

MINUTES OF REGULAR MEETING – NOVEMBER 26, 2012

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:00 p.m. by President Matheis on November 26, 2012 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None

Also Present: General Manager Cook, Treasurer Jacobson, Executive Director of Finance and Administrative Services Clary, Executive Director of Operations Pedersen, Executive Director of Engineering Burton, Executive Director of Water Policy Heiertz, Secretary Bonkowski, Legal Counsel Arneson, Director of Human Resources Wells, Director of Public Affairs Beeman, Director of Wastewater Operations Posey, Mr. Malcolm Cortez, Ms. Fiona Sanchez, Ms. Cindy Beck, Ms. Gina Jackson, Mr. Mike Hoolihan, Ms. Teresa Tift, Mr. Chuck Boone, Mr. John Dayer, Mr. Jim Reed, Mr. Bruce Newell and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION: None.

PRESENTATIONS

RESOLUTION COMMENDING CINDY BECK FOR HER SERVICE TO THE DISTRICT

General Manager Cook presented Ms. Cindy Beck a resolution commending her for her 29 years of service to the District. On MOTION by Swan, seconded and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2012-49

RESOLUTION OF THE BOARD OF DIRECTORS  
OF IRVINE RANCH WATER DISTRICT COMMENDING  
CINDY BECK FOR HER DEDICATED AND  
LOYAL SERVICE TO THE DISTRICT

RESOLUTION COMMENDING TERESA TIFT FOR HER SERVICE TO THE DISTRICT

General Manager Cook presented Ms. Teresa Tift a resolution commending her for her 19 years of service to the District. On MOTION by Swan, seconded and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

PRESENTATIONS (CONTINUED)

RESOLUTION NO. 2012-50

RESOLUTION OF THE BOARD OF DIRECTORS  
OF IRVINE RANCH WATER DISTRICT COMMENDING  
TERESA TIFT FOR HER DEDICATED AND  
LOYAL SERVICE TO THE DISTRICT

RESOLUTION COMMENDING CHUCK BOONE FOR HER SERVICE TO THE DISTRICT

General Manager Cook presented Mr. Chuck Boone a resolution commending him for his 22 years of service to the District. On MOTION by Swan, seconded and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2012-51

RESOLUTION OF THE BOARD OF DIRECTORS  
OF IRVINE RANCH WATER DISTRICT COMMENDING  
CHUCK BOONE FOR HER DEDICATED AND  
LOYAL SERVICE TO THE DISTRICT

CONSENT CALENDAR

On MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 6 THROUGH 15 WERE APPROVED AS FOLLOWS:

6. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the November 12, 2012 Regular Board Meeting be approved as presented.

7. 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, Doug Reinhart, Peer Swan and John Withers.

8. DISTRICT STRATEGIC MEASURES' DASHBOARD

Recommendation: That the Board receive and file the Strategic Measures' Dashboard and information items.

CONSENT CALENDAR (CONTINUED)

9. OCTOBER 2012 FINANCIAL REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report and the monthly interest rate SWAP summary for October 2012; approve the October 2012 summary of payroll ACH payments in the total amount of \$1,333,778.62, and approve the October 2012 Accounts Payable Disbursement Summary of Warrants Nos. 333641 through 334471, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$26,007,371.24.

10. UPCOMING PROJECTS STATUS REPORT

Recommendation: Receive and file.

11. PORTOLA ZONE 9 BOOSTER PUMP STATION GENERATOR BUDGET ADDITION, EXPENDITURE AUTHORIZATION AND VARIANCE

Recommendation: That the Board authorize the addition of project 11667 (4146) in the amount of \$293,700 to the FY 2012-13 Capital Budget; approve an Expenditure Authorization in the amount of \$68,200 for Project 11667 (4146); and authorize the General Manager to execute Variance No. 5 in the amount of \$28,240 with Psomas for the Portola Zone 9 Booster Pump Station Generator, Project 11667 (4146).

