

MINUTES OF REGULAR MEETING – NOVEMBER 24, 2014

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 November 24, 2014 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, Executive Director of Engineering and Water Quality Burton, Executive Director of Finance Clary, Executive Director of Operations Shields, Executive Director of Water Policy Weghorst, Director of Treasury and Risk Management Jacobson, Director of Public Affairs Beeman, Director of Water Resources Sanchez, Assistant Director of Water Operations Roberts, Assistant Director of Operations Lee, Legal Counsel Arneson, Secretary Bonkowski, Ms. Christine Compton, Mr. Mike Hoolihan, Mr. Jim Reed, Mr. Mark Tettmer, Ms. Gretchen Ronin, Mr. John Dayer, Mr. Rich Mori and other members of the public and staff.

WRITTEN COMMUNICATION:

Mrs. Joan Irvine Smith's assistant asked that the status of the Dyer Road Wellfield be included in the minutes as follows: Currently wells 1, 2, 7, C-8, C-9, 10, 11, 14, 15, and 17 will operate in accordance with the District's annual pumping plan and that wells 3, 4, 5, 6, 12, 13, 16 and 18 will be off.

ORAL COMMUNICATION – None.

CONSENT CALENDAR

On MOTION by Matheis, seconded and unanimously carried, CONSENT CALENDAR ITEMS 3 THROUGH 11 WERE APPROVED AS FOLLOWS:

3. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the November 10, 2014 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, Peer Swan and John Withers as described.

CONSENT CALENDAR (CONTINUED)

5. RESOLUTION OF COMMENDATION FOR LARRY AGRAN

Recommendation: That the Board adopt the following resolution by title commending Councilman Larry Agran for his dedicated service to the Irvine community.

RESOLUTION NO. 2014-53

RESOLUTION OF THE BOARD OF DIRECTORS  
OF IRVINE RANCH WATER DISTRICT COMMENDING  
MR. LARRY AGRAN FOR 28 YEARS OF DEDICATED  
SERVICE TO THE CITY OF IRVINE

6. OCTOBER 2014 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for October 2014, and Disclosure Report of Reimbursements to Board members and staff; approve the October 2014 Summary of Payroll ACH payments in the total amount of \$2,176,141 and approve the October 2014 accounts payable disbursement summary of warrants 352357 through 353242, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$38,448,453.

7. UPCOMING PROJECTS STATUS REPORT

Recommendation: Receive and file.

8. DISCOVERY SCIENCE CENTER AGREEMENT VARIANCE NO. 1

Recommendation: That the Board authorize the General Manager to execute a variance in the amount of \$299,370 to the Professional Services Agreement with the Discovery Science Center to provide water education program services for Fiscal Years 2014-15 and 2015-16.

9. SYPHON RESERVOIR INTERIM FACILITIES AND PIPELINE IMPROVEMENTS  
FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Syphon Reservoir Interim Facilities and Pipeline Improvements, project 30374 (3729); 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.

CONSENT CALENDAR (CONTINUED)

10. BAKER WATER TREATMENT PLANT PROGRAMMING SUPPORT CONSULTANT SELECTION

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement in the amount of \$168,000 with Arcadis for programming support for the Baker Water Treatment Plant, project 11747 (5027).

11. MICHELSON WATER RECYCLING PLANT PHASE 2 EXPANSION CONTRACT CHANGE ORDER

Recommendation: That the Board approve Contract Change Order No. 118 in the credit amount of <\$49,147.28> for additional system testing and deletion of work items with J. R. Filanc Construction Co. for the Michelson Water Recycling Plant Phase 2 Expansion, project 30214 (1706).

ACTION CALENDAR

LONG-TERM DISABILITY, LIFE, AND DEPENDENT LIFE INSURANCE COVERAGE FOR CALENDAR YEAR 2015

General Manager Cook reported that staff has received renewal rates from Principal Financial for Long-Term Disability (LTD), Group Term Life Insurance (GTL), and Dependent Life Insurance coverage. Mr. Cook said that Principal Financial has proposed an increase of 20.5% for IRWD's GTL coverage, increasing the cost per \$1000 of coverage from \$0.146 to \$0.176. Principal Financial has also proposed an increase of 17% to IRWD's LTD coverage, increasing the cost per \$100 of covered wages from \$0.47 to \$0.55. He said that staff requested the District's broker, Mercer, to market this coverage to other providers to determine if more competitive rates were available and that Hartford Insurance provided the most competitive proposal. Hartford has proposed a rate of \$0.34 cost per \$100 of covered wages for LTD and \$0.13 per \$1000 of coverage for GTL. These rates are lower than what the District was paying in 2007 when coverage was last provided by Hartford. While the proposed rate for Dependent Life is higher than the District's current rate, the combined rate for all coverages results in significant savings to the District overall. Hartford is also offering a two-year rate guarantee. Following discussion, Director Swan said that he would like to amend the motion to direct staff to communicate with the District's retirees that the contract with Hartford includes additional benefits that will apply to the coverage until termination of the contract. On MOTION by Swan, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO CANCEL THE CURRENT CONTRACT WITH PRINCIPAL FINANCIAL AND ENTER INTO A TWO-YEAR CONTRACT WITH HARTFORD FOR LONG-TERM DISABILITY, GROUP TERM LIFE, AND DEPENDENT LIFE INSURANCE COVERAGE, AND STAFF WAS DIRECTED TO CONTACT THE DISTRICT'S RETIREES OUTLINING THE ADDITIONAL BENEFITS WHICH WILL BE COVERED UNTIL THE TERMINATION OF THE TWO-YEAR CONTRACT.

### THREE-YEAR JANITORIAL SERVICES CONTRACT

General Manager Cook reported that IRWD's Sand Canyon Headquarters (Sites 1-2), Operations Center (Sites 3-13), Los Alisos Water Recycling Plant (Site 14), and 11 satellite facilities (Sites 15-25) totaling 115,000 square feet require ongoing janitorial services. On March 1, 2014, a three-year contract for these services was awarded to Starbrite Building Maintenance, Inc. Subsequent to the award, the contractor consistently fell short of the contract performance standards. Staff initiated a 90-day probation and performance review period effective July 1, 2014. During the probation and performance review period, staff conducted frequent inspections and worked closely with the contractor to ensure standards were met; however, in spite of this effort, the contractor was unable to perform satisfactorily, and new proposals for janitorial services were solicited.

A Request for Proposal was issued on October 23, 2014 to eight custodial contractors. Five contractors attended the October 28, 2014 job walk. Of the job walk participants, three submitted proposals: American Building Maintenance, Sunset Property Services, Inc., and DMS Facility Services, LLC. The lowest responsive bidder was DMS Facility Services, LLC. with a bid of \$590,784. On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A THREE-YEAR JANITORIAL SERVICES CONTRACT WITH DMS FACILITY SERVICES, LLC. IN THE TOTAL AMOUNT OF \$590,784.

### 2015 SEWER COLLECTION SYSTEM MASTER PLAN CONSULTANT SELECTION

Executive Director of Engineering and Water Quality Burton reported that the 2015 Sewer Collection System Master Plan (SCSMP) project will update the 2006 SCSMP by performing a detailed flow monitoring program, calibrating sewer flow projections, developing a hydraulic model, and analyzing reliability and redundancy for critical sewer collection facilities.

Mr. Burton said that seven consulting firms were requested to submit proposals for the 2015 SCSMP. RMC Water and Environment, Dudek, AKM Consulting Engineers, and a Stantec/RBF team submitted proposals. The four teams were evaluated based on their team experience, technical approach, and responsiveness to IRWD concerns during the interview. He said that although all the teams had their specific strengths, staff recommends the project be awarded to AKM due to their technical approach and project understanding; local, cohesive team experience; determining the required level of effort for the amount of staff hours required, and overall value. He further said that staff negotiated a final scope and fee of \$891,784.

Director Reinhart reported that this item was reviewed by the Engineering and Operations Committee on November 18, 2014. Director Swan relayed a number of his concerns including the current flows during the drought versus a robust economy; new developments being built by the Irvine company; the trunk sewers along the San Diego Creek Intereceptor and ramifications if a pipe break occurred, and adding bypass capabilities.. There being no further comments, on MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH AKM CONSULTING ENGINEERS IN THE AMOUNT OF \$891,784 TO COMPLETE THE 2015 SEWER COLLECTION SYSTEM MASTER PLAN, PROJECT 21748 (5142).

## IRVINE LAKE PIPELINE NORTH CONVERSION PROJECT CONSULTANT SELECTIONS

General Manager Cook reported that staff recently completed the Irvine Lake Pipeline (ILP) North Conversion Study which recommends the establishment of a new hydraulic zone, Zone C+, to feed existing and planned future areas with recycled water.

Using a PowerPoint presentation, Principle Engineer Hoolihan reported on the project's purpose/benefits, project costs, and schedule. Mr. Hoolihan said that the primary purpose and benefits included: 1) extending recycled water into upper Orchard Hills and Santiago Hills; 2) converting existing irrigation demands served by untreated water; and 3) converting existing irrigation demands served by potable water.

