

## MINUTES OF REGULAR MEETING – OCTOBER 22, 2012

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 October 22, 2012 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: LaMar, Matheis, Reinhart, and Swan

Directors Absent: Withers

Also Present: General Manager Cook, Acting Director of Finance/Treasurer Jacobson, Executive Director of Engineering Burton, Executive Director of Water Policy Heiertz, Secretary Bonkowski, Legal Counsel Arneson, Director of Public Affairs Beeman, Director of Water Resources Weghorst, Assistant Secretary Savedra, Mr. Ray Bennett, Ms. Anita Mishook, Ms. Fiona Sanchez, Ms. Shannon Reed, Ms. Kirsten McLaughlin, Mr. Jim Reed, Mr. Bruce Newell and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION:

Mrs. Joan Irvine Smith's assistant addressed the Board of Directors with respect to the Dyer Road wellfield. She said it was her understanding that currently wells 4, C-8, C-9, 10, 11, 12, 13, 14, 15, 17 and 18 will operate in accordance with the District's annual pumping plan. Wells 1, 2, 3, 5, 6, 7 and 16 will be off. This was confirmed by Mr. Cook, General Manager of the District.

With respect to the OCWD annexation of certain IRWD lands, on June 5, 2009, IRWD received a letter from OCWD noting that OCWD has completed the formal responses to comments they previously received on the draft program Environmental Impact Report. The letter further noted that with this task completed, OCWD has exercised its right to terminate the 2004 Memorandum of Understanding (MOU) regarding annexation. OCWD also indicated that due to the lack of progress on the annexation issue, the draft program Environmental Impact Report will not be completed. On June 8, 2009, OCWD completed the Long-Term Facilities Plan which was received and filed by the OCWD Board in July 2009. Staff has been coordinating with the City of Anaheim (Anaheim) and Yorba Linda Water District (YLWD) on their most recent annexation requests and has reinitiated the annexation process with OCWD. IRWD, YLWD and Anaheim have negotiated a joint MOU with OCWD to process and conduct environmental analysis of the annexation requests. The MOU was approved by the OCWD Board on July 21, 2010. This was confirmed by Mr. Cook.

With respect to the Groundwater Emergency Service Plan, IRWD has an agreement in place with various south Orange County water agencies, MWDOC and OCWD, to produce additional groundwater for use within IRWD and transfer imported water from IRWD to south Orange County in case of emergencies. IRWD has approved the operating agreement with certain south Orange County water agencies to fund the interconnection facilities needed to affect the emergency transfer of water. MWDOC and OCWD have also both approved the operating agreement. This was confirmed by Mr. Cook.

## PRESENTATION

### CALIFORNIA NEVADA SECTION AMERICAN WATER WORKS ASSOCIATION – 2012 OUTSTANDING ENERGY MANAGEMENT AWARD

Mr. Ray Bennett presented to the Board an Energy Management Award received from American Water Works Association recognizing the District for its project to implement an energy plan specifying cost-effective energy projects and reducing greenhouse gas emissions.

## CONSENT CALENDAR

Director Swan asked that items 4, 8 and 9 be placed on the Action Calendar for discussion. There being no objections, on MOTION by Swan, seconded and unanimously carried, CONSENT CALENDAR ITEMS 5, 6, 7, 10 AND 11 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 Steven LaMar, Mary Aileen Matheis, Peer Swan and John Withers.

6. DISTRICT STRATEGIC MEASURES DASHBOARD

Recommendation: That the Board receive and file the Strategic Measures Dashboard and Information items.

7. SEPTEMBER 2012 FINANCIAL REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for September 2012; approve the September 2012 Summary of Payroll ACH payments in the total amount of \$1,337,985.14, and approve the September 2012 accounts payable disbursement summary of Warrants Nos. 332972 through 333640, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$11,380,050.35.

10. HERITAGE FIELDS DISTRICT 8 IRVINE BOULEVARD AND RIDGE VALLEY  
CAPITAL FACILITIES

Recommendation: That the Board authorize the addition of projects 11664 (4094), 21664 (4095), 31664 (4096), and 30386 (4097) to the FY 2012-13 capital budget in the amounts of \$453,200, \$171,600, \$276,100, and \$431,200, respectively; approve Expenditure Authorizations for projects 11664 (4094), 21664 (4095), 31664 (4096), and 30386 (4097) in the amounts of \$453,200, \$171,600, \$276,100, and \$431,200, respectively; and authorize the General Manager to execute a supplemental reimbursement agreement with Heritage Fields El Toro LLC for the design and construction of the IRWD facilities within Planning Area 51 District 8, projects 11664 (4094), 21664 (4095), 31664 (4096), and 30386 (4097).

## CONSENT CALENDAR (CONTINUED)

### 11. CITY OF LAKE FOREST SPORTS PARK CAPITAL FACILITIES BUDGET ADJUSTMENTS AND EXPENDITURE AUTHORIZATIONS

Recommendation: That the Board authorize the addition of project 11663 (4033) in the amount of \$354,200 to the FY 2012-13 capital budget; authorize a budget reduction to the FY 2012-13 capital budget for project 30352 (1732) in the amount of \$614,700, from \$1,186,200 to \$571,500; approve an Expenditure Authorization for project 11663 (4033) in the amount of \$354,200; and approve an Expenditure Authorization reduction for project 30352 (1732) in the amount of \$614,700 for the City of Lake Forest Sports Park Capital Facilities project.

## ACTION CALENDAR

### MINUTES OF OCTOBER 8, 2012 REGULAR BOARD MEETING

Director Swan made an inquiry on the meeting minutes approved on October 8, 2012, which under the Consent Calendar Item No. 3, included minutes from the September 21, 2012 Adjourned Regular Board meeting. Mr. Swan asked for a recap on the recommendation relative to the item on Bay Delta Conservation Plan Policy Principles in regard to the location of the conveyance intakes. General Manager Cook said that the motion for this item included language that the Bay Delta Conservation Plan should consider positioning the conveyance intakes above the discharge point of the Regional Wastewater Treatment Plant and outside of the tidal zone in order to protect the quality of exported water supplies. There being no further comments, on MOTION by Swan, seconded and unanimously carried, **THE MINUTES OF THE OCTOBER 8, 2012 REGULAR BOARD MEETING WERE APPROVED AS PRESENTED.**

### UPDATES TO EXPENDITURE AUTHORIZATIONS SOURCE OF FUNDS

Regarding source of funding modifications submitted to the Board, Director Swan asked staff to also include the funding amounts. He also said it would be appropriate for these items to be reviewed by the Finance and Personnel Committee instead of Engineering and Operations Committee. There being no further comments, on MOTION by Swan, seconded and unanimously carried, **THE BOARD APPROVED UPDATES TO THE EXPENDITURE AUTHORIZATIONS FOR PROJECTS 20910 (1149), 20957 (1221), 21004 (1265), AND 11485 (1646) FROM REGIONAL ALLOCATIONS WITH ENHANCEMENT TO THE CAPITAL REPLACEMENT FUNDS FOR A TOTAL SOURCE OF FUNDING CHANGE IN THE AMOUNT \$742,500.**

### MICHELSON WATER RECYCLING PLANT PROTECTIVE COATINGS EXPENDITURE AUTHORIZATION

In response to Director Swan's inquiry, Executive Director of Engineering and Planning Burton provided clarification on the color changes which provides for a standardized color, but more importantly, provides for a new application of protective coating on existing facilities at the Michelson Water Recycling Plant. There being no further comments, on MOTION by Swan, seconded and unanimously carried, **THE BOARD APPROVED AN EXPENDITURE**

AUTHORIZATION IN THE AMOUNT OF \$350,000 FOR THE MICHELSON WATER RECYCLING PLANT PROTECTIVE COATINGS PROJECT NO. 21123 (3799).

