

## MINUTES OF REGULAR MEETING – JULY 23, 2018

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 July 23, 2018 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Also Present: General Manager Cook, Executive Director of Engineering and Water Quality Burton, Executive Director of Water Policy Weghorst, Executive Director of Finance and Administration Clary, Director of Water Recycling Operations Zepeda, Director of Maintenance Drake, Director of Water Operations Roberts, Director of Water Resources Sanchez, Director of Human Resources Roney, Director of Treasury and Risk Management Jacobson, Government Relations Officer Compton, Director of Public Affairs Beeman, Legal Counsel Collins, Secretary Bonkowski, Assistant Secretary Swan, Principal Engineer Cortez, Principle Engineer Mori, Recycled Water Development Manager Tettemer, Asset Systems Manager Meserlian, Manager of Strategic Planning and Analysis Smithson, Mr. Andrew Pollard, Mr. Gregorio Estrada, Mr. Dean Kirk, Mr. David Alexander, and Ms. Holvin Ip.

WRITTEN COMMUNICATIONS: None.

ORAL COMMUNICATIONS:

- 1) Mr. David Alexander spoke relative to noise emitting from the Baker Treatment plant and the magnitude of its nearby cell tower, and
- 2) Ms. Holvin Ip spoke relative to her involvement with the Sierra Club and Community Choice Energy, Orange County.

ITEMS TOO LATE TO BE AGENDIZED: None.

PUBLIC HEARING

SEWER TAXES IN THE NEWPORT NORTH SERVICE AREA

General Manager Cook reported that on June 18, 2018, the Board adopted Rates and Charges for Fiscal Year 2018-19, which included monthly sewer charges of \$25.75 for a residential single family home and \$19.30 per unit for multiple family dwelling units. The Newport North customers will have the same rate, but the method of collection differs in that they pay their sewer fees on an annual basis by means of the County tax rolls. The Orange County Special Assessment Report provides a listing of the parcels and the tax revenue generated. That resolution directs the filing of a report containing a description of such parcels and the corresponding charges for each fiscal year.

President Reinhart said this was the time and place for a hearing on the sewer taxes in the Newport North area, and declared the hearing open. He asked the Secretary how the hearing was noticed. Secretary Bonkowski reported that the report was filed with her on July 5, 2018, and the notice of the filing of the report and the time and place of this hearing was published in the Newport Beach-Costa

PUBLIC HEARING (Continued)

Mesa Daily Pilot on July 8, 2018 and July 15, 2018. She said that a notice was also posted in the District office on July 5, 2018.

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

President Reinhart requested Legal Counsel Collins to describe the nature of the proceedings.

Legal Counsel Collins said that pursuant to the requirements of the Health and Safety Code of the State of California, a public hearing on the report is required.

President Reinhart asked Secretary Bonkowski whether she had received any written communications concerning this matter, and she stated that she had not. President Reinhart asked if there was anyone present who wished to address the Board concerning the report and the proposed collection of sewer charges on the tax roll. There was no one present who wished to be heard. President Reinhart further inquired if there were any comments or questions from members of the Board of Directors. Director Swan provided a brief overview of the process noting that the Newport North customers will have the same rate, but the method of collection differs in that they pay their sewer fees on an annual basis by means of the County tax rolls. There were no further comments from the Board.

On MOTION by Swan, seconded and unanimously carried, THE HEARING WAS CLOSED, AND RESOLUTION NO. 2017-18 WAS ADOPTED BY TITLE AS FOLLOWS:

RESOLUTION NO. 2018-20

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE  
RANCH WATER DISTRICT ADOPTING REPORT OF SEWER  
CHARGES TO BE COLLECTED ON THE TAX ROLL  
(NEWPORT NORTH SERVICE AREA)

CONSENT CALENDAR

On MOTION by LaMar, seconded by Matheis, CONSENT CALENDAR ITEMS 4 THROUGH 14 WERE APPROVED AS FOLLOWS:

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

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

5. MINUTES OF REGULAR AND ADJOURNED REGULAR BOARD MEETINGS

Recommendation: That the minutes of the July 9, 2018 Regular Board Meeting and July 17, 2018 Adjourned Regular Board Meeting be approved as presented.

CONSENT CALENDAR (Continued)

6. JUNE 2018 TREASURY REPORT

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the summary of fixed and variable rate debt, the monthly Interest Rate SWAP Summary for June 2018, and Disclosure Report of Reimbursements to Board members and staff; approve the June 2018 Summary of Payroll ACH payments in the total amount of \$1,875,683 and approve the June 2018 Accounts Payable Disbursement Summary of Warrants 388469 through 389484, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$22,296,536.

