

MINUTES OF REGULAR MEETING – JULY 22, 2019

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 July 22, 2019 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Reinhart, Matheis, Withers and LaMar.

Directors Absent: Swan.

Also Present: General Manager Cook, Executive Director of Finance and Administration Clary, Executive Director of Technical Services Burton, Executive Director of Water Policy Weghorst, Executive Director of Operations Chambers, Director of Public Affairs Beeman, Director of Human Resources Roney, General Counsel Collins, Director of Water Operations Zepeda, Director of Water Quality and Regulatory Compliance Colston, Director of Water Operations Roberts, Director of Treasury and Risk Management Jacobson, Director of Water Resources Sanchez, Director of Maintenance Mykitta, Government Relations Officer/Deputy General Counsel Compton, Secretary Bonkowski, and members of staff and the public.

WRITTEN COMMUNICATIONS: None.

ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

PUBLIC HEARING

SEWER CHARGES IN THE IRWD NEWPORT NORTH AREA

President LaMar declared it to be the time and place for the hearing on the sewer charge report for the Newport North area, and declared the hearing open. He asked the Secretary to report the manner by which the Notice of Hearing was given.

Secretary Bonkowski said that the report was filed with the Secretary on July 5, 2019, and notice of this hearing was published in the Newport Beach-Costa Mesa Daily Pilot on July 6 and July 13, 2019, and posted in the District office on July 5, 2019. She then presented an Affidavit of Posting and the Proof of Publication for the Board to receive and file.

On MOTION by Matheis, seconded by Reinhart, **THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.**

President LaMar asked the Secretary whether there have been any written communications. Secretary Bonkowski said that there was none.

President LaMar asked legal counsel to describe the nature of the proceeding.

PUBLIC HEARING (CONTINUED)

Legal Counsel Collins said that a public hearing on the sewer charges report is an annual requirement of the Health and Safety Code, Section 5473, in order to collect the sewer charges on the tax roll, and this hearing provides the public an opportunity to comment as well as protest or correct the report.

President LaMar asked whether there was anyone present who wished to address the Board concerning the proposed collection of sewer charges on the tax roll. There was no one who wished to be heard.

President LaMar asked whether there are any comments or questions from members of the Board of Directors. There were none. He then asked for a motion to close the hearing. On MOTION by Matheis, seconded and unanimously carried, **THE HEARING WAS CLOSED AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:**

RESOLUTION NO. 2019-24

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 THE IRWD NEWPORT NORTH AREA

CONSENT CALENDAR

Director Reinhart asked that Item No. 8, 2019 LEGISLATIVE AND REGULATORY UPDATE, be placed on the Action Calendar for discussion. There being no objection, this item was moved accordingly. On MOTION by Matheis, seconded and unanimously carried, **CONSENT CALENDAR ITEMS 4 THROUGH 7 AND 9 THROUGH 12 WERE APPROVED AS FOLLOWS:**

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

Recommendation: That the Board ratify/approve the meetings and events for Steve LaMar, Mary Aileen Matheis, Doug Reinhart, Peer Swan, and John Withers, as described.

5. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the July 8, 2019 Regular Board meeting be approved as presented.

6. MAY 2019 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Summary of Fixed and Variable Rate Debt, and Disclosure Report of Reimbursements to Board members and staff; approve the June 2019 Summary of Payroll ACH payments in the total amount of \$2,014,590 and approve the June 2019 accounts payable Disbursement Summary of warrants 399226 through 400140, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$18,886,468.

CONSENT CALENDAR

7. IRVINE RANCH WATER DISTRICT STRATEGIC MEASURES DASHBOARD

Recommendation: Receive and file.

9. 2018-19 ORANGE COUNTY GRAND JURY REPORT RESPONSE TO “RE-OPENING TO IRVINE LAKE – A WIN-WIN FOR TAXPAYERS AND OUTDOOR ENTHUSIASTS”

Recommendation: That the Board authorize the General Manager to provide the Presiding Judge of the Superior Court with the proposed response to Finding F4, Finding F5, Finding F6, Recommendation R4, and Recommendation R5 of the 2018-2019 Orange County Grand Jury report entitled “*Re-Opening Irvine Lake – A Win-Win for Taxpayers and Outdoor Enthusiasts.*”

10. IRWD 2019 PROJECT MANUAL

Recommendation: That the Board adopt the following resolution by title subject to non-substantive changes:

RESOLUTION NO. 2019 -25

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT RESCINDING
RESOLUTION NO. 2015-6 AND REVISING STANDARD FORM
CONSTRUCTION CONTRACT DOCUMENTS

11. 2019 VAULT LID REPLACEMENT CONSULTANT SELECTION

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement in the amount \$137,867 with RCE Consultants to provide engineering services for the 2019 Vault Rehabilitation, Project 10542.

12. FIRST AMENDMENT OF AMENDED AND RESTATED ENERGY MANAGEMENT SERVICES AGREEMENT WITH HYBRID-ELECTRIC

Recommendation: That the Board authorize the General Manager to execute the First Amendment of Amended and Restated Energy Management Services Agreement (DRES Portfolio B) with Hybrid-Electric Building Technologies West Los Angeles 1, LLC, (as assignee of Hybrid-Electric Building Technologies West Los Angeles 2, LLC, a Delaware Limited Liability Company.)

ACTION CALENDAR

2019 LEGISLATIVE AND REGULATORY UPDATE

Director Reinhart asked that key bills be summarized to include IRWD goals and what is to be achieved from these bills. President LaMar suggested that these updates be included in the General Manager’s Weekly Report to the Board. There being no further discussion, on MOTION by Matheis, seconded by Withers and unanimously carried, THE BOARD ADOPTED A “WATCH” POSITION ON AB 217 (GARCIA).

ACTION CALENDAR (CONTINUED)

CONSTRUCTION INSPECTION SERVICES AGREEMENT

General Manager Cook reported that the current construction inspection workload for capital, development and operational improvement projects continues to exceed a level that can be supported by the District's inspection staff of eight staff inspectors and five consultant inspectors who are currently responsible for inspection, field coordination, documentation and record drawing preparation for over 530 projects throughout the District. He said that based on currently active and upcoming construction projects planned by the major developers including Irvine Company, FivePoint Communities, Lennar and the City of Tustin, staff anticipates the need for continued consultant field inspection support for a period of up to two years.

Mr. Cook said that NV5 is currently providing two experienced inspectors under its contract who have worked well within the District's inspection group and have demonstrated the ability to inspect and coordinate multiple projects simultaneously. As funds for the current agreement with NV5 will be expended by August 2019, staff requests a new Professional Services Agreement for continued inspection services.

On MOTION by Reinhart, seconded by Matheis, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH NV5 IN THE AMOUNT OF \$1,332,800 FOR CONSTRUCTION INSPECTION SERVICES FOR TWO INSPECTORS FOR A TWO-YEAR PERIOD.**

2019 SHORT-TERM WATER EXCHANGE PROGRAM WITH CENTRAL COAST WATER AUTHORITY

Using a PowerPoint presentation, Ms. Natalie Palacio highlighted the agreement terms with Carpinteria Valley Water District (CVWD) through the Central Coast Water Authority including: 1) a 2-for-1 exchange of 700 acre-feet of State Water Project water from Carpinteria Valley Water District (CVWD); 2) delivery prior to the end of 2019; 3) CVWD's share would be returned by the sixth year; 4) losses and variable would be shared equally; and 5) that the recharge and recovery priorities would be coordinated with other IRWD water banking programs. She further reviewed the projected deliveries to IRWD's water bank, and reviewed the annual recharge capacities.

Director Reinhart reported that this item was reviewed and approved by the Supply Reliability Programs Committee on November 15, 2018. On MOTION by Reinhart, seconded by Matheis and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE THE LETTER AGREEMENT FOR A 2019 SHORT-TERM WATER EXCHANGE PROGRAM WITH CENTRAL COAST WATER AUTHORITY SUBJECT TO SUBSTANTIVE CHANGES APPROVED BY THE SUPPLY RELIABILITY PROGRAMS COMMITTEE AND SPECIAL LEGAL COUNSEL.**

ACTION CALENDAR (CONTINUED)

SYPHON RESERVOIR IMPROVEMENTS PROJECT GEOTECHNICAL INVESTIGATION SERVICES CONSULTANT SELECTION

Executive Director of Technical Services Burton reported that the proposed geotechnical investigation will provide for a comprehensive site characterization program to adequately document and characterize the geologic and geotechnical conditions at the site. Mr. Burton said that the proposed investigation will evaluate the dam foundation and abutments to determine the appropriate excavation depths and requirements for dam seepage control measures, evaluate the characteristics of potential dam construction materials that could be extracted from borrow areas on the project site, and verify the location and historical activity of the previously documented inactive Center Valley Fault that is believed to be located at or near the reservoir site.

Mr. Burton said to accomplish these goals, the work will involve a combination of exploratory test pits, soil borings, and geophysical surveys to characterize the subsurface conditions of the soil at each exploratory location. Prior to the start of these activities, the reservoir will be drained to allow the reservoir bottom to dry out so that the borings, test pits, and trenches can be implemented more easily. The exploration locations were selected based on the location of the proposed reservoir improvements, access considerations, and the desire to avoid environmentally sensitive areas. The results of the investigation will inform the ongoing environmental documentation process and the future final design phase of the proposed Syphon Reservoir Improvement project.

Mr. Burton said that staff received proposals from AECOM Technical Services, GEI Consultants, the team of GeoPentech/NMG Geotechnical, and the team of Kleinfelder/Stantec, and that each firm presented unique project approaches and creative engineering solutions for achieving the project objectives, but AECOM's approach to completing the project exceeded that presented by the other firms. AECOM outlined a focused and detailed work plan for completing the geotechnical investigation and presented an innovative approach to sequencing the investigation to ensure completion within the project schedule constraints. AECOM also established a superior depth and knowledge of managing and implementing complex geotechnical investigations for reservoir projects.

