

MINUTES OF REGULAR MEETING – NOVEMBER 14, 2016

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 Matheis on November 14, 2016 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Swan, Matheis, Reinhart and Withers.

Directors Absent: LaMar.

Also Present: General Manager Cook, Executive Director of Finance Clary, Executive Director of Water Policy Weghorst, Executive Director of Engineering and Water Quality Burton, Director of Treasury and Risk Management Jacobson, Director of Water Resources Sanchez, Director of Public Affairs Beeman, Director of Human Resources Roney, Assistant Director of Recycling Zepeda, Legal Counsel Arneson (via teleconference), Secretary Bonkowski, Government Relations Officer Compton, Principle Engineer Cortez, Principle Engineer Akiyoshi, Mr. Bruce Newell, Mr. Jim Reed, Mr. Joe Lam, Mr. Andre Abajian, and other members of the public and staff.

ORAL AND WRITTEN COMMUNICATIONS: None.

CONSENT CALENDAR

On MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 3 THROUGH 10 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 Steven LaMar, Peer Swan, Douglas Reinhart, Mary Aileen Matheis and John Withers as described.

4. MINUTES OF REGULAR BOARD MEETINGS

Recommendation: That the minutes of the October 24, 2016 Regular Board Meeting and the October 25, 2016 Adjourned Regular Board Meeting be approved as presented.

5. CHANGES TO GENERAL MANAGER'S COMPENSATION

Recommendation: That the Board approve a 4% increase to the salary of the General Manager and a one-time performance award in the amount of \$4,200, effective October 1, 2016.

CONSENT CALENDAR (CONTINUED)

6. PLANNING AREA 1 NEIGHBORHOOD 3 CAPITAL FACILITIES

Recommendation: That the Board authorize a budget increase for Project 7012 in the amount of \$526,900, from \$162,800 to \$689,700; authorize a budget increase for Project 7013 in the amount of \$107,800, from \$367,400 to \$475,200; authorize a budget increase for Project 7017 in the amount of \$47,300, from \$203,500 to \$250,800; and authorize the General Manager to accept ICDC's construction contract with Shoffeitt Pipeline, Inc. in the amount of \$907,178.50 for the Neighborhood 3, Capital Domestic and Recycled Water Improvements.

7. PLANNING AREA 1 TOLL BROTHERS CAPITAL FACILITIES

Recommendation: That the Board authorize the General Manager to execute a Reimbursement Agreement with Toll Brothers, Inc. for the construction of IRWD's Neighborhood 1, Capital Recycled Water Improvements; and authorize the General Manager to accept Toll Brothers, Inc.'s construction contract with Paulus Engineering in the amount of \$288,647 for the Neighborhood 1, Capital Recycled Water Improvements, Project 5919.

8. PLANNING AREA 51 HERITAGE FIELDS CAPITAL FACILITIES

Recommendation: That the Board authorize the General Manager to execute a Supplemental Reimbursement Agreement with Heritage Fields for Planning Area 51, GP-1, GP-2 and GP-3 Streets; approve Contract Change Order No. 1 to Projects 6536 and 6538 in the amount of \$107,410.50; and approve Contract Change Orders Nos. 3 and 4 to Project 6018 in the amounts of <\$68,715.00> and \$162,739.00, respectively.

9. PETERS CANYON WASH CHANNEL WATER CAPTURE AND REUSE PIPELINE RETENTION REDUCTION

Recommendation: That the Board authorize the reduction of retention from 5% to 1% of the contract amount for the Peters Canyon Wash Channel Water Capture and Reuse Pipeline, Project 4985.

10. LAKE FOREST ZONE A RESERVOIR DEMOLITION CONSTRUCTION AWARD

Recommendation: That the Board authorize a budget increase in the amount of \$125,000, from \$160,600 to \$285,600, for project 7094; find that the irregularities in the bid submitted by SoCal Removal on October 27, 2016 did not affect the amount of the bid or afford SoCal Removal a competitive advantage and waive the irregularities; and authorize the General Manager to execute a construction contract with SoCal Removal in the amount of \$123,837.60 for the Lake Forest Zone A Reservoir Demolition, project 7094.

ACTION CALENDAR

DYER ROAD WELLFIELD WELL 18 REHABILITATION BUDGET INCREASE AND CONTRACT CHANGE ORDER

The Dyer Road Wellfield (DRWF) Well 18 Rehabilitation Project will rehabilitate the well to remove chemical and biological material from the well's wire wrapped perforations and restore its production capacity. The District's contractor, Best Drilling and Pump (Best), began rehabilitation activities in September 2016, and completed brushing, bailing and initial chemical development of the well in October 2016. After completing the brushing and bailing and the initial chemical development, a video inspection of the well identified a large hole in the wire-wrapped portion of the casing at a depth of 805 feet below ground surface. The District's consultant, Richard C. Slade and Associates (RCS), reviewed the inspection video and also noted that the mild steel wire wrapped perforations were completely sealed with biological and inorganic material with extensive corrosion. Based on recommendations from the District's RCS and Best, installation of a stainless steel liner instead of performing the remaining chemical and mechanical development work would complete the remaining rehabilitation of Well 18 and increase the physical integrity and useful life of the well.

On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$187,000, FROM \$770,000 TO \$957,000; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE CONTRACT CHANGE ORDER NO. 1 WITH BEST DRILLING AND PUMP, INC. IN THE AMOUNT OF \$323,682 FOR THE DYER ROAD WELLFIELD WELL 18 REHABILITATION, PROJECT 4401.

MEMBRANE BIOREACTOR LEAPmbr CONVERSION

General Manager Cook reported as a part of the Michelson Water Recycling Plant (MWRP) Phase II Expansion Project, a Membrane Bioreactor (MBR) system was installed and fully commissioned in 2014. General Electric (GE), the MBR system manufacturer, has developed an upgrade that enhances the energy efficiency of the system. This enhancement, known as the LEAPmbr, maintains the same treatment capacity and effluent quality while significantly reducing energy usage. The conversion to LEAPmbr requires the installation of air scouring retrofit kits and modification of the control system software. Southern California Edison (SCE) is providing a financial incentive for this project of up to \$112,000. The incentive is available only if the project is completed within 12 months of SCE's approval which was granted in September 2016.

Using a PowerPoint presentation, Assistant Director of Recycling Operations Zepeda provided an overview of the MWRP process, described the MBR air scouring fundamentals, the existing air scouring system, the air scouring improvements, the benefits of LEAPmbr, the SCE incentive process, and project schedule.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on November 10, 2016. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH GENERAL ELECTRIC FOR THE IMPLEMENTATION OF THE LEAPmbr CONVERSION TECHNOLOGY IN THE

AMOUNT OF \$380,999, AND AUTHORIZED THE ADDITION OF THE MWRP MBR LEAP AERATION CONVERSION CAPITAL PROJECT 30418 (4468) TO THE FY 2016/17 CAPITAL BUDGET.

ANNUAL BOARD OF DIRECTORS' FEES

Director Swan reported that the Finance and Personnel Committee reviewed the Board of Directors' compensation and recommended accepting an increase for the new calendar year. Following discussion, on MOTION by Swan, seconded and unanimously carried, THE BOARD ACCEPTED A 5% COMPENSATION INCREASE FOR CALENDAR YEAR 2017 RESULTING IN A MEETING FEE OF \$273 PER MEETING UP TO 10 MEETINGS A MONTH.

GENERAL MANAGER'S REPORT

General Manager Cook congratulated Directors Matheis and Withers on their reelection to the Board.

Mr. Cook reported that he and Mr. Weghorst attended MWDOC's Planning and Operations Committee meeting this morning to provide an overview of the District's purchase of land within the Palo Verde Irrigation District.

Mr. Cook noted a meeting with Orange County Flood District and its need to generate revenues. He said an item will be agendized for its Board on November 22, 2016.

He noted that this Wednesday he will be meeting with LAFCO staff and that he agendized a Closed Session item for the District's November 28 Board meeting.

He reminded the Board of the upcoming ACC-OC Annual Thanksgiving reception this Wednesday, and City of Irvine's recognition of outgoing Mayor Choi and Council Member Beth Krom on November 22nd.

Assistant Director Jose Zepeda introduced Mr. Joe Lam, the District's new Automation Manager.

DIRECTORS' COMMENTS

Director Withers commented on the recent election and was pleased that he and President Matheis were reelected.

Director Swan reported on his attendance at a WaterNow Alliance meeting, an OCWD Board meeting, a MWDOC meeting, NWRI's Clarke Prize awards and conference, an SWD/IRWD Ad Hoc Committee meeting, and a 40th anniversary celebration at the consulting firm of LSA Associates.

Director Reinhart reported on his attendance at a MWDOC Board meeting, a workshop on efficiency standards, a SOCWA Board meeting.

Director Matheis reported on her meeting with Senator Moorlach, that she had accepted an award on behalf of the District from the AIA California Council for the District's groundwater recovery and

recycling efforts, and a South Orange County Watershed Management area meeting. She also said she attended a recent Shadetree Partnership Board meeting, and last Saturday a monthly nursery event with approximately 100 volunteers, and complimented staff on its efficient and effectively run event.

Consultant Jim Reed reported on meetings he attended on behalf of the District.

Consultant Bruce Newell commented that the reservoir levels in Santiago Canyon were full as a precautionary fire measure. Director Reinhart commented on the application of biosolids pellets in burn areas which he said has been proved as an effective way to protect the soil and also provide a fertilizer source.

ADJOURNMENT

President Matheis adjourned the meeting at 6:07 p.m.

APPROVED and SIGNED this 28th day of November, 2016.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone