

MINUTES OF REGULAR MEETING –DECEMBER 11, 2023

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order by President McLaughlin at 5:00 p.m. on December 11, 2023 at the District offices, 15600 Sand Canyon Avenue, Irvine.

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

Director Absent: None.

Oral and Written Communications: None.

Items too late to be agendaized: None.

Also Present: General Manager Cook, Executive Director of Operations Chambers, Executive Director of Water Policy Weghorst, Executive Director of Technical Services Burton, Executive Director of Finance and Administration Adly, Director of Water Quality and Regulatory Compliance Colston, Director of Water Resources Sanchez, Director of Human Resources Mitcham, Director of Safety and Security Choi, Director of Maintenance Manning, Director of Recycling Operations Zepeda, Director of Treasury Morris, Director of Strategic Communication and Advocacy Compton, Secretary Bonkowski, Assistant Secretary Swan, General Counsel Collins, and members of the staff and public.

PRESENTATIONS

4. PROCLAMATIONS

General Manager Cook presented proclamations to Mr. Frank Soto for his 24 years of service and to Ms. Julie Bendzick-Sin for her 20 years of service to the District.

At 5:20 p.m., General Counsel Collins left the Board Room.

CONSENT CALENDAR

On MOTION by Reinhart, seconded by Swan and unanimously carried, CONSENT CALENDAR ITEMS 5 THROUGH 11 WERE APPROVED AS FOLLOWS:

5. BOARD MEETING MINUTES

Recommendation: That the minutes of the November 27, 2023 Regular Board meeting be approved as presented.

CONSENT CALENDAR (CONTINUED)

6. 2023 – 2024 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: That the Board authorize the District to sponsor legislation in 2024 to establish state policy to encourage and incentivize, but not mandate, the development of emergency water supplies, and to support the use of emergency supplies during times of water shortage, and to sponsor legislation in 2024 to clarify existing law that the cost associated with peak water usage should be reasonably allocated to the parcels served by a water service provider and that those costs could be allocated based on meter size, peaking factors, or any other method consistent with Proposition 218.

7. NOVEMBER 2023 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 November 2023 summary of payroll ACH payments in the total amount of \$ \$2,643,092, and approve the November 2023 accounts payable disbursement summary of warrants 439246 through 439829, Workers’ Compensation distributions, ACH payments, virtual card payments, wire transfers, payroll withholding distributions, and voided checks in the total amount of \$19,169,707.

8. PROPOSED 2024 INVESTMENT POLICY

Recommendation: That the Board adopt the following resolution superseding Resolution No. 2022-18 and approving an Investment Policy and authorizing the Treasurer and Assistant Treasurers to invest and reinvest funds of the District and each of its Improvement Districts and to sell and exchange securities.

RESOLUTION NO. 2023-17

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT
APPROVING AN INVESTMENT POLICY AND
AUTHORIZING THE TREASURER AND ASSISTANT TREASURERS
TO INVEST AND REINVEST FUNDS OF THE DISTRICT
AND OF EACH OF ITS IMPROVEMENT DISTRICTS
AND TO SELL AND EXCHANGE SECURITIES,
SUPERSEDING RESOLUTION 2022-18

9. IRWD GENERAL COUNSEL CONTRACT FOR 2024

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with Hanson Bridgett LLP for general counsel legal services focused on municipal law, transactional and non-complex issues, and rate-setting with a term of January 1, 2024, to December 31, 2024, and a not-to-exceed value of \$1,235,000.

CONSENT CALENDAR (CONTINUED)

10. VARIANCE TO THE LETTER OF ENGAGEMENT WITH FISHER PHILLIPS

Recommendation: That the Board authorize the General Manager, or his designee, to execute a variance to the Letter of Engagement with Fisher Phillips for legal services related to human resources related litigation increasing the not-to-exceed value of the contract to \$600,000.

11. TEMPORARY STAFFING PROFESSIONAL SERVICES AGREEMENT VARIANCE

Recommendation: That the Board authorize the General Manager to execute a variance for an amount not-to-exceed \$200,000 with Operational Technical Services LLC for temporary staffing services.

Ms. Collins re-joined the meeting at 5:22 p.m.

ACTION CALENDAR

36-INCH TRUNK SEWER PROTECTION WITHIN SAN DIEGO CREEK AT STATE ROUTE 133 CONSTRUCTION AWARD

Executive Director of Technical Services Burton reported that the 36-inch Trunk Sewer Protection within San Diego Creek at State Route 133 project will install a temporary sanitary sewer bypass system to maintain IRWD's sewer conveyance capabilities during the construction of a California Department of Transportation (Caltrans) bridge widening project over San Diego Creek. Mr. Burton said that since IRWD's 36-inch trunk sewer is near the proposed extensions of the bridge pier foundation, Caltrans's contract includes installing protective measures for the sewer. He said that if Caltrans construction activities damage IRWD's 36-inch trunk sewer, IRWD's project will remove and replace the damaged portion of sewer.

Mr. Burton said that in coordination with Caltrans's project schedule, Woodard & Curran completed the sewer protection plans in October 2023 and the project was advertised to a select bidders list of 20 pipeline and bypass pumping specialty contractors. He said that the bid opening was held on November 16, 2023 and one bid was received from Charles King Company (CKC) in the amount of \$2,593,600. He said that other contractors likely decided not to bid against CKC as CKC is considered the leader in this specific area. CKC's bid was nearly double the engineer's estimate of \$1,331,000. The bid items with the largest cost differences were items related to sewer bypassing, along with the dewatering, trench safety, excavation, and replacement pipe costs for the existing sewer (if it is damaged). He said that staff also attributes the overall complexity and uncertainty of working with Caltrans and within the creek, and the tight schedule for the project to be completed only in the "dry season" from May 1 through September 30 as other factors for the difference between the bid and engineer's estimate.

Following discussion, on MOTION by LaMar, seconded by Withers, and unanimously carried, THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$1,530,000, FROM \$1,223,000 TO \$2,753,000, AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH CHARLES KING COMPANY IN THE AMOUNT OF \$2,593,600 FOR THE 36-INCH TRUNK SEWER PROTECTION WITHIN SAN DIEGO CREEK AT STATE ROUTE 133, PROJECT 12125; AND THAT BASED ON THE CALTRANS FINAL MITIGATED NEGATIVE DECLARATION, THE BOARD IN ITS INDEPENDENT JUDGEMENT AND ANALYSIS FOUND THAT WITH MITIGATION, THERE IS NO SUBSTANTIAL EVIDENCE THAT THE PROJECT WILL HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT; AND AUTHORIZED STAFF TO POST AND FILE A NOTICE OF DETERMINATION.

DRAFT TERMS FOR SHORT-TERM EXCHANGE PROGRAM WITH SILVERTIP

Water Resources Manager Welch reported that the proposed draft Short-Term Exchange Program terms would allow Silvertip to deliver up to 8,000 AF of its Dudley Ridge SWP water supplies to the IRWD Water Bank, with 50% of the water being transferred to IRWD through Metropolitan Water District. Delivery of Silvertip's water into storage would occur prior to the end of calendar year 2025 after the recharge needs of IRWD and its other exchange partners have been met. Silvertip's share of the water would be returned by the end of the sixth year either by in-ground transfer(s) to another banking project or by pumping wells at the IRWD Water Bank. The pumping of wells for Silvertip would occur after meeting the needs of IRWD and its other exchange partners. The short-term program would be implemented as a pilot that could lead to longer-term opportunities.

Director Reinhart said that this item was reviewed at the Supply Reliability Programs Committee meeting on December 6, 2023. Following discussion, on MOTION by Reinhart, seconded by Swan and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A SHORT-TERM EXCHANGE PROGRAM AGREEMENT WITH SILVERTIP BASED ON THE DRAFT TERMS PRESENTED, SUBJECT TO SUBSTANTIVE CHANGES APPROVED BY COMMITTEE AND SPECIAL LEGAL COUNSEL.

ELECTION OF OFFICERS FOR 2024

General Manager Cook reported that the Bylaws of the District provide that the President and Vice President shall be elected by the Board from among its members with the term of office for one year, or until the election and qualification of their successors. Mr. Cook, acting as temporary Chairman conducted the election for President. Director Withers asked to nominate a slate with Director Reinhart as President and Director LaMar as Vice President. As no other nominations were made, Director Swan asked that the election be made by acclamation and DIRECTOR REINHART WAS UNANIMOUSLY ELECTED PRESIDENT AND DIRECTOR LAMAR WAS UNANIMOUSLY ELECTED VICE PRESIDENT.

OTHER BUSINESS

15. General Manager's Report

General Manager Cook introduced Ms. Lori Rigby, the District's newly appointed Regulatory Compliance Manager.

16. Community Updates – None.

17. Directors' Comments and Meeting Reports

Pursuant to AB 1234 and Government Code Section 53232.3(d), written reports of the meetings that Board members attended on behalf of IRWD since the last Board Meeting were provided at the meeting. Amendments to the written reports were provided orally, and together the reported meetings were as follows:

Director Swan reported on his attendance at a September 12 through September 15 Water Education Foundation Eastern Sierra Tour in Reno, Nevada, a September WACO Planning Committee Meeting, a September 20 MWDOC Board Meeting, a September 27 Southern California Water Dialogue meeting, an October 2 MWDOC Planning and Operations Committee Meeting, an October 3 Southern California Water Dialogue Steering Committee Meeting, an October 4 MWDOC Board Workshop with MWD Directors, a WACO Monthly Meeting, an October 7 IRWD Show 'n' Tell Open House, a November 29 through November 30 ACWA Fall Conference, a December 4 MWDOC Planning and Operations Committee Meeting, a December 6 MWDOC Board Workshop with MWD Directors, a December 7 Groundwater Banking JPA Board Meeting, and a December 8 WACO Monthly Meeting.

Director LaMar reported on his attendance at a October 26 ACWA Special Board Meeting, an October 30 ACWA Officers' Meeting, a November 2 SCWC Board Meeting, a November 2 SCWC Annual Dinner, a November 3 WACO Monthly Meeting, a November 6 CWA Officers' Meeting, a November 7 through November 10 NWRA Annual Conference and Leadership Forum in San Antonio, Texas, an ACWA Executive Committee meeting, a November 17 ACWA Board of Directors Meeting, a UCI 2023 Water Policy Forum, a November 20 ACWA Officers' Meeting, a November 21 South Orange County Agencies' Group Meeting, a November 27 through November 30 ACWA Fall Conference, a December 4 ACWA Officers' Meeting, a December 7 OCWD Communications and Legislation Liaison Committee Meeting, and a December 8 WACO Monthly Meeting.

Director Reinhart reported on his attendance at a November 28 through November 30 ACWA Fall Conference, a December 7 Groundwater Banking JPA Board Meeting, a December 7 OCWD Communications and Legislation Liaison Committee Meeting, a December 6 MWDOC Board Workshop, and a December 8 WACO Monthly Meeting.

Director Withers reported on his attendance at the November 28 through November 30 ACWA Fall Conference, a December 5 ISDOC Executive Committee Meeting, and a December 8 WACO Monthly Meeting.

Director McLaughlin reported on her attendance with General Manager Cook today for her monthly meeting.

18. Adjournment

President Reinhart adjourned the Board meeting to Tuesday, December 12 at noon to hold a Strategic Planning Workshop in the first floor Sand Canyon Room at 15600 Sand Canyon Avenue, Irvine.

APPROVED and SIGNED this 22nd day of January 2024.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, General Counsel
Hanson Bridgett LLP