

MINUTES OF REGULAR MEETING – DECEMBER 16, 2019

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 LaMar on December 16, 2019 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Reinhart, Matheis, Withers and LaMar.

Directors Absent: Swan.

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

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

PRESENTATIONS

RESOLUTION RECOGNIZING TONY MOSSBARGER FOR HIS 26 YEARS OF SERVICE

General Manager Cook presented Director of Administrative Services Mossbarger with a plaque commending him for his 26 years of service to the District. Mr. Mossbarger thanked the Board of Directors and the management team for all of their support over the years. On MOTION by Matheis, seconded by Withers, and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2019-31

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT, ORANGE COUNTY,  
CALIFORNIA RECOGNIZING TONY MOSSBARGER FOR  
HIS 26 YEARS OF SERVICE TO THE DISTRICT

President LaMar further presented General Manager Cook with his 15 year service award.

PUBLIC HEARING

CHANGES TO IRWD RULES AND REGULATIONS

President LaMar declared this to be the time and place for the hearing on the Resolution. He asked the Secretary to report the manner by which the Notice of Hearing was given.

Secretary Bonkowski said that the Notice of this hearing was published in the Orange County Register on November 10, 2019 and December 1, 2019. The notice was also posted in the District office on December 2, 2019. She then presented an Affidavit of Posting and Proof of Publication for the Board to receive and file.

On MOTION by Matheis, seconded and unanimously carried, THE AFFIDAVITS OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

President LaMar asked the Secretary whether there have been any written communications. She said there were none.

President LaMar asked for a report from the Executive Director of Finance and Administration.

Executive Director of Finance and Administration Clary described the proposed revisions and indicated that the clarifications and revisions to the Rules and Regulations are summarized in Exhibit "B". She Clary described the proposed revisions saying they included: 1) updated definitions, responsibilities and requirements associated with the Fats, Oils and Grease Program; 2) updated monitoring and inspection requirements for the recycled water system; and 3) updated discontinuance of water service requirements consistent with new state law. She said they also included non-substantive changes consisting of expanded, clarified and updated definitions.

President LaMar asked if there was anyone present who wished to address the Board concerning the amended Resolution. There were none.

President LaMar inquired whether there are any comments or questions from members of the Board of Directors. There were none.

On MOTION by Withers, seconded by Matheis, seconded and unanimously carried, THE HEARING WAS CLOSED, THE SECOND READING OF THE RESOLUTION WAS READ BY TITLE ONLY, THE FURTHER READING OF THE RESOLUTION WAS WAIVED, AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2019-32

RESOLUTION RESCINDING RESOLUTION NO. 2018-14 AND ESTABLISHING REVISED RULES AND REGULATIONS OF THE IRVINE RANCH WATER DISTRICT FOR WATER, SEWER, RECYCLED WATER, AND NATURAL TREATMENT SYSTEM SERVICE AND EXHIBIT "A" THERETO.

## CONSENT CALENDAR

On MOTION by Reinhart, seconded by Matheis, and unanimously carried, CONSENT CALENDAR ITEMS 5 THROUGH 13 WERE APPROVED AS FOLLOWS:

5. 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, Peer Swan, and Steven LaMar as described.

6. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the November 25, 2019 Regular Board meeting be approved as presented.

7. NOVEMBER 2019 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 2019 Summary of Payroll ACH payments in the total amount of \$2,358,411; and approve the November 2019 Accounts Payable Disbursement Summary of Warrants 403541 through 404224 Workers' Compensation Distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$19,202,582.

8. TRUCK-MOUNTED SEWER JETTER CONTRACT AWARD

Recommendation: That the Board authorize the General Manager to execute a contract with Nixon-Egli Equipment Company, Inc. in the amount of \$187,051.38 for the purchase of one 747-Tk Eco Truck Jet.

9. SAND CANYON PROFESSIONAL CENTER PHASE II CONTRACT CHANGE ORDER NO. 8

Recommendation: That the Board authorize the General Manager to execute Contract Change Order No. 8 in the amount of \$209,900.97 with KPRS Construction Services for the Sand Canyon Professional Center Phase II, Project 06210.

10. MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES LANDSCAPING FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the MWRP Biosolids and Energy Recovery Facilities Landscaping Project 04286, authorize the General Manager to file a Notice of Completion, and authorize the payment of the retention 35 days after the date of recording the notice of completion.

