

MINUTES OF REGULAR MEETING – SEPTEMBER 25, 2017

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 Reinhart on September 25, 2017 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Reinhart, Swan, Matheis, and Withers

Directors Absent: LaMar

Also Present: General Manager Cook, Executive Director of Water Policy Weghorst, Executive Director of Engineering and Water Quality Burton, Director of Water Resources Sanchez, Director of Public Affairs Beeman, Executive Director of Operations Sheilds, Director of Human Resources Roney, Legal Counsel Smith, Secretary Bonkowski, Assistant Secretary Swan, Director of Administration Mossbarger, Principle Engineer Akiyoshi, Public Affairs Manager Fabris, Risk Manager Shinbashi, Mr. Bruce Willey, Mr. Gregorio Estrada, Mr. Aaron Meilleur, and Mr. Kevin Hardy.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

PRESENTATION - NATIONAL WATER RESEARCH INSTITUTE PRESENTATION

Mr. Kevin Hardy, NWRI's newly-appointed Executive Director, provided an overview of key activities including organizational changes, the Clarke Prize Award ceremony in October, independent advisory panels, projects, and collaboration with other entities.

CONSENT CALENDAR

On MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 7 WERE APPROVED AS FOLLOWS:

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

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

5. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the September 11, 2017 Regular Board Meeting be approved as presented.

CONSENT CALENDAR (CONTINUED)

6. AUGUST 2017 TREASURY REPORT

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for August 2017, and Disclosure Report of Reimbursements to Board Members and staff; approve the August 2017 Summary of Payroll ACH payments in the total amount of \$1,741,273 and approve the August 2017 Accounts Payable Disbursement Summary of Warrants 379171 through 380087, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$20,753,760.

7. IRVINE LAKE PIPELINE NORTH CONVERSION RESERVOIR CONTRACT CHANGE ORDER

Recommendation: That the Board approve Contract Change Order No. 10 with Pascal & Ludwig Constructors in the Amount of \$473,623 for design changes associated with the postponement of the Santiago Hills II Development for the Irvine Lake Pipeline North Conversion Reservoir, Project 05407.

ACTION CALENDAR

ENVIRONMENTAL COMPLIANCE CONSULTANT SELECTION FOR THE SYPHON RESERVOIR IMPROVEMENT PROJECT

General Manager Cook reported that the proposed Syphon Reservoir Improvement Project will allow Irvine Ranch Water District to increase its seasonal recycled water storage capacity by approximately 4,100 acre-feet. Mr. Cook said that an Environmental Impact Report (EIR) needs to be prepared for the project consistent with the California Environmental Quality Act (CEQA) and the requirements of the National Environmental Policy Act (NEPA). Mr. Cook said that to support IRWD's efforts in securing federal funding for the project, an EIR also needs to fulfill the requirements of the NEPA.

Executive Director of Water Policy Weghorst said that a Request for Proposal for preparing an EIR was issued to Dudek, ESA, LSA Associates, and Psomas. Mr. Weghorst said that staff completed a thorough review and evaluation of each proposal, conducted interviews with the top two firms and recommends ESA to perform this work. He highlighted the key strengths of ESA's proposal including: 1) a project management team with a superior depth of expertise and knowledge of IRWD; 2) outstanding understanding of the key issues associated with the project; 3) an informed approach that reflects an understanding of the project, IRWD's expectations and the requirements of CEQA and NEPA; 4) a scope of work that reflects the expected level of effort; 5) outstanding qualifications of its project team; 6) appropriate commitments to the project by its Principal and Project Manager; 7) prior experience with dam construction projects; and 8) a superior level of support and collaboration on public outreach efforts.

Mr. Weghorst said that in addition to the environmental consultant award, staff has been working with communications firm Katz & Associates on a draft overview plan for third-party

outreach support. He said that staff intends to finalize this plan later this month and then issue a Request for Proposal in early fall to several communications firms.

Director Withers reported that this item was reviewed and approved by the Engineering and Operations Committee on September 13, 2017. Following Director Swan's comments on his concerns for the project, on MOTION by Withers, seconded and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH ESA TO COMPLETE AN ENVIRONMENTAL IMPACT REPORT FOR THE SYPHON RESERVOIR IMPROVEMENT PROJECT FOR THE NOT-TO-EXCEED AMOUNT OF \$611,226.**

BUSINESS INTELLIGENCE CLOUD DISASTER RECOVERY IMPLEMENTATION AND REPORTING CONTRACT AWARD

General Manager Cook reported that the District's Oracle Financial Software Upgrade and Project Management implementation (Financial Upgrade Project) completed in March 2017 included a backup Cloud Disaster Recovery (DR) environment for continuing operations in the event of a system failure. Mr. Cook said that a separate backup Business Intelligence (BI) Cloud DR environment is also needed to support ongoing financial reporting in the event of a system failure. He said that in addition, the Financial Upgrade Project included minimal new reports, and following implementation, staff identified the need for additional BI reports and training on those reports.

