

**AGENDA
IRVINE RANCH WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING**

February 12, 2018

PLEDGE OF ALLEGIANCE

CALL TO ORDER

5:00 p.m., Board Room, District Office
15600 Sand Canyon Avenue, Irvine, California

ROLL CALL

Directors LaMar, Matheis, Swan, Withers and President Reinhart

NOTICE

If you wish to address the Board on any item, including Consent Calendar items, please file your name with the Secretary. Forms are provided on the lobby table. Remarks are limited to three minutes per speaker on each subject. Consent Calendar items will be acted upon by one motion, without discussion, unless a request is made for specific items to be removed from the Calendar for separate action.

COMMUNICATIONS TO THE BOARD

1. A. Written:

B. Oral:

2. ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Recommendation: Determine the need to discuss and/or take immediate action on item(s).

CONSENT CALENDAR

Resolution No. 2018-8

Items 3-4

3. 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, as described.

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the January 22, 2018 Regular Board Meeting be approved as presented.

ACTION CALENDAR

5. MICHELSON WATER RECYCLING PLANT SOUTH IRVINE
INTERCEPTOR MANHOLE ACCESS CONSTRUCTION AWARD

Recommendation: That the Board authorize a budget increase in the amount of \$35,400, from \$347,600 to \$383,000, and authorize the General Manager to execute a construction contract with S.S. Mechanical Construction Corporation in the amount of \$170,333 for the MWRP South Irvine Interceptor Manhole Access, project 07112.

6. MICHELSON WATER RECYCLING PLANT MISCELLANEOUS
REPAIRS CONSTRUCTION AWARD

Recommendation: That the Board authorize the General Manager to execute a construction contract with Pacific Hydrotech in the amount of \$398,021 for the Michelson Water Recycling Plant Miscellaneous Repairs, project 04467.

7. AGREEMENT WITH THE CITY OF NEWPORT BEACH REGARDING
THE EMERGENCY DIVERSION OF RECYCLED WATER TO THE SAN
DIEGO CREEK WATERSHED

Recommendation: That the Board authorize the General Manager to execute the attached agreement with the City of Newport Beach pertaining to the emergency diversion of recycled water into the San Diego Creek Watershed, subject to non-substantive changes.

OTHER BUSINESS

Pursuant to Government Code Section 54954.2, members of the Board of Directors or staff may ask questions for clarification, make brief announcements, and make brief reports on his/her own activities. The Board or a Board member may provide a reference to staff or other resources for factual information, request staff to report back at a subsequent meeting concerning any matter, or direct staff to place a matter of business on a future agenda. Such matters may be brought up under the General Manager's Report or Directors' Comments.

8. A. General Manager's Report

B. Directors' Comments

OTHER BUSINESS - Continued

8. C. Closed Session

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED
LITIGATION - Significant exposure to litigation pursuant to Government
Code Section 54956.9(d)(2). (One (1) potential case), and

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED
LITIGATION- Significant exposure to litigation pursuant to
Government Code Section 54956.9(d)(2). (One potential case.).

D. Open Session

E. Adjourn

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Irvine Ranch Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available at the entrance to the Board of Directors Room of the District Office. The Irvine Ranch Water District Board Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.), please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in alternative format upon written request to the District Secretary at least seventy-two (72) hours prior to the scheduled meeting.

February 12, 2018

Prepared and

Submitted by: K. Swan *KS*

Approved by: Paul A. Cook *P. Cook*

CONSENT CALENDAR

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

SUMMARY:

Pursuant to Resolution 2006-29 adopted on August 28, 2006, approval of attendance of the following events and meetings are required by the Board of Directors.

Events/Meetings

Steven LaMar

February 21 Meeting with The Furman Group and Blue Water Strategies regarding
Federal Issues
May 7-11 ACWA 2018 Spring Conference, Sacramento

Mary Aileen Matheis

February 5 Legal Issues Discussion
February 16 GWRS 10th Anniversary, Fountain Valley
February 21 Meeting with The Furman Group and Blue Water Strategies regarding
Federal Issues
February 22 ACC-OC City Leaders Reception, Anaheim
March 10 Modjeska Canyon Firefighters Annual Awards, Mission Viejo
March 14 ACWA Legislative Symposium, Sacramento
March 21-23 California Water Policy 27, Davis
May 7-11 ACWA 2018 Spring Conference, Sacramento

Douglas Reinhart

January 23 IRWD-ETWD Discussion regarding SOCWA
February 5 Legal Issues Discussion
February 22 SMWD Trampas Canyon Reservoir Groundbreaking Ceremony, Trabuco Canyon
February 27 City of Irvine 2018 State of the City
February 28 Monthly Discussion of District Activities with the General Manager
March 20 Monthly Discussion of District Activities with the General Manager
April 26 Monthly Discussion of District Activities with the General Manager
May 7-11 ACWA 2018 Spring Conference, Sacramento

Peer Swan

January 27 Palo Verde Irrigation District Inspection Trip, Blythe
February 16 GWRS 10th Anniversary, Fountain Valley
February 22 ACC-OC City Leaders Reception, Anaheim

Consent Calendar: Ratify/Approve Board of Directors' Attendance at Meetings and Events
February 12, 2018
Page 2

Peer Swan – Continued

March 10	Modjeska Canyon Firefighters Annual Awards, Mission Viejo
March 13-16	Water Education Foundation Central Valley Tour, Sacramento
March 27-30	The WaterNow Alliance Annual Summit, Salt Lake City, UT
April 10-13	Water Education Foundation Lower Colorado River Tour, Ontario
May 7-11	ACWA 2018 Spring Conference, Sacramento

John Withers

January 25	California Association of Sanitation Agencies Conference, Palm Springs
February 16	GWRS 10 th Anniversary, Fountain Valley
February 21	OCWA Monthly Meeting Luncheon – Assessing the Useful Life of AC Pipe
February 22	ACC-OC City Leaders Reception, Anaheim
February 27	City of Irvine 2018 State of the City
May 7-11	ACWA 2018 Spring Conference, Sacramento
June 1	11 th Annual OC Water Summit, Anaheim

RECOMMENDATION:

THAT THE BOARD RATIFY/APPROVE THE MEETINGS AND EVENTS FOR STEVEN LAMAR, MARY AILEEN MATHEIS, DOUGLAS REINHART, PEER SWAN, AND JOHN WITHERS AS DESCRIBED HEREIN.


LIST OF EXHIBITS:

None.

February 12, 2018

Prepared and

Submitted by: L. Bonkowski 

Approved by: P. Cook 

CONSENT CALENDAR

MINUTES OF BOARD MEETING

SUMMARY:

Provided are the minutes of the January 22, 2018 Board Meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE JANUARY 22, 2018 BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – January 22, 2018 Minutes of Board Meeting

EXHIBIT "A"

MINUTES OF REGULAR MEETING – JANUARY 22, 2018

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 January 22, 2018 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: LaMar, Reinhart, Matheis, Swan, and Withers (arrived at 5:15 p.m.).

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Water Policy Weghorst, Executive Director of Engineering and Water Quality Burton, Executive Director of Finance and Administration Clary, Director of Public Affairs Beeman, Public Affairs Manager Fabris, Director of Human Resources Roney, Director of Treasury and Risk Management Jacobson, Director of Water Operations Zepeda, Director of Water Operations Roberts, Director of Water Resources Sanchez, Government Relations Officer Compton, Legal Counsel Smith, Legal Counsel Casey, Secretary Bonkowski, Assistant Secretary Swan, Principle Engineer Cortez, Principle Engineer Mori, Principle Engineer Akiyoshi, Ms. Kellie Welch, Mr. John Dayer, Ms. Amy McNulty, Mr. Allen Shinbashi, Mr. Scott Toland, Ms. Fiona Hutton, Ms. Brenda Deeley, Mr. Sean Joyce, Ms. Veronica Joyce, and members of the public.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

PRESENTATIONS

RESOLUTION COMMENDING SEAN JOYCE FOR HIS YEARS OF DEDICATED SERVICE TO THE CITY OF IRVINE

General Manager Cook presented Mr. Sean Joyce with a resolution. Following the Board commending Mr. Joyce for his service, on MOTION by Swan, seconded and carried (Swan, Matheis, LaMar, and Reinhart voting aye, and Withers absent), **THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:**

RESOLUTION NO. 2018 –1

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT COMMENDING
SEAN JOYCE FOR HIS YEARS OF DEDICATED SERVICE
TO THE CITY OF IRVINE

CONSENT CALENDAR

RESOLUTION COMMENDING MIKE JACK FOR HIS SERVICE TO THE DISTRICT

On MOTION by Swan, seconded and carried (Swan, Matheis, LaMar, and Reinhart voting aye, and Withers absent), THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2018 -2

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT COMMENDING
MIKE JACK FOR HIS DEDICATED AND
LOYAL SERVICE TO THE DISTRICT

Director Withers arrived at 5:15 p.m. Following a brief discussion on Item No. 14 relative to the Water Right License 4413 which staff is requesting a revocation pursuant to Director Swan's inquiry, on MOTION by Matheis, seconded and unanimously carried, ITEMS 5 THROUGH 19 WERE APPROVED AS FOLLOWS:

5. 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.

6. MINUTES OF REGULAR BOARD MEETINGS

Recommendation: That the minutes of the December 11, 2017 Regular Board Meeting and the December 19, 2017 Adjourned Regular Board Meeting be approved as presented.

7. RATIFICATION OF MEMORANDUM RELATIVE TO THE OFFICERS OF THE BOARD, COMMITTEES AND OTHER ASSIGNMENTS

Recommendation: That the Board ratify the memorandum dated January 22, 2018 entitled Officers of the Board, Committees and Other Assignments; approve attendance for the Meetings and events for the Board's representation for calendar year 2018 as delineated, and adopt the following resolutions by title:

RESOLUTION NO. 2018- 3

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, RESCINDING
RESOLUTION NO. 2017-3 AND REVISING THE
ASSIGNMENT OF DIRECTORS TO COMMITTEES
OF THE BOARD

CONSENT CALENDAR (CONTINUED)

RESOLUTION NO. 2018-5

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, RESCINDING
RESOLUTION NO. 2017-7 AND APPOINTING
COMMISSIONER AND APPOINTING ALTERNATE COMMISSIONER
TO THE BOARD OF THE SANTIAGO AQUEDUCT COMMISSION

RESOLUTION NO. 2018-6

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT RESCINDING 2015-2
AND APPOINTING MEMBER AND ALTERNATE MEMBERS TO THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) JPA

8. 2018 INDEX TENDER NOTES REMARKETING

Recommendation: That the Board approve the 2018 Index Tender Notes
Remarketing Statement, and adopt the following resolution by title:

RESOLUTION NO. 2018-4

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT APPROVING
REMARKETING STATEMENT RELATING TO
UNSCHEDULED MANDATORY TENDERS
(REFUNDING SERIES 2011A-1 AND
REFUNDING SERIES 2011A-2)

9. PROPOSED 2018 INVESTMENT POLICY

Recommendation: That the Board approve the 2018 Investment Policy, authorize the
Treasurer and Assistant Treasurers to invest and reinvest funds of the District and of each of
its Improvement Districts and to sell and exchange securities, and adopt the following
resolution by title:

RESOLUTION NO. 2018-7

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT APPROVING INVESTMENT
POLICY AND AUTHORIZING THE TREASURER AND ASSISTANT
TREASURERS TO INVEST AND REINVEST FUNDS OF THE
DISTRICT AND OF EACH OF ITS IMPROVEMENT DISTRICTS
AND TO SELL AND EXCHANGE SECURITIES

CONSENT CALENDAR (CONTINUED)

10. ZONE 1 RESERVOIR DESIGN VARIANCE

Recommendation: That the Board authorize the General Manager to execute Variance No. 1 in the amount of \$130,400 with Tetra Tech for additional Engineering Services for the 3.7 Mg Zone 1 Reservoir, Project 06401.

11. PLANNING AREA 51 HERITAGE FIELDS CAPITAL FACILITIES

Recommendation: That the Board authorize the General Manager to accept Heritage Field's Construction Contract with FYDAQ in the amount of \$118,077 for Project 06823; approve Contract Change Order No. 5 in the amount of \$106,360 for Project 06018; approve Contract Change Order No. 6 in the amount of \$107,674 for Project 06018; approve Contract Change Order No. 1 in the amount of \$374,922 for Projects 06086 and 06087; and authorize budget increases for Project 06086 in the amount of \$200,000, from \$238,700 to \$438,700, and Project 06018 in the amount of \$200,000, from \$261,600 to \$461,600.

12. PLANNING AREA 39 (LOS OLIVOS) PHASE 2 CAPITALS IMPROVEMENTS

Recommendation: That the Board authorize a budget increase for Project 03735 in the amount of \$243,400, from \$226,600 to \$470,000; authorize the General Manager to execute a Supplemental Reimbursement Agreement with Irvine Community Development Company (ICDC) for the design and construction of recycled water improvements in Planning Area 39 Phase 2; and authorize the General Manager to accept ICDC's construction contract with Shoffeitt Pipeline, Inc. in the amount of \$270,185 for the Planning Area 39 (Los Olivos) Phase 2 Capital Improvements.

13. 2018 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: Receive and file.

14. REVOCATION OF UNNAMED SPRING WATER RIGHT

Recommendation: That the Board authorize the Board President to sign a Request for Revocation of Water Right Form for Water Right License 4413 and submit it to the State Water Resources Control Board.

15. VARIANCE NO. 6 TO SYNERGY COMPANIES AGREEMENT FOR WATER-ENERGY GRANT-RELATED CUSTOMER PROGRAMS

Recommendation: That the Board authorize the General Manager to execute Variance No. 6 to the Agreement for non-consultant services between IRWD and Synergy Companies in the amount of \$30,000 to be reimbursed through the California Department of Water Resources Water-Energy Grant.

CONSENT CALENDAR (CONTINUED)

16. DECEMBER 2017 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Summary of Fixed and Variable Rate Debt, the Monthly Interest Rate Swap Summary for December 2017, and Disclosure Report of Reimbursements to Board Members and staff; approve the December 2017 Summary of Payroll ACH Payments in the total amount of \$1,789,104 and approve the December 2017 Accounts Payable Disbursement Summary of Warrants 382442 through 383225 Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$18,542,051.

17. EASTWOOD RECYCLED WATER PUMP STATION FINAL INITIAL STUDY/
MITIGATED NEGATIVE DECLARATION

Recommendation: That the Board find on the basis of the whole record before it (including the Initial Study/Mitigated Negative Declaration and the comments received), that there is no substantial evidence that the Eastwood Recycled Water Pump Station will have a significant effect on the environment and that the Mitigated Negative Declaration reflects IRWD's independent judgment and analysis; adopt the proposed Mitigated Negative Declaration for the Eastwood Recycled Water Pump Station and the associated mitigation monitoring and reporting program; approve the project; authorize staff to post and file a Notice of Determination; and submit payment for the California Department of Fish and Wildlife service filing fee.