SAN JOAQUIN MARSH OUTLET PIPE VALVE REPLACEMENT BUDGET REDUCTION, EXPENDITURE AUTHORIZATION AND CONSTRUCTION AWARD

The San Joaquin Marsh Outlet Pipe Valve Replacement Project will replace the existing hydraulically-operated control valve on the outlet pipe with a motor-operated plug valve. The water in the outlet pipe is turbid and contains silt which is clogging the pilot tubes of the existing control valve requiring daily maintenance. The motor-operated plug valve is not susceptible to clogging and will similarly control the flow through the pipe without daily maintenance. On MOTION by Swan, seconded and unanimously carried, THE BOARD APPROVED A BUDGET REDUCTION IN THE AMOUNT OF \$1,067,000 FOR PROJECT 10835 (1853); APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$374,000 FOR PROJECT 10835 (1853); AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH GCI CONSTRUCTION, INC. IN THE AMOUNT OF \$134,200 FOR THE SAN JOAQUIN MARSH OUTLET PIPE VALVE REPLACEMENT PROJECT.

AUTOMATION SUPPORT CONSULTANT SERVICES

Executive Director of Engineering and Planning Burton reported that the District's automation staff consists of a small group of instrumentation and controls engineers, field technicians, and specialists and is responsible for keeping the hardware and software automation systems fully operational on a continuous basis, allowing the District to operate its water and wastewater facilities remotely with minimal after hours support. In addition to the ongoing operation and maintenance of the District's automation systems, this group is also responsible for the design, construction support, and commissioning of the automation systems required for all capital projects. Mr. Burton said that traditionally, staff in the automation group has been able to support the District's capital projects with in-house personnel and occasional support from consulting firms; however, due to the unprecedented number of large and complex capital projects underway for the past several years, staff has increased its use of automation consultants. He said due to many different considerations ranging from project scope additions, design and construction issues, extended project schedules, overlapping deadlines, and project complexities, staff recognizes that continued consultant support for the next six months will be required to complete these projects in accordance with their respective project schedule requirements.

Mr. Burton said that staff has reviewed the workload projections and recommends that variances for additional automation services be approved for two of the current automation consulting firms: HDR Engineering and Malcolm Pirnie/Arcadis. He said that staff also recommends that two additional consulting firms, Westin Engineering and Vertech Industrial Systems, be selected to provide specialized automation support services that are not being provided by any firms currently under contract. Staff identified key individuals at these two consulting firms as being highly qualified.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on October 16, 2012. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED VARIANCE NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH HDR ENGINEERING IN THE

AMOUNT OF \$132,100; APPROVED VARIANCE NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH MALCOLM PIRNIE/ARCADIS IN THE AMOUNT OF \$142,300; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH WESTIN ENGINEERING IN THE AMOUNT OF \$90,000; AND VERTECH INDUSTRIAL SYSTEMS IN THE AMOUNT OF \$86,360.

#### ORANGE PARK ACRES WELL NO. 1 WELLHEAD DESIGN CONSULTANT SELECTION

General Manager Cook reported that a Professional Services Agreement was executed with Kennedy/Jenks (K/J) in April 2011 to prepare a basis of design report and construction documents, and to provide construction phase services for the OPA-1 wellhead and disinfection facilities. Mr. Cook said that as K/J developed the hydraulic calculations, it was determined that the project would need to include provisions to address the high discharge pressure that would be encountered at the wellhead. After a review of several alternatives, K/J recommended a dual pumping system that included a wellhead pump that feeds an on-site wet well and a booster pump that feeds the Zone 5 distribution system. He further said that as the recommended project substantially differed from the project that was originally scoped, staff decided to solicit proposals for the final design of the recommended facilities.

Executive Director of Engineering and Planning Burton said that staff received proposals from four firms: K/J, Lee & Ro, Tetra Tech, and URS. Brown & Caldwell declined to submit a proposal due to concerns with meeting the design schedule. Mr. Burton said that staff recommends that URS be awarded the Professional Services Agreement since its design approach, schedule, and man-hours are consistent with the project goals. He said that URS's proposal presented new ideas for noise control, and for the building design to improve constructability and accessibility.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on October 16, 2012. In respond to Director Swan's inquiry, Mr. Burton said that there will be provisions in the design to include a second well if required in the future. There being no further comments, on MOTION by Reinhart, seconded and unanimously carried, **THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION FOR PROJECT 11405 (1250) IN THE AMOUNT OF \$399,000, AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$492,866 WITH URS CORPORATION FOR ENGINEERING SERVICES FOR THE OPA-1 WELLHEAD DESIGN, PROJECT 11405 (1250).**

#### APPROVAL OF SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT FOR THE MICHELSON WATER RECYCLING PLANT PHASE 2 AND 3 CAPACITY EXPANSION PROJECT – BIOSOLIDS HANDLING COMPONENT

General Manager Cook reported that IRWD, as Lead Agency, has prepared a Final Supplemental Environmental Impact Report (Final SEIR) for the Michelson Water Recycling Plant Phases 2 and 3 Capacity Expansion Project, Biosolids Handling Component. These actions are necessary for IRWD to complete the steps required under the California Environmental Quality Act (CEQA).

