

MINUTES OF REGULAR MEETING – MARCH 10, 2014

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 March 10, 2014 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Swan, Withers (arrived at 5:13 p.m.), Matheis, LaMar and Reinhart

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Finance Clary, Executive Director of Engineering and Planning Burton, Executive Director of Operations Sheilds, Executive Director of Water Resources Weghorst, Director of Human Resources Roney, Director of Public Affairs Beeman, Assistant Director of Maintenance Drake, Director of Conservation Sanchez, Legal Counsel Arneson (via conference call), Secretary Bonkowski, Ms. Christine Compton, Mr. John Dayer, Mr. Ray Bennett, Mr. Alex Aguilar, Ms. Kellie Welch, Mr. Jim Reed, Mr. Bruce Newell, Ms. Laura Thomas of Black & Veatch, Ms. Elizabeth Wallace, and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION

1) 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, 5, 6, 7, C-8, C-9, 10, 15 and 17 will operate in accordance with the District's annual pumping plan. Wells 2, 3, 4, 11, 12, 13, 14, 16 and 18 will be off. This was confirmed by Mr. Cook, General Manager of the District.

On October 31, 2013, the District received its fully executed copy of the Annexation Agreement with the Orange County Water District. 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. On November 10 2008, the IRWD Board 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 approved the operating agreement. This was confirmed by Mr. Cook.

2) Ms. Elizabeth Wallace, a member of the Portola Hills Homeowners Association (HOA), asked that the District consider various conservation efforts, including having new development develop catchment basis during rain events, and to institute special rates for when the area experiences drought conditions. Following discussion, Director LaMar said he and staff could attend a HOA meeting and discuss IRWD's conservation measures currently in place. Director Withers arrived at 5:13 p.m.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED: None.

CONSENT CALENDAR

On MOTION by Reinhart, seconded and unanimously carried, CONSENT CALENDAR ITEMS 3 THROUGH 20 WERE APPROVED AS FOLLOWS:

3. MINUTES OF REGULAR BOARD MEETINGS

Recommendation: That the minutes of the February 10, 2014 Regular Board meeting and the February 11, 2014 Adjourned Regular Board meeting be approved as presented.

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

Recommendation: That the Board ratify/approve meetings and events for Steven LaMar, John Withers, Mary Aileen Matheis, Douglas Reinhart and Peer Swan.

5. JANUARY 2014 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for January 2014, and disclosure report of reimbursements to Board members and staff; approve the January 2014 Summary of Payroll ACH payments in the total amount of \$1,446,912 and approve the January 2014 accounts payable Disbursement Summary of warrants 345066 through 345956, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$22,238,158.

6. 2014 STATE LEGISLATIVE UPDATE

Recommendation: That the Board adopt an "OPPOSE" position on AB 1671 (Frazier); and adopt an "OPPOSE" position on HR 29 (Gomez).

7. NOMINATION OF JOHN WITHERS FOR LAFCO REGULAR SPECIAL DISTRICT MEMBER SEAT

Recommendation: That the Board nominate IRWD Director John Withers as the Regular Special District Member for the upcoming seat on the Local Agency Formation Commission and submit the nomination form to LAFCO to meet its deadline of April 18, 2014.

CONSENT CALENDAR (CONTINUED)

8. DROUGHT RESPONSE TEMPORARY INCREASE TO TURF REMOVAL INCENTIVE PROGRAM

Recommendation: That the Board authorize the General Manager to provide written notice to the Municipal Water District of Orange County (MWDOC) in accordance with the agreement between MWDOC and IRWD of IRWD's intent to increase supplemental funding by \$0.50 per square foot to provide a total of \$1 per sq. ft. for the turf removal incentive program for the remainder of FY 2013-14.

9. QUITCLAIM OF REAL PROPERTY – IRVINE COMMUNITY DEVELOPMENT COMPANY LLC – WATER, SEWER, RECYCLED WATER, AND ACCESS EASEMENT PER TRACT NO. 15918, M.M. 582/14-21 LYING WITHIN CRYSTAL COVE ON THE NEWPORT COAST

Recommendation: That the Board adopt the following resolution by title approving execution of the quitclaim deed to Irvine Community Development Company LLC:

RESOLUTION NO. 2014 -16

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
APPROVING EXECUTION OF THE QUITCLAIM DEED TO
IRVINE COMMUNITY DEVELOPMENT COMPANY LLC

10. QUITCLAIM OF REAL PROPERTY – QUITCLAIM OF REAL PROPERTY COUNTY OF ORANGE WATER PIPELINE AND ACCESS EASEMENT PER INSTRUMENT NO. 2008000366040, O.R. LYING WITHIN IRVINE RANCH HISTORICAL PARK

Recommendation: That the Board adopt the following resolution by title approving execution of the quitclaim deed to the County of Orange:

RESOLUTION NO. 2014 -17

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
APPROVING EXECUTION OF THE QUITCLAIM
DEED TO THE COUNTY OF ORANGE

CONSENT CALENDAR (CONTINUED)

11. QUITCLAIM OF REAL PROPERTY – IRVINE COMMUNITY DEVELOPMENT COMPANY LLC, THE IRVINE LAND COMPANY LLC WATER TRANSMISSION MAIN EASEMENT PER O.R. 6740/350 LYING WITHIN IRVINE PLANNING AREA 18

Recommendation: That the Board adopt the following resolution by title approving execution of the quitclaim deed to Irvine Community Development Company LLC and The Irvine Land Company LLC.

RESOLUTION NO. 2014 -18

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
APPROVING EXECUTION OF THE QUITCLAIM DEED TO
IRVINE COMMUNITY DEVELOPMENT COMPANY LLC
AND THE IRVINE LAND COMPANY LLC

12. 2014 SEWER REHABILITATION PROJECT

Recommendation: That the Board authorize the addition of project 21166 (5098) to the FY 2013-14 capital budget in the amount of \$348,000 and approve an Expenditure Authorization in the amount of \$68,200 for the 2014 Sewer Rehabilitation, project 21166 (5098).

13. PLANNING AREA 18 SOUTH (HIDDEN CANYON) DOMESTIC WATER AND RECYCLED WATER CAPITAL FACILITIES

Recommendation: That the Board authorize the addition of projects 11739 (4680), 31739 (4681), and 30487 (5168) to the FY 2013-14 capital budget in the amounts of \$315,700, \$315,700, and \$1,998,200, respectively; approve Expenditure authorizations for projects 11739 (4680), 31739 (4681), and 30487 (5168) in the amounts of \$315,700, \$315,700, and \$1,998,200, respectively; and approve Construction Change Order No. 1 in the amount of \$210,596.25 with Toll Brothers for the Planning Area 18 South Hidden Canyon Domestic and Recycled Water Capital Facilities.

14. ON-CALL PLAN CHECK PROFESSIONAL SERVICES AGREEMENTS

Recommendation: That the Board authorize the General Manager to execute three Professional Services Agreements, each in the amount of \$100,000, with Hunsaker & Associates, VA Consulting, and PacRim Engineering for approximately 850 hours of on-call plan checking services per firm.

CONSENT CALENDAR (CONTINUED)

15. CONTRACT CHANGE ORDER TO REIMBURSEMENT AGREEMENT BETWEEN IRWD AND THE CITY OF IRVINE FOR IRVINE ANNUAL STREET REHABILITATION

Recommendation: That the Board authorize a budget increase for the Irvine Annual Street Rehabilitation, project 11674 (4270) in the amount of \$121,000, from \$365,200 to \$486,200, project 21674 (4271) in the amount of \$55,000 from \$199,100 to \$254,100, and project 31674 (4272) in the amount of \$11,000 from \$14,300 to \$25,300; approve Expenditure Authorizations for projects 11674 (4270), 21674 (4271) and 31674 (4272) in the amounts of \$121,000, \$55,000 and \$11,000, respectively; and approve Change Order No. 2 in the amount of \$133,100 to the Reimbursement Agreement between IRWD and the City of Irvine for the Annual Irvine Street Rehabilitation, projects 11674, 21674 and 31674.

16. UPCOMING PROJECTS STATUS REPORT

Recommendation: Receive and file.

17. REIMBURSEMENT AGREEMENT BETWEEN IRWD AND THE CITY OF NEWPORT BEACH FOR SANTA ANA HEIGHTS PAVEMENT RESTORATION

Recommendation: That the Board authorize the addition of project 11777 (5178) to the FY 2013-14 capital budget in the amount of \$144,100; approve an Expenditure Authorization for project 11777 (5178) in the amount of \$144,100; and authorize the General Manager to execute a Reimbursement Agreement with the City of Newport Beach for the Santa Ana Heights Pavement Restoration project, Contract C-4707.

18. AUTOMATION SUPPORT CONSULTANT SERVICES

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement in the amount of \$250,000 with Vertech for automation support services.

19. MICHELSON WATER RECYCLING PLANT PHASE 2 EXPANSION VARIANCE

Recommendation: That the Board authorize the General Manager to execute Variance No. 8 in the amount of \$108,912 with Delta Systems Engineering for supplemental services associated with start-up and commissioning activities for the MWRP Phase 2 Expansion projects 20214 (1599) and 30214 (1706).

CONSENT CALENDAR (CONTINUED)

20. PLANNING AREA 51 HERITAGE FIELDS REACH A SEWER AND RIDGE VALLEY CAPITAL FACILITIES

Recommendation: That the Board authorize the addition of project 21154 (4614) to the FY 2013-14 capital budget in the amount of \$2,481,200; authorize budget increases for projects 11671 (4261), 21671 (4263), 31671 (4264) from \$288,200, \$233,200, and \$73,700 to \$723,800, \$436,700, and \$194,700, respectively; approve Expenditure Authorizations for projects 21154 (4614), 11671 (4261), 21671 (4263), and 31671 (4264) in the amounts of \$2,481,200, \$723,800, \$436,700, and \$194,700, respectively; and authorize the General Manager to execute a Supplemental Reimbursement Agreement with Heritage Fields for Planning Area 51 reach a sewer and District 1 capital facilities.

ACTION CALENDAR

MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES CONTRACT CHANGE ORDER

General Manager Cook reported that construction of the Biosolids project was awarded to Filanc/Balfour-Beatty (FBB) in March 2013 which will provide biosolids digestion, dewatering, energy production, and on-site sludge drying. The project includes excavation for subsurface structures, installation of an estimated 3,028 foundation piles, three egg-shaped digesters, a state-of-the-art odor control system, a biogas conditioning system and emergency power generation using micro-turbines, a fats, oil and grease receiving station, and new utility services.

Executive Director of Engineering and Planning Burton reported that one of FBB's first construction activities is installing the foundation piles. Mr. Burton said that depending on the soil conditions of the location where the foundation pile is being installed, pre-drilling may be necessary based on the recommendation of the District's geotechnical engineering consultant. He said that estimating pile pre-drilling quantities is difficult because of the variation of subsurface field conditions. He said that of the 138,000 feet of piles to be installed, the bid form included 10,000 feet of pile pre-drilling. FBB included a bid price of \$8.25 per foot of pile pre-drilling for a total amount of \$82,500.

Mr. Burton said that FBB began installing foundation piles in September 2013, and has installed approximately 2,500 piles (83% of the total piles required). Pre-drilling has been necessary for the installation of the majority of piles in the digester area, and the bid quantity for pre-drilling piles has been exceeded by over 75,000 feet beyond the 10,000 feet included on the bid form.

Mr. Burton said that the change order was submitted in January 2014 to the Engineering and Operations Committee for 87,000 feet of pile pre-drilling in the amount of \$717,750. After the Committee meeting, staff refined the original estimate of future pre-drilling by reviewing data collected from the piles installed for this project and consulting with the geotechnical engineer and FBB. Based on this refined analysis, staff estimates that the actual bid quantity adjustment

for pile pre-drilling to be 15,364 feet beyond the 75,000 feet described above for a total of 90,364 feet. This refined estimate is an increase of 3,364 feet beyond what was approved by the Committee in January. CCO No. 3 in the amount of \$745,503 is the bid quantity adjustment for pile pre-drilling.

Director Reinhart said that this item was reviewed by the Engineering and Operations Committee on January 21, 2014. After the Committee meeting, the estimate for pile pre-drilling was increased by 3,364 feet with an associated cost increase in the amount of \$27,753.00. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED CONTRACT CHANGE ORDER NO. 3 IN THE AMOUNT OF \$745,503 TO FILANC-BALFOUR BEATTY FOR THE BID QUANTITY ADJUSTMENT FOR PILE PRE-DRILLING FOR THE MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY, PROJECT 21146 (4286).

MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES CONSULTANT SELECTIONS AND VARIANCES

General Manager Cook reported that with the construction of the Michelson Water Recycling Plant (MWRP) Biosolids and Energy Recovery Facilities (Biosolids), the District's construction management team has identified a need for materials testing as well as additional start-up services and air permitting engineering services to support this project.

Executive Director of Engineering Burton reported that material testing services for concrete and asphalt paving are required for the construction of the project. Proposals to provide these services were requested and received from NMG Geotechnical Inc., Ninyo and Moore, and Leighton Associates. Mr. Burton said that all firms have performed these services for IRWD on past projects, and following a review of the proposals, staff recommends approval of a professional services agreement with Ninyo & Moore in the amount of \$222,730 for material testing of concrete and asphalt paving.

Mr. Burton said that when the staffing requirements for construction support were estimated, it was assumed that IRWD staff would be available for various roles in the development, testing and deployment of the Biosolids process control system (PCS) software; however, due to recent staffing changes and the needs of other capital projects, IRWD staff cannot be provided to support the project. Therefore, additional resources are required including a Start-up Engineer and a Software Test Engineer. Mr. Burton said that EI&C has demonstrated that they can provide a qualified Start-up Engineer and Software Test Engineer for these demanding roles and has been providing these services for the MWRP Phase 2 Expansion which has greatly helped the contractor and staff during start-up. He said that the Start-up Engineer is already being retained, through the Black & Veatch construction management agreement, to ensure that the PCS software is developed consistent with IRWD's standards. The Software Test Engineer will join the project team in August 2014 which is 12 months prior to Milestone 1 (July 2015) for primary and secondary sludge processing.

Mr. Burton said that when the staffing requirements for construction support were estimated, it was assumed that IRWD staff would be available to assist in process equipment submittal review and to perform certain construction management activities; however, due to a recent reallocation of District staff to the Baker Project, Black & Veatch was requested to submit a proposal to provide a Field

Electrical Engineer to assist in these activities on the Biosolids project. The Field Electrical Engineer will perform submittal reviews, participate in the PCS development process, attend meetings, and support the Start-up Engineer. Black & Veatch's proposed Field Electrical Engineer has worked on previous IRWD projects and has proven to be valuable to IRWD. The Field Electrical Engineer is a part-time position and will be engaged as construction needs warrant. He said that additionally, Black & Veatch was requested to submit a proposal to provide, on an on-call basis, an Automation Engineer with expertise in the Wonderware ArchestrA and Unity HMI software. This Automation Engineer will assist the project construction management team in evaluating the PCS needs and to review the HMI graphics and PLC code to insure consistency and that IRWD standards are met.

Mr. Burton said that over the past few months Environ has been preparing additional air permit application information at the request of the South Coast Air Quality Management District (SCAQMD). He said that due to the nature of SCAQMD's potential to emit calculation methodology, it appears that some of the emissions, specifically volatile organic compounds and nitrous oxides, will place MWRP in the Title V permit category.

Director Reinhart said that this item was reviewed by the Engineering and Operations Committee on February 18, 2014 that that the Committee concurs with the staff recommendation. Following discussion, on MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH NINYO & MOORE IN THE AMOUNT OF \$222,730 TO PROVIDE MATERIAL TESTING FOR CONCRETE AND ASPHALT PAVING; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH EI&C ENGINEERING, INC. IN THE AMOUNT OF \$1,239,007 TO PROVIDE START-UP ENGINEERING SERVICES; AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 1 IN THE AMOUNT OF \$664,600 WITH BLACK & VEATCH FOR ADDITIONAL FIELD ENGINEERING SERVICES DURING CONSTRUCTION; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 6 IN THE AMOUNT OF \$40,000 WITH ENVIRON FOR SUPPLEMENTAL AIR PERMIT APPLICATION PREPARATION FOR THE MWRP BIOSOLIDS AND ENERGY RECOVERY FACILITIES, PROJECT 21146 (4286).

JANITORIAL SERVICES CONTRACT AWARD – THREE-YEAR TERM

General Manager Cook reported that staff recommends that the Board authorize the General Manager to execute a janitorial services contract with Starbrite Building Maintenance, Inc., for a three-year term which will include IRWD's Sand Canyon Headquarters, Operations Center, Los Alisos Water Recycling Plant, and 21 satellite facilities totaling 115,000 square feet.

