

MINUTES OF REGULAR MEETING – MAY 29, 2018

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:05 p.m. by President Reinhart on May 29, 2018 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Finance and Administration Clary, Executive Director of Engineering and Water Quality Burton, Director of Water Resources Sanchez, Director of Treasury and Risk Management Jacobson, Director of Water Operations Zepeda, Director of Maintenance Drake, Government Relations Officer Compton, Legal Counsel Collins, Secretary Bonkowski, Assistant Secretary Swan, Principal Engineer Akiyoshi, Public Affairs Manager Fabris, Manager of Strategic Planning and Analysis Smithson, Principle Engineer Cortez, Ms. Deniene Rivenburg, Ms. Connie Ho, and Mr. Dane Johnson.

WRITTEN COMMUNICATIONS: None.

ORAL COMMUNICATIONS: None.

PRESENTATION – SCIENCE FAIR WINNERS

Staff presented awards to the local students for their water-related projects entered in the Irvine Unified School District Science Fair.

CONSENT CALENDAR

On MOTION by LaMar, seconded by Matheis, and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 8 WERE APPROVED AS FOLLOWS:

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the May 14, 2018 Regular Board meeting be approved as presented.

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

Recommendation: That the Board ratify/approve the meetings and events for Mary Aileen Matheis, Doug Reinhart, Steve LaMar, Peer Swan and John Withers, as described.

CONSENT CALENDAR (CONTINUED)

6. APRIL 2018 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate SWAP Summary for April 2018, and Disclosure Report of Reimbursements to Board members and staff; approve the April 2018 Summary of Payroll ACH payments in the total amount of \$1,879,326 and approve the April 2018 Accounts Payable Disbursement Summary of Warrants 386583 through 387442, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$18,381,832.

7. DYER ROAD WELLFIELD SURGE TANKS BUDGET INCREASE AND CONTRACT CHANGE ORDER

Recommendation: That the Board authorize a budget increase in the amount of \$440,000, from \$4,066,200 to \$3,976,200, for project 05473, and in the amount of \$60,000, from \$1,250,500 to \$1,310,500, for project 06165, and authorize the General Manager to execute contract Change Order No. 4 with Pascal & Ludwig Constructors in the amount of \$317,977 for the Dyer Road Wellfield Surge tanks, projects 05473 and 06165.

8. WATER SHORTAGE CONTINGENCY PLAN

Recommendation: That the Board adopt the following resolution by title rescinding Resolution No. 2014-46 and adopting the amended Water Shortage Contingency Plan.

RESOLUTION NO. 2018-13

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT RESCINDING
RESOLUTION 2014-46 AND ADOPTING AN
AMENDED WATER SHORTAGE CONTINGENCY PLAN

ACTION CALENDAR

CHANGES TO EXISTING RULES AND REGULATIONS SECOND READING AND ADOPTION

President Reinhart declared this to be the time and place for the hearing on changes to the District's Rules and Regulations for Water, Sewer, Recycled Water, and Natural Treatment System Service. He asked that the Secretary to report the manner by which the Notice of Hearing was given.

Secretary Bonkowski said that the Notice of this hearing was published in the Orange County Register on April 29, 2018 and May 13, 2018. She said that the notice was also posted in the District office on May 11, 2018. She then presented an Affidavit of Posting and Proof of Publication for the Board to receive and file.

On MOTION by Matheis, seconded by LaMar and unanimously carried, THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

President Reinhart inquired of the Secretary whether there have been any written communications. Secretary Bonkowski said that there was none.

President Reinhart asked for a report from the Executive Director of Finance and Administration. Executive Director of Finance and Administration Clary said that the primary substantive changes proposed in this update include: 1) addressing illegal tampering or diversion of water or sewage. These issues are addressed in the subsections entitled Illegal Connections, Diversions or Tampering (section 4.7), Fire Hydrants (section 4.9), and Enforcement and Penalties (section 14) and the related sections that provide enforcement for this activity; 2) updating the District's conservation and water supply shortage program that includes a significant reformation of the IRWD Water Supply Shortage Levels (section 15.5) and the related sections that provide enforcement for overuse; and 3) updating local limits set forth in Exhibit C. Ms. Clary then said that the non-substantive changes include: 1) inserting headings and simplified language throughout in order to aid the reader in navigating and understanding the document; 2) eliminating unused definitions; 3) updating definitions; and 4) inserting clarifying language on the application procedure (section 4.2). She further said that numbering changes were implemented to ensure consistency throughout the document.

President Reinhart inquired whether anyone is present who wishes to address the Board concerning the amended resolution. There were none.

President Reinhart inquired whether there are any comments or questions from members of the Board of Directors. There were none.

President Reinhart asked for a motion to close the hearing, a second reading of the resolution by title only and that further reading of the resolution be waived, and adoption of the resolution.

On MOTION by Swan, seconded and unanimously carried, THE HEARING WAS CLOSED, THE SECRETARY WAS DIRECTED TO READ THE RESOLUTION BY TITLE ONLY AND THAT FURTHER READING OF THE RESOLUTION WAS WAIVED, AND THAT THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2018-14

RESOLUTION RESCINDING RESOLUTION NO. 2015-23
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.

VAULT LID REPLACEMENT CONSTRUCTION AWARD

General Manager Cook reported that the Vault Lid Replacement project will replace 23 vault lids, one vault ladder, and one vault section at various locations within the District's service

area. After years of service and normal operational wear, a vault's components, including lids and vault ladders, require replacement to maintain structural integrity and provide safe accessibility.

Executive Director of Engineering and Water Quality Burton said that staff completed the design for this project in March 2018 and the project was advertised for construction to a select list of 16 contractors. Mr. Burton said that a bid opening was held on May 2, 2018 with bids received from Pacific Hydrotech Corporation, T.E. Roberts, Inc., and Schuler Constructors, Inc. with T.E. Roberts as the apparent low bidder with a bid amount of \$798,000. The remaining bids ranged from \$932,960 to \$1,109,700.

Mr. Burton said that on May 7, 2018, T.E. Roberts submitted a formal written request to withdraw its bid, citing an error made by its vault lid supplier that would have resulted in a \$291,000 increase in its bid, from \$798,000 to \$1,089,000. He said that staff conferred with legal counsel, and 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 error, 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 business days after the opening of the bid, explaining the mistake in detail.

Mr. Burton said T.E. Roberts' formal written request, which cites a \$291,000 miscalculation in its bid price, complies with the Public Contract Code requirements for requesting withdrawal of its bid. Pursuant to the Public Contract Code, the District can either acknowledge the mistake, return the bid bond, and prepare a report documenting the basis for that decision, or contest the bidder's statement and call on the bid bond. By claiming the mistake, T.E. Roberts is prohibited from further participating in the bidding process for this project, and the District may award the contract to the next lowest responsive bidder.

Mr. Burton said that staff and legal counsel have reviewed T.E. Roberts' written request to withdraw its bid and concur that a material clerical error was made in the preparation of its bid. He said that staff will prepare a report documenting the basis for the withdrawal and the District's acceptance, pursuant to the Public Contract Code. Mr. Burton said that the next lowest bidder is Schuler Constructors, Inc., which submitted a bid in the amount of \$932,960, and following review, staff has determined that it is responsive.

On MOTION by LaMar, seconded by Matheis, THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$439,000, FROM \$397,700 TO \$836,700, FOR PROJECT 06121, AND IN THE AMOUNT OF \$146,000, FROM \$195,300 TO \$341,300, FOR PROJECT 06123; ACKNOWLEDGED THE MATERIAL CLERICAL ERROR MADE IN THE COMPUTATION OF T.E. ROBERTS, INC.'S BID, ACCEPTED T.E. ROBERTS, INC.'S FORMAL WRITTEN REQUEST TO WITHDRAW ITS BID, DIRECTED STAFF TO RETURN THE BID BOND TO T.E. ROBERTS, INC.; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH SCHULER CONSTRUCTORS, INC. IN THE AMOUNT OF \$932,960 FOR THE VAULT LID REPLACEMENT, PROJECTS 06121 AND 06123.

EASTWOOD RECYCLED WATER PUMP STATIONS CONSULTANT SELECTION AND CONSTRUCTION AWARD

General Manager Cook reported that the Eastwood Recycled Water Pump Stations project includes the construction of new Zone A to B and Zone A to C pump stations and includes provisions to accommodate the future construction of the Zone A to Syphon Reservoir and Syphon Reservoir to Zone C pump stations. The project includes construction of the entire pump station building, all site improvements, and all buried infrastructure necessary to place both the first and second phase booster pump station into service. Eight of the total 14 pumps will be equipped as part of the project, and the remaining pumps and electrical equipment will be equipped in the future near the completion of the Syphon Reservoir Improvements project.

Executive Director of Engineering and Water Quality Burton reported that AECOM performed all elements of the pre-design and design phases for the project, including geotechnical, civil, mechanical, structural, noise modeling, architectural, electrical, and instrumentation. Mr. Burton said that staff requested AECOM to submit a proposal which includes scope for submittal reviews, responses to contractor requests for information, site visits, record drawing preparation, energy control procedure development, post-construction noise monitoring, and construction coordination and general engineering support throughout the construction of the project. He said that staff reviewed AECOM's scope of work and fee and confirmed that they are commensurate with the level of effort needed to support the construction of the project.

Mr. Burton reported that the project was advertised for construction bids on April 11, 2018 to a select list of 12 contractors. He said that the bid opening was held May 17, 2018 with bids received from Gateway Pacific Contractors, Pacific Hydrotech Corporation, and Pascal & Ludwig Constructors. Pacific Hydrotech Corporation is the apparent low bidder with a bid amount of \$12,220,600. The remaining bids were \$13,212,740 and \$14,052,000. The engineer's estimate, prepared by AECOM, was \$13,555,000.

