

## MINUTES OF REGULAR MEETING – DECEMBER 15, 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 December 15, 2025 at the District offices, 15600 Sand Canyon Avenue, Irvine.

Directors Present: Ferons, Withers, Swan, LaMar, and President Reinhart.

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Water Policy Weghorst, Executive Director of Operations Chambers, Executive Director of Technical Services Burton, Director of Water Quality & Regulatory Compliance Colston, Director of Financial Planning and Data Analytics Smithson, Director of Human Resources Mitcham, Director of Information Technology Kaneshiro, Director of Safety and Security Choi, Director of Water and Recycling Operations Zepeda, Director of Maintenance Operations Manning, Director of Water Resources Nye, Director of Accounting & Treasury Lin, General Counsel Collins, Secretary Swan, members of the staff, and public.

Oral and Written Communications: None.

Items too late to be agendaized: None.

### CONSENT CALENDAR

Director Swan requested that Item Number 6 be moved to the Action Calendar.

On MOTION by Withers, seconded by LaMar, and carried unanimously by a vote of 5 – 0, CONSENT CALENDAR ITEMS FOUR, FIVE, AND SEVEN THROUGH ELEVEN WERE APPROVED AS FOLLOWS:

#### 4. BOARD MEETING MINUTES

Recommendation: That the minutes of the November 24, 2025 Regular Board meeting be approved as presented.

#### 5. NOVEMBER 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 November 2025 Summary of Payroll ACH payments in the total amount of \$2,971,286 and approve the November 2025 accounts payable disbursement summary of warrants 452169 through 452626, Workers' Compensation distributions, ACH payments, wire transfers, payroll withholding distributions, and voided checks in the net total amount of \$17,640,908.

#### 7. LAND MANAGEMENT AND PERMITTING SYSTEM PROJECT

Recommendation: That the Board authorize the General Manager to execute a five-year software subscription and implementation services agreement with OpenGov, Inc. in the amount of \$956,000.

## CONSENT CALENDAR (CONTINUED)

### 8. SHAW TANK REPLACEMENT CONSULTANT SELECTION AND BUDGET INCREASE

Recommendation That the Board authorize a budget increase in the amount of \$1,400,000, from \$500,000 to \$1,900,000, and authorize the General Manager to execute a Professional Services Agreement with Tetra Tech in the amount of \$680,000 for engineering design services for the Shaw Tank Replacement, Project 12570.

### 9. PARK PLAZA RECYCLED WATER PIPELINE REPLACEMENT FINAL ACCEPTANCE

Recommendation: That the Board accept construction of Park Plaza Recycled Water Pipeline Replacement, 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 for Project 13106.

### 10. REHABILITATION OF WELL NOS. 76, 110R, 115R, AND DESTRUCTION OF WELL NOS. 72 AND 106 FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the rehabilitation of Wells Nos. 76, 110R, 115R, and destruction of Well Nos. 72 and 106; 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 for Projects 11137, 11846, 11847, and 12264.

### 11. SUPERVISORY CONTROL AND DATA ACQUISITION SOFTWARE SUBSCRIPTION AND SUPPORT RENEWAL AGREEMENT

Recommendation: That the Board authorize the General Manager to Execute a three-year software subscription and support renewal agreement with AVEVA in the amount of \$689,120.

## ACTION CALENDAR

### 6. 2026 INVESTMENT POLICY AND 2026 DEBT MANAGEMENT POLICY

Director Swan read a statement requesting that the 2026 Investment Policy and 2026 Debt Management Policy be rejected by the Board which is attached to these minutes as "Attachment 1". Vice President LaMar provided a Committee report and supported the staff recommendation.