On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A JANITORIAL SERVICES CONTRACT WITH STARBRITE BUILDING MAINTENANCE, INC. IN THE AMOUNT OF \$430,695.00 FOR A THREE-YEAR TERM.

SYPHON RESERVOIR INTERIM FACILITIES BUDGET INCREASE, EXPENDITURE AUTHORIZATION, VARIANCE, REIMBURSEMENT AGREEMENT, AND ACCESS ROAD AGREEMENT

General Manager Cook reported that the District purchased Syphon Reservoir to provide additional recycled water storage. While the long-term storage capacity of the reservoir is being determined, this project will construct chlorination facilities, strainers and pipeline improvements to connect Syphon Reservoir to the Zone A recycled water system. In February 2013, the Board of Directors awarded the construction contract to Paulus Engineering (Paulus).

Crean Lutheran High School recently completed rough grading activities for its sports complex development located south of the reservoir site. To serve its development, Crean will construct onsite and offsite sewers. Crean's offsite sewer segment will serve both Crean and IRWD, i.e. both the interim and ultimate Syphon Reservoir improvements. A proposed Reimbursement Agreement (RA) between IRWD and Crean is required; it will evenly divide the project costs for the offsite bore and jack sewer across Portola Parkway.

Executive Director of Engineering and Planning Burton reported that in the last two months, Crean revised its site development and added six tennis courts to its complex. The parking aisle/reservoir access road was shifted to accommodate the new site layout, and Crean proposed to connect the access road to an existing access road on an adjacent one-acre mitigation property owned by the District. This property was designated as a mitigation area when the Transportation Corridor Agency (TCA) built the 241 Toll Road, and improvement on the property is generally restricted. A reservoir access road used before Portola Parkway was built runs through this property. The U.S. Fish and Wildlife Service, California Department of Fish and Wildlife, Nature Reserve of Orange County, and TCA did not object to connecting to the existing access road as there is little to no disruption to plant and animal habitat on the property. Mr. Burton said that staff recommends that IRWD execute a Letter Agreement with Crean which states that if any of governing agencies require mitigation or other requirements, Crean will satisfy the requirements.

Mr. Burton said that URS submitted Variance No. 4 in the amount of \$39,950 for the design of 800 feet of 8-inch diameter sewer (the "IRWD Segment") and redesign of the site access road, electric power alignment, domestic water service pipe, and OCFA Fire Master Plan due to Crean's site design changes. Staff also requested URS to provide additional construction phase services, which will include 10 additional submittal reviews.

Director Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on February 18, 2014. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED A BUDGET INCREASE FOR THE SYPHON RESERVOIR INTERIM FACILITIES PROJECT IN THE AMOUNT OF \$315,100, FROM \$2,417,200 TO \$2,732,300; APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$315,100; AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 4 IN THE AMOUNT OF \$39,950 WITH URS CORPORATION, INC.; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A REIMBURSEMENT AGREEMENT (RA) WITH CREAN LUTHERAN HIGH SCHOOL (CREAN) FOR THE CONSTRUCTION OF A SEWER BORE AND JACK ACROSS PORTOLA PARKWAY FOR

THE SYPHON RESERVOIR INTERIM FACILITIES PROJECT; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A LETTER AGREEMENT WITH CREAN FOR THE ALIGNMENT OF THE ACCESS ROAD CONNECTING TO THE ADJACENT ONE-ACRE MITIGATION PROPERTY FOR THE SYPHON RESERVOIR INTERIM FACILITIES, PROJECT 30374 (3729).

SAN JOAQUIN MARSH CAMPUS MOLD REMEDIATION

Executive Director of Engineering and Planning Burton reported that mold remediation of the Caretaker's Residence of the Campus was completed in May 2013 by Certified Bio Services at a cost of approximately \$65,000. Mr. Burton said that due to the complexity of mold remediation and exposure concerns encountered during remediation of the Caretaker's Residence, that Dr. Maureen Sassoon, an Occupational and Environmental Health and Safety consultant, was retained in October 2013 to provide oversight project evaluation and management for the remainder of the project. He said that the crawl spaces and interiors of the remaining buildings on the Campus were inspected and re-evaluated and that the general findings included that: 1) the Caretaker's Residence and Learning Center do not warrant any remediation activities at this time; 2) mold remediation of the crawl space and interior is required for each of the remaining buildings, i.e. Marsh House, Sea and Sage, Sea and Sage Audubon and Duck Club; 3) the entire Campus be monitored as part of a periodic visual inspection and air monitoring program; and 4) converting each individual building's crawl space into a conditioned space as completed on the Caretaker's Residence is not recommended.

Mr. Burton said that the mold remediation process will have two phases. Phase 1 will include replacing all mold damaged structural members (Marsh House only), removing mold from subfloor wooden structural members using an abrasive process, "grading" the existing ground in the crawl space to eliminate water ponding from rain events as well as removing extra material to ease future visual inspections, installing a spray urethane on the under-floor structural members to seal any gaps to the interior, and applying a anti-microbial paint to the floor underside. The Phase 2 remediation activity will include cleaning the building interior, i.e. HEPA vacuuming and wet wiping.

Mr. Burton said that staff recommends remediating the remainder of the Campus in the following order: Marsh House, Sea and Sage, Sea and Sage Audubon, and Duck Club. Since the Marsh House has structural damage to its sub-flooring and flooring members, staff proposes a separate contract to repair the Marsh House apart from the other buildings. Staff previously received a proposal of \$9,780 from a general home contractor to repair the structural damage to the Marsh House. The total estimated cost to remediate the Marsh House is \$44,300. Staff will seek bids for the Marsh House's repair and mold remediation and staff anticipates that construction will be completed under an informal contract authorized by the General Manager pursuant to the District's current procurement policy. The estimated costs for the remediation of the remaining buildings are as follows: Sea and Sage \$43,500, Sea and Sage Audubon \$34,500 and Duck Club \$34,000. Staff will return to the Board in the future to award a construction contract to remediate these buildings. He further said that upon completion of the Marsh House's remediation, it will be used by Sea and Sage Audubon staff during the timeframe to complete the mold remediation of the Sea and Sage building. This "rotation of use" of the Marsh

House by occupants of the other buildings will follow in succession until remediation of all buildings is completed.

Director Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on February 18, 2014. He also said that the mold issue will be monitored on a continuous basis due to the nature of this issue. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$168,900 FOR THE SAN JOAQUIN MARSH CAMPUS MOLD REMEDIATION, PROJECT 11665 (4130).

STRAND RANCH WELL OPTIMIZATION AND MONITORING PROJECT

Executive Director of Water Policy Weghorst reported that in 2010 and 2011, six new wells were constructed and one existing well was rehabilitated at the Strand Ranch by well contractor Bakersfield Well and Pump. Mr. Weghorst said that the Strand Ranch recovery facilities were designed and constructed to provide a total extraction capacity of 36 cfs with the expectation that up to 40 cfs could be recovered on a short-term basis. He said that in April and May 2013, the six operating Strand Ranch wells began pumping and this groundwater is being discharged to the Cross Valley Canal (CVC). The combined discharges to the CVC have been used to fulfill return obligations for IRWD's exchange and banking partners including Rosedale-Rio Bravo Water Storage District. The seventh well, SREX-4, is not in operation yet due to a construction defect which is being resolved.

Mr. Weghorst said that as a result of ongoing severe drought conditions and increased regional pumping, static water levels in the Kern Fan area around the Strand Ranch are declining and are expected to fall below historic record low levels. As a result of greater than expected drawdowns and to prepare for the lowering of the Strand Ranch well pumps, the Board authorized a pump setting optimization study on September 9, 2013 to assess a worst case scenario for static water elevations and corresponding pumping levels, taking into consideration the operation of the Strand Ranch and surrounding wells.

Mr. Weghorst said that Harder & Co. performed a hydrogeologic numerical modeling analysis of historic, current and expected future estimates of maximum pumping water levels at the Strand Ranch and that results indicate the worst case pumping water levels at the Strand Ranch will range from 434 to 453 feet below ground surface and would expose the well screens of the existing wells between 35 and 70 feet. Harder & Co. recommended in its study to lower the Strand Ranch pumps to the blank sections of casing installed deep in the wells. KJC performed a hydraulic analysis of each well that relied upon the Harder estimates of worst case pumping levels. Based on this hydraulic analysis, KJC has prepared design packages and an engineer's cost opinion to lower the pumps in the six existing operating wells and for the installation of monitoring and remote telemetry equipment at each site.

Mr. Weghorst said that because of the ongoing decline in water levels in the Central Valley, well contractors, materials, and equipment have been in high demand. BWP has indicated that it is prepared to negotiate with IRWD to perform construction services associated with the Project. BWP has also indicated that it can make a drill rig available to perform the work in April and that, with the execution of the Compromise and Release Agreement with IRWD, it is prepared to replace well SREX-4 in May. He said that staff recommends negotiating and executing a sole

source contract with BWP to complete the Project subject to execution of the Compromise and Release Agreement for the replacement of SREX-4. BWP is uniquely qualified and has extensive experience with the Strand Ranch Recovery Project, as well as familiarity with the groundwater basin in the Kern Fan area.

Mr. Weghorst said that staff recommends that Dee Jasbar and Associates (DJA) provide construction management, oversight and inspection services associated with Project. DJA is uniquely qualified to perform these services and possessing over five years of experience on prior IRWD projects at the Strand Ranch and Stockdale West Ranch along with detailed knowledge of the Strand Ranch wellhead facilities. DJA has indicated its availability to provide construction management services on this Project.

Director Reinhart said that this item was reviewed by the Water Banking Committee on March 3, 2014. Following discussion, on MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE ADDITION OF PROJECT 11794 (5272) "STRAND RANCH WELL OPTIMIZATION AND MONITORING PROJECT" TO THE FY 2013-14 CAPITAL BUDGET TO FUND THE LOWERING OF THE PUMPS AND INSTALLATION OF WELLHEAD MONITORING AND REMOTE TELEMTRY EQUIPMENT FOR SIX STRAND RANCH EXTRACTION WELLS; APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$501,600 FOR PROJECT 11794 (5272); AUTHORIZED THE GENERAL MANAGER TO NEGOTIATE AND EXECUTE, CONTINGENT UPON THE EXECUTION OF THE COMPROMISE AND RELEASE AGREEMENT FOR SREX-4, A CONSTRUCTION CONTRACT WITH BAKERSFIELD WELL AND PUMP IN AN AMOUNT UP TO \$425,000; AND AUTHORIZED THE GENERAL MANAGER TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH DEE JASPAR AND ASSOCIATES FOR CONSTRUCTION MANAGEMENT SERVICES IN AN AMOUNT UP TO \$45,000.

GENERAL MANAGER'S REPORT

General Manager Cook reported on two awards received this week for the Michelson Water Recycling Plant Phase 2 Expansion, one from the American Society of Civil Engineers at its annual awards dinner on February 19, 2014, and the second award from the Orange County Engineers' Council.

DIRECTORS' COMMENTS

Director Withers reported on his attendance at an OCSD Legislative Committee meeting and that he will be attending a LAFCO Strategic Planning session this Friday. He noted the upcoming LAFCO Special District election and suggested that staff invite candidates to a Board meeting for a short presentation on their background. He further said that Mr. Bob Thompson is the new Director of Engineering at OCSD.

Director Matheis reported on her attendance at an ACWA conference in Washington, DC which she found very effective, a Water Education Foundation (WEF) Board meeting and noted its new Executive Director, Ms. Jennifer Bowles. She said she received a letter from WEF thanking the

District for being a sponsor for its March 24th event which she was planning to attend. She also said she attended last Friday's WACO meeting.

Director Matheis announced that Shadetree Partnership and UCI have been chosen to receive a national award from the Arbor Day Foundation for its Excellence in Volunteer Management presented for outstanding efforts to mobilize and engage volunteers in tree planting and care within a community. She thanked both Tom and Leslie Bonkowski for their efforts in this organization over the last 14 years. She further said that all of the individuals involved volunteer for the love of the organization and she takes great pride being involved with the people associated with Shadetree.

Director Reinhart reported on his attendance at the Urban Water Institute along with Directors LaMar and Matheis, a MWDOC workshop, and a WACO meeting. Director LaMar reported on his attendance at the ACWA Washington, DC conference, MWDOC's PAMO meeting, a South Orange County Water Agencies Cities Legislative briefing meeting, ACWA's 2014 Legislative Symposium in Sacramento, and a WACO meeting.

CLOSED SESSION

President LaMar said that there would not be a Closed Session this evening relative to anticipated litigation – Government Code Section 54956.9(d)(2) – significant exposure to litigation (one potential case).

ADJOURNMENT

President LaMar adjourned the meeting at 6:30 p.m.

APPROVED and SIGNED this 24th day of March, 2014.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone

