

MINUTES OF REGULAR MEETING – AUGUST 24, 2015

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 August 24, 2015 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Withers, Reinhart, LaMar and Swan.

Directors Absent: Matheis

Also Present: General Manager Cook, Executive Director of Finance and Administration Clary, Executive Director of Engineering and Planning Burton, Executive Director of Water Policy Weghorst, Director of Human Resources Roney, Executive Director of Operations Sheilds, Assistant Director of Recycling Operations Lee, Assistant Director of Water Operations Roberts, Director of Treasury and Risk Management Jacobson, Director of Public Affairs Beeman, Legal Counsel Arneson, Secretary Bonkowski, Ms. Christine Compton, Ms. Debbie Kanoff, Ms. Cheryl Kelly, Mr. Ian Swift, Mr. John Dayer, Mr. Craig Irely, Ms. Gretchen Ronin, Mr. Eric Akiyoshi, Mr. Christopher Smithson, Mr. Bruce Newell, Mr. Jim Reed, Mr. Les Fields, Mr. Victor Zamora, and other members of the public and staff.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

PRESENTATION

CALIFORNIA LANDSCAPE CONTRACTORS ASSOCIATION 2015 TROPHY AWARD FOR DROUGHT TOLERANT LANDSCAPING AT IRWD

Mr. Victor Zamora and Mr. Les Fields of Tropical Plaza, one of the District's landscaping contractors, presented two 2015 Trophy Awards from the California Landscape Contractors Association recognizing IRWD's use of drought tolerant landscaping at both the Operation Center's Entrance Island and the Sand Canyon Headquarters Demonstration Garden. General Manager Cook noted that the majority of the plants were donated from Shadetree Partnership.

PUBLIC HEARING

CHANGES TO EXISTING RULES AND REGULATIONS - SECOND READING AND ADOPTION

General Manager Cook reported that staff has compiled proposed changes to the District's Rules and Regulations for Water, Sewer, Recycled Water, and Natural Treatment System Service. Mr. Cook said that the most significant change affects the billing of non-residential sewer service customers, including the addition of criteria for an alternative service charge based on measured flows for industrial customers. The proposed changes also include greater clarity for bill adjustments along with other wording revisions.

President LaMar then declared this to be the time and place for the hearing on the Resolution. He then requested the Secretary to report the manner by which the Notice of Hearing was given.

Secretary Bonkowski said that the Notice of this hearing was published in the Orange County Register on August 1, 2015 and on August 8, 2015 and that the notice was also posted in the District office on July 29, 2015. She then presented an Affidavit of Posting and Proof of Publication for the Board to receive and file.

On MOTION by Swan, seconded and unanimously carried, THE AFFIDAVIT OF POSTING THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

President LaMar inquired of the Secretary whether there have been any written communications. Secretary Bonkowski said that there were no communications.

President LaMar requested a report from the Executive Director of Finance.

Executive Director of Finance Clary reported and described the proposed revisions saying that the Rules and Regulations changes are primarily minor adjustments to existing definitions and small textual edits to Section 7- Use of District Sewerage Facilities and Section 12 Service Charges. She said that there have been no changes from the first reading of the Resolution at the last Board meeting on August 10, 2015. She said that the most significant change is in Section 7 was an added alternative service charge for non-residential customers consistent with what the Board approved in the Rates and Charges. She further said that changes to Section 12 (Service Charges) were primarily small textual edits.

President LaMar inquired whether anyone is present who wishes to address the Board concerning the amended Resolution. No one wished to address the Board.

President LaMar inquired whether there are any comments or questions from members of the Board of Directors. There were none.

On MOTION by Swan, seconded and unanimously carried, THE HEARING WAS CLOSED, THE RESOLUTION WAS RECOMMENDED TO BE READ BY TITLE ONLY AND THAT FURTHER READING OF THE RESOLUTION WAS WAIVED, AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

Secretary Bonkowski read the title of the proposed Resolution.

RESOLUTION NO. 2015-

RESOLUTION RESCINDING RESOLUTION NO. 2014-50
AND ESTABLISHING REVISED RULES AND REGULATIONS
OF THE IRVINE RANCH WATER DISTRICT FOR WATER,
SEWER, RECYCLED WATER, AND NATURAL
TREATMENT SYSTEM SERVICE AND EXHIBIT "A" THERETO.

CONSENT CALENDAR

Director Swan asked that item No. 9 be moved to the Action Calendar for discussion. There being no objection, this item was moved accordingly. On MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 5 THROUGH 8 AND 10 AND 11 WERE APPROVED AS FOLLOWS:

5. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the August 10, 2015 Regular Board Meeting be approved as presented.

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

7. JULY 2015 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for July 2015, and Disclosure Report of reimbursements to Board members and staff; approve the July 2015 summary of payroll ACH payments in the total amount of \$1,523,262 and approve the July 2015 Accounts Payable Disbursement Summary of warrants 359851 through 360502, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$30,785,659.

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 El Toro LLC. for Planning Area 51 Districts 3, 4 and 5, Irvine Boulevard and Marine Way capital facilities and authorize the General Manager to approve Expenditure Authorizations for projects 11668 (4153), 30388 (4147), 11842 (6086), 31842 (6087), 11806 (5816) and 31806 (5818).

10. TUSTIN LEGACY PARK AVENUE AND MOFFETT DRIVE CAPITAL IMPROVEMENTS

Recommendation: That the Board authorize budget increases for Project 11866 (6109) in the amount of \$416,900, from \$162,800 to \$579,700; Project 21866 (6110) in the amount of \$224,400, from \$162,800 to \$387,200; and Project 31866 (6111) in the amount of \$405,900, from \$162,800 to \$568,700, for the Tustin Legacy Park Avenue and Moffett Drive Capital Improvements, Projects 11866 (6109), 21866 (6110), and 31866 (6111).

CONSENT CALENDAR (CONTINUED)

11. STOCKDALE INTEGRATED BANKING PROJECT ENVIRONMENTAL COMPLIANCE VARIANCE NO. 5

Recommendation: That the Board approve an increase to the FY 2015-16 Capital Budget in the amount of \$33,220 for Project 11645 (3766) for additional environmental compliance work and authorize the General Manager to executive Variance No. 5 with ESA in the amount of \$33,220.

ACTION CALENDAR

SAN JOAQUIN MARSH IMPROVEMENTS CONSULTANT SELECTION

Director Swan said that he had asked for this item to be moved to the Action Calendar for discussion on the exhibit, discuss the proposed improvements, and noted that he wanted the marsh to look as natural as possible and did not wish to see any antennas. Mr. Kevin Burton and Mr. Ian Swift responded to questions from Director Swan about the improvements proposed and whether they would still be needed when the creek returns to normal flow. Director Reinhart requested that in future cost estimates those costs attributable to the Peters Canyon Diversion Pipeline be separately identified.

The San Joaquin Marsh Improvements project will mitigate the effects of reduced San Diego Creek flows due to the Peters Canyon Channel Water Capture and Reuse Pipeline project as well as improve overall San Joaquin Marsh operations. Staff issued a Request for Proposal for the design of the Marsh recirculation improvements and the operational improvements to four consultants including AKM, Michael Baker International, CH2M and Stantec. CH2M, Stantec, and AKM submitted proposals for the project, with Michael Baker International declining to submit a proposal. Staff evaluated and ranked the proposals and selected Stantec as the most qualified team based on the strength of their proposal and their extensive engineering experience with similar projects. On MOTION by Reinhart, seconded and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH STANTEC IN THE AMOUNT OF \$178,000 FOR THE SAN JOAQUIN MARSH IMPROVEMENTS, PROJECT 11878 (6168) WITH THE UNDERSTANDING THAT THE ENGINEER WILL BREAK OUT THE TWO PROJECTS IN THE ESTIMATE INTO SUBCATEGORIES.**

MEMORANDUM OF UNDERSTANDING WITH THE IRVINE RANCH WATER DISTRICT EMPLOYEES ASSOCIATION AND ASSOCIATED SALARY GRADE SCHEDULE CHANGES

General Manager Cook reported that negotiations have been completed between IRWD and the General Employees' Unit of the Irvine Ranch Water District Employees Association (IRWDEA), with voting members of the IRWDEA ratifying the Memorandum of Understanding (MOU) through an election process.

Mr. Cook said that On August 19, 2015, the IRWDEA held a meeting at which the agreement was ratified by the voting members of the General Employees Unit. Changes to the proposed MOU include: 1) the term will be from April 1, 2015 to June 30, 2018; 2) change to the language in Article VIII reflecting that employees enrolled in the District's first tier CalPERS retirement formula of 2.5% at 55 now pay the full 8% employee contribution; 3) change to Article IX to reflect Cost of Living Adjustments as follows: Effective at the beginning of the pay period during which the MOU is ratified (August 15, 2015), the District shall implement a 2.0% salary increase and corresponding adjustment to the salary ranges; Effective July 2, 2016, the District shall implement a 2.0% salary increase and corresponding adjustment to the salary ranges; and effective July 1, 2017, the District shall implement a 2.0% salary increase and corresponding adjustment to the salary ranges; 4) change to Article XI to include language allowing for healthcare benefits to be provided by CalPERS or other comparable medical insurance; 5) addition of language relative to Commercial Drivers' License incentive pay, increasing the annual incentive from \$100 per year to \$200 per year for most commercial license drivers based on operational need as determined by the District; and 6) effective January 1, 2016, establishment of a Shared Health and Fitness Incentive reimbursing employees for 50% of approved expenses up to \$400 per calendar year and elimination of existing exercise incentive program. He said that all other provisions of the prior MOU remain unchanged.

General Manager Cook then introduced IRWDEA's Board members Irey, Kanoff, and Kelly to the Board and thanked them for their efforts. President LaMar and other Board members also thanked both management staff and the Board members of the IRWDEA.

On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE THE MEMORANDUM OF UNDERSTANDING BETWEEN IRWD AND THE IRVINE RANCH WATER DISTRICT EMPLOYEES ASSOCIATION SUBJECT TO NON-SUBSTANTIVE CHANGES, APPROVED A 2.0% INCREASE TO THE SALARY GRADE RANGES FOR ALL ELIGIBLE REPRESENTED POSITIONS EFFECTIVE AUGUST 15, 2015; AND ADOPTED THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2015 - 24

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT, RESCINDING
RESOLUTION NO. 2015-15 AND ESTABLISHING
A REVISED SCHEDULE OF POSITIONS AND SALARY
RATE RANGES

SYPHON RESERVOIR DRY LAKEBED GEOTECHNICAL EXPLORATION

Executive Director of Engineering and Planning Burton reported that the Syphon Reservoir is currently drained to complete interim maintenance repairs on the outlet gate structure. Mr. Burton said that design plans have been submitted to the Division of Safety of Dams (DSOD) and staff anticipates completing the work by late fall of 2015. He said that this repair work revealed approximately three to five feet of sediment around the outlet gate structure and surrounding areas and that staff anticipates removing the sediment during the proposed Syphon expansion project or future maintenance activities.

Mr. Burton said that in August 2012, GEI Consultants completed an Engineering feasibility study to expand Syphon Reservoir from approximately 350 acre-feet to approximately 5,000 acre-feet. The feasibility study included: site characterization and optimization; geotechnical exploration of the dam and areas above the water; non-potable water facility onsite and offsite improvements; and cost estimate and phasing. He said that an optional task that has not yet been performed was the sampling and characterizing the lakebed sediments. He said that staff solicited a proposal from GEI Consultants to characterize both the lakebed sediment and underlying alluvium. This information will be useful for future maintenance activities, environmental documentation and design phases of the proposed expansion project. The scope of the proposed exploration work, to be completed for an amount of up to \$75,000, consists of the following: 1) quantifying the thickness of the sediment in Syphon Reservoir: 2) conducting borings in the lakebed alluvium: and 3) characterizing the sediment in Syphon Reservoir:

Mr. Burton said that in 2011, topographic and bathymetric surveys of the Syphon Reservoir site were performed by Stantec. With the reservoir drained, staff solicited a proposal from Stantec to provide aerial topography and field surveying services for the previously underwater portion of the reservoir. Stantec submitted a proposal in the amount of \$5,500 to provide the surveying services, and staff recommends proceeding with the work.

Director Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on August 20, 2015. Both Director Swan and Reinhart asked for additional tasks to be performed. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$150,000 FOR GEOTECHNICAL EXPLORATIONS AND SURVEYING SERVICES FOR THE SYPHON RESERVOIR EXPANSION, PROJECT 30382 (3808).

IRVINE LAKE PIPELINE NORTH CONVERSION RESERVOIR VARIANCE

Executive Director of Engineering and Planning Burton reported that the ILP North Conversion project will convert the Rattlesnake Reach of the ILP, which is located between Rattlesnake Reservoir and the proposed Zone C+ Reservoir, from untreated to recycled water service. Mr. Burton said that the project includes constructing a new 2.4 million gallon (MG) buried concrete reservoir at the site of IRWD's existing 6.0 MG Santiago Hills Zone 5 Reservoir and various modifications at the Rattlesnake Reservoir Complex including the Zone A-C booster pump station. Preliminary design, final design, and construction phase services of the ILP North Conversion Reservoir project were awarded to Kleinfelder in November 2014 in the amount of \$723,654.

Mr. Burton said that Kleinfelder submitted Variance No. 2 which included in its scope additional work related to adding surge tanks at the Zone A-C booster pump station, developing the strainer backwash pump and recovery system, developing multiple air gap facility alternatives, refining site grading alternatives, and optimizing the reservoir site layout. The nearly-completed preliminary design report includes a surge study that recommends adding surge tanks at the Zone A-C booster pump station, a task that was not originally included in Kleinfelder's scope of work. During the preliminary design phase Kleinfelder provide additional efforts, and in the design phase will develop a strainer backwash pump and recovery system that will reduce construction costs by avoiding the need to construct a sewer line from the reservoir site to Jamboree Road. Kleinfelder also expended additional efforts optimizing the site layout by exposing the front face of the

reservoir and shortening the height of the reservoir which will reduce the depth and ultimately the construction cost of onsite buried structures and the reservoir inlet and outlet pipelines.

Mr. Burton said that Kleinfelder and staff reviewed the variance request and agree on those tasks outside the original scope of work.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on August 20, 2015. Following discussion, on MOTION by Reinhart, seconded and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 2 IN THE AMOUNT OF \$198,126 WITH KLEINFELDER TO PROVIDE ADDITIONAL EFFORTS REQUIRED TO COMPLETE THE PRELIMINARY DESIGN REPORT AND THE FINAL DESIGN FOR THE ILP NORTH CONVERSION RESERVOIR, PROJECT 30496 (5407).**

PIEZOMETER AUTOMATION CONSTRUCTION AWARD

Staff manually reads open standpipe piezometers at the dams of Rattlesnake, Sand Canyon and Syphon Reservoirs with the piezometers located on steep slopes and walking access is difficult. The project will install vibrating wire piezometers at these reservoirs. The project will also replace the existing corroded enclosure and data logger at the San Joaquin Reservoir to upgrade and standardize this equipment with the new data logger.

The project was advertised on July 15, 2015 to a select list of seven electrical contractors. The bid opening was held August 6, 2015 with bids received from Johnson-Peltier, Halcyon Electric, and Leed Electric. Halcyon Electric is the apparent low bidder with a bid amount of \$110,000. On MOTION by Swan, seconded and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH HALCYON ELECTRIC IN THE AMOUNT OF \$110,000 FOR THE PIEZOMETER AUTOMATION, PROJECT 30572 (6298).**

DIRECTORS' COMMENTS

Director Swan reported that he attended a Newport Bay Watershed Executive Committee meeting, an OCWD Board meeting, an OCWA monthly meeting, a WACO Planning meeting, and an OCBC Infrastructure meeting.

Director Reinhart reported he attended a San Bernardino County Water Conference.

Director LaMar reported that he attended a WEROC Emergency training session, an ACWA Region 10 meeting, a South Orange County Agency meeting, and was a panel member at the San Bernardino County Water conference.

General Manager Cook responded to Director Swan's inquiry on how the District was doing relative to mandated water cuts imposed by the Governor. Director Swan then asked that staff add an item to a Board Committee agenda to discuss penalty rates.

ADJOURNMENT

President LaMar adjourned the meeting at 6:05 p.m.

APPROVED and SIGNED this 14th day of September, 2015.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson,
Wiles & Giannone