

MINUTES OF REGULAR MEETING – JULY 14, 2025

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order by President Reinhart at 5:00 p.m. on July 14, 2025. at the District offices, 15600 Sand Canyon Avenue, Irvine.

Secretary Swan announced that pursuant to California Government Code Section 54953, Director LaMar will participate in the meeting remotely via teleconference. He will be participating from the Everlin Resort located at 400 Resort Road, Olympic Valley, California. The agenda was posted in the resort's lobby 72-hours in advance for any member of the public to review and participate remotely if desired per the Affidavit of Posting from the Everline Resort Events Manager, Katarina Ratkowiak. Secretary Swan said that all votes this evening will be taken by a roll call vote.

Directors Present: Ferons, Withers, LaMar (via teleconference), and President Reinhart.

Directors Absent: Swan.

Written Communications: Three letters regarding agenda item twelve were received and provided to the Board on the Dais this evening.

Oral Communications: Two members of the public, Adam Wood of BIA and Collin Powers of Orange County Realtors, wish to address the Board regarding agenda item twelve.

Items too late to be agendized: None.

Also Present: General Manager Cook, Executive Director of Technical Services Burton, Executive Director of Water Policy Weghorst, Executive Director of Finance and Administration Adly, Director of Financial Planning and Data Analytics Smithson, Director of Human Resources Mitcham, Director of Recycling Operations Zepeda, Director of Information Technology Kaneshiro, Director of Safety and Security Choi, Director of Maintenance Operations Manning, Director of Water Quality and Regulatory Compliance Colston, Community Liaison Newell, General Counsel Beck, Secretary Swan, members of the staff, and public.

PRESENTATION – PROCLAMATION

General Manager Cook presented a proclamation to Margaret Pulles, retired Executive Assistant of Finance and Administration, for her 25 years of service to the District.

PUBLIC HEARING

SEWER CHARGES IN IRWD'S NEWPORT NORTH AREA

President Reinhart declared this to be the time and place for a hearing on the sewer charge report for the Newport North area and declare the hearing open. He asked the Secretary how the hearing was noticed. Secretary Swan said that the report was filed with her on June 5, 2025, and notice of the filing of the report and the time and place of this hearing was published in the Daily Pilot on June 29, 2025 and July 6, 2025. She said that a notice was also posted in the District office on June 16, 2025 and on the District's Web site on June 16, 2025.

PUBLIC HEARING (CONTINUED)

On MOTION by Feron, seconded by Withers, and unanimously carried by a roll call vote (4-0) LaMar, Feron, Withers, and Reinhart voting aye, and zero noes THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

President Reinhart asked Legal Counsel to describe the nature of the proceedings. Legal Counsel Beck said that the public hearing on the sewer charge report is an annual requirement of the Health and Safety Code, Section 5473, in order to collect the sewer charges on the tax roll.

President Reinhart asked the Secretary whether there have been any written communications. She said there had been none.

President Reinhart asked whether there is anyone present who wished to address the Board regarding the proposed collection of sewer charges on the tax roll. There were none.

President Reinhart asked whether there were any comments or questions from members of the Board of Directors. There were none.

On MOTION by Withers, seconded by Feron, and unanimously carried by a roll call vote (4-0) LaMar, Feron, Withers, and Reinhart voting aye, and zero noes, THE HEARING WAS CLOSED, AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2025 - 18

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT ADOPTING THE
SEWER CHARGE REPORT AND AUTHORIZING COLLECTION OF SEWER CHARGES
ON THE TAX ROLL FOR IRWD'S NEWPORT NORTH AREA

CONSENT CALENDAR

On MOTION by Withers, seconded by Feron and unanimously carried by a roll call vote (4-0) LaMar, Feron, Withers, and Reinhart voting aye, and zero noes, CONSENT CALENDAR ITEMS SIX THROUGH TEN WERE APPROVED AS FOLLOWS:

6. BOARD MEETING MINUTES

Recommendation: That the minutes of the June 23, 2025 Regular Board meeting be approved as presented.

