

## MINUTES OF REGULAR MEETING – OCTOBER 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 President LaMar on October 28, 2019 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: Withers.

Also Present: General Manager Cook, Executive Director of Technical Services Burton, Executive Director of Water Policy Weghorst, Executive Director of Finance and Administration Clary, Executive Director of Operations Chambers, General Counsel Collins, Director of Recycling Operations Zepeda, Director of Water Operations Roberts, Director of Water Quality and Regulatory Compliance Colston, Director of Treasury and Risk Management Jacobson, Government Relations Officer/Deputy General Counsel Compton, Secretary Bonkowski, Mr. Dean Kirk, and members of staff and the public.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

### CONSENT CALENDAR

On MOTION by Matheis, seconded by Swan, and unanimously carried, CONSENT CALENDAR ITEMS 3 THROUGH 13 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, Peer Swan, Doug Reinhart, Steve LaMar and John Withers, as described.

4. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the September 23, 2019, Regular Board meeting and the October 14, 2019 Special Board meeting be approved as presented.

5. SETTLEMENT OF SUBROGATION LAWSUIT RECOVERING WORKERS' COMPENSATION COSTS FOR CERTAIN EMPLOYEES

Recommendation: That the Board authorize the General Manager to execute release in full of all claims and rights for George Sanchez, Rusty Harlow, and Gustavo Orozco.

CONSENT CALENDAR (Continued)

6. SEPTEMBER 2019 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Summary of Fixed and Variable Rate Debt, and Disclosure Report of Reimbursements to Board members and staff; approve the September 2019 Summary of Payroll ACH payments in the total amount of \$2,075,946 and approve the September 2019 accounts payable Disbursement Summary of warrants 401771 through 402585 Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$17,799,657.

7. IRVINE RANCH WATER DISTRICT STRATEGIC MEASURES

Recommendation: Receive and file.

8. THREE-YEAR CATHODIC PROTECTION SYSTEM MONITORING PROGRAM CONSULTANT SELECTION FOR FY 2019-20 THROUGH FY 2021-22

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement in the amount of \$343,901 with HDR for the Three-Year Cathodic Protection Monitoring Program for Fiscal Year 2019-2020 through Fiscal Year 2021-2022.

9. ON-CALL PLAN CHECK SERVICES

Recommendation: That the Board authorize the General Manager to execute two Professional Services Agreements: one in the amount of \$100,000 with PacRim Engineering, Inc. and one in the amount of \$150,000 with Stantec Consulting Services, Inc. for on-call plan check services.

10. NEWPORT COAST ZONE 4 TO 2 PRESSURE REGULATING VALVE MODIFICATION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Newport Coast Zone 4 to 2 Pressure Regulating Valve Modification, Project 05410; 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.

11. IRVINE INDUSTRIAL COMPLEX EAST ZONE A TO B RECYCLED WATER PUMP STATION UPGRADES FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Irvine Industrial Complex East Zone A to B Recycled Water Pump Station Upgrades, Project 06198; 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.

CONSENT CALENDAR (Continued)

12. BONITA CANYON RECYCLED WATER ZONE D TO B PRESSURE REDUCING STATION SUPPLY LINE REPLACEMENT BUDGET INCREASE AND CONSTRUCTION AWARD

Recommendation: That the Board authorize a budget increase in the amount of \$86,400, from \$325,000 to \$411,400, for Project 10999; and authorize the General Manager to execute a construction contract with T.E. Roberts, Inc. in the amount of \$186,400 for the Bonita Canyon Recycled Water Zone D to B Pressure Reducing Station Supply Line Replacement, Project 10999.

13. MICHELSON WATER RECYCLING PLANT PAVING AT NORTH ODOR SCRUBBER AND DIVERTER CHUTES BUDGET INCREASE AND CONSTRUCTION AWARD

Recommendation: That the Board authorize budget increases in the amount of \$182,900, from \$195,000 to \$377,900, for Project 07890 and \$41,700, from \$180,500 to \$222,200, for Project 07891; and authorize the General Manager to execute a construction contract with SS Mechanical Corporation in the amount of \$289,553 for the Michelson Water Recycling Plant Paving at North Odor Scrubber and Diverter Chutes, Projects 07890 and 07891.

ACTION CALENDAR

LAKE FOREST ZONE B TO C RECYCLED WATER PUMP STATION CONSULTANT SELECTION

Executive Director of Engineering and Technical Services Burton reported that the District is proceeding with the design of the Lake Forest Zone B to C Recycled Water Pump Station to improve water quality in the recycled water system. Mr. Burton said that the District's Lake Forest Zone C recycled water system receives its water supply from the Los Alisos Water Recycling Plant (LAWRP) and Santa Margarita Water District's (SMWD) Upper Oso Reservoir and that staff recently completed an evaluation to identify ways to increase operational flexibility and improve water quality in this recycled water system. He said that the evaluation resulted in a recommendation to cover the existing Zone B East Reservoir, establish a closed-loop Zone C distribution system with water supplied primarily from LAWRP, and construct a bi-directional metered interconnection with SMWD that can be used to transfer recycled water between IRWD and SMWD as needed. He said that the installation of the cover is complete, and staff is now proceeding with the design of a new interconnection with SMWD and a new pump station to establish the closed-loop Zone C system.

Mr. Burton said that the proposed pump station will be located at the site of the existing (non-operational) Lake Forest Well No. 5, with the proposed interconnection to be located near the intersection of Portola Parkway and El Toro Road. The existing Lake Forest Zone B to C recycled water pump station, an outdoor pump station constructed in 1998, will be demolished as part of the project utilizing replacement funds. He said that the proposed pump station will be enclosed within a building designed to be aesthetically compatible with

the surrounding commercial buildings and designed to mitigate sounds from operating equipment as required by the City of Lake Forest's noise ordinance. In addition to the proposed pump station and demolition of the existing outdoor pump station, the project includes the destruction of the existing Lake Forest Well No. 5; conceptual siting and reservation of space for a potential future well and well building located on the proposed pump station site; and construction of a metered interconnection between IRWD and SMWD to allow the transfer of recycled water between IRWD and SMWD as needed.

Mr. Burton said that staff received proposals for engineering design services from Dudek, Lee & Ro, and Stantec and that Woodard & Curran declined to submit a proposal due to schedule conflicts with its primary pump station design staff. He said that while each firm provided proposals, which generally met the project objectives, Stantec's approach to the project exceeded that presented by the other firms, which included an original design concept that maximized the use of the limited available site space. In addition, Stantec's proposed project manager has successfully managed several recent IRWD projects including the Orange Park Acres Well No. 1 Wellhead Facilities, Stockdale West Wellhead Equipping and Conveyance Facilities, and the Eastwood Recycled Water Pump Stations.

Director Reinhart said that this item was reviewed by the Engineering and Operations Committee on October 15, 2019. On MOTION by Reinhart, seconded by Matheis and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH STANTEC CONSULTING SERVICES, INC. IN THE AMOUNT OF \$735,378 FOR ENGINEERING DESIGN SERVICES FOR THE LAKE FOREST ZONE B TO C RECYCLED WATER PUMP STATION, PROJECT 11168.

#### 2019 POTABLE WATER, SEWER, AND RECYCLED WATER REGIONAL CAPITAL COST ALLOCATIONS

Principle Engineer Akiyoshi said that maps and the slides for tonight's meeting had been placed before each director. Using a PowerPoint presentation, Principle Engineer Akiyoshi provided an update on the 2019 Regional Capital Cost Allocations. Mr. Akiyoshi said that the regional cost allocations: 1) calculate an Improvement District's (ID)'s contribution towards regional capital projects; 2) provide benefit to all IRWD customers, "developed" and "developing" area (e.g. water or sewage treatment plant); and 3) are updated during major ID consolidations, significant changes to development projects, and water demand factor calibrations. He reviewed demand calculation methodology which include: 1) identifying land uses within IRWD's service area (by tabulating dwelling units or 1000's square feet for entire service areas); 2) developing water demand factors (for interior and exterior and common area irrigation demand); and 3) use IRWD's demand forecast tool to project demands.

Mr. Akiyoshi reviewed development updates noting the removal of both East Orange Area 1 and East Orange Lake Village and the reduction of Santiago Hills II areas; converted Irvine Lake Pipeline to recycled water along with several developments along Jamboree in Northern Irvine / East Orange; and intensified the Great Park and Tustin Legacy residential development. The major changes are as follows: 1) East Orange Area I / East Orange Lake Village / Santiago Hills II – These developments were planned for approximately 3,700 residential dwelling units (DUs). The Irvine Company significantly reduced the footprint of

these developments and designated the remainder to permanent open space, changing future development to only include Santiago Hills II with 1,180 DUs resulting in a net reduction of approximately 2,500 DUs; 2) Portola Springs – This area increased residential units from 4,650 DUs to 6,180 DUs. Non-residential development has remained relatively the same; 3) Great Park Area – This area increased residential units from 10,700 DUs to 14,000 DUs, and increased non-residential development from 7,830 thousand square feet (ksf) to 12,920 ksf; 4) Spectrum Area – This area increased residential development from approximately 850 DUs to approximately 1,300 DUs which is primarily comprised of apartment buildings; and 5) Tustin Legacy Area – The City of Tustin increased residential development from 4,820 DUs to 7,190 DUs. The net change in development results in a minor increase in overall demands for the Tustin Legacy Area. Using maps, he reviewed the potable water and sewer changes.

Mr. Akiyoshi then reviewed the regional potable water capital cost allocations for the Improvement Districts. In response to Director Swan's inquiry if low-income housing was allocated, Mr. Akiyoshi said that it was not included at this time. In response to Director Swan's inquiry if it is anticipated that there will be a decrease for Newport Coast, Mr. Akiyoshi will research this area, and provide an update to him. Director Swan then asked staff to provide data on current data versus projected build-out percentages. Mr. Dean Kirk of the Irvine Company reported that he and his staff have met on several occasions, and are satisfied with the allocations.

Mr. Akiyoshi further asked to correct the effective date on the Board recommendation, from December 1, 2019 to January 1, 2020.

Director Reinhart reported that this item was reviewed by the Engineering and Operations Committee on October 15, 2019. On MOTION by Reinhart, seconded by Matheis, **THE BOARD APPROVED THE PROPOSED REGIONAL CAPITAL COST ALLOCATIONS AND THEIR APPLICATION TO CAPITAL PROJECTS, EFFECTIVE JANUARY 1, 2020 AS AMENDED.**

GENERAL MANAGER'S REPORT: None.

#### DIRECTORS' COMMENTS

Director Reinhart reported that he attended an ACWA Board Dinner, a MWDOC Board Meeting, a workshop with MWD Directors, an OCWD Board Meeting, a SOCWA Board Meeting, an OCWD Water Issues Committee Meeting, an OCWD Board Meeting, a MWDOC Administration and Finance Committee meeting, and a Southern California Water Coalition Dinner.

Director Swan reported on his attendance at a WACO meeting, an OCWA lunch meeting, a MWDOC meeting, Newport Chamber of Commerce meeting, an Orange County Conservation Corps 25<sup>th</sup> Anniversary Celebration, a Southern California Water Coalition Dinner, an OCSD State of the District, and an NWRI Clarke Prize Award Ceremony. He also noted his concerns relative to PFAS contaminants, believes the OCWD should recharge the Santiago Pits, that a Coalition be established, and asked staff to agendaize an item for discussion at a future Board meeting.

Director Matheis reported on her attendance at an Inland Empire Utilities Agency Water Association Leadership Breakfast with Karla Nemeth, an ACWA Board dinner, a Shadetree Partnership Board Meeting, a Loma Ridge Elementary School Dedication in Irvine, a WACO Meeting, an IRWD Resident Tour, an ACWA Regulatory Summit in Sacramento, an NWRI Clarke Prize Award Ceremony, an ISDOC Quarterly Committee Meeting, a Southern California Water Coalition Dinner, and an OCSD State of the District event. She further noted that the County of Orange is holding a seminar on November 13 relative to the housing issue.

Director LaMar reported on his attendance at an Inland Empire Utilities Agency Water Association Leadership breakfast, a monthly discussion of District activities with the General Manager, nine ACWA meetings, a California Environmental Dialogue Plenary Meeting, and a Southern California Water Coalition dinner.

ORAL UPDATES FROM DISTRICT LIAISONS: None.

### CLOSED SESSIONS

At 6:06 p.m., Legal Counsel Collins said that the following Closed Sessions will be held tonight:

- 1) **CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL—**  
EXISTING LITIGATION - Pursuant to Government Code Section  
54956.9(d)(1): *Irvine Ranch Water District v. Orange County Water District*,  
Case No. BS168278 [Lead Case] & Case No. BS175192 [Consolidated Case]

At 7:10 p.m., following the first Closed Session, President LaMar adjourned the meeting to the second floor Committee Room for the second Closed Session item.

- 2) **CLOSED SESSION:** Conference with Labor Negotiator pursuant to  
Government Code Section 54957.6:  
Agency Designated Representative: President LaMar  
Unrepresented Employee: Paul Cook

### OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors LaMar, Matheis, Swan, and Reinhart present. No action was reported.

### ADJOURNMENT

President LaMar adjourned in the Board meeting

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

---

President, IRVINE RANCH WATER DISTRICT

---

Asst. Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

---

Claire Hervey Collins, Legal Counsel  
Lewis Brisbois