18. PROPOSED 2018 GOALS AND TARGET ACTIVITIES REPORT

Recommendation: Receive and file the IRWD Goals and Target Activities Report for 2018.

19. DROUGHT RELIEF PROJECT UPDATE AND PROJECT COST ACCEPTANCE

Recommendation: That the Board authorize the General Manager to accept the District's remaining share of the drought relief project construction costs for the Central Intake Pipeline and Cross Valley Canal Turn-in Facility in the amount of \$2,953,243 to be paid to Rosedale-Rio Bravo Water Storage District consistent with the drought relief project cost sharing agreement.

ACTION CALENDAR

PUBLIC OUTREACH CONSULTANT SELECTION FOR THE SYPHON RESERVOIR
IMPROVEMENT PROJECT

General Manager Cook reported that this program will facilitate multiple opportunities to communicate project-related impacts and to receive input from the community and stakeholders.

Director of Public Relations Beeman said that a Request for Qualifications (RFQ) for outreach services was issued on October 11, 2017 to five public outreach firms: Alliance Outreach, Fiona Hutton & Associates (FHA), Idea Hall, Katz & Associates and Westbound Communications. Ms. Beeman said that based on a review of the RFQ response packages, interviews were conducted with the top three firms. Ms. Beeman said that staff recommends the selection of FHA for the development and implementation of a community outreach program for the proposed project. She then highlighted its key strengths as follows: 1) a project management team that is skilled in developing compelling outreach campaigns dealing with CEQA processes, community impacts and stakeholder engagement; 2) skill at breaking down complicated issues to simple but effective messages that can be shared across multiple platforms to inform target audiences; 3) understanding of California water issues; and 4) experience working with key water-related clients.

Using a PowerPoint presentation, Ms. Fiona Hutton and Ms. Brenda Deeley of FHA provided an overview of their firm and noted that they will create a very thoughtful plan creating tailored communications and public outreach to neighbors, local stakeholders and regional opinion leaders as the project progresses.

Director Matheis reported that this item was reviewed and approved by the Water Resources Policy and Communications Committee on January 15, 2018. Director Swan expressed his opinion that focus groups would be an informative element of the outreach program. Following comments from the other Directors, on MOTION by Matheis, seconded and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH FIONA HUTTON & ASSOCIATES TO DEVELOP AND IMPLEMENT A PUBLIC OUTREACH PROGRAM FOR THE PROPOSED SYPHON RESERVOIR IMPROVEMENT PROJECT FOR A NOT-TO-EXCEED AMOUNT OF \$1,029,070.**

OWNER'S REPRESENTATIVE CONSULTANT SELECTION FOR THE SYPHON RESERVOIR IMPROVEMENTS

Executive Director of Engineering and Water Quality Burton reported that the proposed project will increase the reservoir's water storage capacity by approximately 4,500 acre-feet by replacing the existing 59-foot high dam with a new 136-foot high embankment dam.

Mr. Burton said that the Owner's Representative (OR) will serve as an extension of IRWD's project management staff and will bring resources and expertise in program management, project scheduling and controls, compliance management, and technical expertise to support both the management and design oversight of the project through the final design phase. He said that responsibilities will include development and implementation of the project management plan, risk management, scheduling, technical support during the environmental compliance process, technical evaluation of recreational concepts, coordination with regulatory agencies and technical advisory group, and design phase oversight. The OR will also provide guidance and technical reviews of reports generated by IRWD's consultants responsible for the environmental compliance (CEQA/NEPA) and public outreach programs.

Mr. Burton said that staff issued a Request for Proposal for OR services to AECOM, Black & Veatch, HDR, and Kleinfelder. Staff received proposals from HDR and the teams of Black & Veatch and Kleinfelder. AECOM declined to submit as it indicated a preference to pursue the detailed design phase of the project rather than the OR role. He said that while each firm presented a broad depth of experience and expertise relative to reservoirs and dams, HDR established a superior depth and knowledge of managing complex reservoir projects and an extensive track record of successfully working with lead regulatory agencies including the California Division of Safety of Dams and the United States Bureau of Reclamation. HDR's proposed project manager, who will be the OR team lead at all project meetings and public forums, demonstrated a high level of knowledge and direct experience with the various aspects of reservoir improvement projects including regulatory agency coordination, design, and construction.

Director LaMar reported that this item was reviewed and approved by the Engineering and Operations Committee on January 16, 2018. Following comments by Director Swan relative to his concerns on this project, on MOTION by LaMar, seconded and unanimously carried, **THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$1,200,000; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH HDR ENGINEERING IN THE AMOUNT OF \$1,551,040 TO PROVIDE ENGINEERING SUPPORT SERVICES AS THE OWNER'S REPRESENTATIVE FOR THE SYPHON RESERVOIR IMPROVEMENTS, PROJECT 03808.**

REHABILITATION OF DYER ROAD WELLFIELD WELLS 12 AND 17 AND LIMITED REDEVELOPMENT OF WELL 52 CONSTRUCTION AWARD

Dyer Road Wellfield (DRWF) Wells 2 and 17 have experienced a reduction in production and specific capacity and need rehabilitation. DRWF Well 2 was taken out of service in April 2017 due to a sharp increase in the sanding rate combined with a sharp loss in production.

Well 52 has not experienced a decline in specific capacity; however, the well has been idle for more than three years and requires limited pumping redevelopment at this time. The project was advertised for construction to a select list of nine contractors and a bid opening was held on January 11, 2018 with three bids received. Best Drilling and Pump, Inc. was the apparent low bidder with a bid amount of \$967,760; the engineer's estimate was \$990,300.

Director Swan suggested that staff investigate a partnership with other agencies to raise the capacity level to approximately 85% for better utilization. On MOTION by LaMar, seconded and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH BEST DRILLING AND PUMP, INC. IN THE AMOUNT OF \$967,760 FOR REHABILITATION OF DYER ROAD WELLFIELD WELLS 2 AND 17 AND LIMITED REDEVELOPMENT OF WELL 52, PROJECTS 10097 AND 07090.**

PROPOSED REVISIONS TO THE IRWD WATER CONSERVATION POLICY PRINCIPLES

Government Relations Officer Compton reported that after reviewing the District's Water Conservation Policy Principles paper, which was last adopted in February 2009, and IRWD's Recognition of Local Agency Investments in the Water Conservation Policy Principles paper, which was adopted in June 2005, staff recommends that the Board adopt the proposed Water Use Efficiency and Conservation Policy Principles paper to supersede both policy papers.

Director Matheis reported that this item was reviewed by the Water Resources Policy and Communications Committee on January 15, 2018. Director LaMar commented that this paper will be very helpful with discussions with other agencies. Following suggestions by the Board on minor changes to be made on the paper, on MOTION by Matheis, seconded and unanimously carried, **SUBJECT TO NONSUBSTANTIVE CHANGES, THE BOARD APPROVED THE PROPOSED WATER USE EFFICIENCY AND CONSERVATION POLICY PRINCIPLES PAPERS TO SUPERSEDE THE WATER CONSERVATION POLICY PRINCIPLES AND RECOGNITION OF LOCAL AGENCY INVESTMENTS IN WATER CONSERVATION POLICY PRINCIPLES PAPERS.**

PROPOSED POLICY PRINCIPLES ON ORANGE COUNTY WATER RELIABILITY IMPROVEMENTS

Executive Director of Water Policy Weghorst reported that staff has prepared an update to IRWD's Policy Principles Paper on South Orange County Water Reliability. Mr. Weghorst said that the proposed revisions to the paper take into consideration opportunities that Orange County Water District is contemplating that would allow Orange County water agencies to implement storage accounts and exchanges in the Orange County Groundwater Basin. He said that this revised paper will help guide IRWD in advocating for and pursuing projects and programs to assist Orange County water agencies with improving water supply and system reliability.

