

## MINUTES OF REGULAR MEETING – AUGUST 22, 2016

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 Matheis on August 22, 2016 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Finance Clary, Executive Director of Water Policy Weghorst, Executive Director of Operations Sheilds, Director of Treasury and Risk Management Jacobson, Director of Water Resources Sanchez, Director of Public Affairs Beeman, Director of Human Resources Roney, Director of Administrative Services Mossbarger, Assistant Director of Water Operations Roberts, Assistant Director of Maintenance Drake, Legal Counsel Arneson, Special Legal Counsel Casey, Secretary Bonkowski, Principle Engineer Akiyoshi, Mr. Alex Aguilar, Mr. Matthew Veeh, Mr. Barkov Meserlian, Ms. Kellie Welch, Ms. Amy McNulty, Mr. Rich Mori, Ms. Julie Bendzick-Sin, Ms. JoAnn Corey, Ms. Rosemary Riddle, Mr. Bruce Newell, Mr. Jim Reed, Mr. James Fisler, Ms. Lauren Henderson, Mr. Dane Johnson, Mr. Alex Garcia, Mr. Owen O’Neil, Mr. Jessie Muncy, Ms. Sandra Garcia, Ms. Holli Christopher, Ms. Rebecca Hall, Ms. Codyanne Cornwell, Mr. Bob Denhaan, Ms. Stacy Taylor, Ms. Margaret Brown, and other members of the public and staff.

### ORAL COMMUNICATIONS:

Mr. James Fisler asked for the District’s support at the upcoming Independent Special District of Orange County election as he is running for President

WRITTEN COMMUNICATIONS: None.

### PRESENTATION

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

Using a PowerPoint presentation, Ms. Lauren Henderson, Program Developer with the University Extended Education, California State University, Fullerton provided an overview their series entitled “Leadership Development for Public Agencies”. She acknowledged the District’s most recent graduates of the program including Dane Johnson, Water Resources Planner; Alex Garcia, Sr. Instrumentation Technician; Owen O’Neil, Automation Supervisor; Jessie Muncy, Sr. Buyer and Sandra Garcia, Customer Service Supervisor.

## WORKSHOP

### SELECTION OF NEW IRWD LOGO

Using a PowerPoint presentation, Director of Public Affairs Beeman reported that IRWD has implemented a multi-phased approach to redesigning the District's logo. Ms. Beeman said that the first phase involved working with Chapman University student interns to formulate the District's vision for a logo that represents the future of IRWD. She said that the Chapman University student interns presented logo design concepts for review and input at the Water Resources Policy and Communications Committee meeting in July and that staff incorporated input from the Committee and refined the logo designs. She further said that these refined designs were presented to the Committee on August 11, 2016 and a preferred design was selected by the Committee for tonight's presentation. The intern from Chapman University, Ms. Holli Christopher, and the District's consultants from Idea Hall, Ms. Rebecca Hall and Ms. Codyanne Cornwell were introduced to the Board. The Board then reviewed the three designs, and selected a logo. General Manager Cook recognized staff for their efforts on the redesign.

Director LaMar said that item was reviewed by the Water Resources Policy and Communications Committee on August 11, 2016, and the Committee supported changing the logo. Director Swan asked that lapel pins be designed. On MOTION by LaMar, seconded and unanimously carried, **SUBJECT TO CREATING A SPECIFIC DESIGN FOR LAPEL PINS, THE BOARD SELECTED A NEW LOGO FOR THE DISTRICT.**

### CONSENT CALENDAR

Director LaMar asked that Item No. 7 be moved to the Action Calendar for discussion. There being no objection, this item was moved accordingly. On MOTION by LaMar, seconded and unanimously carried, **CONSENT CALENDAR ITEMS 3 THROUGH 6 AND 8 THROUGH 10 WERE APPROVED AS FOLLOWS:**

#### 5. MINUTES OF REGULAR BOARD MEETINGS

Recommendation: That the minutes of the August 8, 2016 Regular Board Meeting be approved as presented.

#### 6. JULY 2016 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the monthly interest rate SWAP summary for July 2016, and Disclosure Report of Reimbursements to Board members and staff; approve the July 2016 summary of payroll ACH payments in the total amount of \$1,655,417 and approve the July 2016 accounts payable disbursement summary of warrants 368924 through 369496, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$30,511,242.