12. MICHELSON WATER RECYCLING PLANT CONTRACT CHANGE ORDER AND VARIANCE

Recommendation: That the Board approve Contract Change Order No. 83 with J. R. Filanc Construction, Company in the credit amount of \$228,007.95 due to final quantity adjustment of the sewer and floodwall piles for MWRP Phase 2 Expansion and Flood Protection Improvements, projects 20214 (1599), 20542 (1150), 30214 (1706), and 30542 (1118); and approve Variance No. 2 with Delta Systems in the amount of \$70,000, for additional SCADA programming for the MWRP Phase 2 Expansion, projects 20214 (1599) and 30214 (1706).

13. STRAND RANCH RECOVERY FACILITIES PROJECT - REDUCTION OF RETENTION

Recommendation: That the Board find that satisfactory progress is being made on the construction contract with W.M. Lyles Company; authorize the reduction of retention from 10% to 5% of the contract amount; and release of funds to W.M. Lyles company in excess of 5% of the contract amount from retention currently held for the Strand Ranch Groundwater Recovery Facilities, project 11289 (2812).

CONSENT CALENDAR (CONTINUED)

14. PROPOSAL TO PROVIDE FLEET MAINTENANCE SERVICES TO THE ORANGE COUNTY CEMETERY DISTRICT

Recommendation: That the Board approve the draft terms and conditions for IRWD to provide maintenance and repair of Orange County Cemetery District's small fleet equipment for a two-year period and to authorize the General Manager to execute a municipal services agreement with the Orange County Cemetery District subject to non-substantive changes.

15. COUNTY REQUEST FOR UPDATED TAX RESOLUTIONS

Recommendation: Staff recommends that the Board adopt the following resolution by title revising a Resolution establishing Ad Valorem Tax Revenues for Fiscal year 2012/13.

RESOLUTION NO. 2012-52

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA  
ESTABLISHING AD VALOREM TAX REVENUES FOR  
FISCAL YEAR 2012/13

ACTION CALENDAR

INTERIOR/EXTERIOR RECOATING OF LAKE FOREST ZONE A RESERVOIR NO. 2 – EXPENDITURE AUTHORIZATION APPROVAL AND CONSTRUCTION AWARD

General Manager Cook reported that during the annual inspection of the Lake Forest Zone A Reservoir No. 2 in April 2010, staff recognized paint coating failures on the exterior surfaces of the roof plates and shell of the reservoir as well as similar coating failures on the interior surfaces. Mr. Cook said that the District's consultant, Harper & Associates Engineering, also performed interior and exterior inspections and concurred with staff's finding that the reservoir required recoating, and developed a scope of work consisting of repairing all defects noted during the annual and subsequent inspections, including the replacement of the interior ladder with a fiberglass model and the addition of hand railing around the roof hatch area.

Mr. Pedersen said that the project was advertised to the five contractors with suitable painting experience including Advanced Industrial Services, Inc., Blastco, Inc., J. Colon Coatings, Inc., Pacific Titan, Inc. and State Painting Company, Inc. Bids ranged from \$385,580 to \$503,300 with the apparent low bid from J. Colon Coatings, Inc. of \$385,580. J. Colon Coatings is well qualified to perform the work based upon past experiences performing similar projects. On MOTION by Reinhart, seconded and unanimously carried, **THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$386,100 FOR PROJECT 30324 (1817) AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH J. COLON COATINGS INC., IN THE AMOUNT OF \$385,580 FOR THE INTERIOR/EXTERIOR RECOATING OF THE LAKE FOREST ZONE A RESERVOIR NO. 2.**

SAN JOAQUIN MARSH CAMPUS MOLD REMEDIATION AT FIVE BUILDINGS -  
BUDGET ADDITION AND EXPENDITURE AUTHORIZATION APPROVAL

General Manager Cook reported that last summer a portion of the sub-flooring and floor of the San Joaquin Marsh Building Campus' Marsh House was discovered to be failing. Mr. Cook said In September, the District's consultant, Guaranteed Property Inspection (Guaranteed), completed the building inspections and found that all five buildings' subfloor structural members appear to have varying degrees of mold which need replacement and/or remediation using an abrasive process.

Executive Director of Engineering and Planning Burton said that Guaranteed's generalized recommendations included installing full roof gutters and downspouts with splash blocks, removing spray irrigation adjacent to the buildings, converting the crawl spaces to a conditioned space to eliminate moisture, sealing the subfloor members from beneath with a urethane coating, and installing a permanent dehumidifier. Since the caretaker's residence houses a District employee, the remediation work is to begin at that location.

Mr. Burton said that staff prepared a scope of work based on Guaranteed's recommendations and invited four building/mold remediation contractors to provide a cost proposal to remediate only the caretaker's residence at this time. He said that only two contractors, Certified Bio Services (Certified) and Shur Dry, Inc. (Shur Dry) attended the pre-bid conference and submitted bids on November 2. The low bid in the amount of \$35,974.63 was submitted by Shur Dry; however, Shur Dry did not use the project's bid form, and stated that their bid was a preliminary estimate. Shur Dry was unresponsive to staff's subsequent e-mail and telephone messages requesting they re-submit their final bid as well as to confirm that their subcontractor was a certified installer of the crawl space improvement system. Due to the above reasons, Shur Dry's bid was determined to be unresponsive. Certified submitted a bid of \$55,900 and is within the approval limits of the General Manager.

Director Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on November 14, 2012. He made a motion, which was seconded by Director LaMar, to approve staff's recommendation. In response to Director Reinhart's concerns about the repair costs, Director Swan said that he recommends repairing the caretaker's residence at this time; however, he said he would like staff obtain a second opinion on what type of mold is growing as he would like to obtain a thorough understanding prior to proceeding on the other buildings. General Manager Cook suggested that this project become "flagged" with future expenditures along with a second opinion to be submitted to the Board for approval. Director Swan offered a substitute to the pending motion which was accepted by the maker of the original motion, approving an Expenditure Authorization amount not to exceed \$80,000, with additional expenditures being "flagged". On MOTION by Swan, seconded and unanimously carried, **THE SUBSTITUTE MOTION WAS UNANIMOUSLY CARRIED AS FOLLOWS: THE BOARD AUTHORIZED THE ADDITION OF PROJECT 11665 (4130) IN THE AMOUNT OF \$369,600 TO THE FY 2012-13 CAPITAL BUDGET, APPROVED AN EXPENDITURE AUTHORIZATION IN A NOT-TO-EXCEED AMOUNT OF \$80,000 TO PERFORM REMEDIATION FOR THE CARETAKER RESIDENCE ONLY, AND THE SAN JOAQUIN MARSH CAMPUS MOLD REMEDIATION, PROJECT 11665 (4130) WAS FLAGGED FOR BOARD APPROVAL ON ANY FUTURE EXPENDITURES.**

SYPHON RESERVOIR INTERIM IMPROVEMENTS PROJECT EXPENDITURE  
AUTHORIZATION AND EQUIPMENT PRE-PURCHASE

General Manager Cook reported that the District purchased Syphon Reservoir from the Irvine Company in 2010 to provide additional recycled water storage. While the long-term storage capacity of the reservoir is being determined, the Syphon Reservoir Interim Improvements Project will construct a filtration system, chlorination system, and pipe modifications to connect Syphon Reservoir to the Zone A System. In April 2012, URS Corporation was selected to provide design services for the Syphon Reservoir Interim Improvements Project. Hunsaker and Associates was retained to provide design services for the Syphon Pipelines through the Crean Lutheran High School site under the terms of an existing PA 9B Supplemental Reimbursement Agreement with ICDC. Both design consultants are on schedule to complete design work by November 30, 2012. Construction is scheduled to begin in February 2013, and construction completion is scheduled for June 30, 2013.

Executive Director of Engineering Burton reported that in 2006 staff evaluated several types of strainers and conducted a pilot test program to select the one that was best suited for raw water filtration at the District's reservoirs. Mr. Burton said that Hellan Strainers was determined to provide the best performance with a low maintenance cost. He said the lead time to acquire strainers can take up to 16 weeks; therefore, staff negotiated a cost from Hellan Strainers to purchase two 14-inch strainers for the project. Purchasing the strainers now will allow the District to provide the strainers to the selected construction contractor in early March 2013 and will keep the project on schedule to complete construction by June 30, 2013.

Mr. Burton said that the proposed pipelines through the Crean property consist of approximately 620 feet of 36-inch steel recycled water pipe, 550 feet of 4-inch domestic water pipe, and 570 feet of 48-inch reservoir drain pipe. He said that since the lead time to acquire the steel pipe can take up to 16 weeks, staff obtained quotes from steel pipe manufacturers for the project. Purchasing the pipe now will allow the District to provide the steel pipe to the selected contractor in early March 2013 and will keep the project on schedule to start after Crean completes its rough grading for athletic fields in February 2013.

Mr. Burton said that staff received quotes from Imperial Pipe, Northwest Pipe Company, and West Coast Pipe. The quotes ranged from \$101,273 to \$193,192 with West Coast Pipe submitting the lowest price at \$101,273. Staff recommends that the steel pipe be pre-purchased from West Coast Pipe in the amount of \$101,273. If Crean is delayed in completing the rough grading, then IRWD has the option for West Coast Pipe to store and maintain the pipe at their facility for up to nine months at a cost of \$1,140 per month.

Director Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on November 14, 2012. In response to Director Swan's concerns, Mr. Burton said that construction for future expansion of the reservoir can proceed without interfering with the property boundaries for Crean's athletic fields. Following discussion, on MOTION by Reinhart, seconded and unanimously carried, **THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION FOR PROJECT 30374 (3729) IN THE AMOUNT OF \$345,400; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH HELLAN STRAINERS IN THE AMOUNT OF \$143,610 FOR THE PRE-PURCHASE OF TWO 14-INCH STRAINERS; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH WEST COAST PIPE IN THE AMOUNT OF \$101,273.44 FOR THE PRE-PURCHASE OF 36-INCH STEEL PIPE FOR SYPHON RESERVOIR INTERIM IMPROVEMENTS, PROJECT 30374 (3729).**

## GENERAL MANAGER'S REPORT

General Manager Cook reported on an Orange County Register article in which a man was apprehended at the Operations center attempting to steal copper wire from the Filanc construction site.

Mr. Cook placed before each Director a copy of the brochure of the District's Biosolids project which includes frequently asked questions, and is now on the District's website. He said that he is pleased with the current community acceptance of this proposed project and that it is going before the City of Irvine's Planning Commission on December 6, 2012 for review. Director Swan asked staff to provide him with additional information relative to the cost savings to the District's customers as noted in the brochure.

## DIRECTORS' COMMENTS

Director LaMar reported on his attendance at a Municipal Water District of Orange County Board (MWDOC) meeting.

Director Reinhart also reported on his attendance at a MWDOC Board meeting. He further asked staff for a status report on the payment from the County of Orange due to the measures taken by the District to protect the treatment plant from potential flooding by the San Diego Creek in a major storm event.

Director Swan reported on his attendance at Association of California Water Association's California Water Finance Task Force meeting and a Newport Bay Watershed Executive meeting. In response to his inquiry, Mr. Burton provided him an update on the berm wall openings at the Michelson Water Recycling Plant.

Director Withers reported that he attended a meeting at Metropolitan Water District today relative to the concept of virtual water and encouraged staff and the Board to learn about this water "footprint" as well as consider a District footprint.

Director Matheis reported that she will be attending an upcoming ISDOC quarterly meeting as well as a MWDOC Elected Officials forum this week. She said that the Board will be attending the upcoming ACWA conference the first week of December in San Diego.

## CLOSED SESSION

President Matheis said that the following Closed Session would be held this evening:

CLOSED SESSION RELATIVE TO CONFERENCE WITH REAL PROPERTY  
NEGOTIATOR –

Government Code Section 54956.8:

Property: Portions of Sections 1 T30S, R25E MDB&M, Kern County

Parcels Nos. 160-010-39,160-010-42

Negotiating Parties: Eric Averett, General Manager, Rosedale-Rio Bravo Water  
Storage District

Agency Negotiator: Paul Cook, General Manager

Purpose of Negotiations: Price and Term of Payment

OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors Swan, Reinhart,  
LaMar and Matheis present, and Withers absent. No action was reported.

ADJOURNMENT

President Matheis adjourned the meeting.

Approved and signed this 10th day of December, 2012.

---

President/Vice President, IRVINE RANCH WATER  
DISTRICT

---

Secretary/Assistant Secretary, IRVINE RANCH WATER  
DISTRICT

APPROVED AS TO FORM:

---

Legal Counsel - Bowie, Arneson, Wiles & Giannone