a briefing with a LAFCO commissioner, a COAST meeting with the Orange County Fire Authority, a WACO meeting, and that he will be attending a WEROC emergency training meeting.

Following Director Swan's comments on a WACO report in which OCWD is supporting Proposition 1 funding for SAWPA projects in the upper watershed, he suggested that an item be submitted to the WRP Committee to discuss if a comment letter be sent to OCWD. General Manager Cook noted that the Groundwater Producers will be briefed on this item on Wednesday.

IRWD's consultant Mr. Jim Reed said that he attended an ISDOC Quarterly and Executive meeting, a SOCWA Board meeting, and a WACO monthly meeting on behalf of the District.

CLOSED SESSION

President LaMar reported that the following Closed Sessions would be held this evening:

- 1) - Conference with Legal Counsel relative to existing litigation –Government Code Section 54945.9(d)(1) –Williams vs. Irvine Ranch Water District and Metropolitan Water District of Southern California, and related consolidated cases (30-2011-00519887; 30-2012-00586258; 30-2012-00616648; 30-2012-00619294; 30-2013-00666627; 30-2013-00666636);
- 2) Conference with Labor Negotiators - Government Code Section 54957.6:
Agency Designated Representatives: Paul Cook and Jenny Roney
Employees Organization: Irvine Ranch Water District Employees Association; and
- 3) Conference with legal counsel relative to anticipated litigation pursuant to Government Code Section 54956.9(d)(4) - initiation of litigation (two potential cases).

OPEN SESSION

Following the Closed Session, the meeting was reconvened with all Directors present. President LaMar said that there was no action to report.

ADJOURNMENT

There being no further business, President LaMar adjourned the meeting at 8:30 p.m.

APPROVED and SIGNED this 24th day of August, 2015.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson,
Wiles & Giannone