CONSENT CALENDAR (CONTINUED)

8. ON-CALL CONSTRUCTION INSPECTION SERVICES VARIANCE

Recommendation: That the Board authorize the General Manager to execute Variance No. 2 with Andersonpenna in the amount of \$981,760 for on-call construction inspection services for two inspectors for a two-year period.

9. REIMBURSEMENT AGREEMENT FOR PLANNING AREA 51, DISTRICT 7 CAPITAL RECYCLED WATER FACILITIES

Recommendation: That the Board authorize the General Manager to execute a reimbursement agreement with Heritage Hills Irvine, LLC for the construction of IRWD's capital recycled water facilities, and authorize the addition of PA 51, District 7 capital recycled water facilities project 7169 in the amount of \$492,800, to the FY 2016-17 Capital Budget.

10. PLANNING AREA 51 HERITAGE FIELDS CAPITAL FACILITIES

Recommendation: That the Board authorize the General Manager to accept Heritage Field's construction contract with FYDAQ in the amount of \$178,980 for the District 1, Magnet and Terrapin Recycled Water Improvements, Projects 6732 and 6595; authorize the General Manager to accept Heritage Field's construction contract with FYDAQ in the amount of \$318,232 for the District 4, Area 2 Benchmark and Perspective and Benchmark from Bosque to 500 feet east of Bosque Improvements, Projects 6552, 6553, 6554, 6304 and 6306; authorize the General Manager to accept Heritage Field's construction contract with FYDAQ in the amount of \$468,062 for the District 4, Area 1 Benchmark from Character to Cadence, Modjeska from Benchmark to Irvine Boulevard, Theme from Cadence to Benchmark and Episode from Benchmark to Frame Improvements, Projects 6683 and 6684, authorize a budget increase for Project 4147 in the amount of \$660,000, from \$541,200 to \$1,201,200, and approve Contract Change Order Nos. 1, 2 and 3 to Projects 4153, 6476 and 4147 in the amounts of \$234,696, \$229,923 and \$674,515 respectively, for the addition of sewer pipeline, extension of domestic water and recycled water pipelines and upsizing recycled water pipelines within Marine Way; Approve Contract Change Order No. 4 to Project 4267, in the amount of \$295,525, for tasks related to upsizing the first phase of the Reach A Sewer; approve Contract Change Order No. 6 to Project 4614, in the amount of \$558,845, for tasks related to upsizing the second phase of the Reach A Sewer; and approve Contract Change Order No. 7 to Project 4614, in the amount of \$791,078.15, for tasks related to upsizing the third phase of the Reach A Sewer.

## ACTION CALENDAR

### 2016 LEGISLATIVE UPDATE

Director LaMar reported that AB 2087 had been amended, and updated the Board on its new language. Director Withers left the Board room. Director LaMar said due to these changes, he recommended that the District change its recommendation to “Watch” versus “Oppose”. There being no objection, on MOTION by LaMar, seconded and carried (4-1) (Swan, LaMar, Reinhart and Matheis voting aye, and Withers absent), THE BOARD ADOPTED A “WATCH” POSITION ON AB 2087 (LEVINE).

### ON-CALL CEQA/NEPA AND PERMITTING SERVICES CONSULTANT SELECTIONS

Director Withers returned to the Board room. Irvine Ranch Water District (IRWD) uses Professional Service Agreements to secure on-call environmental compliance and permitting services pursuant to the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA) and other regulatory requirements. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE PROFESSIONAL SERVICE AGREEMENTS WITH ESA, LSA ASSOCIATES, INC. AND PSOMAS TO PROVIDE ON-CALL CEQA/NEPA SERVICES FOR NOT-TO-EXCEED AMOUNTS OF \$150,000 EACH AND WITH HARMSWORTH ASSOCIATES AND GLENN LUKOS ASSOCIATES TO PROVIDE ON-CALL MONITORING AND PERMITTING SERVICES FOR NOT-TO-EXCEED AMOUNTS OF \$120,000 EACH.

### CONSULTANT SELECTION FOR THE WATERSMART REPORTS PROGRAM

Using a PowerPoint presentation, Ms. McNulty provided an overview of the WaterSmart Reports Program. Ms. McNulty said that the Water Smart Reports Program provides customers with personalized water use reports separate from their monthly water bills and the data analytics portion of the program provides staff with program tracking and analysis capabilities. She then provided an overview of the key features of the program which include residential customer reports, online residential and commercial customer portals and data analytics and tracking.

