

EXHIBIT "A"

MINUTES OF REGULAR MEETING – AUGUST 14, 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 Vice President Swan on August 14, 2017 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Swan, Matheis, LaMar, Reinhart (via teleconference call) and Withers.

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Water Policy Weghorst, Executive Director of Operations Sheilds, Executive Director of Engineering and Water Quality Burton, Executive Director of Finance and Administration Clary, Director of Treasury and Risk Management Jacobson, Director of Administrative Services Mossbarger, Director of Water Resources Sanchez, Director of Recycling Operations Zepeda, Director of Public Affairs Beeman, Director of Human Resources Roney, Legal Counsel Smith, Secretary Bonkowski, Assistant Secretary Swan, Principle Engineer Akiyoshi, Principle Engineer Cortez, Asset System Manager Meserlian, Government Relations Officer Compton, Customer Service Manager Cotton, Ms. Kellie Welch, Mr. Dean Kirk, Mr. John Fabris, Mr. Bruce Newell, Mr. Kevin Walsh, Mr. Mike Sukle, Ms. Devin Cowan, and Mr. Dan Schultz, Ms. Devin Cowan, Mr. Jose Prado, Ms. Lorraine McKinley, Ms. Jeanette Shelly, and members of the public including homeowners in the Village Glen Maintenance Association in Woodbridge, Irvine.

WRITTEN COMMUNICATIONS: None.

ORAL COMMUNICATIONS

Mr. Jose Prado, President and residents in the Village Glen Homeowners' Association, conveyed to the Board communications with staff relative to the District's easement for water and service lines to their homes located underneath the associations carport structures which are now in disrepair and require reconstruction over said easement. Following additional oral communications to the Board from Ms. Jeanette Shelly, Mr. Kevin Walsh, and Ms. Lorraine McKinley, also residents of the Village Glen Homeowners' Association, Vice President Swan formed a subcommittee of himself and Director Matheis to confer with staff on this issue on Friday.

ITEMS TOO LATE TO BE AGENDIZED: None.

CONSENT CALENDAR

On MOTION by Matheis and unanimously carried, on a roll call vote (5-0) (Swan, Matheis, Withers, LaMar and Reinhart voting aye), CONSENT CALENDAR ITEMS 3 THROUGH 8 WERE APPROVED AS FOLLOWS:

CONSENT CALENDAR (CONTINUED)

3. 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, Douglas Reinhart and John Withers, as described.

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the July 24, 2017 Regular Board Meeting be approved as presented.

5. BAKER WATER TREATMENT PLANT RETENTION REDUCTION

Recommendation: That the Board authorize the reduction of retention from 10% to 1% of the contract amount for the Baker Water Treatment Plant, Project 05027.

6. 2018 MEDICAL INSURANCE COVERAGE RENEWAL

Recommendation: That the Board authorize the continuance of the District's health insurance coverage with CalPERS for the calendar year 2018 with the changes in District and Employee Contribution Rates as outlined in the Exhibit.

7. DENTAL AND VISION INSURANCE COVERAGE FOR CALENDAR YEAR 2018

That the Board authorize the General Manager to extend the contract with ACWA/JPIA for Delta Dental DPO Plan A with child and adult orthodontic coverage; and to accept the EyeMed proposal for vision insurance coverage with no premium rate increase, and a four-year rate guarantee through December 31, 2021.

8. 2017 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: Receive and file.

ACTION CALENDAR

IMPLEMENTATION OF WATER USE EFFICIENCY OUTREACH CAMPAIGN

Director of Public Affairs Beeman reported that recent customer focus group results indicate that IRWD's outreach efforts would benefit from an updated water use efficiency messaging strategy that would be sustainable during both drought and non-drought periods. Ms. Beeman said that in July 2016, the Board approved a Professional Services Agreement with Sukle Advertising & Design to develop a new creative outreach plan that communicates the value of water, sustains current levels of water savings and seeks additional permanent water savings among customer groups that have been traditionally difficult to reach.

Using a PowerPoint presentation, Suple Advertising and Design staff outlined a campaign for the District which will include a media launch in October 2017 with the goal of combatting outdoor water usage during the fall season. The presentation reviewed the audience and message strategy, 2017/18 campaign ideas, production considerations and media recommendations.

Director Matheis reported that this item was reviewed by the Water Resources Policy and Communications Committee and she was impressed with Suple's proposed campaign which is focused and anticipates it will have a positive impact on the District's customers. Director LaMar said that he was initially hesitant to expend funds, but following the presentation believes it is very clever campaign. Director Swan raised a number of concerns regarding the campaign which Director Matheis said that staff will address. Additionally, she advised Director Swan that the campaign will be reviewed by the Committee for a final review. Following discussion, on MOTION by Matheis and carried, on a roll call vote (4-1) (Matheis, Withers, LaMar and Reinhart voting aye and Swan voting no), **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH SUKLE ADVERTISING & DESIGN IN THE AMOUNT OF \$1,136,100 TO IMPLEMENT A NEW WATER USE EFFICIENCY OUTREACH CAMPAIGN.**

AMENDED WATER SUPPLY ASSESSMENT FOR PLANNING AREAS 40 AND 12 GENERAL PLAN AMENDMENT AND ZONE CHANGE PROJECT

The City is proposing a project that involves a General Plan Amendment and zone change for portions of Planning Area 40 and 12. The proposed Project revises these areas to include a net increase of 1,343 dwelling units and a net decrease of 1.5 msf of mixed use, industrial and commercial use. An Amended Water Supply Assessment (WSA) has been completed in response to the City's request related to the revised project. Estimates show a net decrease of 178 acre-feet per year (AFY) in potable water demands and a net decrease of 4 AFY of non-potable demand associated with the revised land use changes. On MOTION by LaMar, seconded and unanimously carried on a roll call vote (5-0) (Matheis, Withers, LaMar, Swan and Reinhart voting aye, **THE BOARD APPROVED THE AMENDED WATER SUPPLY ASSESSMENT FOR PLANNING AREAS 40 AND 12 GENERAL PLAN AMENDMENT AND ZONE CHANGE PROJECT.**

MICHELSON WATER RECYCLING PLANT FILTER PUMP STATION 2 HEADER REPLACEMENT CONSTRUCTION AWARD

Executive Director of Engineering and Water Quality Burton reported that due to age and corrosive soil conditions, the Michelson Water Recycling Plant (MWRP) Filter Pump Station 2 (FPS2) discharge header pipe has deteriorated and requires replacement. The pump station discharge piping includes 24-inch diameter cement mortar lined and coated steel pipes from each of the four pumps joining a 36-inch diameter discharge header pipeline that is encased in concrete. Mr. Burton said that the District has pre-purchased six butterfly valves and the 36-inch magnetic flow meter to expedite the construction of this project.

Mr. Burton said that the project was advertised to a select list of 15 mechanical contractors on June 28, 2017. He said that the bid opening was held on July 27, 2017, with bids received from Olsson Construction, Pacific Hydrotech, PCL Construction, and Schuler Constructors. The

apparent low bidder is Norman A. Olsson Construction with a bid of \$1,175,978; the engineer's estimate was \$1,472,000.

On **MOTION** by Withers, seconded and unanimously carried on a roll call vote (5-0) (Matheis, Withers, LaMar, Swan and Reinhart voting aye, **THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$370,400, FROM \$1,144,800 TO \$1,515,200, FOR PROJECT 07009; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH NORMAN A. OLSSON CONSTRUCTION IN THE AMOUNT OF \$1,175,978 FOR THE MICHELSON WATER RECYCLING PLANT FILTER PUMP STATION 2 HEADER REPLACEMENT, PROJECT 07009.**

OFFSITE PIPELINES FOR THE IRVINE LAKE PIPELINE NORTH CONVERSION CONSULTANT SELECTIONS AND CONSTRUCTION AWARD

Executive Director of Engineering and Water Quality Burton reported that the Irvine Lake Pipeline (ILP) North Conversion project is part of the District's strategic plan to increase recycled water usage and reduce reliance on imported water supplies by converting a significant portion of the ILP from untreated water to recycled water. The conversion project will convert the Rattlesnake Reach of the ILP, which is located between Rattlesnake Reservoir and the Zone C+ reservoir, from untreated water to recycled water. The conversion project includes constructing a new 2.4 million gallon buried concrete Zone C+ reservoir, various modifications at the Rattlesnake Reservoir Complex, and the offsite pipelines necessary to connect the reservoir to the ILP.

To streamline the design and construction of the ILP North Conversion Project, staff divided the project into two components: 1) the Santiago Hills Zone C+ Reservoir and Rattlesnake Reservoir Complex Improvements Project, and 2) the Offsite Pipelines for the ILP North Conversion Project. The construction of the two projects will progress simultaneously to meet the estimated project completion milestone of fall 2018.

Mr. Burton said that staff received proposals from Converse Consultants, LGC Geotechnical, Inc., Ninyo & Moore, and NMG Geotechnical, Inc. to provide construction phase soils and materials testing. Staff recommends that the Board authorize the General Manager to execute a Professional Services Agreement, with NMG Geotechnical for construction phase geotechnical services. He said that staff requested MBI to submit a proposal for engineering support services during construction, who is the engineer of record for the design of this project. He said that staff reviewed MBI's scope of work and fee and recommends that the Board execute a Professional Services Agreement with MBI.

Mr. Burton said that the project was advertised for construction on June 7, 2017 to a select list of 15 contractors and that eight bids were received. He said that Artukovich & Son, Inc. (Artukovich) was the apparent low bidder with a bid amount of \$6,300,000. He said that on August 1, 2017, Artukovich submitted a formal written request to withdraw its bid citing a material clerical error made in the computation of its bid. Staff conferred with legal counsel, and legal counsel confirmed that under Public Contract Code § 5100, et seq., if a bidder discovers a mistake in its bid submitted to a state or local public entity, it may obtain relief and withdraw the bid either with the consent of the awarding entity or by an action to recover the bid bond in court. The mistake must be material and resulting from a typographical, arithmetical, or other clerical errors, as opposed to an error in judgment or carelessness in inspecting the site of the work or in reading the plans and specifications. Additionally, the bidder must provide written notice of the

mistake within five work days after the opening of the bid, explaining the mistake in detail. Mr. Burton said that Artukovich's formal written request, which cites an approximate \$1.5 million dollar miscalculation in its bid price, complies with the Public Contract Code requirements for requesting withdrawal of its bid. He said that staff and legal counsel have reviewed Artukovich's written request to withdraw its bid and concur that a material clerical error was made in the preparation of its bid. As afforded by the Public Contract Code, staff recommends that the Board acknowledge the material clerical error made in the computation of its bid, accept Artukovich's formal written request to withdraw its bid, and return the bid bond to Artukovich. He said that the next lowest bidder is CCL Contracting, Inc. (CCL), who submitted a bid in the amount of \$8,337,193.50. He further said that staff reviewed CCL's bid and has determined that it is responsive.

Director LaMar said that the Engineering and Operations Committee reviewed the consultant selection items on July 18, 2017, and concur with the staff recommendation. On MOTION by LaMar, seconded and unanimously carried on a roll call vote (5-0) (Matheis, Withers, LaMar, Swan and Reinhart voting aye), **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$152,743, WITH NMG GEOTECHNICAL FOR GEOTECHNICAL SERVICES DURING CONSTRUCTION; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$136,050 WITH MICHAEL BAKER INTERNATIONAL FOR ENGINEERING SUPPORT SERVICES DURING CONSTRUCTION; ACKNOWLEDGED THE MATERIAL CLERICAL ERROR MADE IN THE COMPUTATION OF ARTUKOVICH & SON, INC.'S BID, ACCEPTED ARTUKOVICH & SON, INC.'S FORMAL WRITTEN REQUEST TO WITHDRAW ITS BID, AND RETURNED THE BID BOND TO ARTUKOVICH & SON, INC.; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH CCL CONTRACTING, INC., IN THE AMOUNT OF \$8,337,193.50, FOR THE OFFSITE PIPELINES FOR THE IRVINE LAKE PIPELINE NORTH CONVERSION, PROJECT 05823.**

