

EXHIBIT "A"

MINUTES OF REGULAR MEETING – AUGUST 26, 2019

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:10 p.m. by Acting President Matheis on August 26, 2019 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Reinhart, Matheis, and Withers.

Directors Absent: Swan and LaMar.

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

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

CONSENT CALENDAR

On MOTION by Withers, seconded by Reinhart and unanimously carried, CONSENT CALENDAR ITEMS 3 THROUGH 8 WERE APPROVED AS FOLLOWS:

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

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

4. MINUTES OF BOARD MEETINGS

Recommendation: That the minutes of the August 8, 2019 Special Board Meeting and the August 12, 2019 Regular Board meeting be approved as presented.

5. 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 July 2019 Summary of Payroll ACH Payments in the total amount of \$2,025,298 and approve the July 2019 accounts payable Disbursement Summary of warrants 400141 through 400803 Workers' Compensation Distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$32,241,538.

CONSENT CALENDAR (CONTINUED)

6. ORANGE COUNTY GREAT PARK REACH “A” SEWER IMPROVEMENTS  
FINAL ACCEPTANCE

Recommendation: That the Board authorize the General Manager to accept construction of the Orange County Great Park Reach “A” Sewer Improvements, Project 10068; authorize the General Manager to file a Notice of Completion; and authorize the release of retention 35 days after filing of the Notice of Completion.

7. REIMBURSEMENT AGREEMENT BETWEEN IRWD AND THE CITY OF  
IRVINE FOR THE 2019-20 ANNUAL SLURRY SEAL AND PAVEMENT  
REHABILITATION PROJECT

Recommendation: That the Board authorize the General Manager to execute a Reimbursement Agreement with the City of Irvine for the 2019-20 Annual Slurry Seal and Pavement Rehabilitation Project, subject to non-substantive changes.

8. COMMENDING CHARLEY WILSON FOR HIS SERVICE TO THE SANTA  
MARGARITA WATER DISTRICT AND THE WATER INDUSTRY

Recommendation: Adopt the following resolution by title commending Mr. Charley Wilson for his 19 years of service to the Santa Margarita Water District and the water industry.

RESOLUTION NO. 2019-27

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT COMMENDING  
CHARLEY WILSON FOR HIS DEDICATED  
SERVICE TO SANTA MARGARITA WATER DISTRICT  
AND THE WATER INDUSTRY

ACTION CALENDAR

WELL TREATMENT ALTERNATIVES STUDY CONSULTANT SELECTION

General Manager Cook reported that at the July 2018 Board Strategic Planning Workshop, the Groundwater Work Plan identified the potential use of existing Wells 51 and 52, and two well sites in the Tustin Legacy Area to increase local potable groundwater.

Executive Director of Technical Services Burton reported that staff developed a planning study concept and conducted preliminary work to issue a Request for Proposal (RFP) which includes a planning analysis for treatment and conveyance, development of life-cycle costs, and an alternative ranking matrix based on IRWD’s criteria and priorities. Mr. Burton said that prior to issuing the RFP, IRWD retained Richard C. Slade & Associates to conduct a review of the surrounding groundwater hydrogeology, current groundwater models, and other available information.

## ACTION CALENDAR (CONTINUED)

Mr. Burton said that staff received proposals from Black and Veatch (B&V), West Yost, and Kennedy Jenks. He said that while all of the teams were well qualified, B&V presented the most balanced team tailored specifically to the goals and objectives for this project. Additionally, he said that B&V's proposal provided a clear project approach and demonstrated a solid understanding of the level of effort required to complete this project. Mr. Burton then reviewed the well locations as provided in the exhibit and reviewed the emerging contaminants of concern PFAS/PFOA and treatment alternatives.

Director Reinhart said that this item was reviewed by the Engineering and Operations Committee on August 20, 2019, and the Committee recommended approving the study as recommended by staff. On MOTION by Reinhart, seconded by Withers, and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH BLACK & VEATCH IN THE AMOUNT OF \$229,822 AND APPROVED A BUDGET INCREASE IN THE AMOUNT OF \$191,900, FROM \$133,100 TO \$325,000, TO THE FY 2019-20 CAPITAL BUDGET FOR THE WELL TREATMENT ALTERNATIVES STUDY, PROJECT 01402.

## SYPHON RESERVOIR IMPROVEMENT PROJECT ENVIRONMENTAL COMPLIANCE VARIANCE NO. 2

Director of Water Resources Sanchez reported that the Board authorized a Professional Services Agreement with Environmental Science Associates (ESA) to prepare an Environmental Impact Report (EIR) for the Syphon Reservoir Improvement Project. She said that Variance No. 2 is associated largely with additional requirements and coordination that is needed with United States Fish and Wildlife (USFW) and the California Department of Fish and Wildlife (USFWS) in preparing the EIR and in the development of the Conceptual Mitigation Plan that will address the impacts to coastal sage scrub resulting from the Syphon Reservoir Improvement Project. This variance includes time and budget to support additional project management, rare plant surveys, support for evaluating mitigation land options and coordination with IRWD's design and public outreach consultants. The variance will allow for ESA to provide assistance in making modifications to the Syphon Reservoir Grant Deed, assistance in the assessment of property that might be acquired for conservation and restoration opportunities and support for other environmental compliance work required as a part of the preparation of the EIR.

Ms. Sanchez further provided an overview of last week's public California Environmental Quality Act scoping session and noted that there were 23 attendees, one-half of which were the residents from Stonegate Village Homes, the complex nearest to the reservoir.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on August 20, 2019. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT

ACTION CALENDAR (CONTINUED)

WITH ENVIRONMENTAL SCIENCE ASSOCIATES IN THE AMOUNT OF \$273,240 FOR ADDITIONAL ENVIRONMENTAL WORK ASSOCIATED WITH THE SYPHON RESERVOIR IMPROVEMENT PROJECT.

ENVIRONMENTAL COMPLIANCE FOR THE KERN FAN GROUNDWATER STORAGE PROJECT

Director of Water Resources Sanchez reported that the proposed Kern Fan Project will develop a regional water bank and associated facilities to capture and store unallocated Article 21 water from the State Water Project as well as other supplies during periods when surface water is abundant. Ms. Sanchez said that the proposed project would be implemented in two phases with Phase 1 including the acquisition of up to 640 acres of land, construction and operation of recharge facilities, up to six groundwater recovery wells, a new canal, three lift stations and a turnout from the California Aqueduct to convey up to 500 cubic feet per second of water to and from the project. She said that Phase 2 includes the purchase of an additional 640 acres of land and the construction and operation of additional recharge facilities, conveyance facilities and six groundwater recovery wells.

Ms. Sanchez said that IRWD and Rosedale intend to implement water banking facilities on the third site as Phase 1 of the Kern Fan Project which will be located within the boundaries identified in the Stockdale Final EIR. She said that a Supplemental EIR will be prepared to include a project-level environmental review that is needed for Phase 1 of this project. She said that it will also include a review of the construction and operation of the facilities contemplated in Phase 2 of the project.

Ms. Sanchez said that ESA's experience in the environmental review of water banking projects in the Kern Fan Area make it uniquely qualified to prepare a Supplemental EIR for the Kern Fan Project. She said that in recognition of ESA's unique qualifications, staff recommends a sole source Professional Services Agreement, and has negotiated a scope of work and cost estimate to prepare the Supplemental EIR.

Director Reinhart said that this item was reviewed at the Supply Reliability Programs Committee on August 19, 2019, and on MOTION by Reinhart, seconded by Withers and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH ENVIRONMENTAL SCIENCES ASSOCIATES IN THE AMOUNT OF \$359,595 TO PREPARE A SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT FOR THE KERN FAN GROUNDWATER STORAGE PROJECT.**

IRWD POLICY PRINCIPLES FOR THE CALIFORNIA WATER RESILIENCE PORTFOLIO

General Manager Cook reported that California Governor Gavin Newsom signed Executive Order N-10-19, which directed the California Natural Resources Agency, the California Environmental Protection Agency, and the California Department of Food and Agriculture to develop a comprehensive strategy to build a climate-resilient water system and ensure healthy waterways. The agencies are to develop a Water Resilience Portfolio

## ACTION CALENDAR (CONTINUED)

that identifies the key priorities for the Administration's water portfolio moving forward. He said given that discussions are taking place regarding the Water Resilience Portfolio, staff is proposing that the Board adopt a policy principles paper to guide the District's advocacy efforts, a draft of which is provided in the exhibit.

Director Reinhart reported that this item was reviewed by the Supply Reliability Programs Committee on August 19, 2019. Following discussion, on MOTION by Reinhart, seconded and unanimously carried, **THE BOARD ADOPTED THE PROPOSED IRWD POLICY POSITION PAPER REGARDING THE CALIFORNIA WATER RESILIENCE PORTFOLIO.**

### 2019 LEGISLATIVE UPDATE: AB 1486 (TING), SURPLUS LAND

Government Relations Officer/Deputy General Counsel reported that AB 1486 (Ting) proposes to revise the rules related to local agencies' disposal of surplus land; specifically, it would revise the definition of "surplus land" within the Government Code and would restrict local agencies' ability to dispose of surplus land. She said that under this bill, prior to a local agency conducting negotiations to dispose of real property it owns, the local agency must issue a written notice of availability to low- and moderate-income housing providers. This means that prior to negotiating the sale of any property owned by a local agency, a local agency would need to offer the property for housing.

Ms. Compton said that staff, through and in conjunction with a coalition of other public agencies and statewide organizations, continues its work to obtain amendments to AB 1486 which will mitigate its impact on IRWD. Staff recommends that the Board authorize staff to change the District's position from "oppose unless amended" to "watch," if and when amendments are placed into the bill addressing IRWD's concerns, or to an "oppose," if amendments are not placed into the bill addressing the District's concerns. She said that staff's recommendation is based on the fact that if the proposed amendments, with some slight changes, were inserted into the bill, they would substantially limit the potential impact of the bill on IRWD's overall investment and real property transactions. If the bill is not amended, it could impact IRWD's overall investments and real property transactions. She further said that she would like to have the same latitude with AB 1255 (Rivas).

On MOTION by Reinhart, seconded by Withers and unanimously carried, **THE BOARD AUTHORIZED STAFF TO CHANGE IRWD'S POSITION FROM "OPPOSE UNLESS AMENDED" TO "WATCH," IF AND WHEN AMENDMENTS ARE PLACED INTO THE BILL ADDRESSING IRWD'S CONCERNS, OR TO "OPPOSE," IF AMENDMENTS ARE NOT PLACED INTO THE BILL ADDRESSING THE DISTRICT'S CONCERNS, AND FURTHER AUTHORIZED STAFF TO HAVE THE SAME LATITUDE ON AB 1255 (RIVAS).**

## OTHER BUSINESS

### GENERAL MANAGER'S REPORT

General Manager Cook reported that the District is participating in direct access and currently has a contract with Constellation Energy to purchase energy. He said that the District was notified that seven additional accounts are eligible in 2019 and that 17 will become eligible in 2021. He said that the District retained an energy management service to evaluate these opportunities, and that he will provide an update to the Board in the Weekly Report.

Mr. Cook said that LAFCO is conducting a Municipal Services Review and that staff received a Request for Information, which staff will be responding to by its deadline of September 5, 2019.

Mr. Cook further said that he received a thank you note from MWDOC's Karl Seckel and Rob Hunter relative to assistance from Kevin Burton and Rich Mori on EOCWD's capacity issue as well as Tom Roberts' and Ken Pfister's assistance relative to a Diemer shutdown issue.

Director Reinhart reported on his attendance at an Urban Water Institute conference in San Diego, an OCWD Water Issues Committee meeting, and a MWDOC Board Meeting.

Director Withers reported on upcoming meetings he will attend this week including a National Water Research Center event and an OCSD Board meeting.

Director Matheis reported on her attendance at an Urban Water Institute conference, an OCWA luncheon meeting, an OC Forum meeting, and a PFAS briefing at OCWD.

### COMMUNITY UPDATES

Consultant Mr. Bruce Newell reported on canyon activities noting that Southern California Edison is still working in the area, and that he attended a coastal group meeting. He further said that he appreciated that the District recently painted its fire hydrants.

### ADJOURNMENT

Acting President Matheis adjourned in the Board meeting at 6:18 p.m.

APPROVED and SIGNED this 23rd day of September, 2019.

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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, Legal Counsel  
Lewis Brisbois

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