Mr. Burton said that after review of the bid documents, staff determined that two of the bids contained irregularities in the Statements by Bidder Section A, Items and Manufacturers. This section requires the bidders to list a single manufacturer for each identified equipment item that the bidder intends to furnish. Pacific Hydrotech Corporation's bid contained two bid irregularities including listing two manufacturers for pump motors and listing the PLC manufacturer, Modicon, instead of listing the manufacturer of the control panel. Gateway Pacific Contractor's bid contained one bid irregularity, which was the listing of the PLC manufacturer, Modicon, instead of listing the manufacturer of the control panel. Mr. Burton said that staff conferred with legal counsel and there is a sufficient basis for a factual finding by the Board that the irregularities in the bids are inconsequential and cannot have given the apparent low bidder a significant competitive advantage over the other bidders. He further said staff reviewed Pacific Hydrotech Corporation's bid and has determined that it is responsive.

On MOTION by Matheis, seconded by Withers, and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH AECOM, IN THE AMOUNT OF \$295,000, FOR ENGINEERING SUPPORT SERVICES DURING CONSTRUCTION, WAIVED BID IRREGULARITIES. AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH PACIFIC HYDROTECH CORPORATION IN THE AMOUNT OF

\$12,220,600, FOR THE EASTWOOD RECYCLED WATER PUMP STATIONS, PROJECTS 04388, 04400 AND 04457.

MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES CONTRACT CHANGE ORDER NO. 80 AND AMENDMENT NO. 2 TO AGREEMENT WITH ORANGE COUNTY SANITATION DISTRICT FOR INTERIM SOLIDS HANDLING

General Manager Cook reported that Filanc/Balfour Beatty (FBB) is constructing the Michelson Water Recycling Plant (MWRP) Biosolids and Energy Recovery Facilities (Biosolids Project). Contract Change Order (CCO) No. 80 includes costs for several electrical and mechanical items.

Executive Director of Engineering and Water Quality Burton reported that staff negotiated with FBB and agrees to the labor and material costs contained in CCO No. 80 in the amount of \$313,076.14. CCO No. 80 includes items including 1) modifications to motor control centers in the amount of \$99,547.17; 2) separate air compressor system electrical panel for a waste gas burner in the amount of \$50,723.04; 3) additional power monitoring equipment for the self-generation incentive program in the amount of \$34,887.16; 4) electrical modifications for the gas compressor detector and enclosure fire alarm panel in the amount of \$13,215.42; 5) additional power circuits for the solids handling building roll-up doors in the amount of \$24,446.58; 6) modifications to a digested sludge line in the amount of \$17,023.42; 7) relocation of a local control panel in the solids handling building in the amount of \$34,619.35; and 8) additional manual valves and components for the heat dryer system in the amount of \$38,614.

Mr. Burton said that the District has an agreement for the transfer of wastewater solids residuals to the Orange County Sanitation District (OCSD) whereby IRWD leases solids processing capacity. In May 2016, the Board approved Amendment No. 1 with OCSD for a two-year extension.. As construction completion is estimated to be beyond December 2018, staff has negotiated Amendment No. 2 with OCSD for an additional three-year extension.

Director Withers said that this item was reviewed and approved by the Engineering and Operations Committee on May 15, 2018. On MOTION by Withers, seconded and unanimously carried, THE BOARD APPROVED CONTRACT CHANGE ORDER NO. 80 IN THE AMOUNT OF \$313,076.14 WITH FILANC/BALFOUR BEATTY FOR SEVERAL ELECTRICAL AND MECHANICAL ITEMS FOR THE MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES, PROJECT 04286, AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 2 TO THE AGREEMENT FOR TRANSFER OF WASTEWATER SOLIDS RESIDUALS WITH ORANGE COUNTY SANITATION DISTRICT, SUBJECT TO NON-SUBSTANTIVE CHANGES.

GENERAL MANAGER'S REPORT

General Manager Cook updated the Board on the score received from the California Water Commission relative to the Kern Fan groundwater project with 48 points out of 100 for potential funding. Director of Water Resources Sanchez said that the pre-funding recommendation will be held in July and believes that some projects may drop out at this time and hopefully this project may be selected at that time.

Mr. Cook said that he is preparing an Op Ed piece for the Orange County Register relative to a proposed ocean desalination project being considered by the Orange County Water District.

DIRECTORS' COMMENTS

Director Withers said that he attended an NWRI strategic planning session, an OCSD Board meeting, and a groundbreaking event for the Irvine Unified Loma Ridge Elementary School.

Director Matheis reported on her attendance at an OC Forum Cybersecurity event.

Director Swan reported on his attendance at a WACO Planning meeting, the District's Business Outreach lunch, an OCWD Board Meeting, and a Southern California Dialogue meeting.

Director LaMar reported that he attended the District's Business Outreach lunch, and a Natural Communities Coalition meeting.

Director Reinhart said he attended the District's Business Outreach luncheon.

ADJOURNMENT

President Reinhart adjourned the meeting at 6:10 p.m.

APPROVED and SIGNED this 11th day of June, 2018.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:
LEWIS BRISBOIS BISGAARD & SMITH, LLP

By: _____
District Counsel