CONSENT CALENDAR (CONTINUED)

11. WATERSMART VARIANCE NO. 1

Recommendation: That the Board authorize the General Manager to execute Variance No. 1 to the Professional Services Agreement between IRWD and WaterSmart Software, Inc. in the amount of \$243,850.

12. FY 2018-19 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Recommendation: Receive and file.

13. ADOPTION OF A REVISED SCHEDULE OF POSITIONS AND SALARY RATE RANGES

Recommendation: That the Board adopt the following resolution by title:

RESOLUTION NO. 2019 -33

RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE IRVINE RANCH WATER DISTRICT  
SUPERSEDING RESOLUTION NO. 2019-15 AND  
ADOPTING A REVISED SCHEDULE OF POSITIONS  
AND SALARY RATE RANGES

ACTION CALENDAR

IRWD POLICY ON DISCONTINUING RESIDENTIAL WATER SERVICE

Executive Director of Finance and Administration Clary reported that in September 2018, Senate Bill 998 (Dodd) was passed, providing new requirements for residential shutoffs due to delinquent payments or non-payments. Ms. Clary said that this bill requires compliance on or after February 1, 2020, and requires agencies to adopt a written policy and to also provide the policy to customers if their water service is subject to being discontinued due to nonpayment. She said that a summary of the policy is included in the District's Rules and Regulations, and is required to be posted on the District's website.

Mr. Clary said that with the passage of SB 998, water agencies are prohibited from discontinuing residential service for non-payment until payment by a customer has been delinquent for at least 60 days. This bill requires that a water agency notify the customer named on the account and provide the customer with the water agency's policy no less than seven business days before discontinuing service. Residential service may be discontinued no sooner than five business days after the agency posts a final Notice of Intent to Disconnect Service in a conspicuous location at the property. She said that the bill also prohibits residential service from being discontinued under special circumstances if certain conditions are met, including: 1) if discontinuing water service would pose a serious threat to the health and safety of a resident; 2) if the customer demonstrates that he / she is financially unable to pay for residential service within the normal billing cycle (to qualify, customer must participate in certain low income programs or certify that they are

below 200 percent of the federal poverty level); and 3) the customer agrees to a payment arrangement for past due amounts, generally not to exceed 12 months and must pay current charges. Additionally, service at the residence may not be discontinued if an adult residing at the residence appeals the water bill while it is pending.

The new requirements are in addition to provisions in the existing law. IRWD's proposed policy will be available in English and translated into any other language spoken by 10 percent or more of IRWD customers. IRWD will also be required to report the number of annual discontinuations of residential water service for inability to pay; reporting will be done by posting this information on the District's website and notifying the Board of Directors.

Following discussion, on MOTION by Matheis, seconded and unanimously carried, THE BOARD ADOPTED THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2019-34

RESOLUTION OF THE BOARD OF DIRECTORS  
OF IRVINE RANCH WATER DISTRICT  
APPROVING A POLICY ON DISCONTINUING  
RESIDENTIAL WATER SERVICE

REVIEW OF 2019 GOVERNMENT RELATIONS ACTIVITIES AND 2020 LEGISLATIVE  
AND REGULATORY ISSUES PLANNING

Government Relations Officer / Deputy General Counsel Compton highlighted IRWD's 2019 legislative and regulatory priorities and government relations activities, and also provided an overview of expected 2020 legislative and regulatory issues in Washington, D.C., Sacramento, and regionally.

Ms. Compton noted that the 2019 priorities authorized staff to oppose any statewide tax on water inconsistent with the Board's adopted policy, and to actively engage in the discussions related to implementation of the "Making Water Conservation a California Way of Life" legislation. Additionally, the priorities sought recognition of emergency water supplies, engagement in the discussions surrounding water and sewage rates, and other proposed charges, in order to protect IRWD's ability to design and use its water budget-based tiered rate structure, and engagement with the State Water Resources Control Board and Department of Water Resources (DWR) on policy, regulatory and permit issues of concern to IRWD.

Ms. Compton said that at the federal level, staff and IRWD's federal legislative advocate engaged on the Bureau of Reclamation's Title XVI Water Reclamation and Reuse Program, and advocated for the reauthorization of the federal water storage program. Additionally, staff and IRWD's federal legislative advocate began implementation of a multi-year strategy to obtain federal funding for the Kern Fan Groundwater Storage Project.

Ms. Compton said despite the challenging political environment for obtaining bicameral action on legislation before Congress, staff and the District's federal advocates will continue to seek progress on the key issues of interest to IRWD. She said that staff discussed the expected 2020 political environment and federal issues with the Water Resources Policy and Communications Committee, which included: 1) reauthorization of the Water Storage Program; 2) authorization and

appropriation of funding for a Bureau of Reclamation work plan; 3) federal funding for the Kern Fan Groundwater Storage Project; 4) authorization of a 2020 Water Resources Development Act (WRDA); and 5) possible creation of a federal dam safety program.

Ms. Compton said that it is expected that the California Legislature and State regulatory agencies will take up a number of issues of interest to the water and wastewater communities in 2020 and highlighted these issues as provided in the exhibits.

Director Matheis reported that this item was reviewed by the Water Resources Policy and Communications Committee on December 9, 2019. Directors Reinhart and LaMar thanked Ms. Compton for all of her hard work on these issues. On MOTION by Matheis, seconded and unanimously carried, THE BOARD RECEIVED AND FILED THE PROPOSED “INITIAL 2020 LEGISLATIVE AND REGULATORY RESOURCE ALLOCATION PLAN” AND THE “LEGISLATIVE / REGULATORY ISSUES AND ACTIVITIES OF HIGH CONCERN TO IRWD IN 2020.”

#### FLEMING ZONE 8 TANK AND ZONE 8 TO 9 BOOSTER PUMP STATION CONSULTANT SELECTION

General Manager Cook reported that staff is proceeding with the design of the enlarged Fleming Zone 8 Tank and upgraded Zone 8 to 9 Booster Pump Station as identified in the 2017 Santiago Area Distribution System Analysis.

Executive Director of Technical Services Burton reported that this project includes construction of a new 1.3 MG-storage tank, a reservoir management system building with sodium hypochlorite and ammonia storage and feed systems and in “in-tank” chemical injection and mixing system, a 2,000-gallon diesel fuel storage tank, and replacement of the existing pump station, which has reached the end of its service life. The project also includes a new office space that can be used as an IRWD Emergency Operations Center for emergencies in the canyon area, a new storage building for emergency equipment and supplies, and various site electrical, telemetry, and control improvements.

Mr. Burton said that staff received proposals for engineering design services from Dudek, Lee & Ro, Stantec, and Tetra Tech, and that each firm presented unique project approaches and creative engineering solutions for achieving the project objectives. He said that Tetra Tech presented the most comprehensive approach to completing the project, demonstrated an outstanding understanding of the project issues, provided an in-depth summary of how each issue will be resolved during the design, and presented conceptual facility layouts for the proposed facilities. Tetra Tech also demonstrated the most extensive, recent experience with the design and construction of prestressed concrete tanks.

Director Reinhart said that this item was reviewed by the Engineering and Operations Committee on December 10, 2019. The District’s consultant, Mr. Bruce Newell, said he was pleased that the District was moving forward with this project in the canyon area where he resides. On MOTION by Reinhart, seconded Matheis, and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH TETRA TECH IN THE AMOUNT OF \$878,000 FOR ENGINEERING DESIGN SERVICES

FOR THE FLEMING ZONE 8 TANK AND ZONE 8 TO 9 BOOSTER PUMP STATION,  
PROJECT 10101.

### ANNUAL BOARD OF DIRECTORS' FEES

General Manager Cook reported that this item was reviewed by the Finance and Personnel Committee. He said that staff surveyed neighboring agencies and that the exhibit provides the results of other agency per diems. The current compensation for the Board of Directors is \$286 per meeting, not to exceed 10 meetings per calendar month. In accordance with Section 20202 et seq. of the California Water Code, the Board's meeting compensation increases on January 1 of each year by five (5%) percent subject to acceptance or rejection by the Board.

Director LaMar said that this item was reviewed by the Finance and Personnel Committee on November 5, 2019, and the Committee recommended an adjustment. Director Matheis said that increase is acceptable, and on MOTION by LaMar, seconded by Matheis and unanimously carried, **THE BOARD ACCEPTED THE FIVE (5%) PERCENT COMPENSATION INCREASE FOR CALENDAR YEAR 2020 FOR AN ADJUSTED MEETING FEE OF \$300 (ROUNDED TO THE NEAREST DOLLAR).**

### ELECTION OF OFFICERS FOR 2019

General Manager Cook reported 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. On December 10, 2018, Director LaMar was elected to the office of President and Director Matheis was elected to the office of Vice President for calendar year 2019. General Manager Cook acted as temporary Chairman to conduct the election of President for calendar year 2020. Director Reinhart nominated Director Matheis as President. There being no further nominations, Director Reinhart made a motion for nominations to be closed. There being no further comments, on MOTION by Reinhart, seconded by Withers and unanimously carried on a roll call vote (4-0), (Matheis, Reinhart, LaMar, and Withers voting aye), **MARY AILEEN MATHEIS WAS ELECTED PRESIDENT FOR 2020.** President Matheis nominated Director Reinhart as Vice President. There being no further nominations, Director LaMar made a motion for nominations to be closed. On MOTION by Director LaMar, seconded, and unanimously carried on a roll call vote (4-0), (Matheis, Reinhart, LaMar, and Withers voting aye), **DOUGLAS REINHART WAS ELECTED VICE PRESIDENT FOR 2020.**

### OTHER BUSINESS

#### GENERAL MANAGER'S REPORT

General Manager Cook presented to the Board an engraved glass vase from ACWA thanking the District for its sponsorship at the Diamond level for 2019.

Mr. Cook reported on a main line break at 2020 Main Street, and that Mr. Shinbashi is in communications with the building's representative. He further updated the Board on current status of the buildings affected. Director Reinhart asked for an informational item to be submitted to the Engineering and Operations Committee once a cause is found for this break.

Mr. Cook reported that Director LaMar and he met with OCWD Board Member (and City of Anaheim Council Member) Jordan Brandman this morning for an overview of the District.

Mr. Cook announced that Ms. Christine Compton was re-elected to the Bioenergy Association of California's Board of Directors for another two year-term, and was elected as its Secretary as well for 2020.

Mr. Cook further reported on the days the District will be closed for the holidays.

### DIRECTORS' COMMENTS

Director Reinhart reported that he attended all his regular meetings including a SOCWA Board meeting, an ACWA conference in San Diego, an OCWD Water Issues Committee, a MWDOC Administration and Finance Committee meeting, and a monthly WACO meeting. He said he was unable to attend the Colorado River Water Users Association conference.

Director Withers reported that he attended his regular meetings including an OCSD Board meeting, and an OCBC event where he met the City of Fullerton's City Council Member Amad Zaro, who also serves as Fullerton's representative on the OCWD Board of Directors.

Director LaMar reported on his attendance at an ACWA conference in San Diego which included an ACWA JPIA meeting, OCBC and ACC-OC receptions, and a WACO meeting. He presented to the Board a Certificate of Recognition from the City of Irvine for our support and participation at the 2019 Irvine Global Village Festival. He further thanked the Board for its support this year in his role as President.

Director Matheis reported on her attendance at an ACWA conference in San Diego and said she was pleased that Director LaMar was elected President of ACWA. She said that she also attended a Colorado River Water Users Association conference in Las Vegas. She further said that she was very pleased to be elected President of the District for 2020.

### COMMUNITY UPDATES

The District's consultant, Mr. Bruce Newell, reiterated his support of tonight's Board approval of the consultant selection item for the Fleming Zone 8 tank project along with other improvements, and said that he will provide an update to the community on this project.

### CLOSED SESSION

Legal Counsel Collins said that the following Closed Session would be held this evening.

1. Threat to Public Services or Facilities (Gov. Code § 54957(a)) – Consultation with legal counsel and IRWD's security assessment consultant Tevora
2. PUBLIC EMPLOYEE APPOINTMENT – Pursuant to Government Code Section 54956(b)  
Title: Legal Counsel



OPEN SESSION:

Following the Closed Session, the meeting was reconvened with Directors LaMar, Matheis, Withers, and Reinhart present. President Matheis said that there is no action to be reported on Item No. 1.

President Matheis said that relative to item No. 2, the Board appointed Hanson Bridgett as general counsel for the Irvine Ranch Water District, with Ms. Claire Hervey Collins continuing to serve in the role of General Counsel for the District, effective on the date Ms. Collins's employment with Hanson Bridgett begins.

ADJOURNMENT:

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

APPROVED and SIGNED this 13th 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, Legal Counsel  
Hanson Bridgett LLP