

MINUTES OF REGULAR MEETING – NOVEMBER 10, 2014

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 November 10, 2014 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Reinhart, Withers, Matheis, LaMar and Swan (by teleconference)

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Engineering and Water Quality Burton, Executive Director of Finance Clary, Executive Director of Operations Shields, Executive Director of Water Policy Weghorst, Director of Treasury and Risk Management Jacobson, Director of Public Affairs Beeman, Director of Human Resources Roney, Director of Water Resources Sanchez, Legal Counsel Arneson (by teleconference), Secretary Bonkowski, Ms. Christine Compton, Mr. Christopher Smithson, Mr. Mike Hoolihan, Mr. Rich Mori, Mr. Jim Reed, Mr. Ed Casey, Ms. Carolyn Emery, Mr. Benjamin Legbandt, Mr. John Jaeger, and other members of the public and staff.

WRITTEN COMMUNICATION:

Mrs. Joan Irvine Smith's assistant asked that the status of the Dyer Road Wellfield be included in the minutes as follows: Currently wells 1, 2, 7, C-8, C-9, 10, 11, 14, 15, and 17 will operate in accordance with the District's annual pumping plan and that wells 3, 4, 5, 6, 12, 13, 16 and 18 will be off.

ORAL COMMUNICATION

Mr. John Jaeger thanked the District Secretary for providing him information to him earlier in the day relative to a broken meter he had reported. He then commented on the recent election results with the incumbents being reelected which he believed was not fair representation from the public at large. He further commented on IRWD's water rates which he felt were punitive and unfair.

ITEMS TOO LATE TO BE AGENDIZED: None.

PRESENTATION

CALAFCO GOVERNMENT LEADERSHIP AWARD

Ms. Carolyn Emery, Executive Officer of the Orange County Local Agency Formation Commission (LAFCO), presented the Board with the CALAFCO Government Leadership Award given to the Orange County Water District, the City of Anaheim, Yorba Linda Water District and IRWD for their contribution to the Orange County Water District annexation process. Ms. Emery thanked General Manager Cook and Mr. Mike Hoolihan for their efforts with regard to the annexation process.

CONSENT CALENDAR

On MOTION by Withers, seconded and unanimously carried by a roll call vote of 5-0 (Matheis, Reinhart, LaMar, Swan and Withers voting aye), CONSENT CALENDAR ITEMS 4 THROUGH 12 WERE APPROVED AS FOLLOWS:

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the October 27, 2014 Regular Board meeting be approved as presented.

5. RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS

Recommendation: That the Board ratify/approve meetings and events for Steven LaMar, Mary Aileen Matheis, Peer Swan and John Withers.

6. RESOLUTIONS COMMENDING MWDOC'S DIRECTOR WAYNE CLARK AND OCWD'S DIRECTOR KATHRYN BARR FOR THEIR LONG-STANDING SERVICE TO THEIR RESPECTIVE AGENCIES

Recommendation: That the Board adopt the following two resolutions by title commending Ms. Kathryn Barr for 35 years of dedicated service to the Orange County Water District and Mr. Wayne Clark for 35 years of dedicated service to the Municipal Water District of Orange County.

RESOLUTION NO. 2014-48

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT COMMENDING
MS. KATHRYN BARR FOR 35 YEARS OF DEDICATED
SERVICE TO THE ORANGE COUNTY WATER DISTRICT

RESOLUTION NO. 2014-49

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT COMMENDING
MR. WAYNE CLARK FOR 35 YEARS OF DEDICATED SERVICE
TO MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

CONSENT CALENDAR (CONTINUED)

7. EAST ORANGE COUNTY WATER DISTRICT INTERCONNECTION REHABILITATION CONSTRUCTION AWARD

Recommendation: That the Board authorize a budget increase in the amount of \$103,700, from \$158,700 to \$262,400, and authorize the General Manager to execute a construction contract with Paulus Engineering, Inc. in the amount of \$163,950 for the East Orange County Water District Interconnection Rehabilitation, project 11799 (5401).

8. STRAND RANCH RECOVERY FACILITIES PROJECT SREX-4 WELL REPLACEMENT FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Strand Ranch Recovery Facilities Project SREX-4 Well Replacement (11289-A), and authorize the General Manager to file a Notice of Completion.

9. STRAND RANCH WELL OPTIMIZATION AND MONITORING PROJECT FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Strand Ranch Well Optimization and Monitoring Project 11794 (5272); authorize the General Manager to file a Notice of Completion; and authorize the payment of retention 35 days after the date of recording the Notice of Completion.