On MOTION by LaMar, seconded by Withers, and carried by a vote of 4-1 (with Ferons, LaMar, Reinhart, Withers voting aye, and Swan nay), THE BOARD APPROVED THE 2026 INVESTMENT POLICY AND THE 2026 DEBT MANAGEMENT POLICY AS PROPOSED, AND ADOPTED THE FOLLOWING RESOLUTIONS BY TITLE:

ACTION CALENDAR (CONTINUED)

RESOLUTION NO. 2025 – 24

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
IRVINE RANCH WATER DISTRICT APPROVING AN INVESTMENT  
POLICY AND AUTHORIZING THE TREASURER AND ASSISTANT TREASURERS  
TO INVEST AND REINVEST FUNDS OF THE DISTRICT AND OF EACH OF ITS  
IMPROVEMENT DISTRICTS AND TO SELL AND EXCHANGE SECURITIES  
SUPERSEDING RESOLUTION NO. 2025 – 3

RESOLUTION NO. 2025 – 25

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
IRVINE RANCH WATER DISTRICT APPROVING  
THE DEBT MANAGEMENT POLICY  
AND SUPERSEDING RESOLUTION 2017-13

12. LAKE FOREST ZONE 4 EL TORO TANKS 1 AND 2 REHABILITATION BUDGET  
INCREASE AND CONSTRUCTION AWARD

Executive Director of Technical Services Burton presented an overview of the rehabilitation needed for the Lake Forest Zone 4 El Toro Tanks 1 and 2. Following discussion from the Board, on MOTION by Ferons, seconded by LaMar, THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$3,169,000, FROM \$4,291,000 TO \$7,460,000; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH ORION CONSTRUCTION CORPORATION IN THE AMOUNT OF \$5,627,000 FOR THE LAKE FOREST ZONE 4 EL TORO TANK 1 AND 2 REHABILITATION, PROJECT 112568.

13. HOWILER WATER TREATMENT PLANT TO ZONE 5 PUMP STATION  
CONSULTANT SELECTION

Executive Director of Technical Services Burton presented to the Board plans to connect IRWD's Zone 5 system to the Howiler Water Treatment Plant. Director Ferons reported that this item was reviewed in detail by the Engineering and Operations Committee and supports the staff recommendation. Following discussion from the Board, on MOTION by Ferons, seconded by Withers, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH MKN IN THE AMOUNT OF \$788,681 FOR ENGINEERING DESIGN SERVICES FOR THE HOWILER WATER TREATMENT PLANT TO ZONE 5 PUMP STATION, PROJECT 13174.

14. ELECTION OF OFFICERS FOR 2026

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 with the term of office for one year, or until the election and qualification of their successors. Mr. Cook acting as temporary Chairman, conducted the election for President. Director Swan nominated Director LaMar as President with a second from Director Withers, and Director Withers nominated Director Ferons as Vice President with a second by Director Swan. As no other nominations were made, Director Swan motioned that the election be made by acclamation and DIRECTOR

## ACTION CALENDAR (CONTINUED)

LAMAR WAS UNANIMOUSLY ELECTED PRESIDENT AND DIRECTOR FERONS WAS UNANIMOUSLY ELECTED VICE PRESIDENT.

## OTHER BUSINESS

### 15. General Manager's Report

General Manager Cook stated that he did not have a report for the evening.

### 16. Receive oral update(s) from District liaison(s) regarding communities within IRWD's service area and interests.

Mr. Newell was absent from this evening's meeting.

### 17. Directors' Comments and Meeting Reports

Vice President Ferons reported on his ad hoc meetings with the General Manager; the ACWA Conference in San Diego; the shared services meeting; and the monthly WACO meeting.

Director Withers reported on his attendance at the ACWA Conference in San Diego; the ISDOC Executive Committee meeting; the Santiago Aqueduct Commission meeting; and the monthly WACO meeting.

Director Swan reported on his participation in the MWDOC Planning and Operations Committee meeting; his attendance at the ACWA Conference in San Diego; the MWDOC Administration and Finance Committee meeting; the Southern California Water Dialogue Steering Committee meeting; the MWDOC Special Board of Directors' meeting; and the monthly WACO meeting.

President LaMar reported on his attendance at the ACWA Conference in San Diego; the Water Advisory Group Fall Roundtable meeting at Scripps Institute, La Jolla; the CFEE Annual Board of Directors meeting via teleconference; the Natural Communities Coalition Board meeting; and the monthly WACO meeting.

Director Reinhart reported on his attendance at the South Orange County Agencies' Group meeting; an ad hoc discussion with the General Manager; the MWDOC Planning and Operations Committee meeting; the ACWA Conference in San Diego; the shared services ad hoc meeting; the IRWD / Zone 7 Coordination meeting; the MWDOC Administration and Finance Committee meeting; the OCWD Water Issues Committee meeting; the MWDOC Special Board of Directors' meeting; the OCWD Administration & Finance Issues Committee meeting; and the monthly WACO meeting.

OTHER BUSINESS (CONTINUED)

18. CLOSED SESSION

President LaMar convened the meeting into Closed Session at 5:24 p.m. with General Counsel Collins announcing the following item will be held:

A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS – *Pursuant to Government Code Section: 54956.8*

Property: *32003 Dove Canyon Dr., Trabuco Canyon, CA 92679, APN: 804-542-27*

Agency Negotiator: *Paul Cook – IRWD General Manager*

Negotiating Parties: *Trabuco Canyon Water District*

Under Negotiation: *Price and Terms of Payment*

19. OPEN SESSION

Following the Closed Session, the meeting was reconvened in Open Session with Directors Ferons, Withers, Swan, Reinhart, and LaMar present. General Counsel Collins announced that there was no action to report.

20. ADJOURNMENT

At 6:37 p.m., President LaMar adjourned the Board meeting.

APPROVED and SIGNED this 12<sup>th</sup> day of January 2026.

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President, IRVINE RANCH WATER DISTRICT

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District Secretary,  
IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

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Claire H. Collins, General Counsel  
Hanson Bridgett LLP

*statement by Peer Swan  
in opposition to:*

Agenda Item No.6 of the Board meeting of December 15, 2025

Historically the IRWD staff and the Finance Committee have had a productive and great working relationship. Together, often at the behest of the Committee and certainly with the active support of same, the District established a Replacement Fund and as that fund grew over time a forward looking model to project its need; secured the Legislative approval to issue consolidated long-term variable rate debt; secured the ability to invest in Orange County real estate; adopted a budget-based rate structure; established and funded a 115 Trust to fund our employee retirements and post-retirement benefits; and investing in water banking operations. There have been long periods of time when substantive discussions were held in the committee about expectations of the changing financial future and for years there were regular meetings between the CFO and the Finance Committee Chair (much like that between the Board Chair and the General Manager) specifically to further review the financial landscape and to develop a unified strategy as to actions needed to address it. The then believe was that two pairs of eyes looking from different perspectives were better than one set. There was an understanding that no deviation from established agreements would be undertaken unless both agreed to that change. This was deemed especially important during times of change and turmoil similar to that of today.

An important part of the partnership discussions was the investment policy for the districts cash assets. As the District assets grew this policy evolved over a number of trying times to one that limited investments to Federal debt and federal agencies. At times this was further limited to direct Federal debt and direct debt backed by the full faith and credit of the Federal government. At times when there was a perceived risk of having our variable debt put back to us or when the interest rates justified it; we authorized investments in California enterprise districts that had similar credit ratings and maturities to that of our own debt. Prior to the mid 2000's we invested in repurchase agreements but when we failed to understand what the underlying security was, they were dropped from the approved list saving us much heartburn during 2008.

Bank CD's covered by FDIC, commercial paper rated A1P1 and other such investment were generally dropped from the policy. This change saved up from credit losses and liquidity problems when nearly overnight these investments went from AAA to sub-investment grade or losses.

There is no doubt that we could earn a slightly higher rate of return by investing in some of the alternatives not currently allowed by our policy and the process to do this is to discuss these

changes with the Finance Committee and agree on the type, amount and duration of any new type of investment, the added risk and the reason why it is in the interest to change.

The proposed changes cuts out discussions with the Finance Committee except after the investments are made. It uses an outside firm to recommend investments with an eye to increase yield at an annual six figure cost to the District. The first recommendation is to include investment in paper issued by the State of California which is in serious deficit during the peak of the market and has large unfunded debt to mention a few of the problems.

Over the last 46 years that I have served on the Finance Committee, the Committee has seldom interfered with the orderly investment operation. The Committee is a sub majority of the Board and as such can quickly turn around and item that is time critical.

This item was placed on the Consent Calendar which is usually reserved for items where little dissent is expected but while knowing that this was not the case!

I request the Board to reject the proposed changes and instead reaffirm the existing policy.

I further recommend that we reestablish a monthly process of evaluating the financial situation, goals and objectives between the financial staff and the Finance Committee. The principal committees of the board should have this regular communication with staff in the area of the committees purview.