

MINUTES OF REGULAR MEETING – JUNE 26, 2023

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 McLaughlin on June 26, 2023 at the District offices, 15600 Sand Canyon Avenue, Irvine.

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

Directors Absent: None

Written Communications and Oral Communications: None

Items too late to be agendized: None

Also Present: General Manager Cook, Executive Director of Operations Chambers, Executive Director of Water Policy Weghorst, Director of Water Resources Sanchez, Director of Human Resources Mitcham, Director of Water Quality and Regulatory Compliance Colston, Director of Safety and Security Choi, Director of Maintenance Manning, Director of Treasury Morris, Director of Information Services Kaneshiro, Director of Recycling Operations Zepeda, Secretary Bonkowski, Assistant Secretary Swan, General Counsel Collins, Consultant Newell, and members of the staff and public.

PUBLIC HEARING: PROPOSED CHANGES TO THE SCHEDULE OF RATES AND CHARGES EFFECTIVE JULY 1, 2023

General Manager Cook reported that on April 24, 2023, IRWD adopted its Fiscal Year (FY) 2023-24 and 2024-25 Operating Budgets. Mr. Cook said that the proposed changes to IRWD's rates and charges were publicly noticed by mail as required under Proposition 218, and protests to the implementation of those rates and charges have been tallied by the District's independent auditors. He said that as of June 22, 2023, six written protest letters were received by the District, which represents less than 0.005% of the total customers and substantially less than the 50% which would have been required to prevent the Board from adopting the current proposed rates and charges.

President McLaughlin declared this to be the time and place for a hearing on the proposed changes to the rates and charges and asked the Secretary how the hearing was noticed.

Secretary Bonkowski said that the hearing was noticed by mail and presented an affidavit of mailing. On MOTION by Swan, seconded by LaMar and unanimously carried, **THE AFFIDAVIT OF MAILING BY AN INDEPENDENT PROCESSING FIRM AS PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.**

President McLaughlin asked Legal Counsel to describe the nature of the proceedings. Legal Counsel Collins said that the public hearing is held, pursuant to Proposition 218, Article XIID of the Constitution of the State of California, for all persons interested to be heard, to present objections or protests, including any written comments submitted, concerning the increase in property-related rates and charges and any proposed new property-related rates and charges.

PUBLIC HEARING (Continued)

President McLaughlin asked for a staff report on the proposed rates and charges, and she inquired whether there have been any written communications.

Using a PowerPoint presentation, Manager of Strategic Planning and Analysis Smithson provided a staff report and noted the number of protests received to the implementation of the rates and charges.

President McLaughlin asked whether there was anyone present who wished to address the Board regarding the proposed changes to the rates and charges. There were none.

President McLaughlin asked whether there were any comments or questions from members of the Board of Directors. In response to Director Swan's request for staff to confirm the pumping charges in the Newport Coast area, the motion for this item was amended to include a further review of these charges. In response to Director Reinhart's inquiry relative to water contingency rates, Legal Counsel Collins clarified the noticing process where the Water Shortage Contingency Plan rates allow the District to set a maximum rate, if needed. There being no further comments, on MOTION by Swan, seconded by LaMar and unanimously carried, **THE HEARING WAS CLOSED AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE SUBJECT TO A REVIEW OF THE PUMPING SURCHARGES IN THE NEWPORT COAST AREA:**

RESOLUTION NO. 2023-9

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT ADOPTING CHANGES TO
THE SCHEDULE OF RATES AND CHARGES FOR
WATER, SEWER, AND RECYCLED WATER SERVICE

CONSENT CALENDAR

Prior to voting, Director Swan asked staff to confirm the \$100,000 annual cost for the retiree health plan as noted in the Board writeup No. 9. This amount was confirmed by Director of Human Resources Mitcham. Director Swan also requested, relative to Item No. 10, to make the annual payment to CalPERS before the end of the fiscal year if possible. Staff said that they would confirm with CalPERS and review current accounting rules to determine if this is possible, and, if possible, to make this payment before July 1, 2023.

Before the vote, Mr. Cook further said that each June, the Board is typically asked to consider changes to the salary schedules for District employees. He said that pursuant to Government Code 9495.3(c)(3), prior to taking final action on changes to salary schedules that include salary ranges for local agency executives, a summary of the recommended action for Item No. 8 is required. He said that the recommendation for the Board's consideration is adoption of a resolution revising the District's Schedule of Positions and Salary Rate Ranges for the General Unit, the non-exempt Supervisor Unit, and for Managers, Exempt Supervisors, Confidential and Exempt Employees effective July 1, 2023. He stated that although the General Manager's salary is included in the schedule, no increase in the General Manager's salary was being made. This action will supersede Resolution No. 2022-14. He further said that the revision to the salary grade schedule is based on a cost-of-living adjustment of 3.8% for Fiscal Year 2023-24.

CONSENT CALENDAR (Continued)

There being no further comments, on MOTION by Swan, seconded by Withers and unanimously carried, CONSENT CALENDAR ITEMS 5 THROUGH 11 WERE APPROVED AS FOLLOWS:

5. BOARD MEETING MINUTES

Recommendation: That the minutes of the May 22, 2023 Regular Board meeting be approved as presented.

6. MAY 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 May 2023 summary of payroll ACH payments in the total amount of \$2,331,458, and approve the May 2023 accounts payable disbursement summary of warrants 435569 through 436185, Workers' Compensation distributions, ACH payments, virtual card payments, wire transfers, payroll withholding distributions and voided checks in the total amount of \$16,472,620.

7. ADDENDUM TO AMENDED AND RESTATED LICENSE FOR USE OF THE IRWD SAN JOAQUIN MARSH PROPERTY

Recommendation: That the Board approve Addendum No. 2 to the Third Amended and Restated License between Irvine Ranch Water District and the San Joaquin Wildlife Sanctuary, Inc.

8. ADOPTION OF REVISED IRWD SCHEDULE OF POSITIONS AND SALARY RATE RANGES FOR FISCAL YEAR 2023-24

Recommendation: That the Board approve the Schedule of Revised Positions and Salary Grades and adopt the following resolution by superseding Resolution No. 2022-14.

RESOLUTION NO. 2023-10

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT SUPERSEDING
RESOLUTION NO. 2022-14 AND ADOPTING A
REVISED SCHEDULE OF POSITIONS AND SALARY
RATE RANGES FOR THE GENERAL UNIT, NON-EXEMPT
SUPERVISOR UNIT, AND FOR MANAGERS, EXEMPT
SUPERVISORS, CONFIDENTIAL AND EXEMPT EMPLOYEES

9. 2023 AMENDED AND RESTATED RETIREE HEALTH COSTS REIMBURSEMENT PLAN

Recommendation: That the Board authorize implementation of the 2023 Amended and Restated Retiree Health Costs Reimbursement Plan.

CONSENT CALENDAR (Continued)

10. LUMP SUM PAYMENT OPTION FOR EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR 2023-24 TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Recommendation: That the Board approve the lump sum payment for employer contributions to the California Public Employees' Retirement System (CalPERS) by making a one-time contribution of \$7,469,526 for IRWD's FY 2023-24 employer Unfunded Accrued Liability (UAL) contribution.

11. PRIMARY DISINFECTION FACILITY SODIUM HYPOCHLORITE STORAGE AND FEED SYSTEM FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Primary Disinfection Facility Sodium Hypochlorite Storage and Feed System Project, 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 for Project 06214.

OTHER BUSINESS

- 12. General Manager's Report – None.
- 13. Community Updates – None.
- 14. Directors' Comments

Director Reinhart reported that he attended a WACO monthly meeting, a MWDOC Planning and Operations Committee meeting, a MWDOC Board workshop with MWD Directors, an OCWD Board meeting, an OCWD Administration / Finance Issues Committee meeting, a MWDOC Administration and Finance Committee meeting, an OCWD Water Issues Committee meeting, an OCWD Administration and Finance Committee meeting, a MWDOC Board meeting, an IRWD Business Outreach luncheon, the OCWD 90th Anniversary reception, an OCWD Board meeting, and the MWDOC Water Policy Forum and dinner.

Director Swan reported on his attendance at a CASA Committee meeting, a Southern California Water Dialogue meeting, a WACO monthly meeting, a MWDOC Planning and Operations Committee meeting, a MWDOC Board Workshop with MWD Directors, a MWDOC Administration and Finance Committee, the Water Education Foundation Headwaters tour in Sacramento, a WACO Planning Committee meeting, and a MWDOC Board meeting. In response to Director Swan's inquiry on the status of wastewater that is being diverted to the OCSD along with other locations, General Manager Cook said that staff will be including that information as an update at a future Engineering and Operations Committee meeting.

Director LaMar reported on his attendance at a Southern California Water Coalition Quarterly Meeting and Luncheon, the IRWD 2023 Community Tour, an ACWA Spring Conference in Monterey, an OCBC meeting, a SCWD Legislative Task Force Meeting, an ACWA Officers' Meetings, a NCC TAC field trip, Executive Committee meeting and Board meeting, a COAST meeting, a Southern California Water Dialogue Meeting, a Special CMUA Legislative Committee Meeting, a South Orange County Agencies' Group meeting, an ACWA Board Meeting, an ACWA Climate Change workshop, an ACWA Executive Committee Meeting, an ACWA Infrastructure Committee meeting, an NCC Board of Directors field trip, a CCEEB Water Quality Task Force Meeting, the Chapman Economic forecast, and the IRWD Business Outreach Luncheon.

OTHER BUSINESS (Continued)

Director Withers reported on his attendance at a Southern California Water Dialogue meeting, a PFAS webinar, a WACO monthly meeting, a NWRI Board meeting, an IRWD Business Outreach luncheon, a MWDOC Water Policy Forum and dinner, and an ISDOC Quarterly meeting.

Director McLaughlin reported on her attendance at a monthly discussion of District activities with the General Manager, a WACO monthly meeting, a Southern California Water Coalition Legislative Task force meeting, and an IRWD Business Outreach luncheon.

16. ADJOURNMENT

President McLaughlin adjourned the meeting at 5:40 p.m.

APPROVED and SIGNED this 10th day of July 2023.



President, IRVINE RANCH WATER DISTRICT



Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:



Claire Hervey Collins, General Counsel
Hanson Bridgett LLP