

MINUTES OF ADJOURNED REGULAR MEETING – JANUARY 13, 2017

The adjourned regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 8:00 a.m. by President Reinhart on January 13, 2017 at the Operations Center, 3512 Michelson, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Finance Clary, Executive Director of Water Policy Weghorst, Executive Director of Operations Shields, Executive Director of Engineering and Water Quality Burton, Director of Treasury and Risk Management Jacobson, Director of Water Resources Sanchez, Director of Public Affairs Beeman, Director of Administrative Services Mossbarger, Director of Human Relations Roney, Assistant Director of Water Operations Roberts, Assistant Director of Maintenance Drake, Assistant Director of Recycling Operations Zepeda, and Government Relations Officer Compton.

Written and Oral Communications: None.

Items too later to be agendized:

General Manager Cook said that this morning staff received a request to assist landowners in Dudley Ridge to bank water in IRWD's water bank in Kern County as it is predicted that the water will be lost when San Luis Reservoir Spills due to the recent rain events. On MOTION by Swan, seconded by LaMar and unanimously carried, IT WAS DETERMINED THAT THERE WAS A NEED TO TAKE IMMEDIATE ACTION TO DETERMINE IF THE DISTRICT COULD ASSIST LANDOWNERS RESIDING IN DUDLEY RIDGE, RELATIVE TO WATER BANKING IN IRWD'S WATER BANKS IN KERN COUNTY, AND THE ITEM WAS ADDED TO THE AGENDA AS ITEM 2A.

WATER BANKING LANDOWNER REQUEST IN KERN COUNTY

Executive Director of Water Policy Weghorst said that he had a conversation this morning with a land owner in Dudley Ridge noting that 2,000 acre-feet or higher of water could be lost due to spillage at the San Luis Reservoir with the anticipated rain events. Mr. Weghorst said that staff recommended preparing a letter agreement to assist Dudley Ridge landowner(s) to bank available water. Following discussion, on MOTION by Reinhart, seconded by Swan, and unanimously carried, THE GENERAL MANAGER WAS AUTHORIZED TO DEVELOP AND EXECUTE A LETTER AGREEMENT TO ASSIST DUDLEY RIDGE LANDOWNER(S) TO BANK CARRYOVER WATER WITH IRVINE RANCH WATER DISTRICT WITH SHARED LOSSES AND COSTS OR AS OTHERWISE APPROVED BY THE SUPPLY RELIABILITY PROGRAMS COMMITTEE.

SHORT-TERM UNBALANCED EXCHANGE WITH CENTRAL COAST WATER AUTHORITY

Executive Director of Water Policy Weghorst reported during the week January 9, 2017, staff received an urgent request from the Executive Director of Central Coast Water Authority (CCWA) to facilitate a new short-term unbalanced exchange program for 10,000 AF of water under the terms of the 2011 program. The urgency of the request is based on the high likelihood the San Luis Reservoir is going to begin spilling starting February 1, 2017. Mr. Weghorst said that staff has prepared a letter agreement with CCWA that would facilitate a mutually beneficial short-term unbalanced exchange of 10,000 AF that is consistent with the terms of the 2011 program and with terms previously reviewed with the Supply Reliability Programs Committee for a long-term program.

On MOTION by Swan, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE THE LETTER AGREEMENT FOR A 2017 SHORT-TERM WATER EXCHANGE PROGRAM WITH CENTRAL COAST WATER AUTHORITY SUBJECT TO THE APPROVAL BY THE SUPPLY RELIABILITY PROGRAMS COMMITTEE TO ANY SUBSEQUENT CHANGES AS NECESSARY.

DRAFT IRWD 2017 GOALS AND TARGET ACTIVITIES

General Manager Cook reviewed with the Board the District's Strategic Planning Process graph, the District Mission, Vision, and Values Statement, and the IRWD Strategic Objectives.

Mr. Cook reported that the IRWD Management Team met recently to develop some initial thoughts on changing conditions as an enhanced approach to strategic planning for the Board's consideration. He then reviewed the changed conditions which will drive the development of the District's goals and target activities as follows: 1) decreasing pressures from the drought, and changing messaging; 2) changing regulations, particularly from the State Water Resources Control Board; 3) future energy opportunities and challenges; 4) evolving workforce needs for the future; 5) greater uncertainty on water supply reliability; 6) increased exposure to third-party costs; 6) changing technology; 7) increasingly complex security challenges; 8) changes in Sacramento and Washington D.C. that will impact regulations and potential funding; and 9) IRWD's presence as a participant in the agricultural community.

Mr. Cook reviewed the list of goals proposed for IRWD's 2017 strategic planning process including: 1) optimize and protect local water supply utilization; 2) evaluate and invest in projects and programs that will enhance future long-term water supply reliability; 3) bank 90,000 AF of water for IRWD, develop 70 cfs of extraction and additional recharge and storage capacity as needed for IRWD and water banking partners; 4) minimize discharge of recyclable water to the ocean; 5) maximize resource recovery from fully functional biosolids and other resource recovery facilities; 6) improve electric service reliability, manage demands, and control costs; 7) maximize watershed protection; 8) ensure financial and rate stability; 9) identify, assess, and implement new technologies and systems to improve operating efficiency; 10) enhance customer communications; 11) maximize water use efficiency in the community; 12) recruit, develop, and retain a highly skilled, motivated, and educated work force; 13) guide and lead local, state and federal policies and legislation; 14) engage and shape policies and regulations put forth by local, state, and federal agencies; 15) increase collaboration with other agencies and entities through leadership and

innovation; and 16) evaluate opportunities that enhance safety and emergency preparedness throughout the District. The Board then provided input on the content.

PROPOSED POLICY PRINCIPLES ON SOUTH ORANGE COUNTY WATER RELIABILITY

Executive Director of Water Policy Weghorst reported that staff had prepared an update to the District’s Policy Principles Paper on South Orange County Water Reliability. Mr. Weghorst said that the most recent version of this paper was adopted by the Board of Directors on June 3, 2005. He said that staff recently made revisions to the paper taking into consideration IRWD water supply and system reliability projects and programs that have been implemented since 2005 as well as the results of the recent Orange County Water Reliability Study that was completed by Municipal Water District of Orange County (MWDOC) in 2016. Following review and input by the Board, on MOTION by Swan, seconded and unanimously carried, **THE BOARD APPROVED THE REVISED POLICY PRINCIPLES PAPER ON SOUTH ORANGE COUNTY WATER RELIABILITY.**

ADJOURNMENT

There being no further discussion, President Reinhart adjourned the meeting.

APPROVED and SIGNED this 23rd day of January, 2017.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson,
Wiles & Giannone