

MINUTES OF REGULAR MEETING – JULY 22, 2013

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 22, 2013 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Finance Clary, Executive Director of Engineering Burton, Executive Director of Operations Sheilds, Director of Public Affairs Beeman, Executive Director of Water Policy Heiertz, Director of Risk Management and Treasury Jacobson, Director of Water Resources Weghorst, Assistant Director of Conservation Sanchez, Legal Counsel Arneson, Secretary Bonkowski, Ms. Christine Compton, Ms. Shannon Reed, Mr. Jim Reed, Ms. Erika Blaska, Ms. Julie Bendzick-Sin, Mr. Ken Drake, Mr. Dave Hayden, Ms. Soha Vazirnia, Mr. Joe Constantino, Ms. Dawn Jordan, Ms. Cheryl Kelly, Mr. Mark Gingras, Ms. Tina Bertsch, and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION

Mrs. Joan Irvine Smith's assistant addressed the Board of Directors with respect to the Dyer Road wellfield. She said it was her understanding that currently wells 1, 4, 6, 7, C-8, C-9, 10, 12, 15, 17 and 18 will operate in accordance with the District's annual pumping plan. Wells 2, 3, 5, 11, 13, 14 and 16 will be off. This was confirmed by Mr. Cook, General Manager of the District.

With respect to the OCWD annexation of certain IRWD lands, on June 5, 2009, IRWD received a letter from OCWD noting that OCWD has completed the formal responses to comments they previously received on the draft program Environmental Impact Report. The letter further noted that with this task completed, OCWD has exercised its right to terminate the 2004 Memorandum of Understanding (MOU) regarding annexation. OCWD also indicated that due to the lack of progress on the annexation issue, the draft program Environmental Impact Report will not be completed. On June 8, 2009, OCWD completed the Long-Term Facilities Plan which was received and filed by the OCWD Board in July 2009. Staff has been coordinating with the City of Anaheim (Anaheim) and Yorba Linda Water District (YLWD) on their most recent annexation requests and has reinitiated the annexation process with OCWD. IRWD, YLWD and Anaheim have negotiated a joint MOU with OCWD to process and conduct environmental analysis of the annexation requests. The MOU was approved by the OCWD Board on July 21, 2010. This was confirmed by Mr. Cook.

With respect to the Groundwater Emergency Service Plan, IRWD has an agreement in place with various south Orange County water agencies, MWDOC and OCWD, to produce additional groundwater for use within IRWD and transfer imported water from IRWD to south Orange County in case of emergencies. IRWD has approved the operating agreement with certain south

Orange County water agencies to fund the interconnection facilities needed to affect the emergency transfer of water. MWDOC and OCWD have also both approved the operating agreement. This was confirmed by Mr. Cook.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - None.

PRESENTATIONS

PUBLIC RELATIONS SOCIETY OF AMERICA OF ORANGE COUNTY

Mr. Danny Craig from Public Relations Society of America of Orange County presented an award to Public Affairs and Conservation for its “Always Water Smart Campaign”.

RESOLUTION OF COMMENDATION FOR WAYNE POSEY

General Manager Cook commended Mr. Wayne Posey for his 33 years of service to the District. ON MOTION by LaMar, seconded and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2013-30

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT COMMENDING
WAYNE POSEY FOR HIS DEDICATED AND
OUTSTANDING SERVICE TO THE DISTRICT

PUBLIC HEARING – REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS

General Manager Cook said that the required noticing requirements did not make it to the Orange County Register for advertising and requested that this item be referred to the August 12, 2013 Board meeting. There being no objections, this item was removed from tonight’s agenda.

CONSENT CALENDAR

On MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 6 THROUGH 12 WERE APPROVED AS FOLLOWS:

6. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the June 28, 2013 Adjourned Regular Board Meeting and July 8, 2013 Regular Board Meeting be approved.

7. 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, Douglas Reinhart, Peer Swan and John Withers.

CONSENT CALENDAR (CONTINUED)

8. JUNE 2013 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for June 2013; approve the June 2013 summary of payroll ACH payments in the total amount of \$1,417,224 and approve the June 2013 accounts payable disbursement summary of warrants 339700 through 340673, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$51,300,220.

9. STRATEGIC MEASURES DASHBOARD

Recommendation: That the Board receive and file the Strategic Measures Dashboard and information items.