7. SETTING CONNECTION FEES AND PROPERTY TAXES FOR FISCAL YEAR 2018-19

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

RESOLUTION NO. 2018 – 21

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT  
ADOPTING CHANGES TO CONNECTION FEES AS SET FORTH 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  
(EFFECTIVE AUGUST 1, 2018)

RESOLUTION NO. 2018 – 22

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT  
ESTABLISHING AD VALOREM TAX REVENUES FOR  
FISCAL YEAR 2018-19

RESOLUTION NO. 2018 – 23

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT  
AMENDING ALLOCATION OF AD VALOREM PROPERTY  
TAXES TO DEBT SERVICE, SUBJECT TO PLEDGE

8. IRVINE LAKE PIPELINE NORTH CONVERSION OFFSITE PIPELINES CONTRACT CHANGE ORDER

Recommendation: That the Board approve Contract Change Order No. 7 with CCL Contracting, Inc. in the amount of \$110,068.17 for additional construction work for the Irvine Lake Pipeline North Conversion Offsite Pipelines, Project 05823.

CONSENT CALENDAR (Continued)

9. IRVINE LAKE PIPELINE NORTH CONVERSION RESERVOIR VARIANCE

Recommendation: That the Board authorize the General Manager to execute Variance No. 3 in the amount of \$64,491 with Kleinfelder for additional engineering services during construction for the Irvine Lake Pipeline North Conversion Reservoir, Project 05407.

10. REHABILITATION OF DYER ROAD WELLFIELD WELLS 10 AND 16 CONSULTANT SELECTION

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with Richard C. Slade Associates LLC in the amount of \$249,391 for rehabilitation of Dyer Road Wellfield Wells 10 and 16, Projects 07087 and 07091, and two additional wells to be selected at a later date.

11. TURTLE RIDGE PIPELINES CATHODIC PROTECTION CONSULTANT SELECTION

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with V&A Engineering in the amount of \$138,909 for the Turtle Ridge Pipelines Cathodic Protection, Projects 07888 and 07889.

12. LAKE FOREST RECYCLED WATER SERVICES ON BAKE PARKWAY AND TOLEDO WAY CONSTRUCTION AWARD

Recommendation: That the Board authorize the General Manager to execute a construction contract with T. E. Roberts in the amount of \$183,700 for the Lake Forest Recycled Water Services on Bake Parkway and Toledo Way, Project 07159.

13. MICHELSON WATER RECYCLING PLANT MISCELLANEOUS REPAIRS – FINAL ACCEPTANCE

Recommendation: That the Board accept construction of Michelson Water Recycling Plant Miscellaneous Repairs, Project 04467; authorize the General Manager to file a Notice of Completion; and authorize the release of retention 35 days after filing of the Notice of Completion.

14. REIMBURSEMENT AGREEMENTS BETWEEN IRWD AND THE CITY OF IRVINE FOR THE ANNUAL SLURRY SEAL AND PAVEMENT REHABILITATION PROJECT AND THE CULVER DRIVE AND UNIVERSITY DRIVE INTERSECTION IMPROVEMENTS

Recommendation: That the Board authorize the General Manager to execute Reimbursement Agreements with the City of Irvine for the Annual Slurry Seal and Pavement Rehabilitation project and the Culver Drive and University Drive Intersection Improvements project subject to non-substantive changes.

## ACTION CALENDAR

### SEWAGE TREATMENT MASTER PLAN BUDGET INCREASE AND CONSULTANT SELECTION

Executive Director of Engineering and Water Quality Burton reported that the District's service area and water recycling plants have experienced a number of changes since completion of the master plan in 2003 which is prompting staff to prepare a new master plan that will evaluate the sewer system through buildout. Mr. Burton said that the new Sewage Treatment Master Plan (STMP) will: 1) characterize sewage for such constituents as organic content and nutrients; 2) evaluate and account for impacts associated with increased loadings as a result of conservation; 3) determine future sewage conveyance requirements to MWRP and LAWRP; 4) identify future treatment processes and their associated capacities at MWRP and LAWRP; 5) identify beneficial uses of sewage; 6) evaluate alternatives for minimizing sewage diversion to Orange County Sanitation District; and 7) identify ways of managing the sewage collection and treatment systems in the most cost effective manner.

Mr. Burton said that staff received proposals for the STMP from AECOM, Black & Veatch, HDR, and Jacobs (formerly CH2M). He said that the HDR proposal far exceeded the other proposals in all aspects including project team, project understanding, and project approach which provided a clear, concise methodology for completing the work and included a comprehensive and fully detailed scope of work that defined its approach to performing each step of the project. He said that after reviewing the proposals, staff met with HDR to discuss and negotiate the final scope, schedule, fee, and hourly billing rates. HDR's fee is in the range of the other three proposals received, which ranged from \$836,735 to \$1,089,530. HDR has extensive experience providing engineering services for the District including the 2003 Wastewater Treatment Master Plan, LAWRP 2005 Upgrades, Recycled Water Salt Management Plan, and several other studies and evaluations.

Director Withers reported that this item was reviewed by the Engineering and Operations Committee on July 17, 2018. On MOTION by Withers, seconded and unanimously carried, **THE BOARD APPROVED A BUDGET INCREASE IN THE AMOUNT OF \$209,000, FROM \$921,300 TO \$1,130,300, FOR PROJECT 05427 AND IN THE AMOUNT OF \$104,500, FROM \$454,300 TO \$558,800, FOR PROJECT 07141; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH HDR IN THE AMOUNT OF \$1,070,600 FOR ENGINEERING SERVICES FOR THE SEWAGE TREATMENT MASTER PLAN, PROJECTS 05427 AND 07141.**

### CULVER DRIVE RECYCLED WATER PIPELINE REPLACEMENT CONSTRUCTION AWARD

Executive Director of Engineering and Water Quality Burton reported that this project will construct a 12-inch recycled water pipeline to replace the existing eight-inch asbestos cement pipeline in Culver Drive between University Drive and Ethel Coplen Way in Irvine. Mr. Burton said that the asbestos cement pipe (ACP) is approximately 1,250 feet and has had several repairs. He said that during a previous repair, a sample portion of the ACP was removed and staff retained HDR to perform a forensic analysis on the pipe sample. HDR's analysis concluded that the pipe exhibited corrosion of the interior or leaching of the lime component of ACP, which is likely caused by high pH levels in recycled water from MWRP, and recommended replacing the pipeline. He said that hydraulic modeling of the Zone A recycled water system reflected a need to increase the segment's pipe diameter from eight inches to 12 inches to meet maximum velocity criteria. This project will abandon the existing eight inch ACP and install a replacement

12-inch PVC pipeline in the roadway, where it will be offset approximately six feet from the west curbface. In addition, three replacement services will be constructed and connected to the existing onsite private plumbing just downstream of the existing meters. Construction will start within the street intersection of Culver and University Drives, to precede the City of Irvine's upcoming street improvement project for this intersection, and progress northerly.

Mr. Burton said that five contractors attended the pre-bid meeting and five contractors submitted bids on July 28, 2018. E.J. Meyer Company is the apparent low bidder with a bid amount of \$707,777; the engineer's estimate was \$779,610. On MOTION by LaMar, seconded by Matheis, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH E.J. MEYER COMPANY IN THE AMOUNT OF \$707,777 FOR THE CULVER DRIVE RECYCLED WATER PIPELINE REPLACEMENT, PROJECT 10588.

### GENERAL MANAGER'S REPORT

General Manager Cook reported that the District received a final ruling on the OCWD v. IRWD lawsuit and will be discussed at the upcoming Strategic Planning Workshop in Closed Session.

Mr. Cook reported on his attendance at the Southern California Water Coalition quarterly luncheon in Cabazon that he attended with Directors Withers and LaMar. He said following the luncheon he met with Palo Verde Irrigation District staff in Blythe.

Mr. Cook announced that he and staff had a lunch meeting with Ms. Wendy Chambers, the District's new Executive Director of Operations, who will start work in mid-August.

### DIRECTORS' COMMENTS

Director Withers said that he will be attending an OCSD Board meeting this Wednesday.

Director Matheis reported on her attendance at an ISDOC Executive Committee meeting, an Association of California Cities summer event, and an OCWA lunch meeting.

Director Swan reported on his attendance at Newport Chamber of Commerce meetings, a briefing and tour with Yorba Linda Water District Board members, a tour of the District's Biosolids facility, a Master Gardener's composting workshop, an Association of California Cities Orange County summer event, and an OCWA lunch meeting.

Director LaMar reported on his attendance at an Association of California Cities Orange County summer event and a Syphon Reservoir Improvements Project Natural Communities Coalition Coordination meeting, and that this coming Wednesday and Thursday he will be in Sacramento attending an ACWA selection Committee meeting to review candidates for its Executive Director position.

Director Reinhart reported on his attendance at a briefing with Yorba Linda Water District Board members, a MWDOC Administration and Finance Committee meeting, and a SOCWA Board Meeting.

Director Swan said that he will visit the Baker Treatment Plant and listen to the noise levels as a follow-up to Mr. Alexander's comments this evening. General Manager Cook said that he will prepare a summary of the noise studies performed at this site and distribute to the Board for review.

ADJOURNMENT

President Reinhart adjourned the meeting at 6:00 p.m.

APPROVED and SIGNED this 13th day of August, 2018.

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President, IRVINE RANCH WATER DISTRICT

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Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

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Claire Hervey Collins, Legal Counsel – Lewis Brisbois