

MINUTES OF REGULAR MEETING – December 14, 2020

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 Acting President Reinhart on December 14, 2020 via teleconference pursuant to the provisions of the Governor’s Executive Orders N-25-20 and N-29-20 due to COVID-19. Members of the public did not attend this meeting in person.

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

Directors Absent: None.

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

WRITTEN AND ORAL COMMUNICATIONS: None.

CONSENT CALENDAR

On MOTION by LaMar, seconded by Withers, and unanimously carried by a roll call vote (5-0) Withers, McLaughlin, Swan, LaMar, and Reinhart voting aye, and 0 noes, ITEMS 3 THROUGH 8 WERE APPROVED AS FOLLOWS:

3. BOARD MEETING MINUTES

Recommendation: That the minutes of the November 23, 2020 Regular Board meeting be approved as presented.

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

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

5. 2020 GENERAL DISTRICT ELECTION RESULTS

Recommendation: That the Board adopt the following resolution by title declaring results of the November 3, 2020 General Election.

RESOLUTION NO. 2020-23  
RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT DECLARING THE RESULTS  
OF THE NOVEMBER 3, 2020 GENERAL DISTRICT ELECTION

CONSENT CALENDAR (Continued)

6. NOVEMBER 2020 TREASURY REPORT

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 November 2020 Summary of Payroll ACH payments in the total amount of \$2,404,543 and approve the October 2020 accounts payable Disbursement Summary of warrants 412087 through 413650, Workers’ Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$11,536,504.

7. INFORMATION SERVICES CAPITAL PROJECTS

Recommendation: That the Board approve: 1) the addition of Projects 11808 and 11810, each in the amount of \$150,000, for a total of \$300,000 to provide funding for the OBIEE Upgrade Project, and 2) a budget increase to Project 11204, General Plant Project, in the amount of \$200,000 for the acquisition of additional IT equipment to support IRWD business operations.

8. SALE OF FORMER CARPENTER IRRIGATION DISTRICT OFFICE PROPERTY

Recommendation: That the Board designate the former Carpenter Irrigation District office property located at 18741 East Center Avenue in unincorporated Orange County as “Exempt Surplus Land” and authorize staff to initiate the process to sell the property.

ACTION CALENDAR

REVIEW OF 2020 GOVERNMENT RELATIONS ACTIVITIES AND 2021 LEGISLATIVE AND REGULATORY ISSUES PLANNING

Government Relations Officer/Deputy General Counsel Compton reviewed IRWD’s 2020 legislative and regulatory priorities and government relations activities. Ms. Compton provided an overview of expected 2021 legislative and regulatory issues in Washington, D.C., Sacramento, and regionally. She also described proposals that the District’s associations and stakeholders are sponsoring.

Director LaMar reported that this item was reviewed by the Water Resources Policy and Communications Committee on December 10, 2020 and complimented Ms. Compton on all of her efforts. In response to Director Swan’s inquiry, staff said they will monitor the Central Basin meter charge litigation. Following discussion, on MOTION by LaMar, seconded by Reinhart and unanimously carried by a roll call vote (5-0) Withers, McLaughlin, Swan, LaMar and Reinhart voting aye, and 0 noes, **THE BOARD PROVIDED INPUT ON THE PROPOSED 2021 REGIONAL, STATE AND FEDERAL LEGISLATIVE ISSUES OF INTEREST TO IRWD, AND RECEIVED AND FILED THE PROPOSED “INITIAL 2021 LEGISLATIVE AND REGULATORY RESOURCE ALLOCATION PLAN” AND THE “LEGISLATIVE / REGULATORY ISSUES AND ACTIVITIES OF HIGH CONCERN TO IRWD IN 2021.”**

## AGREEMENTS FOR PARTICIPATION IN PLANNING OF SITES RESERVOIR AND DELTA CONVEYANCE PROJECTS

Using a PowerPoint presentation, Water Resources Manager Welch reported that on November 23, 2020, the Board adopted an updated Policy Position on Water Banking, Transfers and Wheeling that calls for increased consideration of smaller schedulable sources of water banking supplies as costs and competition for water supplies rise in the state of California. Ms. Welch said that in October, staff submitted non-binding letters of interest to participate in the Sites Reservoir and Delta Conveyance Projects. She said that participation in these large projects as small capacity owners could provide a smaller schedulable supply to IRWD's existing Water Bank and the Kern Fan Groundwater Storage Project (Kern Fan Project).