10. URBAN RUNOFF DIVERSION PROJECT EXPENDITURE AUTHORIZATION

Recommendation: That the Board approve an Expenditure Authorization for project 11631 (3633) in the amount of \$47,000 for the urban runoff diversion project.

11. PLANNING AREA 51 HERITAGE FIELDS REACH B SEWER AND RECYCLED WATER CAPITAL IMPROVEMENTS

Recommendation: That the Board approve Expenditure Authorizations for projects 21139 (4266) and 30393 (4265) in the amounts of \$2,588,300 and \$887,700 and authorize the General Manager to execute a supplemental Reimbursement Agreement with Heritage Fields for Planning Area 51 Reach B Sewer and Recycled Water Capital Facilities.

12. REHABILITATION OF THE ZONE A RESERVOIR NO. 2 PROJECT - FINAL ACCEPTANCE

Recommendation: That the Board accept construction of Rehabilitation of the Zone A Reservoir No. 2 project; 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.

ACTION CALENDAR

PLANNING AREA 9B (STONEGATE) JEFFREY ROAD PIPELINES CONTRACT CHANGE ORDER

Executive Director of Engineering Burton reported that the Jeffrey Road Pipelines are currently being constructed between Irvine Boulevard and Portola Parkway in PA 9B. The project includes construction of approximately 5,000 lineal feet of 12-inch Zone 3 domestic water pipeline, 2,700 lineal feet of 36-inch Zone A recycled water pipeline, 2,700 lineal feet of 36-inch syphon pipeline, 4,800 lineal feet of 16-inch Zone B recycled water pipeline, and 1,400 lineal feet of 6-inch, 12-inch, and 20-inch Zone C recycled water pipelines.

Mr. Burton said that a future IRWD pump station site has recently being identified on the northwest corner of Jeffrey Road and Irvine Boulevard. This pump station is planned to be a multi-zone station including Zone A to Syphon, Syphon to Zone B, and Syphon to Zone C. Staff recommends that the laterals to the future pump station site be installed with the current Jeffrey Road Pipelines project to minimize construction cost, traffic impacts, and future disruption to residents. The laterals include a 16-inch Zone B lateral, 20-inch Zone C lateral, 36-inch Zone A lateral and 36-inch Syphon lateral into the new pump station site. Mr. Burton said that Leatherwood Construction submitted a construction change order to perform the work in the negotiated amount of \$180,205 which staff believes is reasonable.

Director Withers reported that this item was reviewed and approved by the Engineering and Operations Committee on July 16, 2013. On MOTION by Withers, seconded and unanimously carried, **THE BOARD APPROVED A CONTRACT CHANGE ORDER IN THE AMOUNT OF \$180,205 TO THE REIMBURSEMENT AGREEMENT WITH THE IRVINE COMMUNITY DEVELOPMENT COMPANY FOR PLANNING AREA 9B JEFFREY ROAD PIPELINES, PROJECTS 10423 (1519), 30422 (1024), AND 30389 (4176) TO PERFORM ADDITIONAL LATERAL WORK FOR A FUTURE IRWD PUMP STATION.**

THREE-YEAR CATHODIC PROTECTION MONITORING PROGRAM CONSULTANT SELECTION FOR FISCAL YEARS 2013-14 THROUGH 2015-16

Executive Director of Engineering Burton reported that the District uses impressed current and galvanic cathodic protection systems (CP Systems) to protect metallic pipelines and reservoirs from corrosion. Mr. Burton said that the District has routinely utilized consultant services to monitor, evaluate and adjust the 19 metallic pipeline and 13 steel tank reservoir CP Systems for a two-year period. He said that this monitoring contract will be for a three-year period and includes the addition of three pipelines and five steel reservoirs due to the recent CP System installation on the University Drive and Kelvin Avenue pipelines and on the Santiago Canyon reservoirs.

Mr. Burton said that a Request for Proposal was issued on May 13, 2013 to Corrpro Companies, Farwest Corrosion, HDR/Schiff, RBF and R.F. Yeager Engineering. He said that of the five consultants, Farwest declined to attend the pre-proposal meeting and did not submit a proposal. He said that staff evaluated the proposals using the consultants' team, project approach, and relevant experience as criteria. RBF based its proposed labor hours on their current experience performing as the incumbent cathodic protection monitoring consultant and its amount is consistent with the hours used in the previous eight years of the program. R.F. Yeager Engineering's and HDR/Schiff's proposed labor hours for data collection are lower than what is expected to monitor the 18 reservoirs and approximately 67 miles of pipelines with approximately 500 test stations. Mr. Burton said that although RBF's fee is slightly higher than the others, RBF has provided excellent service for the past two years, has maintained their schedule, and kept costs within budget. RBF has also provided value-added services, e.g. GPS location aerial exhibits of the test stations. He said that staff ranked RBF as the best consultant and recommends awarding the agreement for cathodic protection monitoring with this firm.

Director Withers said that this item was reviewed and approved by the Engineering and Operations Committee on July 16, 2013. On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH RBF CONSULTING FOR \$236,505 FOR THE THREE-YEAR CATHODIC PROTECTION MONITORING PROGRAM FOR FY 2013-14 THROUGH FY 2015-16.

GENERAL MANAGER'S REPORT

General Manager Cook reported that at an OCWD Water Issues Committee meeting a conversation was held on ocean desalination and its Committee is recommending a buy-in with Poseidon Resources. Mr. Cook said that staff will be watching very carefully OCWD's actions on this issue and will follow IRWD's policy position paper on this matter.

Mr. Cook updated the Board on Newport Beach's CCTV contract proposal noting that IRWD ranked in the middle. He said that the contract proposal will be submitted to the City Council for its approval with a low bid at \$.029 per foot versus IRWD's bid at \$.071 per foot.

Mr. Cook said that ACC-OC approached IRWD to again host its annual event on October 10, 2013 at the Learning Center Campus which staff approved. He said that that this Friday IRWD will also be hosting Southern California Water Committee workshop at headquarters with President Reinhart welcoming the guests.

Mr. Cook further noted an article from the Orange County Register noting *hidden gems* in Irvine, and that the San Joaquin Wildlife Sanctuary was featured as its top gem.

DIRECTORS' COMMENTS

Director Matheis reported on her attendance at an OCBC Orange County Forum with a presentation on oils reserves throughout the world which she said was encouraging. She also said she attended an El Toro Water District Recycled Water Expansion Groundbreaking ceremony.

Director Withers noted that General Manager Cook placed before each director a Press Release on OCSD's agreement to expand its dry weather urban runoff from four million gallons to 10 million gallons per day which will be a positive step for IRWD. He reported on his attendance at an OC Taxpayer's dinner. He said relative to General Manager Cook's comment on the OCWD's interest in desalination, he made a suggestion as to the manner in which the District could respond.

Director Swan also relayed his concerns on the recent OCWD interest in ocean desalination buy-in which was recommended by Mesa Consolidated. Director Withers suggested that this item be agendaized at a future Board meeting workshop for discussion.

Director LaMar reported on his attendance at an OCBC OC Forum lunch meeting and an OCBC Infrastructure meeting.

Director Reinhart reported on his attendance along with Director Swan on a tour with Fullerton Mayor and OCWD Director Bruce Whitaker, a WACO monthly meeting, an OCWD Annexation

meeting, a MWDOC Board meeting, an ETWD Recycled Water Expansion Project groundbreaking ceremony, a SOCWA Executive Committee meeting, a WateReuse conference call and WateReuse meeting on financial matters. He said that tomorrow he will be attending an OCWD/IRWD Ad Hoc Committee meeting with Director Swan and staff.

Consultant Jim Reed reported on the meetings he attended for the District including WACO and a south county meeting.

CLOSED SESSION

President Reinhart said that the following closed sessions would be held this evening:

- 1) Conference with Real Property Negotiator (Government Code Section 54956.8).
Property: State project water entitlements to be added to various parcels—Portions of Sections 25, 26, 34, and 35 of T23S R19E MDB&M
Negotiating Parties: Carpinteria Valley Water District and Dudley Ridge Water District
Agency Negotiator: Paul Cook, General Manager
Purpose of Negotiations: Price and Terms of Payment
- 2) Conference with Legal Counsel relative to anticipated litigation— Government Code Section 54956.9(d)(4) – initiation of litigation (one potential case) (potential settlement construction contractor).
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- 3) Conference with Legal Counsel relative to anticipated litigation- Government Code Section 54956.9(d)(2) - significant exposure to litigation (two potential cases)

OPEN SESSION

The meeting was reconvened with LaMar, Matheis, Reinhart, Withers and Swan present. President Reinhart said that no action was reported from the Closed Session.

ADJOURNMENT

There being no further business, President Reinhart adjourned the meeting.

APPROVED and SIGNED this 12th day of August, 2013.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone