

MINUTES OF REGULAR MEETING – MARCH 13, 2017

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 Reinhart on March 13, 2017 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Swan, Matheis, Reinhart, and Withers.

Directors Absent: LaMar.

Also Present: General Manager Cook, Executive Director of Finance Clary, Executive Director of Water Policy Weghorst, Executive Director of Operations Sheilds, Executive Director of Engineering and Water Quality Burton, Director of Water Resources Sanchez, Director of Public Affairs Beeman, Director of Treasury and Risk Management Jacobson, Director of Recycling Operations Zepeda, Director of Water Operations Roberts, Principle Engineer Malloy, Legal Counsel Arneson (via teleconference), Secretary Bonkowski, Principle Engineer Akiyoshi, Manager of Water Quality Lars Oldewage, Mr. Joe Lam, Mr. Alex Escalante, Mr. Jim Reed, and Mr. Bruce Newell.

ORAL AND WRITTEN COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

PRESENTATIONS

NATURAL COMMUNITIES COALITION

Mr. Jim Sulentich of the Natural Communities Coalition expressed appreciation of the District for providing office space over the last 16 years.

OPERATIONS DATABASE MANAGEMENT SYSTEM IMPLEMENTATION

Using a PowerPoint presentation, Mr. Swift provided an overview of the District's Operations Database Management system including how it works, who uses it, examples of use, and future operations. He recognized Mr. Joe Lam and Mr. Alex Scalonti who assisted in this effort along with Director of Administrative Services Tony Mossbarger and his team.

CONSENT CALENDAR

Director Reinhart asked that item No. 7, APPROVAL TO PURCHASE REPLACEMENT GAS CHROMATOGRAPH/MASS SPECTROMETER, be moved to the Action Calendar for discussion. There being no objection, this item was moved to the Action Calendar. On MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 5, 6, 8 AND 9 WERE APPROVED AS FOLLOWS:

CONSENT CALENDAR (Continued)

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

Recommendation: That the Board ratify/approve the meetings and events for Steven LaMar, Douglas Reinhart, Mary Aileen Matheis and John Withers as described.

6. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the February 13, 2017 Regular Board Meeting be approved as presented.

8. SAN JOAQUIN MARSH CAMPUS SEWER LIFT STATION REHABILITATION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the San Joaquin Marsh Campus Sewer Lift Station Rehabilitation, project 05186; 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. IRWD REAPPOINTMENT OF COMMISSIONER AND APPOINTMENT OF ALTERNATE COMMISSIONER TO THE BOARD OF THE SANTIAGO AQUEDUCT COMMISSION

Recommendation: That the Board adopt the following resolution by title rescinding Resolution No. 2011-6 and reappointing James Reed as Commissioner and appointing Mary Aileen Matheis as Alternate Commissioner to the Board of the Santiago Aqueduct Commission.

RESOLUTION NO. 2017-7

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, RESCINDING
RESOLUTION NO. 2011-6 AND REAPPOINTING
COMMISSIONER AND APPOINTING ALTERNATE
COMMISSION TO THE BOARD OF THE SANTIAGO
AQUEDUCT COMMISSION

ACTION CALENDAR

APPROVAL TO PURCHASE REPLACEMENT GAS CHROMATOGRAPH/MASS SPECTROMETER

In response to Director Reinhart's inquiry, Manager of Water Quality Lars Oldewage verified that the spectrometer will provide the capacity necessary to measure samples in the parts per billion range for reporting purposes. There being no further comments, on MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE PURCHASE

OF A REPLACEMENT GAS CHROMATOGRAPH MASS SPECTROMETER FROM AGILENT TECHNOLOGIES IN THE AMOUNT OF \$129,996.

MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES VARIANCES AND CHANGE ORDERS

Executive Director of Engineering and Water Quality Burton reported that variances and change orders are required for the Michelson Water Recycling Plant (MWRP) Biosolids and Energy Recovery Facilities (Biosolids Project). Mr. Burton said that Variance No. 3 is with Ninyo & Moore who have been providing concrete sampling/testing, masonry grout sampling/testing, and welding inspection since 2013. He said that the effort to complete these samplings and inspections was underestimated and after review of the remaining effort needed, staff requested that Ninyo & Moore submit a variance for the remaining work along with in-place density testing during paving operations, which will occur in the later stages of construction. Variance No. 3 is in the amount of \$24,955.

Mr. Burton said that Black & Veatch (B&V) has provided contract administration, construction inspection, and construction management services since 2013. The current scope of work covered by Variance No. 5 for B&V includes preparing standard operating procedures (SOPs) for startup, shutdown, and isolation of equipment for cleaning of processes. Under Variance No. 5, B&V will prepare five overall “process system” SOPs. He said that after further discussion, staff desires individual “equipment” SOPs; therefore, a new list of SOPs was developed to ensure all items are covered. There is a total of 124 equipment SOPs to be written. Of the 124 SOPs, 52 equipment SOPs (existing SOPs) were generally covered under the Variance No. 5; however, he said that staff would like the scope of these SOPs expanded to include valve configuration tables, pre-check information, and shutdown procedures. There are also 72 entirely new equipment SOPs to be developed at the request of the staff. Staff requested an expanded scope of work for the 52 existing SOPs and the development of 72 new SOPs. This requires work activities that are beyond the existing scope of work in Variance No. 5. Staff requested B&V to submit a proposal to prepare the expanded scope as described. Variance No. 6 is in the amount of \$215,500.

Mr. Burton said that staff has negotiated with FBB and agreed to the labor and material costs contained in CCO No. 48, which contains the following items: 1) structural modifications of the elevator shafts in the amount of \$58,705.90; 2) SCADA programming update of polymer feed and storage system in the amount of \$23,685.14; 3) stairs and platform at SHB Load-Out Area in the amount of \$39,622.65; 4) additional polymer dilution flow meters and associated conduits and cables in the amount of \$38,978.70; 5) miscellaneous Andritz items in the amount of \$41,246.71; 6) remoted input output (RIO)-4001 changes in the amount of \$27,889.74; 7) RIO-3102 changes in the amount of \$18,280.62; 8) additional outlet and data locations in the SHB, in the amount of \$13,261.60; 9) new lighting in the SHB first floor area in the amount of \$102,503.46; 10) additional conduits and cables for thermocouples for several pumps in the amount of \$54,982.68; 11) additional wall panel framework at the SHB in the amount of \$128,000.00; 12) changes in uninterruptible power supply (UPS) units in the amount of \$128,052.94; and 13) addition of a circuit breaker at transformer T-14 in the amount of \$53,027.60. CCO No. 48 is in the amount of \$728,237.74.

Mr. Burton said CCO No. 49 has several items that result in credits to IRWD including: 1) mechanical piping modifications, in the credit amount of <\$23,897.73>; 2) changing the SHB roofing from EPDM to PVC in the credit amount of <\$9,000>; 3) net reduction of Scope of Work in SCADA valve matrix tables animation clarifications in the credit amount of <\$4,429.09>; 4) change in starters for MCC-4100/4101 cake transfer pump breakers in the credit amount of <\$4,047.43>; and 5) deletion of insulation for the SHB foundation in the credit amount of <\$5,724.95>.

Director Withers said that this item was reviewed and approved by the Engineering and Operations Committee on February 23, 2017. On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 3 WITH NINYO & MOORE IN THE AMOUNT OF \$24,955 FOR SUPPLEMENTAL WELDING INSPECTION, MASONRY GROUT SAMPLING/TESTING, CONCRETE SAMPLING/TESTING, AND IN-PLACE DENSITY TESTING DURING PAVING OPERATIONS; AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 6 WITH BLACK & VEATCH IN THE AMOUNT OF \$215,500 FOR PREPARATION OF STANDARD OPERATING PROCEDURES; APPROVED CONTRACT CHANGE ORDER (CCO) NO. 48 IN THE AMOUNT OF \$728,237.74 WITH FILANC/BALFOUR-BEATTY FOR THE BIOSOLIDS PROJECT; AND APPROVED CCO NO. 49 IN THE CREDIT AMOUNT OF <\$47,099.20> WITH FILANC/BALFOUR-BEATTY FOR THE MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY, PROJECT NO. 4286.

AGREEMENT FOR LONG-TERM EXCHANGE PROGRAM WITH DUDLEY RIDGE WATER DISTRICT

Executive Director of Water Policy Weghorst reported that the existing IRWD-Buena Vista Water Storage District (BVWSD) unbalanced exchange program provides IRWD access to non-State Water Project (SWP) supplies that are stored in the Strand Ranch Integrated Banking Project (Water Bank). Mr. Weghorst said that staff has been pursuing the implementation of a mutually beneficial Long-Term Exchange Program with Dudley Ridge Water District (DRWD) that would allow IRWD to exchange its non-SWP water for an equal amount of SWP Table A water. The new program would provide drought assistance to DRWD landowners with agricultural operations in both Kern County and the DRWD service area through the use IRWD's non-SWP water during water-short years. IRWD would benefit by receiving SWP water that could be used in IRWD's service area consistent with the Coordinated Operating and Exchange Agreement with Metropolitan Water District of Southern California and Municipal Water District of Southern California (Coordinated Agreement).

Mr. Weghorst said that following the DRWD Board meeting on February 8, 2017, staff worked with the General Manager of DRWD to make further revisions to the agreement that are consistent with the modifications that were requested by the DRWD Board. These requested modifications were reviewed with the Supply Reliability Programs Committee on February 16, 2017. He said that since then several revisions have been made that more clearly describe the losses that will be applied to water returned by DRWD in fulfilling the requirements of each exchange. In addition, minor revisions were made that allow DRWD to request information from IRWD on the availability of non-SWP water in storage in IRWD's Water Bank including the Stockdale Integrated Banking Project.

Mr. Weghorst said that the proposed Long-Term Exchange Program Agreement would allow IRWD to recover and deliver up to 40,000 acre-feet of its non-SWP water that is stored in IRWD's Water Banks to DRWD in exchange for SWP water provided by DRWD. The SWP water would need to be returned to IRWD within five years, whenever the June 1 SWP Allocation is 65% or higher. The return deliveries can be made to either IRWD's Water Banks or to Metropolitan's reservoirs in Southern California consistent with the Coordinated Agreement. Deliveries to IRWD's Water Banks can be made either through underground transfers from the Kern Water Bank or on the surface for direct recharge. Return deliveries made through underground transfers or to Metropolitan's reservoirs would not incur any losses. Deliveries made to IRWD's Water Bank by direct recharge would incur 10% losses and DRWD would need to deliver enough SWP water into storage to ensure the completion of a 1-for-1 exchange. The agreement would expire on November 4, 2035.

Mr. Weghorst said that the agreement provides DRWD the opportunity to pre-deliver SWP water to IRWD's Water Banks in exchange for non-SWP water that IRWD would recover and deliver to DRWD within five years. DRWD's pre-delivery of water would be subject to IRWD's approval and confirmation that IRWD has non-SWP water in storage to complete the exchange.

Mr. Weghorst said that all costs associated with the program would be allocated on an equitable basis between IRWD and DRWD as set forth in the agreement. IRWD would be responsible for all costs for the acquisition, storage, recovery and conveyance of non-SWP water made available to DRWD. DRWD would be responsible for all costs for the acquisition, conveyance and recharge of SWP water returned to IRWD.

Director Withers asked staff to determine if language could be added relative to the termination date. On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE THE 2017 AGREEMENT BETWEEN DUDLEY RIDGE WATER DISTRICT AND IRVINE RANCH WATER DISTRICT FOR A LONG-TERM EXCHANGE PROGRAM SUBJECT TO ANY SUBSTANTIVE CHANGES BEING APPROVED BY IRWD'S SUPPLY RELIABILITY PROGRAMS COMMITTEE.

OTHER BUSINESS

GENERAL MANAGER'S REPORT

General Manager Cook asked Executive Director of Water Resources Weghorst to provide the Board with an update on IRWD's Water Bank Recharge Operations in Kern County. Using a PowerPoint presentation, Mr. Weghorst reviewed the current recharge schedule, and provided a map highlighting these facilities.

Mr. Cook reported that the recruitment process for the open position in the General Manager's office is complete. He said that this position is also designated as the Assistant Board Secretary, and that after conducting an extensive internal and external recruitment, Ms. Kristine Swan was the selected candidate. He then introduced Ms. Swan to the Board.

Mr. Cook presented two American Society of Civil Engineers awards the District received; one for the Baker Water Treatment plant and the other for the Peters Canyon Channel Water Recapture and Reuse Pipeline.

DIRECTORS' COMMENTS

Director Matheis noted that she was unable to attend the ACC-OC Water Committee meeting, but was able to attend an OCBC annual dinner event, a luncheon honoring Representative Ken Calvert, a Lake Forest State of the City Address and Meet the Mayor Scott Voigts, an ACWA Winter conference in Washington, D.C., and an ACWA Legislative Symposium.

Director Withers noted that tomorrow evening on the National Geographic TV station, a program entitled "Water and Power: a California Heist" will be featured which will explore the water crisis. He reported on upcoming meetings he will be attending, including an NWRI Board meeting and an OCCOG event in Anaheim.

Director Swan reported that he attended both ACWA and CASA conferences in Washington, D.C., an OCWD Board and Committee meeting, an OC Watershed meeting, a WACO monthly meeting, a WACO planning meeting, and a Water Dialogue meeting.

Director Reinhart reported on his attendance at a MWDOC Board Meeting, and said he was unable to attend the SOCWA Board meeting.

IRWD's consultant Jim Reed reported on meetings he attended on behalf of the District.

CLOSED SESSION

President Reinhart said that a Closed Session would be held with Legal Counsel - Anticipated Litigation (Government Code Section 54956.9 (d)(2) - significant exposure to litigation (one potential case).

OPEN SESSION

Following the Closed Session, the meeting was reconvened with Reinhart, Withers, Swan, and Matheis present. President Reinhart said there was no action to report.

ADJOURNMENT

There being no further business, President Reinhart adjourned the meeting.

APPROVED and SIGNED this 27th day of March, 2017.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone