

MINUTES OF REGULAR MEETING – May 11, 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 President Matheis on May 11, 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: Reinhart, Swan, Withers, LaMar and Matheis.

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 Public Affairs Beeman, Director of Human Resources Roney, Director of Water Quality and Regulatory Compliance Colston, Director of Recycling Operations Zepeda, Director of Maintenance Mykitta, Director of Administrative Services Malone, 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

Following an inquiry from Director Reinhart on Consent Calendar Item No. 6, for which staff said that the boundary changes would typically occur in 2021, on MOTION by Withers, seconded by LaMar and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes, CONSENT CALENDAR ITEMS 3 THROUGH 9 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, Peer Swan, Steven LaMar and John Withers, as described.

4. BOARD MEETING MINUTES

Recommendation: That the minutes of the April 27, 2020 Regular Board meeting be approved as presented.

5. 2020 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: That the Board adopt a “seek amendments” position on AB 2968 (Rodriguez).

CONSENT CALENDAR (CONTINUED)

6. REGISTRAR OF VOTERS INFORMATION REQUEST AND CANDIDATE STATEMENT WORD LIMIT FOR THE ELECTION OF THE BOARD OF DIRECTORS

Recommendation: That the Board authorize the District Secretary to file the “Transmittal of Election Information” form for each general election confirming IRWD’s political and division boundaries, providing the Registrar of Voters with the requested information, selecting a 200-word limit for Candidate Statements of Qualifications, and indicating that IRWD will not pay for the Statements of Qualifications.

7. BONITA CANYON RECYCLED WATER ZONE D TO B PRESSURE REDUCING STATION SUPPLY PIPELINE REPLACEMENT FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Bonita Canyon Recycled Water Zone D to B Pressure Reducing Station Supply Pipeline Replacement, Project 10999, 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.

8. MICHELSON WATER RECYCLING PLANT EMERGENCY RECYCLED WATER DIVERSION TO SAN DIEGO CREEK FINAL ACCEPTANCE

Recommendation: That the Board accept construction of MWRP Emergency Recycled Water Diversion to San Diego Creek Project 10093, 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.

9. PELICAN HILL GOLF CLUB SEWER REHABILITATION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Pelican Hill Golf Club Sewer Rehabilitation, Project 11121, 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.

ACTION CALENDAR

REVISED IRWD POLICY PRINCIPLES REGARDING METROPOLITAN WATER DISTRICT’S INTEGRATED WATER RESOURCES PLAN AND LOCAL RESOURCES PROGRAM

General Manager Cook reported that Metropolitan Water District is currently updating its Integrated Water Resources Plan (IRP) which will identify new regional targets for local water resource development. Mr. Cook said that these new targets will affect the updating and implementing of Metropolitan’s Local Resources Program, which provides incentives to water agencies for the development of water recycling, groundwater recovery, and seawater

desalination projects. To help guide IRWD's advocacy efforts related to ongoing policy discussions on Metropolitan's IRP and Local Resources Program, staff presented an updated draft policy position paper to the Board on March 9, 2020. Since that time, staff has continued to revise the position paper based on input provided by the Board.

Executive Director Weghorst reported on the changing conditions which are guiding Metropolitan's policy issues. Mr. Weghorst said that IRWD supports Metropolitan's proposed scenario planning approach to the 2020 IRP, and throughout that process, recommends that Metropolitan should: 1) protect existing imported water supply infrastructure and deliveries; 2) minimize potential stranding of conveyance, treatment, and storage assets; and 3) carefully evaluate new water supply projects to improve regional water supply reliability.

Mr. Weghorst reviewed the Integrated Resources Plan Policy Principles as follows: 1) Metropolitan should continue its regional approach to water resources planning and work to ensure its financial stability while maintaining the ability to provide reliable, cost effective and high-quality water supplies to its member agencies; 2) Metropolitan should evaluate previous approaches taken in the preparation of IRPs and develop a new approach that provides flexibility in dealing with current and future conditions and uncertainties; 3) Metropolitan's new approach to the 2020 IRP should balance regional and member agency water supply reliability in a way that allows Metropolitan to maintain rate and financial stability; 4) Metropolitan's 2020 IRP should encourage member agencies to take responsibility for complying with water conservation legislation and to implement projects that augment Metropolitan supplies during major droughts and supply interruptions; 5) To reduce risks to its imported supplies, Metropolitan should invest in the proposed Delta Conveyance Project, support subsidence related repairs to the California Aqueduct, and develop new innovative programs on the Colorado River; 6) Metropolitan should take actions to stabilize demands for its imported supplies to help maintain rate and financial stability; 7) Should Metropolitan be unable to maintain financial stability, it should consider enhancing its variable revenue structure with a fixed rate component that ensures it can cover its full cost of regional service; 8) Metropolitan should anticipate future reductions in its imported supplies and plan cost effective and timely regional recycled and other water supply projects; and 9) In preparing its 2020 IRP, Metropolitan should consider the feasibility, risk and ease of implementation of local supply projects when accounting for the potential benefits of the projects on regional water supply reliability.