Director of Administration Mossbarger reported that the District upgraded its Oracle BI software in August 2015 as Oracle support for that version had expired and required an upgrade to a newer version. He said that a Request for Proposal was issued to five consultants with experience performing Oracle BI software upgrades. Director Withers left the Board room at 5:38 p.m. Mr. Mossbarger said that at that time DiLytics was selected and awarded a Professional Services Agreement to perform the 2015 Oracle BI software upgrade and that its staff successfully completed the upgrade project on time and within budget. He further said that DiLytics has an excellent understanding of the cloud implementation, has an experienced project team, and is the most capable of assisting the District with this project.

Director Swan reported that this item was reviewed and approved by the Finance and Personnel Committee on September 19, 2017. On MOTION by Swan, seconded and carried (3-2) (Swan, Reinhart and Matheis voting aye, and Withers and LaMar absent), **THE BOARD AUTHORIZED THE ADDITION OF PROJECTS 10345 FOR \$155,000 AND 10347 FOR \$155,000 TO THE FY 2017-18 CAPITAL BUDGET AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH DILYTICS, INC. IN THE AMOUNT OF \$241,000.**

REVISED WATER BANKING, TRANSFERS AND WHEELING POLICY POSITION PAPER

General Manager Cook placed before each Director a copy of the revised Water Banking, Transfers and Wheeling Policy Position Paper. Director Withers returned to the Board room.

Director of Water Policy Weghorst said that numerous changes have occurred that require updating of the 2015 Policy Position Paper. Mr. Weghorst said that one major change is that

Rosedale Rio Bravo Storage District and IRWD have certified and approved an Environmental Impact Report for the Stockdale Project that has facilitated the construction and equipping of additional recovery wells and related conveyance facilities. He said that IRWD has also entered into a long-term one-for-one exchange agreement with Dudley Ridge Water District that will make water available for delivery into IRWD's service area. He said that IRWD and Rosedale submitted a grant application to the California Water Commission for the planning, design and construction of water conveyance and banking facilities at the third project site contemplated for the Stockdale Project as well as at other suitable sites. He further said that IRWD has completed an update to its Water Supply Master Plan that indicates a reduced and uncertain demand for imported water in the year 2035 and that this change in demand for imported water has allowed IRWD to enter into discussions with the Municipal Water District of Orange County to initiate a program to share reliability from IRWD's water banking projects with other water supply retail agencies.

Director Swan reported that this item was reviewed by the Supply Reliability Programs Committee on September 21, 2017. Following minor edits made to the policy position paper by the Board, on MOTION by Swan, seconded and unanimously carried, **THE BOARD APPROVED THE DISTRICT'S WATER BANKING, TRANSFERS AND WHEELING POLICY POSITION PAPER.**

GENERAL MANAGER'S REPORT – None.

DIRECTORS' COMMENTS

Director Matheis reported on her attendance at an Orange County Coastkeepers' Toast the Coast event, an Orange County Forum breakfast, and a Shadetree Partnership Board meeting where she noted that its plants were provided to the District's Baker Treatment plant. She further complimented its General Manager, Tom Bonkowski, on his efforts along with other members of this organization. She further reported that tomorrow she will be going to Santa Fe, New Mexico for the 2017 Colorado River Symposium.

Director Withers reported on his attendance at an Orange County Coastkeepers' Toast the Coast event, and an Asset Management Committee meeting where they discussed recent marketing plans for the Sand Canyon property for lease. He also noted upcoming meetings including an OCWD Board meeting this Wednesday, a Tustin's State of the City event this Thursday, and a lunch meeting with the Mayor of Santa Ana this Friday.

Director Swan reported on his attendance at a Water Education Foundation tour, a WACO Planning meeting, a Newport Bay Watershed Executive Committee meeting, an OCWD Board meeting and an Orange County Coastkeepers' Toast the Coast event.

Director Reinhart reported on his attendance at a MWDOC Board meeting and MWDOC Administration and Finance Committee meeting.

ADJOURNMENT

There being no further business, President Reinhart adjourned the meeting at 6:17 p.m.

APPROVED and SIGNED this 9th day of October, 2017.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Alfred Smith, Legal Counsel – Nossaman LLP