

MINUTES OF REGULAR MEETING – JANUARY 28, 2019

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 Acting President Reinhart on January 28, 2019 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Reinhart, Swan, and Withers.

Directors Absent: Matheis and LaMar.

Also Present: General Manager Cook, Executive of Engineering and Water Quality Burton, Executive Director of Water Policy Weghorst, Executive Director of Operations Chambers, Executive Director of Finance and Administration Clary, Director of Water Recycling Operations Zepeda, Director of Water Resources Sanchez, Director of Water Quality Colston, Legal Counsel Collins, Secretary Bonkowski, Assistant Secretary Swan, Government Relations Officer/Deputy General Counsel Compton, staff and members of the public.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

CONSENT CALENDAR

Director Swan asked that item No. 16, ADOPTION OF REVISED DISTRICT SCHEDULE AND POSITIONS AND SALARY RATE RANGES, be moved to the Action Calendar for discussion. There being no objections, this item was moved accordingly. On MOTION by Withers, seconded by Swan, CONSENT CALENDAR ITEMS 3 THROUGH 15 WERE APPROVED AS FOLLOWS:

3. 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.

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the January 14, 2019 Regular Board Meeting be approved as presented.

5. DECEMBER 2018 TREASURY REPORTS

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 December 2018, and Disclosure Report of Reimbursements to Board members and staff; approve the December 2018 Summary of Payroll ACH payments in the total amount of \$1,937,948 and approve the December 2018 Accounts Payable Disbursement Summary of Warrants 393943 through 394724, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$18,214,787.

CONSENT CALENDAR (CONTINUED)

6. IRVINE RANCH WATER STRATEGIC MEASURES

Recommendation: Receive and file.

7. CULVER DRIVE RECYCLED WATER PIPELINE REPLACEMENT BUDGET INCREASE, CONTRACT CHANGE ORDER, AND FINAL ACCEPTANCE

Recommendation: That the Board authorize a budget increase in the amount of \$275,000, from \$717,000 to \$992,000, for Project 10588; authorize the General Manager to execute Contract Change Order No. 1 in the amount of \$178,690.17 with E.J. Meyer Company; accept construction of the Culver Drive Recycled Water Pipeline Replacement, project 10588; 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.

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

Recommendation: That the Board authorize a budget increase in the amount of \$500,000, from \$4,066,200 to \$4,566,200, for Project 05473, and in the amount of \$100,000, from \$1,310,500 to \$1,410,500, for Project 06165; and authorize the General Manager to execute Contract Change Order No. 11 in the amount of \$145,259.55 with Pascal & Ludwig Constructors for the Dyer Road Wellfield Surge Tanks, Projects 05473 and 06165.

9. VAULT LID REPLACEMENT CONTRACT CHANGE ORDER

Recommendation: That the Board authorize the General Manager to execute Contract Change Order No. 1 in the amount of \$144,044.75 with Schuler Constructors for Vault Lid Replacement, Project 06121 and 06123.

10. PLANNING AREA 1 (ORCHARD HILLS) NEIGHBORHOOD 3 CAPITAL IMPROVEMENTS

Recommendation: That the Board authorize the addition of Project 10867 the FY 2018-19 Capital Budget in the amount of \$126,000 for the Planning Area 1 (Orchard Hills) Neighborhood 3 Capital Improvements.

11. BONITA CANYON RECYCLED WATER ZONE D TO B PRESSURE REDUCING STATION SUPPLY PIPELINE REPLACEMENT

Recommendation: That the Board authorize the addition of Project 10999 in the amount of \$325,000 to the FY 2018-19 Capital Budget for the Bonita Canyon Recycled Water Zone D to B Pressure Reducing Station Supply Pipeline Replacement, Project 10999.

CONSENT CALENDAR (CONTINUED)

12. THREE-YEAR DAM MONITORING AND SURVEILLANCE CONSULTANT SELECTION

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with GEI Consultants in the amount of \$192,720 for three years of dam monitoring and surveillance services.

13. 2019 INDEX TENDER NOTES REMARKETING

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

RESOLUTION NO. 2019-3

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT APPROVING
THE REMARKETING STATEMENT AND
THE AMENDMENT TO REMARKETING AGREEMENT RELATING TO
UNSCHEDULED MANDATORY TENDERS
(REFUNDING SERIES 2011A-1 AND REFUNDING SERIES 2011A-2)

14. AUTHORIZATION TO ACCEPT FEDERAL EMERGENCY MANAGEMENT AGENCY ASSISTANCE FOR CANYON 2 FIRE DAMAGE TO DISTRICT FACILITIES

Recommendation: That the Board adopt the following State of California Governor's Office of Emergency Services resolution as follows:

IRWD RESOLUTION NO. 2019-4

DESIGNATION OF APPLICANT'S AGENT RESOLUTION FOR
NON-STATE AGENCIES
(Cal OES ID No. 059-91074)

15. MEMORANDUM OF UNDERSTANDING BETWEEN THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (AFL-CIO) LOCAL #47 GENERAL UNIT EMPLOYEES AND IRVINE RANCH WATER DISTRICT JULY 1, 2018 THROUGH JUNE 30, 2021

Recommendation: That the Board authorize the General Manager to execute the Memorandum of Understanding between IRWD and the International Brotherhood of Electrical Workers Local #47 General Unit employees, effective July 1, 2018, through June 30, 2021, subject to non-substantive changes.

ACTION CALENDAR

ADOPTION OF REVISED DISTRICT SCHEDULE OF POSITIONS AND SALARY RATE RANGES

A copy of a corrected page of the Monthly Salary Grade Schedule for General Employees Unit, Exhibit A-10 was placed before each Director. Additionally, Director Swan asked for additional quartile information which will be provided at the next Finance and Personnel Committee meeting. Following discussion, on MOTION by Swan, seconded and unanimously carried, THE BOARD ADOPTED THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2019 -

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT SUPERSEDING
RESOLUTION NO. 2018-30 AND
ADOPTING A REVISED SCHEDULE OF POSITIONS
AND SALARY RATE RANGES

LAKE FOREST ZONE B EAST RESERVOIR FLOATING COVER CONSTRUCTION AWARD

The Lake Forest Zone B East Reservoir is a 40,000-square-foot concrete lined open reservoir that was constructed in 1963 and primarily supplies recycled water to the City of Lake Forest Sports Park, Saddleback Church, and landscape medians in the Zone C system, and the upper end of the Zone B system in Lake Forest. General Manager Cook said that a floating cover was previously installed at the reservoir to minimize growth but was removed in 2005 due to deterioration, and the reservoir has remained uncovered since. Mr. Cook said that during summer months, the reservoir's water quality tends to decline due to algae growth promoted by warm temperatures. He said that the proposed project will install a new cover to deter algae growth by blocking sunlight, as well as minimize plant debris from entering the reservoir. The project also includes miscellaneous site improvements including providing a potable water line to the reservoir for washing the floating cover, improvements to the reservoir outlet valve access, replacement of existing electrical conduits and pull boxes, and asphalt pavement replacement around the reservoir.

The project was advertised to a select bidders list of two floating cover contractors on December 13, 2018. The bid opening was held on January 17, 2019, with bids received from Layfield USA Corporation and Raven CLI Construction. The apparent low bidder is Layfield with a bid of \$1,617,495. Layfield is a geomembrane manufacturer and has constructed many of the floating covers throughout Southern California.

On MOTION by Withers, seconded by Swan and unanimously carried, THE BOARD AUTHORIZED A BUDGET INCREASE FOR PROJECT 10551 IN THE AMOUNT OF \$1,615,000, FROM \$390,000 TO \$2,005,000, AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH LAYFIELD USA CORPORATION IN THE AMOUNT OF \$1,617,495 FOR THE LAKE FOREST ZONE B EAST RESERVOIR FLOATING COVER, PROJECT 10551.

ACTION CALENDAR (CONTINUED)

IRWD EMBEDDED ENERGY PLAN UPDATE

Using a PowerPoint presentation, Mr. Dane Johnson said that the Board approved the development of an Embedded Energy Plan to quantify energy use associated with each IRWD facility involved in the production, treatment, distribution, collection, reuse, and disposal of water and biosolids. Mr. Johnson said that the Plan analyzed energy data from 2006 to 2013 and included the development of an analytical tool which identified portions of the District where future water conservation should be focused and where pumping surcharges should be assessed. The development of the Plan helped position IRWD to obtain energy utility funding for energy related programs and enhanced IRWD's role as an industry leader in the water-energy nexus.

Mr. Johnson said that staff recommends an update to the Embedded Energy Plan to account for new IRWD facilities and system changes and to revise the analysis with data from 2014 to 2017. The scope of the updated analysis will include the following elements: 1) update historic and future energy use estimates associated with the production, treatment and distribution of water for each portion of IRWD's service area; 2) update energy use estimates associated with sewage collection and treatment as well as the distribution of recycled water and production of biosolids; and 3) update the spreadsheet-based embedded energy tool and revised pumping cost analysis which will be used to develop recommendations for pumping surcharges for consideration when establishing rates and charges for future years.

Mr. Johnson said that Navigant Consulting, Inc. (Navigant) successfully completed the Plan in 2015, and has continued to demonstrate unique and outstanding expertise in performing embedded energy planning work. At staff's request, Navigant submitted the scope of work to update the IRWD Embedded Energy Plan which staff finds to be fair and reasonable.

Director Reinhart said that this item was reviewed by the Engineering and Operations Committee on January 15, 2019. Following discussion, on MOTION by Reinhart, seconded and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A SOLE SOURCE PROFESSIONAL SERVICES AGREEMENT WITH NAVIGANT CONSULTING, INC., IN THE AMOUNT OF \$126,505 TO UPDATE THE IRWD EMBEDDED ENERGY PLAN AND INCREASE THE BUDGET IN THE AMOUNT OF \$37,000 FOR PROJECT 07154.**

GENERAL MANAGER'S REPORT

General Manager Cook reported that the District has received many positive comments from residents in response to the recent website "banner" providing information to assist customers who were impacted by the Federal shutdown.

Mr. Cook further asked that the Board meeting be adjourned in memory of Mary Ann Brown, a former Board member of Santiago Canyon Water District.

DIRECTORS' COMMENTS

Director Withers reported that both he and General Manager Cook attended a Verde Exchange conference in Los Angeles today and that Mr. Cook's presentation on battery storage was very well received.

DIRECTORS' COMMENTS (CONTINUED)

Director Swan reported on his attendance at a MWDOC/OCWD Joint Planning Committee meeting, Newport Chamber of Commerce meetings, an Orange County Forum event, a meeting at UCI relative to the California drought, a CASA conference, an incoming Board of Supervisors event, and a Southern California Water Coalition lunch meeting.

Director Reinhart reported on his attendance at an OCWD Board meeting and a South Orange County Managers' meeting.

COMMUNITY UPDATES: None.

CLOSED SESSION

Acting President Reinhart said that a Closed Session will be held as follows:

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION - Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2). One (1) potential case) – Claim of Filanc-Balfour/Beatty

OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors Withers, Swan and Reinhart present. Acting President Reinhart said no action was reported in Closed Session.

ADJOURNMENT

Acting President Reinhart adjourned the meeting in memory of Mary Ann Brown.

APPROVED and SIGNED this 11th day of February, 2019.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, Legal Counsel
– Lewis Brisbois