Director Swan reported that this item was reviewed by the Supply Reliability Programs Committee on January 18, 2018. Following suggestions by the Board on minor changes to be made on the paper, on MOTION by Swan, seconded and unanimously carried, **SUBJECT TO NONSUBSTANTIVE CHANGES, THE BOARD APPROVED THE REVISED POLICY PRINCIPLES PAPER ON ORANGE COUNTY WATER RELIABILITY IMPROVEMENTS.**

DIRECTORS' COMMENTS

Director Matheis reported on her attendance at the Colorado River Water Users Association conference in Las Vegas.

Director Withers noted an upcoming OCSD Board meeting and a CASA conference in Palm Springs.

Director Swan reported on a meeting he attended with the Sierra Club where trash in the watershed was discussed, a meeting at West Basin relative to MWD's supply program, Newport Beach Chamber of Commerce meetings, an OCWA luncheon, a Colorado River Water Users Association conference in Las Vegas, SAWPA's One Water One Watershed meeting, and that he will be attending a CASA conference this week.

Director LaMar reported that he attended a California Environmental Dialogue Plenary Meeting in Sacramento, a MWDOC Public Affairs and Legislation Committee meeting, a National Water Resources Association Leadership Forum in Las Vegas, an ACWA Orientation meeting in Sacramento, and a Southern California Water Coalition quarterly luncheon meeting in Riverside.

Director Reinhart reported that he attended a MWDOC Public Affairs Committee meeting, a MWDOC Board meeting, a WACO meeting, an MNWD joint meeting with Director Swan, and a Southern California Water Quarterly meeting with Director LaMar.

CLOSED SESSION

President Reinhart said that the following Closed Sessions would be held tonight:

- 1) CONFERENCE WITH LEGAL COUNSEL RELATIVE TO EXISTING LITIGATION – Government Code Section 54956.9(d)(1) IRWD v. OCWD Case No. 30-2016-00858584-CU-WM-CJC).
- 2) PUBLIC EMPLOYEE PERFORMANCE EVALUATION Pursuant to Government Code Section 54957(b), Title: Legal Counsel

OPEN SESSION

Following the Closed Session, the meeting was reconvened with five Board members present. President Reinhart said there was no action to report.

ADJOURNMENT

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

APPROVED and SIGNED this 12th day of February, 2018.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Alfred Smith, Legal Counsel – Nossaman LLP

February 12, 2018

Prepared by: H. Cho / M. Cortez

Submitted by: K. Burton

Approved by: Paul A. Cook



ACTION CALENDAR

MWRP SOUTH IRVINE INTERCEPTOR MANHOLE ACCESS CONSTRUCTION AWARD

SUMMARY:

The Michelson Water Recycling Plant (MWRP) South Irvine Interceptor Manhole Access project will construct a jetter hose reel on a concrete pad at the first manhole on the South Irvine Interceptor upstream from the MWRP headworks to allow more effective maintenance and cleaning of the sewer segments connected to the manhole. Staff recommends that the Board:

- Authorize a budget increase for project 07112 in the amount of \$35,400, from \$347,600 to \$383,000, and
- Authorize the General Manager to execute a construction contract with S.S. Mechanical Construction Corporation in the amount of \$170,333 for the MWRP South Irvine Interceptor Manhole Access, project 07112.

BACKGROUND:

The 48-inch South Irvine Interceptor (SII) sewer delivers sewage to the MWRP headworks from the south. Sediment accumulates quickly due to the nearly flat pipe slope within the berm along MWRP, which necessitates frequent maintenance. Sewer pipes are typically cleaned by jetting pressurized water into a pipe segment from the downstream manhole, loosening the sediment, which then flows back to the manhole and is then removed by a vactor. Since the last manhole on the SII is located in the landscaped berm slope between Riparian View and the paved parking area near the primary clarifiers, access is restrictive and this sewer segment cannot be cleaned using the normal process. Instead, staff jets water downstream from the upstream manhole to push sediment towards the headworks, which is not as effective. Staff evaluated alternatives to provide vactor access to the manhole to aid with cleaning and it was determined that the District's newest vactor has the suction capacity capable of reaching the manhole while staged in the parking area at the base of slope. Unfortunately, the vactor's jetter hose cannot be used from the truck at this location because it is fairly inflexible and will have too many bends. This project will construct the improvements that, combined with the use of the new vactor, will allow more effective cleaning of the SII. The improvements include installing a concrete pad at the manhole with a permanently mounted reeled jetter hose and electric booster pump, electrical and recycled water service and stairs for staff access.

Bid Opening:

The District's design consultant, JIG Consultants, completed the design in December 2017 and the project was advertised to a select bidders list of 17 contractors. The bid opening was held on January 17, 2018, with bids received from three contractors. The apparent low bidder is S.S. Mechanical Construction Corporation with a bid of \$170,333, which is close to the engineer's estimate of \$173,100. The bid summary is attached as Exhibit "B".

FISCAL IMPACTS:

Project 07112 is included in the FY 2017-18 Capital Budget. A budget increase is required to fund the construction and engineering support services for the project as shown in the table below.

Project No.	Current Budget	Addition <Reduction>	Total Budget
07112	\$347,600	\$35,400	\$383,000

ENVIRONMENTAL COMPLIANCE:

This project is categorically exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15301, which provides exclusion for minor alteration of public facilities and Section 15303, which provides for the construction of small new facilities in small structures to serve water mains, sewage and other utility extensions, including street improvements of reasonable length to serve such construction. A Notice of Exemption for the project was filed with the County of Orange on December 14, 2017.

COMMITTEE STATUS:

Construction awards are not routinely taken to Committee prior to submittal to the Board.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE A BUDGET INCREASE IN THE AMOUNT OF \$35,400, FROM \$347,600 TO \$383,000, AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH S.S. MECHANICAL CONSTRUCTION CORPORATION IN THE AMOUNT OF \$170,333 FOR THE MWRP SOUTH IRVINE INTERCEPTOR MANHOLE ACCESS, PROJECT 07112.

LIST OF EXHIBITS:

- Exhibit "A" – Project Site Map
- Exhibit "B" – Bid Summary


EXHIBIT "A"



EXHIBIT "B"

Irvine Ranch Water District Bid Summary For
 Michelson Water Recycling Plant South Irvine Interceptor Sewer Manhole Access
 PR 07112, Code 7003

Item No.	Description	Qty	Unit	Engineer's Estimate		1 SS Mechanical Construction Corp. Mission Viejo, CA		2 Paulus Engineering, Inc. Anaheim, CA		3 GCI Construction, Inc. San Clemente, CA		
				Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	
				Price	Amount	Price	Amount	Price	Amount	Price	Amount	
1	Mobilization/Demobilization	1	LS	\$19,300.00	\$19,300.00	\$6,500.00	\$6,500.00	\$7,231.00	\$7,231.00	\$25,000.00	\$25,000.00	
2	Survey, Verification of Utility Locations, Existing Electrical Work, and Field Dimensions	1	LS	\$5,800.00	\$5,800.00	\$1,750.00	\$1,750.00	\$5,113.00	\$5,113.00	\$10,000.00	\$10,000.00	
3	Clearing, Grubbing, and Demolition	1	LS	\$4,600.00	\$4,600.00	\$3,450.00	\$3,450.00	\$6,601.00	\$6,601.00	\$15,400.00	\$15,400.00	
4	Grading	1	LS	\$14,000.00	\$14,000.00	\$16,675.00	\$16,675.00	\$9,142.00	\$9,142.00	\$10,000.00	\$10,000.00	
5	Structural Work including Retaining Wall, Concrete Pad, and Stairs	1	LS	\$36,800.00	\$36,800.00	\$64,358.00	\$64,358.00	\$124,840.00	\$124,840.00	\$78,500.00	\$78,500.00	
6	Electrical Work	1	LS	\$11,100.00	\$11,100.00	\$19,700.00	\$19,700.00	\$25,527.00	\$25,527.00	\$27,000.00	\$27,000.00	
7	Prepackaged Hydraulic Hose Reel	1	LS	\$60,000.00	\$60,000.00	\$46,900.00	\$46,900.00	\$48,134.00	\$48,134.00	\$54,000.00	\$54,000.00	
8	Landscaping Work	1	LS	\$5,700.00	\$5,700.00	\$5,500.00	\$5,500.00	\$2,410.00	\$2,410.00	\$17,500.00	\$17,500.00	
9	Paving and Utilities	1	LS	\$7,700.00	\$7,700.00	\$3,600.00	\$3,600.00	\$6,575.00	\$6,575.00	\$16,000.00	\$16,000.00	
10	Startup and Testing	1	LS	\$5,000.00	\$5,000.00	\$1,350.00	\$1,350.00	\$603.00	\$603.00	\$3,000.00	\$3,000.00	
11	Record Drawings, O&M Manuals, and Warranties	1	LS	\$3,100.00	\$3,100.00	\$550.00	\$550.00	\$301.00	\$301.00	\$1,000.00	\$1,000.00	
SUBTOTAL, Base Bid Items						\$173,100.00		\$170,333.00		\$236,477.00		\$257,400.00
Adjustment (+ or -)												
TOTAL AMOUNT OF BID						\$173,100.00		\$170,333.00		\$236,477.00		\$257,400.00
				Item	Manufacturers:		Manufacturers:		Manufacturers:			
				Jetter Hose and Reel	US Jetting		US Jetting		US Jetting			
					Subcontractors:		Subcontractors:		Subcontractors:			
					Rebar - R.R. Leonard Co.		Concrete & Handrail - CMB Structures, Inc.		Structural Concrete - L.J. Rotunno Concrete Construction, Inc.			
					Paving - Sanders Paving, Inc.				Landscape - B & B Nurseries, Inc.			
					Electrical - Hydrotech Electric		Electrical - Hydrotech Electric		Electrical - Hydrotech Electric			

February 12, 2018
Prepared by: C. Spangenberg/M. Cortez
Submitted by: K. Burton
Approved by: Paul A. Cook 

ACTION CALENDAR

MICHELSON WATER RECYCLING PLANT MISCELLANEOUS REPAIRS CONSTRUCTION AWARD

SUMMARY:

This project will construct miscellaneous repairs to the concrete decking at the secondary sedimentation tanks, fill an unused concrete trough adjacent to the primary clarifiers and replace four electrical pull boxes that have subsided over time due to poor soil conditions. Staff recommends that the Board authorize the General Manager to execute a construction contract with Pacific Hydrotech in the amount of \$398,021 for the Michelson Water Recycling Plant Miscellaneous Repairs, project 04467.

BACKGROUND:

In May 2017, Cho Design Associates, Inc. completed a structural assessment of the MWRP secondary activated sludge and clarifiers deck and internal tanks. The report documented significant cracking and spalling on the top concrete decking due to over 40 years of operation. The internal tank concrete structures had no cracking nor spalling concrete documented during the inspection. This project will perform repairs on the top decking for spalled and cracked concrete and fill an unused concrete channel located along the old primary clarifiers with gravel topped off with four-inches of concrete. In addition, four sinking electrical pull boxes containing electrical conduits and conductors will be removed and replaced.

Subsequent to the completion of the repair work, a separate design and construction project will be implemented to correct structural member repairs within the secondary treatment tanks.

A location map showing the construction areas for this phase is attached as Exhibit "A".

Construction Award:

In July 2017, IRWD retained Cho Design Associates, Inc. to provide design services for the structural repair of the concrete decking and the minor electrical work. The design was completed in December 2017 and the project was advertised for construction to a select list of 10 contractors. The bid opening was held on February 1, 2018 and four bids were received. Pacific Hydrotech was the apparent low bidder with a bid amount of \$398,021; the engineer's estimate was \$431,000. The bid summary is attached as Exhibit "B".

FISCAL IMPACTS:

MWRP Miscellaneous Repairs, project 04467, is included in the FY 2017-18 Capital Budget and the existing budget is sufficient to fund the construction phase of the project.

ENVIRONMENTAL COMPLIANCE:

This project is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15301 which provides exemption for minor alterations of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination, and Section 15302 which provides exemption for the replacement or reconstruction of existing facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. A Notice of Exemption for the project was filed with the Orange County Clerk Recorder on December 12, 2017.

COMMITTEE STATUS:

Construction awards are not routinely taken to Committee prior to submittal to the Board.

RECOMMENDATION:

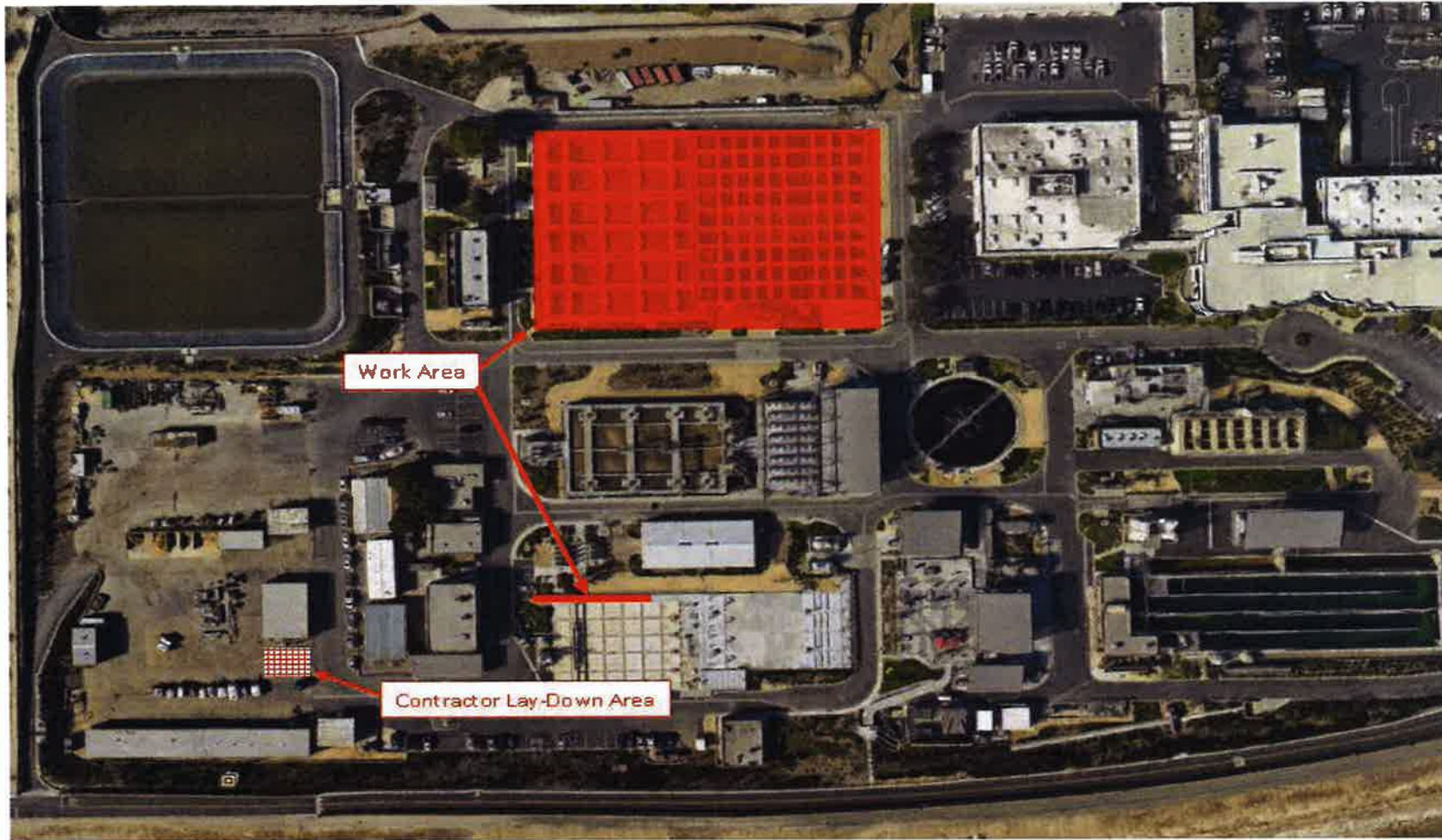
THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH PACIFIC HYDROTECH IN THE AMOUNT OF \$398,021 FOR THE MICHELSON WATER RECYCLING PLANT MISCELLANEOUS REPAIRS, PROJECT 04467.

LIST OF EXHIBITS:

Exhibit "A" – Location Map
Exhibit "B" – Bid Summary

EXHIBIT "A"

MWRP Miscellaneous Repairs Location Map



Item No.	Description	Qty	Unit	Engineer's Estimate		1 Pacific Hydrotech Corporation Perris, CA		2 GCI Construction, Inc. San Clemente, CA		3 Paulus Engineering, Inc. Anaheim, CA	
				Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	Mobilization/Demobilization	1	LS	\$44,000.00	\$44,000.00	\$19,500.00	\$19,500.00	\$64,250.00	\$64,250.00	\$30,000.00	\$30,000.00
2	Clean and Repair Concrete Cracks (>0.016in (0.40mm))	3,000	LF	\$90.00	\$270,000.00	\$53.00	\$159,000.00	\$25.00	\$75,000.00	\$58.50	\$175,500.00
3	Clean and Repair Concrete Spalls	100	SF	\$240.00	\$24,000.00	\$519.00	\$51,900.00	\$800.00	\$80,000.00	\$568.00	\$56,800.00
4	Clear and Repair Obstruction on Deck	50	EA	\$120.00	\$6,000.00	\$148.00	\$7,400.00	\$310.00	\$15,500.00	\$800.00	\$40,000.00
5	Pressure Grout Beneath Slab	150	CF	\$120.00	\$18,000.00	\$130.00	\$19,500.00	\$370.00	\$55,500.00	\$322.00	\$48,300.00
6	Notched Channel	1	LS	\$24,000.00	\$24,000.00	\$24,044.00	\$24,044.00	\$50,000.00	\$50,000.00	\$49,000.00	\$49,000.00
7	Electrical Work	1	LS	\$34,000.00	\$34,000.00	\$107,761.00	\$107,761.00	\$87,000.00	\$87,000.00	\$70,300.00	\$70,300.00
8	Project Safety Measures	1	LS	\$6,000.00	\$6,000.00	\$3,916.00	\$3,916.00	\$11,000.00	\$11,000.00	\$2,500.00	\$2,500.00
9	Prepare As-built Drawings	1	LS	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
<i>SUBTOTAL, Base Bid Items</i>					\$431,000.00		\$398,021.00		\$443,250.00		\$477,400.00
Adjustment (+ or -)											
TOTAL AMOUNT OF BID					\$431,000.00		\$398,021.00		\$443,250.00		\$477,400.00
				Item	Manufacturers:		Manufacturers:		Manufacturers:		
				NONE	N/A		N/A		N/A		
					Subcontractors:		Subcontractors:		Subcontractors:		
					Electrical - Beard Electric Concrete Crack Inspection - Goss Construction Company, Inc.		Electrical - Hydrotech Electric Concrete Cracks - Surtside Restoration and Waterproofing, Inc.		Electrical - Hydrotech Electric Concrete Repair - Ace Restoration & Waterproofing, Inc.		

Irvine Ranch Water District Bid Summary For
 Michelson Water Recycling Plant Miscellaneous Repairs
 PR 04467, Code 7117

				Engineer's Estimate		4 SS Mechanical Construction Corp. Mission Viejo, CA	
Item No.	Description	Qty	Unit	Unit Price	Total Amount	Unit Price	Total Amount
1	Mobilization/Demobilization	1	LS	\$44,000.00	\$44,000.00	\$19,500.00	\$19,500.00
2	Clean and Repair Concrete Cracks (>0.016in (0.40mm))	3,000	LF	\$90.00	\$270,000.00	\$67.67	\$203,010.00
3	Clean and Repair Concrete Spalls	100	SF	\$240.00	\$24,000.00	\$632.00	\$63,200.00
4	Clear and Repair Obstruction on Deck	50	EA	\$120.00	\$6,000.00	\$200.00	\$10,000.00
5	Pressure Grout Beneath Slab	150	CF	\$120.00	\$18,000.00	\$426.67	\$64,000.50
6	Notched Channel	1	LS	\$24,000.00	\$24,000.00	\$20,000.00	\$20,000.00
7	Electrical Work	1	LS	\$34,000.00	\$34,000.00	\$95,574.00	\$95,574.00
8	Project Safety Measures	1	LS	\$6,000.00	\$6,000.00	\$9,200.00	\$9,200.00
9	Prepare As-built Drawings	1	LS	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
<i>SUBTOTAL, Base Bid Items</i>					\$431,000.00		\$489,484.50
Adjustment (: or -)							
TOTAL AMOUNT OF BID					\$431,000.00		\$489,484.50
				<u>Item</u>	<u>Manufacturers:</u>		
				NONE	N/A		
					<u>Subcontractors:</u>		
					Electrical - Hydrotech Electric		
					Concrete Repair - Ace Restoration & Waterproofing, Inc.		

February 12, 2018

Prepared and submitted by: P. Cook

Approved by: Paul A. Cook



ACTION CALENDAR

AGREEMENT WITH THE CITY OF NEWPORT BEACH REGARDING THE EMERGENCY DIVERSION OF RECYCLED WATER TO THE SAN DIEGO CREEK WATERSHED

SUMMARY:

IRWD has been working with numerous community stakeholders, including the City of Newport Beach, to develop an understanding of and support for an amendment to the National Pollution Discharge Elimination System (NPDES) permit for IRWD's Michelson Water Recycling Plant (MWRP). The Permit Amendment would allow for the emergency diversion of recycled water produced by the MWRP into the San Diego Creek watershed under certain conditions. Staff has developed an agreement between the City of Newport Beach (the City) and IRWD to memorialize the understanding of the City and IRWD. Staff recommends that the Board authorize the agreement as presented herein, subject to non-substantive changes.

BACKGROUND:

IRWD manages its supply of recycled water with the overarching goal of maximizing the use of recycled water. In the winter months when demands are reduced, IRWD can store recycled water in local reservoirs. It can also send excess recycled water to the Orange County Sanitation District (OCSD) or the Orange County Water District (OCWD). Under more extreme weather conditions, as witnessed in the winter of 2016 – 2017, these storage and diversion options can become unavailable. With no other options available, IRWD's only final option is to divert recycled water produced by the MWRP to the San Diego Creek watershed. A more detailed description of these circumstances is provided in a fact sheet, attached as Exhibit "A".

To ensure that any emergency diversions of recycled water to the San Diego Creek watershed are done in compliance with the MWRP's NPDES permit, IRWD is seeking an amendment to this permit. While this permit amendment is currently under development in cooperation with the Santa Ana Regional Water Quality Control Board, the conditions under which an emergency diversion have been vetted and presented to numerous stakeholders, including the City of Newport Beach.

The City has requested that IRWD and the City execute an agreement to memorialize the understanding between the City and IRWD. This agreement, along with a "side letter" that is referenced in the agreement, is included as Exhibit "B". Staff recommends that the Board authorize the General Manager to execute this agreement with the City subject to non-substantive changes.

FISCAL IMPACTS:

The agreement aligns with proposed changes in the MWRP's NPDES permit, and will not result in additional costs for IRWD (beyond the requirements of the proposed Permit Amendment).

ENVIRONMENTAL COMPLIANCE:

Section 15164 of the State CEQA Guidelines provides for the preparation of an addendum to a previously certified Environmental Impact Report by a lead agency or a responsible agency if some changes or additions to the project are necessary but none of the conditions described in CEQA calling for preparation of a subsequent EIR have occurred. Based on the information and analyses to be presented in a proposed Addendum No. 4 to the Michelson Water Reclamation Plant Phase 2 and 3 Capacity Expansion Project Final Environmental Impact Report, the concluding section of the Addendum will set forth the proposed determinations by the District that none of such conditions have occurred. The proposed addendum will be presented to the Board for its consideration prior to approving the project and awarding a contract for the construction of facilities to divert recycled water under emergency conditions to San Diego Creek.

COMMITTEE STATUS:

Due to the timing associated with developing this agreement, it was not taken to Committee prior to submittal to the Board.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE ATTACHED AGREEMENT WITH THE CITY OF NEWPORT BEACH PERTAINING TO THE EMERGENCY DIVERSION OF RECYCLED WATER INTO THE SAN DIEGO CREEK WATERSHED, SUBJECT TO NON-SUBSTANTIVE CHANGES.

LIST OF EXHIBITS:

- Exhibit "A" – Fact Sheet
- Exhibit "B" – Proposed Agreement with the City of Newport Beach

EXHIBIT “A”



Recycled Water Management at IRWD

The Irvine Ranch Water District (IRWD) provides high quality recycled water, produced at its Michelson Water Recycling Plant (MWRP), to customers for irrigation, agriculture, industrial, and commercial uses. IRWD continues to expand the use of this valuable resource – in 2016 recycled water provided 28 percent of the District’s total water demand. When recycled water demands are reduced in the winter, IRWD can manage its supply of recycled water by storing it in local reservoirs and sending excess recycled water to the Orange County Sanitation District (OCSD) or the Orange County Water District (OCWD). IRWD’s goal is to *maximize the use of the recycled water produced at the MWRP*.

Recycled Water Management Challenges

IRWD utilizes best management practices throughout the year to balance the recycled water system supply and demands. The winter of 2016-2017 brought extremely wet conditions to Orange County, reducing demands for recycled water and causing IRWD’s recycled water reservoirs to fill to maximum capacity. Despite deploying all available management practices, IRWD exhausted its available outlets (i.e., storing the recycled water in reservoirs or pumping it to OCSD and OCWD); there was simply no place to put the recycled water (see Figure 1).

Since IRWD must treat all of the sewage that enters the MWRP, IRWD has also been able to manage the quantity of recycled water produced by diverting its incoming sewage away from the MWRP and to the Orange County Sanitation District (OCSD). This ability was temporarily suspended during the winter storms of early 2017, when OCSD requested that IRWD curtail its diversions of sewage as the OCSD facilities were approaching maximum capacity. In the future, IRWD’s ability to divert sewage flow to OCSD will also be reduced because the new biosolids treatment facilities at the MWRP will require an uninterrupted flow and consistent volume of sewage. While the biosolids and gas processed at the MWRP will result in greater resource recovery and an environmentally beneficial final product, IRWD’s ability to divert sewage to OCSD and manage recycle water production will be further limited.

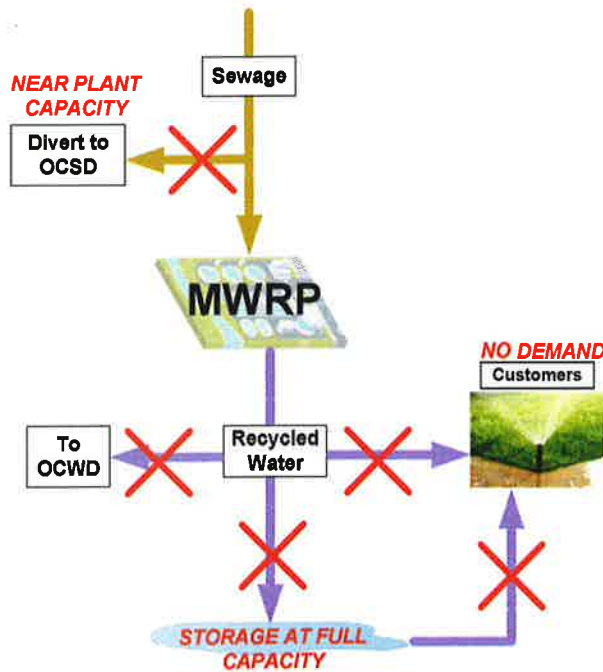


Figure 1

Extremely wet conditions and operational constraints put the IRWD system at imminent risk of sewer backups and overflows from reservoirs, thereby creating the potential for downstream flooding, damage to public / private infrastructure and property, and harm to the environment including the Upper Newport Bay. IRWD is developing a suite of solutions to overcome these constraints while accomplishing its objectives of protecting public health and the environment.

Recycled Water Management at IRWD (continued)



Proposed Solution

The conditions caused by heavy rainfall during the winter storms of early 2017 illustrated the need for IRWD to find an additional reliable and safe outlet for the MWRP's highly treated recycled water. IRWD has identified several supplemental outlets that we are committed to evaluating and pursuing, including the expansion of its Syphon Reservoir, leasing capacity in Santa Margarita Water District's Upper Oso Reservoir, and emergency diversion of recycled water to the Santa Ana River and the San Diego Creek watersheds. Diversion of this valuable water supply would only occur if it was absolutely necessary, with emergency diversion of recycled water to San Diego Creek being the option of last resort.

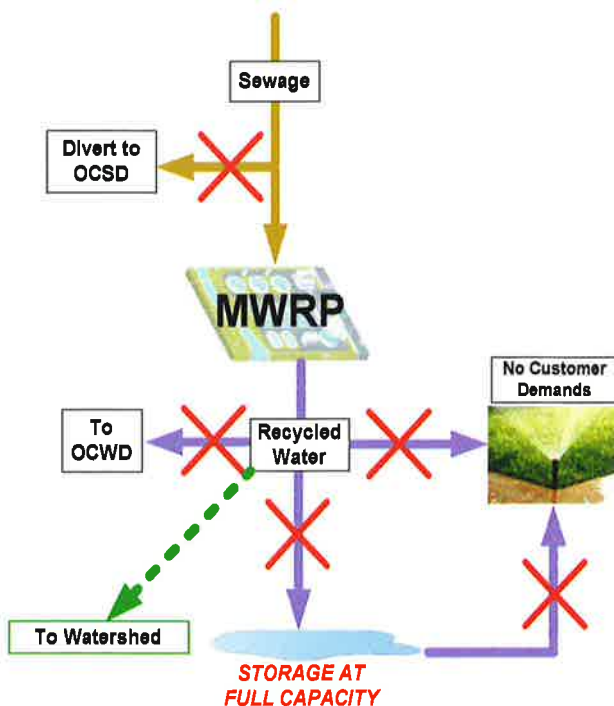


Figure 2

To minimize negative impacts to the watershed, public health, and infrastructure, IRWD is requesting an amendment to its permit from the Regional Water Quality Control Board to recognize that IRWD will have the ability to divert recycled water into the watershed (see Figure 2). A diversion of recycled water into the watershed would only be initiated after analyzing all options and conditions which include: 1) no available outlets for recycled water and 2) storage facilities at full capacity. Furthermore, IRWD's commitment to the evaluation and implementation of the above mentioned supplemental outlets would serve as another permitted condition to then allow for diversions to San Diego Creek as a last option.

IRWD anticipates that the conditions which would necessitate a diversion to the watershed would be rare and short in duration, having little to no impact on the watershed. Any water diverted will have already been highly treated, so the water quality of the Upper Newport Bay will be preserved. Furthermore, it is highly likely this infrequent diversion of recycled water would occur in very wet weather conditions and it would be a small fraction of the total flow in the watershed.

For 50 years IRWD has proven itself as a national leader in water recycling and watershed protection. The ability to safely divert recycled water to the watershed under certain limited conditions will ensure that IRWD can continue to safely manage and operate its system. As one of the stewards of the watershed, IRWD is confident that the quality of the recycled water and the infrequency of any diversions will allow IRWD to continue to meet its objectives of protecting public health, the environment, and the Upper Newport Bay.

For more information, please visit www.irwd.com

Staff Contacts: Paul A. Cook, P.E.
IRWD General Manager
cook@irwd.com
(949) 453-5590

Lyndy Lewis
IRWD Regulatory Compliance Manager
lewis@irwd.com
(949) 453-5832

EXHIBIT "B"

AGREEMENT REGARDING EMERGENCY DIVERSIONS OF RECYCLED WATER TO THE SAN DIEGO CREEK WATERSHED

This AGREEMENT REGARDING EMERGENCY DIVERSIONS OF RECYCLED WATER TO THE SAN DIEGO CREEK WATERSHED ("Agreement") is made and entered into as of this ____ day of _____, 2018 ("Effective Date"), by and between the CITY OF NEWPORT BEACH, a California municipal corporation and charter city ("City") and the IRVINE RANCH WATER DISTRICT, a California water district organized and existing pursuant to the California Water District Law, California Water Code Section 34000 et seq. ("IRWD"), and is made with reference to the following:

RECITALS

- A. City and IRWD are parties to an agreement dated December 21, 2011 ("2011 Intertie Agreement") regarding the construction and operation of an intertie to convey recycled water from IRWD's Michelson Water Recycling Plant (MWRP) to Orange County Water District's Green Acres Phase II pipeline and the establishment of operating conditions for use of the ocean outfall at the Orange County Sanitation District's Plant No. 2 in the City of Huntington Beach.
- B. IRWD seeks an amendment to its National Pollutant Discharge Elimination System permit ("Permit") for the MWRP from the Santa Ana Regional Water Quality Control Board ("Board") to allow for, among other things, the emergency diversion of recycled water to the San Diego Creek watershed during emergency conditions.
- C. The purpose of this Agreement is to memorialize the understanding of City and IRWD regarding the emergency conditions when IRWD may divert recycled water to the San Diego Creek watershed.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. CITY ACKNOWLEDGMENT AND AGREEMENT

City hereby acknowledges and agrees to IRWD's ability to divert recycled water to the San Diego Creek watershed in emergency conditions provided that any such diversion satisfies all of the conditions set forth in the side letter agreement ("Side Letter") agreed to and executed by the City and IRWD.

2. IRWD ACKNOWLEDGMENT AND AGREEMENT

IRWD hereby acknowledges and agrees that it will abide the conditions of the Side Letter and the Permit, as amended, prior to any diversion of recycled water into the San Diego Creek watershed in emergency conditions.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the dates written below.

**APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE**
Date: _____

CITY OF NEWPORT BEACH,
a California municipal corporation
Date: _____

By: _____
Aaron C. Harp
City Attorney

By: _____
Dave Kiff
City Manager

ATTEST:
Date: _____

By: _____
Leilani Brown
City Clerk

APPROVED AS TO FORM:
Date: _____

IRVINE RANCH WATER DISTRICT
Date: _____

By: _____
Alfred E. Smith, II
General Counsel

By: _____
Paul Cook
General Manager

[END OF SIGNATURES]

Side Letter
Regarding Emergency Diversions of Recycled Water to the San Diego Creek Watershed

This Side Letter memorializes the understanding of the City of Newport Beach ("City") and the Irvine Ranch Water District ("IRWD") regarding the emergency conditions when IRWD may divert recycled water to San Diego Creek or Newport Bay. City and IRWD's understanding is that IRWD will not undertake emergency diversions of recycled water to the San Diego Creek Watershed without first doing all of the following:

1. Stop importing water purchased from the Metropolitan Water District to augment the IRWD recycled water system;
2. Shutoff all irrigation water wells providing water to the recycled water system;
3. Stop producing recycled water at the Los Alisos Water Recycling Plant;
4. Send recycled water without charge to the Orange County Water District through the Green Acres Project consistent with the intertie agreement dated December 21, 2011;
5. If possible, shutoff all Department of Justice wells that deliver water into the recycled water system, while still complying with the Record of Decision with the Department of the Navy pertaining to the operation of these wells;
6. Send all allowable recycled water (subject to physical conveyance capacities) to South Orange County Wastewater Authority outfall;
7. IRWD to confirm and document that Orange County Water District and Orange County Sanitation District cannot take additional recycled water flow;
8. Continue working diligently towards the completion of the following:
 - a. Constructing, funding, and implementing a feasible connection between the Green Acres Pipeline and the Santa Ana River on or before the expiration of IRWD's NPDES Permit on June 30, 2020 and providing regular updates to the City on IRWD's progress;
 - b. Constructing and providing additional feasible recycled water storage by expanding the Syphon Reservoir as soon as possible, including performing all environmental review, design, permitting, and construction activities necessary for such storage and providing regular updates to the City on IRWD's progress; and
 - c. Conducting workshops and stakeholders meetings with City and other stakeholders to obtain input on the terms and conditions of IRWD's renewal of the NPDES Permit.

In the event all of the above items have been satisfied and there still exists an emergency situation where IRWD must divert recycled water into San Diego Creek or Newport Bay, IRWD must use its best efforts to notify the City at least 48 hours prior to an emergency discharge.

Acknowledged by:

_____ Date: _____
Paul Cook
General Manager
Irvine Ranch Water District

_____ Date: _____
Dave Kiff
City Manager
City of Newport Beach