7. JUNE 2025 TREASURY REPORT

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Summary of Fixed and Variable Rate Debt, and the Disclosure Report of Reimbursements to Board members and staff, approve the June 2025 Summary of Payroll ACH payments in the total amount of \$2,830,764 and approve the June 2025 accounts payable disbursement summary of warrants 449757 through 450234, Workers' Compensation distributions, ACH payments, virtual card payments, wire transfers, payroll withholding distributions, and voided checks in the net total amount of \$22,251,327.

CONSENT CALENDAR (CONTINUED)

8. FISCAL YEAR 2025-26 OPERATING BUDGET VENDOR EXPENDITURE COMMITMENTS GREATER THAN \$200,000

Recommendation: That the Board approve the list of vendor commitments greater than \$200,000 based on approved Fiscal Year 2025-26 Operating Budget expenditures.

9. LUMP SUM PAYMENT OPTION FOR EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR 2025-26 TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Recommendation: That the Board approve the lump sum payment for employer contributions to the California Public Employees' Retirement System by making a one-time contribution of \$9,349,467 for IRWD's Fiscal Year 2025-26 Employer Unfunded Accrued Liability contribution.

10. CONSULTANT SELECTION FOR RECYCLED WATER SITE INSPECTION, TESTING, TRAINING, AND HAZARD ASSESSMENT

Recommendation: That the Board authorize the General Manager to execute Professional Service Agreements with Real Water Consultants and West Yost Associates, each in an amount of \$550,000, to provide on-call recycled water use site visual inspections, cross-connection tests, Site Supervisor training, and hazard assessments for Fiscal Years 2025-26 and 2026-27.

ACTION CALENDAR

11. TECHNOLOGY DRIVE AND ADA RECYCLED WATER PIPELINE REPLACEMENT CONSTRUCTION AWARD

Executive Director of Technical Services Burton reported to the Board that there have been a series of pipe failures in the Irvine Spectrum area within the past year. The failing asbestos cement pipes were installed in the mid-1980s. Staff performed a pipe testing program to determine the extent of the project by cutting out small sections of the 4", 6", 8", and 12" pipes in the service area where the breaks have occurred. It was determined that the 4" and 6" lines show the most wear and should be replaced. The larger 8" and 12" lines do show some wear but still have enough lining for 10-15 years of service.

The project received eight bids, with CCL Contracting, Inc. coming in at the lowest bid amount. CCL Contracting, Inc. has completed previous pipeline projects for the District and is well qualified to construct this project.

On MOTION by Withers, seconded by Ferons and unanimously carried by a roll call vote (4-0) LaMar, Ferons, Withers, and Reinhart voting aye, and zero noes, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH CCL CONTRACTING, INC. IN THE AMOUNT OF \$1,882,082 FOR THE TECHNOLOGY DRIVE AND ADA RECYCLED WATER PIPELINE REPLACEMENT, PROJECT 12979.

ACTION CALENDAR (CONTINUED)

12. SETTING CONNECTION FEES AND PROPERTY TAXES FOR FISCAL YEARS 2025-26 AND 2026-27

Using a PowerPoint presentation, Director of Financial Planning and Data Analytics Smithson reported that IRWD proposed to set connection fees for two fiscal years, consistent with its two-year budget cycle and the prior connection fee and tax rate setting schedule.

He provided an overview of the significant changes and reviewed proposed connection fees and tax rates for each Improvement District – increases associated with Engineering News Record construction cost index; new capital improvement projects (Santiago Dam, Orange Heights, and Howiler Plant Improvements); interest earnings; and cost of debt.

Mr. Smithson added a summary of communications for requesting developers to participate providing projections for future development dating back to April 2025. Following the June 2, 2025 Finance and Personnel Committee Meeting, staff continued to work with developers to provide an option that would help mitigate the increase. Alternative Two was developed and presented at the June 30, 2025 Committee Meeting, and is the staff recommendation for adoption.

Vice President LaMar said that this item was reviewed by the Finance and Personnel Committee on June 2, 2025 and June 30, 2025 quite extensively at the committee level more than at the Board level. He thanked the staff for working closely with the participating developers to provide two alternatives that consider the necessary rate increase for the next two years. Mr. LaMar further reported that the Committee supports the staff recommendation of Alternative Two, provided as Exhibit “I”, for the recommended changes to the District’s Rates and Charges.

President Reinhart invited members of the public to address the Board.

Mr. Adam Wood of the Building Industry Association of Orange County addressed the Board.

Mr. Collin Powers of the Orange County Realtors addressed the Board.

General Manager Cook invited each association representative to join the District as a participant as IRWD embarks on reassessing the Long-Term Capital Funding Plan for the next ten years. He added that connection fees can be adjusted at any time by the IRWD Board, unlike tax rates which are adjusted once a year.

Following discussion with the Board, on MOTION by LaMar, seconded by Withers and unanimously carried by a roll call vote (4-0) LaMar, Ferons, Withers, and Reinhart voting aye, and zero noes, **THE BOARD APPROVED REVISIONS TO CONNECTION FEES AND PROPERTY TAXES AS PRESENTED UNDER ALTERNATIVE TWO AND ADOPTED THE FOLLOWING RESOLUTIONS BY TITLE:**

ACTION CALENDAR (CONTINUED)

RESOLUTION NO. 2025 – 19

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
ADOPTING CHANGES TO CONNECTION FEES AS SET FORTH IN
THE SCHEDULE OF RATES AND CHARGES IN EXHIBIT “B” TO THE
RULES AND REGULATIONS OF IRVINE RANCH WATER DISTRICT
FOR WATER, SEWER, RECYCLED WATER, AND NATURAL
TREATMENT SYSTEM SERVICE
(EFFECTIVE AUGUST 1, 2025)

RESOLUTION NO. 2025 – 20

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
ESTABLISHING AD VALOREM TAX REVENUES FOR
FISCAL YEAR 2025-26

RESOLUTION NO. 2025 – 21

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
AMENDING ALLOCATION OF *AD VALOREM* PROPERTY
TAXES TO DEBT SERVICE, SUBJECT TO PLEDGE

OTHER BUSINESS

13. General Manager’s Report

Director Withers left the room at 5:50 p.m.

General Manager Cook announced that while he had nothing to report for the evening, he asked Executive Director Burton to introduce Brian Waite, the new Engineering Manager; and asked Executive Director Adly to report on the savings the District will receive regarding the 2010 Build America Bonds Refunding. She further thanked Jennifer Davis for her work toward the refunding process.

Director Withers returned to the room at 5:54 p.m.

14. Receive oral update(s) from District liaison(s) regarding communities within IRWD’s service area and interests.

Mr. Newell reported that all is well in the canyons; the Fire Safe Council has sent a flier to residents regarding the use of private fire hoses.

15. Directors’ Comments and Meeting Reports

Director LaMar reported on his attendance at the 2025 IRWD Connect Luncheon; the Southern California Water Coalition Rapid Response Webinar on Cap-and-Trade Revenues; the WACO Monthly Meeting via teleconference; and the CCEEB Summer Issues Seminar in Olympic Valley.

OTHER BUSINESS (CONTINUED)

Director Ferons reported on his attendance at the 2025 IRWD Connect Luncheon; the MWDOC Water Policy Dinner; and the tour of the IRWD Michelson Water Recycling Plant for MNWD Director Wanninger.

Director Withers reported on his attendance at the 2025 IRWD Connect Luncheon; the MWDOC Water Policy Dinner; the ISDOC Executive Committee Meeting via teleconference; the NWRI Board of Directors' Meeting; and the WACO Monthly Meeting via teleconference.

President Reinhart reported on his attendance at the 2025 IRWD Connect Luncheon; the MWDOC Water Policy Dinner; the tour of the IRWD Water Bank in Kern County with the Las Virgenes Municipal Water District; the MWDOC Workshop Board Meeting with MWD Directors via teleconference; the OCWD Board Meeting via teleconference; the MWDOC Administration and Finance Committee Meeting via teleconference; the OCWD Water Issues Committee Meeting via teleconference; the OCWD Administration / Finance Issues Committee Meeting via teleconference; the WACO Monthly Meeting via teleconference; and the MWDOC Planning and Operations Committee Meeting via teleconference.

16. ADJOURNMENT

At 5:58 p.m., President Reinhart adjourned the Board meeting.

APPROVED and SIGNED this 28th day of July 2025.

President, IRVINE RANCH WATER DISTRICT

District Secretary,
IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire H. Collins, General Counsel
Hanson Bridgett LLP