Mr. Weghorst reviewed the Local Resources Plan Policy Principles including: 1) Metropolitan should consider limiting use of its Local Resources Program until average annual demands for water from Metropolitan have increased to levels that reduce risk to its financial stability; 2) Metropolitan should discourage base-loaded local projects and other supplies that strand capacity in Metropolitan's water treatment facilities and increase risk to rate and financial stability; 3) Metropolitan should incentivize local projects that provide extraordinary and other supplies that augment Metropolitan supplies during major droughts and supply interruptions. Metropolitan should also take an active role in ensuring that state mandates do not discourage the use of supplies from such projects; 4) Metropolitan should prioritize providing its incentives to local projects located in areas of that have less access to local supplies, such as South Orange County and northern portions of Metropolitan's service area; 5) Metropolitan should not provide incentives for local projects that result in the local communities subsidizing other areas of Metropolitan's service area; 6) To increase demands for its supplies, Metropolitan should consider reallocating Local Resource Program funds to reduce overdraft in groundwater basins within Metropolitan's service area; and 7)

Metropolitan should only consider providing incentives to local groundwater treatment projects up to the lowest cost and effective treatment of regulated constituents impacting the supplies.

Director LaMar reported that this item was reviewed by the Water Resources Policy and Communications Committee on March 5, 2020 as well as May 7, 2020 and said that staff did an excellent presentation. He said during the meeting additional language was added to some of the principles. Director Swan said that he listened to this meeting, and that tonight had several comments for staff to address, and following discussion with Director Swan and other Board members, the General Manager proposed adding one more principle to the Local Resources Plan Policy Principles as follows: Project shall be funded by the Local Resources Program through a competitive process based on specific criteria and block grants.

There being no further comments, on MOTION by Matheis, seconded by Withers and unanimously carried by a roll call vote (5-0) Withers, Matheis, Reinhart, Swan, and LaMar voting aye, and 0 noes, THE BOARD ADOPTED THE REVISED IRWD POLICY PRINCIPLES REGARDING METROPOLITAN WATER DISTRICT'S INTEGRATED WATER RESOURCES PLAN AND LOCAL RESOURCES PROGRAM AS AMENDED.

GENERAL MANAGER'S REPORT

General Manager Cook reported that all employees at the District are well with no reports of the virus. Mr. Cook said that staff is currently working with a modified work schedule and looking into opening the District up incrementally in the coming months. He said that all work is getting done in a very productive way with telecommunications and other measures.

Mr. Cook said that the District was featured in an OC Register article on COVID-19 testing of raw sewage.

Mr. Cook said that that staff has put together resources to assist building owners, i.e. the Irvine Company, cities, the Irvine Chamber of Commerce and others, to return to work after the buildings have been unoccupied, and notifying them that the water is of the highest quality for their use.

Mr. Cook further reported that the District's Consultant, Mr. Bruce Newell, said that all is well in the canyon areas.

DIRECTORS' COMMENTS

Director Reinhart said he was unable to attend the OCWD Retirement Committee meeting, but he is attending the OCWD Board meeting via teleconference.

Director Withers said that he attended his regular meetings, and that he would be attending an OCBC meeting tomorrow, an OCSA Administration and Finance Committee meeting, and a weekly meeting with the General Manager to receive an update on COVID-19 issues.

Director Swan reported that he attended a Kern Fan scoping meeting, a PPIC briefing on headwaters, a WACO monthly meeting, an OCBC Government Affairs Committee meeting, several MWDOC meetings, and a Central and West Basin Board meeting.

Director LaMar reported on his attendance at an ACWA headwaters work group meeting, a PPIC Headwaters Forest Management virtual event, and a WACO meeting. He further

reported that as ACWA will be unable to book hotels in July, its next conference will be a virtual event.

Director Matheis reported that she is very proud of the General Manager Cook and the District, and thanked everyone for their participation.

Director Swan further reported that this Thursday, Friday, Saturday and Sunday there will be COVID-19 testing in the District's parking lot. Mr. Cook said that he will forward this information to the Board.

ADJOURNMENT

President Matheis adjourned the meeting at 6:14 p.m.

APPROVED and SIGNED this 27th day of May 2020.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, General Counsel
Hanson Bridgett LLP