10. ANNUAL FISERV ELECTRONIC COMMERCE SERVICES AGREEMENT EXTENSION

Recommendation: That the Board approve renewal of the Fiserve Electronic Commerce Service Agreement effective October 14, 2014 through October 13, 2015 in the amount of \$162,000.

11. REVISIONS TO DISTRICT RULES AND REGULATIONS

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

RESOLUTION NO. 2014-50

RESOLUTION RESCINDING RESOLUTION NO. 2012-1
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 (CONTINUED)

RESOLUTION NO. 2014-51

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA ADOPTING REVISIONS NOT MODIFYING SERVICE DELIVERY CHARGES 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

12. PROPOSED CONSUMER PRICE INDEX CHANGES TO SALARY GRADE SCHEDULE AND EMPLOYEE COST OF LIVING ADJUSTMENTS

Recommendation: That the Board approve a 2.0% increase to the salary grade ranges for all eligible represented and unrepresented positions and a 2.0% Cost of Living Adjustment for each eligible represented and unrepresented employee, both effective December 1, 2014; and adopt the following resolution by title:

RESOLUTION NO. 2014-52

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, RESCINDING RESOLUTION NO. 2014-25 AND ESTABLISHING A REVISED SCHEDULE OF POSITIONS AND SALARY RATE RANGES

ACTION CALENDAR

PROPOSED REVISIONS TO THE IRWD POTABLE WATER SUPPLY RELIABILITY POLICY PRINCIPLES

Executive Director of Water Policy Weghorst said that IRWD's Potable Water Supply Reliability Policy Principles paper was adopted by the Board on August 8, 2008. Mr. Weghorst said that due to the severe drought and new factors that have the potential to affect water supplies in California, staff has updated the District's Potable Water Supply Reliability Policy Principles paper to guide IRWD's participation in MWDOC's county-wide study, and the District's update to its own Water Supply Reliability Study. He then highlighted several of the policy principles. Following discussion, on MOTION by Matheis, seconded and unanimously carried by a roll call vote of 5-0 (Matheis, Reinhart, LaMar, Swan and Withers voting ayes), **THE BOARD ADOPTED THE REVISED POLICY PRINCIPLES PAPER ON POTABLE WATER SUPPLY RELIABILITY.**

PROPOSED REVISIONS TO THE IRWD DESALINATION POLICY PRINCIPLES

Executive Director of Water Policy Weghorst reported that the current drought and ongoing consideration being given by Orange County water agencies to the proposed Huntington Beach and Doheny Beach ocean desalination projects have resulted in the need to update IRWD's Desalination Policy Principles paper. Mr. Weghorst said that the updated principles paper addresses policy areas that are important in directing comments on reports and analyses being prepared for different desalination projects. He said that the principles will also help guide the District's participation in workshops with the Groundwater Producers and interested agencies to be conducted in the near future. Mr. Weghorst then reviewed all of the principles related to the potential desalination projects.

Director Swan reported that this item was reviewed by the Ocean Desalination Ad Hoc Committee on November 6, 2014 and that the Committee concurred with the revisions in the policy being presented. In response to Director Reinhart's suggestion to add language to clarify the use of brackish water, it was the consensus to adopt the policy as presented by staff subject to including language on brackish water at a later date. On MOTION by Swan, seconded and unanimously carried by a roll call vote of 5-0 (Matheis, Reinhart, LaMar, Swan and Withers voting ayes), **SUBJECT TO CLARIFYING THE USE OF BRACKISH WATER AT A LATER DATE, THE BOARD ADOPTED THE REVISED IRWD DESALINATION POLICY PRINCIPLES.**

LOS ALISOS WATER RECYCLING PLANT PONDS BIOSOLIDS REMOVAL AND DISPOSAL CONSTRUCTION AWARD

General Manager Cook reported that the Los Alisos Water Recycling Plant (LAWRP) Biosolids Removal project will dredge, dewater, haul, and dispose of a maximum 4,500 dry tons of biosolids that have accumulated in Ponds 3, 4, and 5 at the LAWRP. On September 23, 2014, the project was advertised to a select list of five contractors with Synagro-WWT, Inc. as the apparent low bidder. It was noted that the omission of the project schedule in Synagro-WWT's bid was deemed by legal counsel and staff not to be an irregularity that could affect the bid amount or afford the bidder a competitive advantage. On MOTION by Swan, seconded and unanimously carried by a roll call vote of 5-0 (Matheis, Reinhart, LaMar, Swan and Withers voting ayes), **THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$2,052,700, FROM \$1,779,900 TO \$3,832,600, TO THE LOS ALISOS WATER RECYCLING PLANT (LAWRP) BIOSOLIDS REMOVAL PROJECT; FOUND THAT THE IRREGULARITY IN THE BID OF SYNAGRO-WWT, INC. DID NOT AFFECT THE BID AMOUNT OR GIVE THE BIDDER A COMPETITIVE ADVANTAGE OVER OTHER BIDDERS AND WAIVED THE IRREGULARITY; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH SYNAGRO-WWT, INC. IN THE AMOUNT OF \$3,485,431 FOR THE LAWRP PONDS BIOSOLIDS REMOVAL AND DISPOSAL, PROJECT 20219 (5521).**

REVIEW OF 2014 LEGISLATIVE ACTIVITIES AND 2015 LEGISLATIVE PLANNING

Ms. Christine Compton reported on the expected 2015 legislative/regulatory issues followed by planned projects for Proposition 1 funding. Following discussion on the proposed projects for funding, it was determined a Board workshop be held to discuss the major capital projects prior to finalizing the list. On MOTION by Matheis, seconded and unanimously carried by a roll call vote of 5-0 (Matheis, Reinhart, LaMar, Swan and Withers voting ayes), SUBJECT TO HOLDING A BOARD WORKSHOP TO REVIEW THE LIST OF PLANNED PROJECTS FOR PROPOSITION 1 FUNDING, THE BOARD ADOPTED THE PRELIMINARY LIST OF IRWD PLANNED PROJECTS FOR PROP. 1 FUNDING, ADOPTED THE PROPOSED INITIAL 2015 LEGISLATIVE AND REGULATORY RESOURCE ALLOCATION PLAN AND THE LEGISLATIVE/REGULATORY ISSUES AND ACTIVITIES OF HIGH CONCERN TO IRWD IN 2015.

GENERAL MANAGER'S REPORT – None.

DIRECTORS' COMMENTS

Director Matheis commented on the election results and noted the low turnout. She noted the upcoming Exchange Club of Irvine breakfast event on November 20th.

Director Withers reported on his attendance at the UCI/IRWD reception and also said that he will be attending an OCSD Board meeting this Wednesday.

Director Swan reported on his speaking engagement at a Rotary Club meeting representing the District, an Orange County Forum meeting, a meeting with Supervisor Todd Spitzer, an OCWD Board meeting, a Newport Chamber of Commerce meeting, and an NWRI meeting with Director LaMar.

Director LaMar reported on his attendance at a MWDOC/MWD Board meeting, a MWDOC Board and Member Agency Elected Officials Forum, a meeting with Supervisor Todd Spitzer, a WACO Committee meeting, and an NWRI Clarke Prize conference and awards ceremony.

Consultant Jim Reed reported on the meetings he attended on behalf of IRWD including an ISDOC meeting, a SOCWA Board meeting, a Lake Forest Chamber of Commerce meeting, and a Lake Forest sports park dedication ceremony.

CLOSED SESSION

President LaMar said that the following Closed Sessions would be held:

CLOSED SESSION CONFERENCE WITH REAL PROPERTY NEGOTIATOR RELATIVE TO Government Code Section 54956.8

Property: OCSD Service Area 7 Sewer Infrastructure

Agency Negotiator: Paul Cook, General Manager

Purpose of Negotiations: Proposed Acquisition of Property - Price and terms;

CLOSED SESSION CONFERENCE WITH REAL PROPERTY NEGOTIATOR RELATIVE TO
Government Code Section 54956.8

Property: Water assets appurtenant to or associated with APNs - 042-340-023, 042-340-025,
042-340-039, 042-230-043, 042-340-034, 042-340-035, 042-340-037, 048-010-016, 048-010-
018, 048-020-030 (Utica Ranch located in Kings County California near Utica Avenue and
Interstate 5)

Negotiating Parties: Steven Jackson and Ernest Conant

Agency Negotiator: Paul Cook, General Manager

Purpose of Negotiations: Price and Terms of Payment

OPEN SESSION

Following the Closed Session on the first and second item, the meeting was reconvened with
Directors La Mar, Matheis, and Reinhart present. No action was reported.

ADJOURNMENT

There being no further business, President LaMar adjourned the meeting at 8:00 p.m.

APPROVED and SIGNED this 24th day of November, 2014.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:
Bowie, Arneson, Wiles & Giannone

Legal Counsel