Using a PowerPoint presentation, Director of Water Resources Weghorst provided an overview of the project objectives and benefits which include: 1) meeting future biosolids handling needs of the Michelson Water Recycling Plant (MWRP) and the Los Alisos Water Recycling Plant (LAWRP); 2) providing for greater control of biosolids management at reduced costs; 3) allowing beneficial use of biosolids and biogases produced during the treatment process; 4) minimizing environmental impacts associated with biosolids management; and 5) making efficient and sustainable use of renewal resources.

Mr. Weghorst then reviewed the California Environmental Quality Act (CEQA) process noting that a Notice of Preparation circulated on March 28, 2011, a scoping meeting was held on April 12, 2011, and the comment period closed on April 26, 2011. He said that the Draft SEIR circulated for a 45-day review on July 3, 2012 during which time a public meeting was held on July 24, 2012 along with additional public outreach meetings. The comment period was also extended 15 additional days at the request of the University Synagogue with the comment period closing on August 31, 2012. A response to comments was distributed on October 11, 2012. He said that additional public outreach meetings were held with the City of Irvine on several occasions, the City of Newport Beach, two meetings with the University Synagogue, LBA Realty, Watermarke Community Association, 300 Plaza Homeowners' Association, Sea and Sage Audubon, and the South Coast Air Quality Management District, all of which were very constructive as they all presented all of their concerns. He further said that commenting agencies/interested parties included the Native American Heritage Commission, Department of Toxic Substances Control, Airport Land Use Commission, University Synagogue, Department of Transportation, Orange County Public Works, LBA Realty, County of Orange Health Care Agency, Orange County Sanitation District, Department of Resources Recycling and Recovery, University of California, Irvine, South Coast Air Quality Management District, City of Irvine, Sea and Sage Audubon, and US Fish and Wildlife Service.

Mr. Weghorst provided an overview of the significant public comments received which included:

- The City of Irvine requested 1) a third-party review by the City of Mesa, Arizona (*IRWD hired Dudek to conduct a peer review of the project*); 2) that the SEIR show heights of surrounding properties relative to the project (*of which IRWD prepared a simulation on how the project would look from the background buildings*); and recommended 3) vegetative screening along Harvard Avenue (*which is now included in the landscape plan*);
- University Synagogue expressed concern regarding 1) the potential for objectionable odors that could be detected beyond the MWRP boundary; 2) that the project may be visible from the Synagogue; 3) that the project could devalue its property; 4) that IRWD Operations has no experience with such facilities (*all operations staff will be trained and appropriately certified*); and requested 5) a landscaping plan solution (*staff provided photo simulations which included vegetation and landscaping*); 6) a third-party operational review panel that would serve as a liaison between the community and IRWD (*staff will hold quarterly public outreach meetings to review new information and to handle any issues or concerns*); and 7) that IRWD underwrite a field trip to the City of Mesa's facility for a "sniff test" (*staff noted that IRWD's MWRP facility differs from the City of Mesa's facility*).
- LBA Realty's expressed concern regarding elevated views of the construction staging area (*which was evaluated by Dudek, the District's consultant*).

Mr. Weghorst said that all of the District's responses above (in italics) have been further detailed in the findings. Director Reinhart suggested that the proposed public outreach meetings could be held as needed and not necessarily quarterly. Director LaMar said that he had reviewed all of the comment letters where the main concern was odor which is being reviewed, and was looking forward to moving ahead on this project. Ms. Anita Mishook, Executive Vice President of the University Synagogue, said she was deeply appreciative of all of the efforts by staff who went to extraordinary efforts to respond to all of their concerns. Director Swan said that he reviewed all of the comments and believes appropriate responses were made. On MOTION by Reinhart, seconded and unanimously carried, **THE BOARD DIRECTED STAFF TO INCORPORATE INTO THE DRAFT FINDINGS AS PRESENTED SUCH REVISIONS AS MAY BE NECESSARY TO CONFORM THE FINDINGS TO ANY INFORMATION THAT MAY BE RECEIVED AFTER PREPARATION OF SAID DRAFT AND PRIOR TO THIS ACTION, INCLUDING ANY CHANGES MADE IN THE FINDINGS BY IRWD IN CERTIFYING THE FINAL SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT AND ANY COMMENTS FROM THE BOARD; DIRECTED THAT THE FINDINGS, AS SO REVISED, AND THE MITIGATION, MONITORING AND REPORTING PROGRAM BE INCORPORATED INTO THE RESOLUTION AND ADOPT THE FOLLOWING RESOLUTION BY TITLE:**

RESOLUTION NO. 2012 -42

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
IRVINE RANCH WATER DISTRICT CERTIFYING  
THE FINAL SUPPLEMENTAL ENVIRONMENTAL IMPACT  
REPORT FOR THE MICHELSON WATER RECYCLING  
PLANT (MWRP) PHASE 2 AND 3 CAPACITY  
EXPANSION PROJECT, (ADDING BIOSOLIDS HANDLING  
COMPONENT); ADOPTING WRITTEN FINDINGS  
PURSUANT TO THE CALIFORNIA ENVIRONMENTAL  
QUALITY ACT; ADOPTING A MITIGATION, MONITORING  
AND REPORTING PROGRAM; APPROVING THE  
PROJECT; AND AUTHORIZING THE FILING OF  
A NOTICE OF DETERMINATION TO PROCEED  
WITH THE PROJECT

GENERAL MANAGER'S REPORT

General Manager Cook reported that the District's website has been enhanced to include a description of the duties of the Board of Directors.

Mr. Cook reminded the Board of the upcoming Clarke Prize conference on Friday, November 2, 2012. He said that he will be making a presentation on the District's biosolids project in a morning session.

Mr. Cook thanked Government Relations Manager McLaughlin for her five years of service as she will be leaving the District in November to accept a position with Goleta Water District. President Matheis also thanked her for all of her efforts relative to legislative matters.

## DIRECTORS' COMMENTS

Director LaMar said he was sorry that he was unable to attend the last Board meeting. He said that he attended the OCSD's treatment plant tour, an Association of California Cities OC City Leader's Reception hosted by the District at the San Joaquin Wildlife Sanctuary, and a memorial service for Mr. John Greenwood, President of CORO.

Director Reinhart reported that he attended MWDOC's Board meeting, South Coast Water District's General Manager Dunbar's retirement celebration, and an Association of California Cities event.

Director Swan also reported on his attendance at an Association of California Cities event, an ACWA Water Management Committee as well as an ACWA Regions 9 and 10 Joint Program in Riverside where both he and Mr. Cook made a presentation, and a Water Management Subcommittee meeting at SAWPA.

Director Matheis reported on her attendance at the Association of California Cities event, a CSDA event, and an ACWA Regions 9 and 10 meeting. She said she did not attend the Miraloma dedication event as planned.

Director Swan asked that the Board meeting be adjourned in memory of Mr. Ray Watson, former official of the Irvine Company.

## CLOSED SESSION

President Matheis said that a Closed Session would be held relative to CONFERENCE WITH LABOR NEGOTIATOR pursuant to Government Code Section 54957.6 – Agency Designated Representative: President Matheis Unrepresented Employee: Paul Cook.

## OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors Swan, Reinhart, LaMar and Matheis present. No action was reported.

## ADJOURNMENT

President Matheis adjourned the meeting in memory of Mr. Ray Watson.

Approved and signed this 12th day of November, 2012.

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President/Vice President, IRVINE RANCH WATER  
DISTRICT



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Secretary/Assistant Secretary, IRVINE RANCH WATER  
DISTRICT

APPROVED AS TO FORM:

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Legal Counsel - Bowie, Arneson, Wiles & Giannone