Director LaMar reported that this item was reviewed and approved by the Water Resources Policy and Communications Committee on August 11, 2016. Director Swan made suggestions on how to acknowledge customers for doing a good job conserving water that is reflected in their monthly bills. On MOTION by LAMAR, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH WATERSMART SOFTWARE IN THE AMOUNT OF \$489,510 TO PROVIDE WATER SMART REPORTS PROGRAM SERVICES FOR THE NEXT THREE YEARS.

## TERMS TO ACQUIRE CAPACITY RIGHTS IN CROSS VALLEY CANAL RETURN PIPELINE

The Rosedale-Rio Bravo Water Storage District and IRWD are jointly developing the Stockdale Integrated Water Banking Project. The project includes construction of water banking recovery facilities on IRWD's Stockdale West property including a connection to Rosedale's Cross Valley Canal (CVC) Return Pipeline. A license agreement for IRWD to connect into and use Rosedale's Return Pipeline is required. The terms include IRWD receiving first priority rights to one-third of the permitted and unpermitted capacity in the CVC Return Pipeline for its conveyance of water from Stockdale West recovery wells and future approved IRWD projects.

On MOTION by Swan, seconded and unanimously carried, HE BOARD APPROVED THE PROPOSED TERMS TO ACQUIRE CAPACITY RIGHTS IN ROSEDALE-RIO BRAVO STORAGE DISTRICT'S CROSS VALLEY CANAL RETURN PIPELINE IN THE AMOUNT OF \$201,000 AND AUTHORIZED STAFF TO WORK WITH ROSEDALE TO DEVELOP AND EXECUTE AN AGREEMENT TO PURCHASE THE CAPACITY RIGHTS IN ACCORDANCE WITH THESE TERMS.

## GENERAL MANAGER'S REPORT

General Manager Cook reported that he heard there was a large concert at Irvine Lake which caused major traffic problems for residents in Santiago Canyon. Mr. Cook said there were concerns relative to IRWD's role as part owner of the lake. He said that Mr. Rob Jacobson spoke with the James Production company, who puts on these events, and as the property owner is the County of Orange, it is the responsible party and any complaints relative to concerts are to be directed to the Orange County Parks.

Mr. Cook reported on last Friday's pipe break at Turtle Ridge Drive which he said will be completed next week. He thanked Patrick Sheilds, Beth Beeman and the work crews for their efforts.

Mr. Cook noted last week's pricing on the 2016 Certificates of Participation with a AAA rating. He said that the underwriters were able to secure an interest rate of 2.9% for approximately \$148.5 million. He thanked Ms. Cheryl Clary and Mr. Rob Jacobson for their efforts.

## DIRECTORS' COMMENTS

Director LaMar reported that he attended an ACWA Energy meeting, and that this week he is planning to attend an Urban Water Institute conference in San Diego.

Director Withers commented on the upcoming ISDOC election with letters being sent asking for IRWD's support. Ms. Christine Compton said that an item can be submitted to a WRP Committee meeting for discussion. Mr. Withers said that he attended an NWRI Committee meeting last week and that there will be a farewell event scheduled for Mr. Jeff Mosher, an Asset Management Committee meeting today, and that next week that he will attend an OCSD Steering Committee meeting, an OCSD Board meeting, and a LAFCO meeting relative to policies and procedures.

Director Swan reported on his attendance at a CASA conference in Monterey, a WACO monthly meeting, a WACO planning meeting, an OCWA lunch meeting, and a Santa Ana Watershed meeting. He also clarified which Board of Directors had been appointed versus elected, and corrected the number of appointed directors versus elected.

Director Reinhart said that he attended a MWDOC Board meeting.

Director Matheis noted that she will also be attending the upcoming Urban Water Institute conference in San Diego.

#### CLOSED SESSION

President Matheis said that the following Closed Session would be held this evening:

CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL RELATIVE TO EXISTING LITIGATION - Government Code Section 54956.9(d)(1) IRWD v. OCWD (Case No.30-2016-00858584-CU-WM-CJC).

#### OPEN SESSION

Following the Closed Session, the meeting was reconvened with LaMar, Reinhart, Withers, Swan, and Matheis present. President Matheis said there was no action to report.

#### ADJOURNMENT

There being no further business, President Matheis adjourned the meeting.

APPROVED and SIGNED this 12th day of September 2016.

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President, IRVINE RANCH WATER DISTRICT

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Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

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Legal Counsel - Bowie, Arneson, Wiles & Giannone