Mr. Burton said that the Syphon Reservoir Improvements, Project 03808, is included in the FY 2019-20 Capital Budget as a flagged project, and that staff is requesting an additional Expenditure Authorization in the amount of \$2,500,000 to fund the geotechnical investigative work.

Director Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on July 16, 2019. Following discussion, on MOTION by Reinhart, seconded by Matheis, and unanimously carried, THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$2,500,000 AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH AECOM TECHNICAL SERVICES, INC. IN THE AMOUNT OF \$2,388,838 FOR GEOTECHNICAL INVESTIGATION SERVICES FOR THE SYPHON RESERVOIR IMPROVEMENTS, PROJECT 03808.

ACTION CALENDAR (CONTINUED)

JOINT POWERS AUTHORITY AGREEMENT FOR THE KERN FAN GROUNDWATER STORAGE PROJECT

Using a PowerPoint presentation, Director of Water Resources Sanchez reported that the California Water Commission administers Proposition 1 Water Quality, Supply and Infrastructure Project grant funding and dedicated \$2.6 billion in funding for eligible water storage projects providing public benefit which funds a maximum of 50% of capital costs.

Ms. Sanchez reviewed the Kern Fan Groundwater Storage Project highlights, which include: 1) new conveyance from the California aqueduct; 2) 1,050 acres of recharge basins; 3) 12 recovery wells; 4) storage of water otherwise lost to the ocean; and 5) improving flexibility in operation of the State's water system. She then reviewed the key agreement provisions which include: 1) a 30-year term or as required by grant conditions; 2) Rosedale Rio Bravo Storage District (Rosedale) to operate, maintain and repair Kern Fan Project facilities; 3) grant funding will be applied to eligible capital costs with other costs equally funded by IRWD and Rosedale; 4) 100,000 acre-feet per year of recharge capacity, 50,000 acre-feet of recovery capacity and up to 500 cfs of conveyance; 5) 100,000 acre-feet of water storage capacity will be allocated to the Water Storage Investment Program's ecosystem account; 6) first priority access to own respective capacity with second priority access to each other's unused capacity; 7) IRWD and Rosedale to equally fund acquisition and recharge of unallocated State Water Project Article 21 water when available until ecosystem account is full; 8) once the ecosystem account is full, IRWD and Rosedale may fill their accounts with other available water; 9) Kern River Flood water deliveries; 10) governance authority; 11) disposition of property; and 12) indemnification.

Director Reinhart said that this item was reviewed with the Supply Reliability Programs Committee at multiple meetings, most recently on July 18, 2019, and thanked Director Matheis for attending in Director Swan's absence. Following discussion, on MOTION by Reinhart, seconded by Matheis and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE THE JOINT POWERS AGREEMENT BETWEEN ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT AND IRVINE RANCH WATER DISTRICT CREATING THE KERN FAN JOINT POWERS AUTHORITY TO DEVELOP AND ADMINISTER A KERN FAN GROUNDWATER STORAGE PROJECT SUBJECT TO NON-SUBSTANTIVE CHANGES AND THE GENERAL MANAGER'S DETERMINATION THAT REASONABLE ASSURANCES ARE IN PLACE THAT NECESSARY AGREEMENTS WITH THE STATE OF CALIFORNIA RELATED TO THE KERN FAN PROJECT ARE FEASIBLE.**

GENERAL MANAGER'S REPORT

General Manager Cook reported that staff will be participating with OCWD on a planning study on the PFAS issue. Additionally, he said that this item will be discussed at the August 8, 2019, Strategic Planning Workshop.

DIRECTORS' COMMENTS

Director Reinhart made a correction on his meetings noting that he did attend the July 3, 2019 OCWD Board meeting. He further reported that he attended an OCWD Water Issues Meeting, a MWDOC Administration and Finance Committee meeting, a WACO monthly meeting, a MWDOC Board meeting and a Southern California Water Coalition Quarterly lunch meeting in Carlsbad.

Director Withers reported that he will be attending an OCSD Board meeting this Wednesday as well as an OCSD Centrifuge Facility Ribbon Cutting this Saturday.

Director Matheis reported on her attendance at an IRWD briefing with Councilmember Farrah Khan and her staff, and a community leaders briefing this morning with Congressman Harley Rouda.

Director LaMar reported on his attendance at ACWA's first resiliency workshop, an ACWA Steering Committee meeting, a San Diego Water Authority luncheon meeting, and a Southern California Wafer Coalition Board and lunch meeting.

COMMUNITY UPDATES: None.

ADJOURNMENT

President LaMar adjourned in the Board meeting in memory of Mr. Irv Pickler, a past City of Anaheim council member, past OCWD Board member, and a decorated World War II veteran.

APPROVED and SIGNED this 12th day of August, 2019.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, Legal Counsel
Lewis Brisbois