

MINUTES OF REGULAR MEETING – MARCH 23, 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 March 23, 2015 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Acting Executive Director of Engineering and Water Quality Mori, Executive Director of Finance and Administration Clary, Executive Director of Operations Shields, Executive Director of Water Policy Weghorst, Director of Public Affairs Beeman, Director of Human Resources Roney, Director of Treasury and Risk Management Jacobson, Assistant Director of Recycling Operations Lee, Assistant Director of Operations Roberts, Legal Counsel Arneson, Secretary Bonkowski, Ms. Christine Compton, Mr. Barkev Meserlian, Ms. Gretchen Ronin, Mr. Jim Reed, Mr. Bruce Newell, Mr. Jeff Brown, Mr. John Dayer, Mr. Ian Swift and other members of the public and staff.

COMMUNICATIONS TO THE BOARD

Written and Oral Communications: None.

Items too Late to be Agendized: None.

CONSENT CALENDAR

On MOTION by Reinhart, seconded and unanimously carried, CONSENT CALENDAR ITEMS 3 THROUGH 10 WERE APPROVED AS FOLLOWS:

3. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the March 9, 2015 Regular Board Meeting be approved as presented.

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

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

5. 2015 STATE LEGISLATIVE UPDATE

Recommendation: That the Board adopt a "SUPPORT" position on AB 149 (Chávez) and an "OPPOSE" position on SB 143 (Stone).

CONSENT CALENDAR (Continued)

6. FEBRUARY 2015 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for February 2015, and Disclosure Report of Reimbursements to Board members and staff; approve the February 2015 Summary of Payroll Ach payments in the total amount of \$1,460,738 and approve the February 2015 Accounts Payable Disbursement Summary of Warrants 355667 through 356619, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$26,265,154.

7. DYER ROAD WELLFIELD WELL NO. 5 REHABILITATION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Dyer Road Wellfield Well No. 5 Rehabilitation, project 11693 (4326); authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

8. REIMBURSEMENT AGREEMENT BETWEEN IRWD AND THE CITY OF IRVINE FOR INSTALLATION AND ADJUSTMENT OF IRWD FACILITIES TO GRADE

Recommendation: That the Board authorize the General Manager to execute a Reimbursement Agreement with the City of Irvine for its annual slurry seal and pavement rehabilitation project, Bid No. 15-1003.

9. PLANNING AREA 6 (PORTOLA SPRINGS) CAPITAL IMPROVEMENTS

Recommendation: That the Board authorize a budget decrease for Enclave 3 Improvements, project 30426 (4557), in the amount of <\$451,000>, from \$766,700 to \$315,700 and authorize the addition of bridge and trail improvements, project 30508 (5763), to the FY 2014-15 capital budget in the amount of \$132,000 for the design and construction of recycled water improvements under an existing supplemental reimbursement agreement with the Irvine Community Development Company for Planning Area 6 (Portola Springs).

10. APPROVAL OF MEMORANDUM RELATIVE TO THE BOARD, COMMITTEE AND OTHER ASSIGNMENTS, AND APPROVAL OF AGENCY AND OUTSIDE ORGANIZATION BOARD REPRESENTATION AT MEETINGS/EVENTS FOR 2015

Recommendation: That the Board approve the Memorandum dated March 23, 2015 entitled Officers of the Board, Committees and Other Assignments; approve attendance for the meetings and events for the Board's assigned representatives for calendar year 2015 as delineated in the write-up; and adopt the following resolution rescinding Resolution No. 2013-19 by title:

CONSENT CALENDAR (Continued)

RESOLUTION NO. 2015-7

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
RESCINDING RESOLUTION NO. 2013-19 PLACING IN
NOMINATION PEER A. SWAN AS CHAIR OF THE
ASSOCIATION OF CALIFORNIA WATER AGENCIES, REGION 10

ACTION CALENDAR

SEWER MANHOLE REHABILITATION SERVICES CONTRACT AWARD

General Manager Cook reported that the Fiscal Year 2014-15 Sewer General System Modification Project consists of repairing and rehabilitating sewer manhole structures at various locations within IRWD's service area. Staff distributed a Request for Proposal on August 19, 2014 to multiple qualified contractors with a proposal due date of August 28, 2014. Staff received two responsive bids from Zebron and Sancon Engineering; Zebron was determined to be the lowest responsive bidder.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on March 18, 2015. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT AWARD WITH ZEBRON IN THE AMOUNT NOT TO EXCEED \$825,000 FOR THE PERIOD OF APRIL 1, 2015 THROUGH JUNE 30, 2017.

OPERATIONS DATABASE MANAGEMENT SYSTEM

Assistant Director of Recycled Operations Lee reported that the District's Water and Recycling Operations, Water Quality, and Compliance Departments utilize and integrate operational and laboratory data from various sources such as the Supervisory Control and Data Acquisition (SCADA) system and Laboratory Information Management System (LIMS) to prepare compliance reports, monitor plant processes, and track Key Performance Indicators (KPIs) on a daily basis. Mr. Lee said that staff manually transfers data from SCADA and LIMS into Microsoft Excel files to compile, calculate, and store data to prepare reports. He said that this method of manually transferring data from multiple sources is labor intensive and can potentially lead to quality control issues with the data and related reports. In addition, data compiled in this manner cannot be easily formatted to meet the regulatory reporting requirements mandated by the State Water Resources Control Board using California Integrated Water Quality System (CIWQS).

Director Withers left the Board room at 5:10 p.m.

Mr. Lee said that as a result of these challenges, staff jointly developed a list of requirements for a single system that will provide benefits to all departments involved. Staff identified and evaluated four commercially available software programs that were developed specifically for use in the water and recycling industry including Dream Report by Invesys, WaterTrax by

WaterTrax, Intelligent Water by Element Blue, and WIMS by Hach. He said that based on the results of the scoring, staff selected the Hach WIMS program.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on March 18, 2015. On MOTION by Reinhart, seconded and carried (4-0), (LaMar, Reinhart, Matheis and Swan voting aye, and Withers absent), THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT IN THE AMOUNT OF \$208,105 WITH HACH TO PURCHASE AND IMPLEMENT THE WATER INFORMATION MANAGEMENT SYSTEM DATABASE MANAGEMENT PROGRAMS.

SAN JOAQUIN MARSH AND NATURAL TREATMENT SYSTEM FACILITIES THREE-YEAR MAINTENANCE SERVICES CONTRACT

General Manager Cook reported that landscape and maintenance contract services are required within the San Joaquin Marsh and Natural Treatment System (NTS) to control and remove native and non-native vegetation as well as irrigation maintenance. This contract will include several new NTS sites that the District has acquired since the last three-year contract. Mr. Cook said that 19 sites will be covered encompassing a total area of 435 acres. Five landscape maintenance companies were invited to participate in the Request for Proposal (RFP) process in September 2014 based on their experience with the District, and their experience with projects involving natural habitat restoration, especially wetlands. Of these five companies, one did not participate in the walk-through (Habitat Restoration Sciences); two did not respond to the RFP (Nature's Image and Valley Crest); and one submitted a "no bid" response (Nakae & Associates). Only one company, TruGreen Landcare, responded with a bid and formal proposal to provide landscaping services for the San Joaquin Marsh and NTS sites.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on March 18, 2015. On MOTION by Reinhart, seconded and carried, (4-0), (LaMar, Reinhart, Matheis and Swan voting aye, Withers absent), THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH TRUGREEN LANDCARE IN THE AMOUNT OF \$2,003,904 FOR LANDSCAPE MAINTENANCE CONTRACT SERVICES FOR A THREE-YEAR TERM.

LANDSCAPE AND IRRIGATION CONTRACT THREE-YEAR AWARD

General Manager Cook reported that the landscape and irrigation contracts for the District's properties expired on October 31, 2014 and were extended on a month-to-month basis until new contracts are awarded.

Executive Director of Operations Shields reported that an Request for Proposal was sent to five contractors for landscape and irrigation maintenance services at 146 District-owned sites divided into seven geographical areas. Mr. Shields said that bids were received from four contractors including Tropical Plaza Nursery, Inc., Marina Landscape, Inc., Mariposa Landscapes, Inc., and TruGreen LandCare, Inc. The most qualified bidder has been selected for each geographical area. He said that this bidding and award process has resulted in an overall cost savings of \$114,573 by awarding the work to the most qualified bidder in each geographic area rather than to the single lowest overall bidder. Staff has selected both Tropical Plaza Nursery, Inc. and

Marina Landscape, Inc. to perform work at various sites. Tropical is currently performing satisfactory work for the District and Marina Landscape, Inc. has provided references that rendered positive reviews of its performance.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on March 18, 2015. Director Swan commented that on a few landscape maintenance sites were either overgrown or required new landscaping. Director Withers returned to the Board room at 5:20 p.m. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE THREE-YEAR LANDSCAPE AND IRRIGATION MAINTENANCE CONTRACTS WITH TROPICAL PLAZA NURSERY, INC. FOR \$916,956, AND MARINA LANDSCAPE, INC. FOR \$221,502.

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

Acting Director of Engineering and Water Quality Mori said that staff has negotiated with Filanc/Balfour-Beatty to resolve two items contained in Contract Change Order No. 25. Mr. Mori said that the first item on the change order is for lightning protection for the methane digesters. He said that the three methane digesters will be approximately 80 feet above ground elevation and because the digesters are among the tallest structures on the biosolids site, lightning protection is required for each of the methane digesters. Although lightning protection was specifically required for the Solids Handling Building and the Digester Control Building, the methane digesters were not specifically mentioned as requiring lightning protection. He said that since there was ambiguity in the Contract Documents, the Contractor was requested to provide lightning protection for the methane digesters.

Mr. Mori said that the second item is for two deflagration quench tubes to be installed outside of the dryer room which were not included in the bid documents. He said that for additional safety, the deflagration quench tubes ensure that any possible deflagration is suppressed.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on March 18, 2015. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED CONTRACT CHANGE ORDER NO. 25 WITH FILANC/BALFOUR-BEATTY IN THE AMOUNT OF \$280,575.97 TO PROVIDE LIGHTNING PROTECTION FOR THE THREE METHANE DIGESTERS AND TO INSTALL TWO DEFLAGRATION QUENCH TUBES OUTSIDE OF THE DRYER ROOM OF THE SOLIDS HANDLING FACILITY FOR THE MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES, PROJECT 20847 (1617).

2015 COMPENSATION SURVEY RESULTS – SALARY SCHEDULE

Director of Human Resources Roney reported that a comprehensive compensation survey was recently conducted by the Human Resources department with the last survey performed in 2008 due to the past economic conditions. Ms. Roney said as the economy began to improve, it was anticipated that the benchmark survey process would be reinstated. In early 2013, a review of the District's compensation survey methodology was conducted by Ralph Anderson &

Associates, the results of which were presented to the Board of Directors on May 28, 2013. She said that a benchmark salary survey was conducted this year to further analyze salary market data for selected benchmark classifications. Recommendations from the 2013 Ralph Anderson & Associates study were incorporated into this year's benchmark salary survey methodology and included: 1) a reduction in the number of agencies surveyed in order to focus on most productive matches; 2) a change in the salary range control point from mid-point to maximum as industry best practice; 3) a change in market data comparison from mean to median as a more stable statistical measure; and 4) that surveys to be conducted on three-year intervals. She further said that as a result of this year's benchmark salary survey, 14 separate classifications affecting 36 incumbents are recommended for upgrade, and that minimal competitive wage adjustments are recommended for the affected classifications and incumbents.

Director Swan reported that this item was reviewed and approved by the Finance and Personnel Committee meeting on March 16, 2015. On MOTION by Swan, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO IMPLEMENT COMPETITIVE WAGE ADJUSTMENTS EFFECTIVE APRIL 1, 2015, APPROVE THE REVISED SALARY GRADE SCHEDULE EFFECTIVE APRIL 1, 2015; AND ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2015-8

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT
RESCINDING RESOLUTION NO. 2014-52
AND ESTABLISHING REVISED SCHEDULE
OF POSITIONS AND SALARY RATE RANGES

DESIGN OF STOCKDALE WEST TURNOUT FACILITIES PROJECT

Executive Director of Water Policy Weghorst reported that in 2010, IRWD purchased the Stockdale West Ranch property located west of the Strand Ranch. Rosedale-Rio Bravo Water Storage District (Rosedale) owns the Stockdale East Property located to the east of the Strand Ranch. Mr. Weghorst said that the Stockdale Integrated Banking Project (Stockdale Project) is being developed by Rosedale and IRWD to allow both agencies to utilize available storage in the Kern River Fan Area by constructing and operating recharge and recovery facilities on each agency's respective Stockdale properties. He said that this project will integrate the capacities and facilities into Rosedale's Conjunctive Use Program. The purpose of IRWD's participation in the project is to provide dry year water supply reliability for IRWD's customers.

Mr. Weghorst said that the Strand Ranch exhibits large infiltration rates for the first few months of a recharge event. As a result, it can take numerous weeks before water is available to the furthest west recharge basins on the property and additional days before pond water elevations are high enough to drive water through the existing siphon to the Stockdale West Ranch recharge basins. An additional Cross Valley Canal (CVC) turn-out on the west side of the Strand Ranch is needed to expedite the delivery of water to the Stockdale West Ranch and to more quickly fill the Strand Ranch recharge basins. The CVC turn-out would increase the amount of water recharged at the Stockdale West and Strand Ranch recharge basins during the first 45 days of a

recharge event. Staff estimates the additional CVC turnout could increase the diversion and recharge of up to 9,000 acre-feet on the Stockdale West and Strand Ranch projects during the first 45 days of a single recharge event. The value of this additional water during dry periods is estimated to be about \$3.1 million.

Mr. Weghorst said that IRWD retained Dee Jaspar & Associates (DJA) to prepare a preliminary design report (PDR) that evaluated various turnout alternatives for conveying recharge water to the Stockdale West and Strand Ranch projects taking into consideration existing facilities, hydraulic capacities, construction and operations costs, as well as constructability and operational issues. Based on DJA's analysis, the preferred alternative includes constructing a 100 cubic feet per second (cfs) turnout from the CVC to a 60" pipeline that will convey water by gravity to the Stockdale West and Strand Ranch recharge basins. This alternative will allow 100 cfs to be diverted when the CVC is flowing in either forward or reverse flow conditions.

Mr. Weghorst said that construction of the CVC turnout will require extensive coordination with the Kern County Water Agency (KCWA) which will include submitting design and shop drawings for review and approval, and submitting inspection and testing records to KCWA on a regular basis. Staff recommends that DJA prepare final designs, contract documents and assist with the bidding phase for the Stockdale West Turnout Facilities Project. He said that staff has negotiated with DJA a scope of work, fee and schedule for these services.

Director Swan reported that this item was reviewed and approved by the Water Banking Committee on March 19, 2015. On MOTION by Swan, seconded and unanimously carried, **THE BOARD AUTHORIZED THE ADDITION OF THE STOCKDALE WEST TURNOUT FACILITIES, PROJECT 11875 (6145) IN THE AMOUNT OF \$2,557,500 TO THE FY 2014-15 CAPITAL BUDGET; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH DEE JASPAR & ASSOCIATES, INC. IN THE AMOUNT OF \$114,640 FOR ENGINEERING DESIGN AND BID SUPPORT SERVICES FOR THE PROJECT.**

GENERAL MANAGER'S REPORT

General Manager Cook provided an update on the LAFCO application for Orange County Water District's Service Area 7 that was submitted today. He said that staff will be submitting a Board resolution at the next Board meeting as part of the process, and recognized staff for all of their efforts.

Mr. Cook reported that the agricultural replenishment assessment issue with the Orange County Water District appears to have been resolved based on a recent court case.

He further reported that at the WateReuse California Annual Conference held last week the District was awarded the Large Recycling Agency of the Year Award which Director Reinhart accepted on behalf of the District.

DIRECTORS' COMMENTS

Director Withers reported on his speaking engagement at the City of Lake Forest's Kiwanis Club last week, a LAFCO Strategic Planning meeting, and that tomorrow he will be attending its budget meeting. He said that this Wednesday he is planning to attend OCSD's Board meeting and on Thursday will be attending the Orange County Forum.

Director Swan reported on his attendance at a recent OCWD Board meeting, a Sea and Sage annual dinner, a meeting with Ms. Jan Flory relative to OCWD issues, and a WACO Planning meeting. He said that former Supervisor Moorlach was chair of the Newport Bay Watershed Executive Committee and that Supervisor Michele Steel will be his replacement.

Director Reinhart reported his attendance at the annual WateReuse conference in Los Angeles, and the Irvine Police Department annual awards banquet.

Director Matheis reported on her attendance at a California Water Policy conference in Claremont and that she will be attending a Coastal Coalition meeting this Thursday relative to drought issues, and a *Women in Water* meeting tomorrow.

Director LaMar reported on his attendance at an NROC quarterly Board meeting.

IRWD's Consultant Mr. Jim Reed reported on various meetings he attended on the District's behalf.

CLOSED SESSION

President LaMar reported that the following Closed Sessions would be held this evening:

CONFERENCE with Labor Negotiators - Government Code Section 54957.6: Agency Designated Representatives: Paul Cook and Jenny Roney Employees Organization: Irvine Ranch Water District Employees Association

CONFERENCE with legal counsel relative to anticipated litigation pursuant to Government Code Section 54956.9(d)(4) initiation of litigation (two potential cases); and

OPEN SESSION

Following the Closed Session, the meeting was reconvened with all Directors present. President LaMar said that there was no action to report.

ADJOURNMENT

There being no further business, President LaMar adjourned the meeting

APPROVED and SIGNED this 13th day of April, 2015.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson,
Wiles & Giannone