UTILITY BILL PRINTING, MAILING, AND ELECTRONIC BILL PRESENTMENT SERVICES CONTRACT AWARD

Customer Service Manager Cotton reported that revisions to the customer bills began in April 2016 with feedback solicited from customers through focus group sessions. She said that the current costs to print and mail bills, correspondence, and notifications are approximately \$207,000 annually. She said that staff determined that IRWD will receive the following benefits from using a service provider: 1) Provide customer with a PDF image of a bill instead of a rendered image; 2) Ability to send customer a secure link to display the bill from the e-mail message versus the customer currently having to log into a web portal; 3) Flexibility to print selective messaging on bill, envelope, and in newsletter; 4) Flexibility and reduced cost when making future changes to bill formats; 5) Reduced lead time and ability to make changes to the newsletter content mid-month; 6) Cost savings from redeployment of 0.75 FTE; 7) Cost savings from termination of equipment leases and maintenance; 8) Cost savings by printing customer bills on standard paper (no pre-printed forms); 9) Cost savings by using standard window envelopes; 10) Cost savings by printing newsletter in-line with the customer bill on standard paper; and 11) Cost savings by utilizing the National Change of Address for returned mail.

Ms. Cotton reported that staff issued a Request for Proposal for utility bill printing, mailing, and electronic bill presentment (eBill) services to six firms, and received responses from five. Ms. Cotton said that based on a thorough evaluation of the proposals, staff recommends that the Board authorize the General Manager to execute a three-year contract for the services with InfoSend, Inc. effective August 15, 2017.

On MOTION by Swan, seconded and unanimously carried on a roll call vote (5-0) (Matheis, Withers, LaMar, Swan and Reinhart voting aye), **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A THREE-YEAR CONTRACT FOR UTILITY BILL PRINTING, MAILING, AND ELECTRONIC BILL PRESENTMENT SERVICES WITH INFOSEND, INC. EFFECTIVE AUGUST 15, 2017 TOTALING APPROXIMATELY \$477,000.**

GENERAL MANAGER'S REPORT

General Manager Cook reported that the Proposition 1 Water Storage Project application was submitted to the California Water Commission last week, and thanked staff for its efforts.

DIRECTORS' COMMENTS

Director Matheis reported on her attendance at the Southern California Water Committee where General Manager Cook was the featured speaker, an ISDOC Executive Committee meeting, a South Orange County Watershed meeting, an Orange County Great Park's Sports Park Grand Opening, and a tour of the Water Replenishment District expansion, Phase III.

Director Withers complimented staff for its efforts on resolving an outstanding invoice with the Orange County Sanitation District.

Director LaMar reported on his attendance at an ACWA Board meeting in Sacramento, an ACWA Region meeting at Marin Municipal Water District, and a National Water Resources Association Water Seminar in Albuquerque, New Mexico.

Director Reinhart reported that he attended a Southern California Water Committee Quarterly lunch meeting, a SOCWA Board meeting, and a WACO monthly meeting.

Director Swan reported on his attendance at OCWD Board and Committee meetings, a MWDOC/OCWD Joint Planning Committee meeting, a Water Reliability One Water One Watershed meeting, various Newport Chamber of Commerce meetings, a WACO meeting, and a tour of IRWD and discussion of water issues with a Newport Beach Harbor Commissioner.

CLOSED SESSION

Vice President Swan provided language for the Closed Session item to be held this evening. Director Withers said he continues to recuse himself from participation as his firm has/had a business relationship with several of the bidders. He left the Board room at 7:15 p.m.

Conference with Real Property Negotiator (Government Code Section 54956.8)
Property: Biscayne Bay Drive, Lake Forest, CA
Negotiating Parties: Multiple
Agency Negotiator: Paul Cook, General Manager
Purpose of Negotiations: Price and Terms of Purchase

OPEN SESSION

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

ADJOURNMENT

There being no further business, Vice President Swan adjourned the meeting.

APPROVED and SIGNED this 28th day of August, 2017.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Alfred Smith, Legal Counsel – Nossaman LLP