Ms. Welch provided an overview of the proposed Sites Project which: 1) provides for a new off-stream reservoir with an average annual delivery of approximately 230,000 acre-feet (AF) equaling 190,000 acre-feet for participants, and 40,000 acre-feet for the State ecosystem, 2) captures and stores Sacramento River stormwater flows, 3) recently "rightsized" storage from 1.8 million AF to 1.5 million AF to reduce costs, based on stakeholder, community and regulatory input, and 4) IRWD would access to 5,600 AF of storage at an average annual yield of 1,000 AF.

Ms. Welch then provided an overview of participation in the Delta Conveyance Project (DCP) which would consist of one tunnel (6,000 cfs) with two intakes, 42 miles of tunnels, a pump station, a forebay, and connections to the California Aqueduct. IRWD could also receive water supply benefits from the State Water Project including incremental Table A and Article 21 water.

Director Swan reported that this item was reviewed by the Supply Reliability Programs Committee on two occasions and that the Committee concurs with staff's recommendation. Following discussion, on MOTION by Swan, seconded by Reinhart, and unanimously carried by a roll call vote (5-0) Withers, McLaughlin, Swan, LaMar and Reinhart voting aye, and 0 noes, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE THE SECOND AMENDMENT TO 2019 RESERVOIR PROJECT AGREEMENT BY AND AMONG THE SITES PROJECT AUTHORITY AND THE PROJECT AGREEMENT MEMBERS, AUTHORIZED THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT TO PARTICIPATE IN THE PLANNING AND ENVIRONMENTAL REVIEW OF THE DELTA CONVEYANCE PROJECT, APPROVED THE ADDITION OF PROJECT 11746 TO THE FISCAL YEAR 2020-21 CAPITAL BUDGET IN THE AMOUNT OF \$275,000 FOR SITES RESERVOIR PLANNING, AND APPROVED THE ADDITION OF PROJECT 11747 TO THE FISCAL YEAR 2020-21 CAPITAL BUDGET IN THE AMOUNT OF \$263,000 FOR DELTA CONVEYANCE PROJECT PLANNING.

## FY 2019-20 COMPREHENSIVE ANNUAL FINANCIAL REPORT

IRWD's auditor, Davis Farr LLP, completed its annual audit of the District's financial statements for the Fiscal Year (FY) ended June 30, 2020. As stated in its report, Davis Farr concluded that in all material aspects, the statements fairly present the District's financial position as of June 30, 2020 and conform with generally accepted accounting principles.

On MOTION by Reinhart, seconded by Swan and unanimously carried by a roll call vote (5-0) Withers, McLaughlin, Swan, LaMar and Reinhart voting aye, and 0 noes, THE BOARD

APPROVED THE COMPREHENSIVE AUDIT REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.

#### ANNUAL BOARD OF DIRECTORS' FEES

General Manager Cook reported that the Finance and Personnel Committee annually reviews the Board of Directors' compensation and recommends to the Board to either accept or deny a fee increase for the new calendar year. Mr. Cook said that Exhibit "A" is a new survey of the Director Fees of other water districts for comparative purposes containing service connections and combined operating and capital budgets. He said that in addition, provided as Exhibit "B" is the survey of Director Fees of local water districts.

Director Swan said that this item was reviewed by the Finance and Personnel Committee on December 8, 2020, and the Committee recommended accepting the 5% increase. Director Swan made a motion which was seconded by Withers to accept the increase. Prior to voting, Director Reinhart questioned voting for a fee increase during COVID-19, and he recommended declining the increase. Director Reinhart made a substitute motion to decline the fee for 2021 which was seconded by McLaughlin and unanimously carried by a roll call vote (5-0) Withers, McLaughlin, Swan, LaMar and Reinhart voting aye, and 0 noes.

#### ELECTION OF OFFICERS FOR 2021

General Manager Cook said that the Bylaws of the District provide that the President and Vice President shall be elected by the Board from among its members. The term of office of the President and Vice President is one year, or until the election and qualification of their successors. The General Manager was appointed temporary Chairman to conduct the election and opened nominations for President. Director Withers nominated Director Reinhart for President. Director Swan said he would be abstaining from voting tonight and stating his preference that the position be rotated around to be fair to each Board member. On MOTION by Withers, seconded by LaMar, the nominations were closed, AND DOUGLAS REINHART WAS ELECTED PRESIDENT FOR 2020 by the following roll call vote: (4-0-1) Withers, McLaughlin, LaMar and Reinhart voting aye, 0 noes, and Swan abstaining.

On MOTION by LaMar, seconded by Reinhart, and unanimously carried, JOHN WITHERS WAS NOMINATED AND ELECTED VICE PRESIDENT FOR 2021 by the following roll call vote: (5-0) Withers, McLaughlin, Swan, LaMar and Reinhart voting aye, and 0 noes.

#### GENERAL MANAGER'S REPORT

General Manager Cook updated the Board on COVID-19 cases noting that there had been 20 cases since the beginning of the pandemic, and that currently there are six cases and an additional six cases who are quarantining. He said that of the total cases, none were transmitted at the workplace.

Mr. Cook said that there is a Metropolitan Water District Board member seat open as Mr. Larry McKinney has resigned. He said that Director Reinhart has volunteered to be a member of the South Orange County Water Agencies Selection Committee, which is tasked with selecting a candidate for this seat to be recommended for appointment by the MWDOC Board. At this time, there are three interested candidates including Dennis Erdman from SCWD, Justin McCusker from SMWD, and Paul Jones (soon to be retired) from EMWD.

## COMMUNITY UPDATES

Consultant Bruce Newell provided an update on the recent fires in the canyon area with 10 families displaced, and further relayed the problems with communication within the community due to two local generators failing. General Manager Cook said that staff will work with him to see if the District could assist with a backup generator in future times of need.

## DIRECTORS' COMMENTS

Director LaMar reported on his attendance at an ACWA conference and various committee meetings, a WACO monthly meeting, a Scripps Water Advisory Committee meeting, and a Natural Communities Coalition Board meeting.

Director Swan reported on his attendance at a ACWA conference, a JPIA meeting, a monthly WACO meeting, an OCWD Water Issues Committee meeting and Finance Committee meeting, a pre-meeting of the Newport Bay Watershed Executive Committee, a Shadetree Partnership Board meeting, and a MWDOC Planning and Operations Committee meeting.

Director Withers reported on his attendance at a number of OCSD meetings, an NWRI meeting, an ACWA conference, and the OCWD Soarin' Over the Surface Recharge System virtual meeting.

Director McLaughlin said that she was very pleased to have been elected to the Board and looked forward to working with everyone.

Director Reinhart reported on his attendance at a South Orange County Agencies Group meeting, an ACWA conference, a Groundwater Banking Authority JPA Projects Committee meeting, an OCWD Board meeting, a WACO monthly meeting, an OCWD Water Issues Committee and a MWDOC Board meeting and Committee meeting.

## CLOSED SESSION

Legal Counsel Collins said that the following Closed Session would be held:

Closed Session Conference with Legal Counsel – Existing Litigation - Pursuant to Government Code Section 54956.9(d)(1): *Filanc-Balfour Beatty, JV v. IRWD*, Case No. 30-2019-01048770-CU-BC-CXC

## OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors McLaughlin, Swan, Reinhart, and Withers present. No action was reported.

## ADJOURNMENT

There being no further business President Reinhart adjourned the meeting.

APPROVED and SIGNED this 11th day of January 2020.

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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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Claire Hervey Collins, General Counsel  
Hanson Bridgett LLP