Staff received proposals for design of the ILP North Conversion Reservoir Project from Black & Veatch, Carollo Engineers, HDR, and Kleinfelder/Simon Wong Engineering. Kleinfelder/Simon Wong Engineering's proposal presented the most relevant overall reservoir experience as well as unique ideas for locating the new reservoir on the existing site. Staff also received proposals for design of the ILP North Conversion Pipelines Project from Dudek, Hunsaker & Associates, Tetra Tech, VA Consulting, and URS Corporation (URS). URS's proposal presented an excellent understanding of the project and included extensive investigations of available pipe alignments, including initial public utility searches, a clear understanding of the traffic control requirements, which will be performed in-house, and an understanding of the phasing requirements and physical constraints of the work area.

Director Reinhart reported that the Engineering and Operations Committee reviewed this item on November 18, 2014 where he discussed his concerns with the project. Following discussion, on MOTION by Reinhart, seconded and unanimously carried, **THE BOARD APPROVED A BUDGET DECREASE IN THE AMOUNT OF <\$1,493,600> TO THE FY 2014-15 CAPITAL BUDGET FOR PROJECT 30496 (5407); AUTHORIZED THE ADDITION OF PROJECT 30513 (5823), IN THE AMOUNT OF \$7,494,600, TO THE FY 2014-15 CAPITAL BUDGET; APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$1,037,000 FOR PROJECT 30496 (5407); APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$905,800 FOR PROJECT 30513 (5823); AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH KLEINFELDER/SIMON WONG ENGINEERING, IN THE AMOUNT OF \$723,654, FOR ENGINEERING SERVICES FOR THE IRVINE LAKE PIPELINE NORTH CONVERSION RESERVOIR, PROJECT 30496 (5407); AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH URS CORPORATION, IN THE AMOUNT OF \$659,865, FOR ENGINEERING SERVICES FOR THE ILP NORTH CONVERSION PIPELINES, PROJECT 30513 (5823).**

## RATTLESNAKE RESERVOIR CHLORINE GAS SYSTEM REMOVAL CONSTRUCTION AWARD

General Manager Cook reported that non-potable water is disinfected at the Rattlesnake Chlorination Facility to control biological growth in the recycled water distribution system and to control odors downstream of the Zone A North tank. Mr. Cook said that the Rattlesnake Chlorination Facility currently uses chlorine gas which is labor intensive and requires additional safety measures when compared to the use of liquid sodium hypochlorite. The Rattlesnake Reservoir Chlorine Gas

Removal Project will replace the chlorine gas system and related appurtenances with sodium hypochlorite storage and feed facilities.

Executive Director of Engineering and Water Quality Burton reported that the project was advertised October 20, 2014 to a select list of nine contractors including ARB, Inc., Clarke Contracting, Gateway Pacific Contractors, Olsson Construction, Pacific Hydrotech, Pascal & Ludwig Constructors, Schuler Engineering, SS Mechanical, and W.M. Lyles. Mr. Burton said that the bid opening was held November 18, 2014, with bids received from ARB, Inc., Pacific Hydrotech, Schuler Engineering, and SS Mechanical with Schuler Engineering the apparent low bidder with a bid amount of \$1,725,900. He said that staff reviewed Schuler Engineering's bid and has determined that it is responsive. He further said that the engineer's estimate, prepared by Carollo Engineers, was \$1,852,000. The low bid was about 4 percent less than the engineer's estimate.

On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$724,500, FROM \$1,706,400 TO \$2,430,900, FOR PROJECT 30435 (4959), AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH SCHULER ENGINEERING CORPORATION IN THE AMOUNT OF \$1,725,900 FOR THE RATTLESNAKE RESERVOIR CHLORINE GAS SYSTEM REMOVAL, PROJECT 30435 (4959).

## OTHER BUSINESS

### GENERAL MANAGER'S REPORT

General Manager Cook reported on his meeting today with OCWD's Mike Markus and John Kennedy, and Orange County Farm Bureau's A.G. Kawamura relative to agricultural replenishment assessments.

Mr. Cook reported on a letter received today from the City of San Clemente noting an interest of purchasing three cfs of water from the Baker Treatment Plant which he said he will be forwarding to the participating agencies.

He further noted his upcoming speaking engagements with ACC-OC relative to the drought and at UCI with representatives from China where discussions will be held on regional transfers.

### DIRECTORS' COMMENTS

Director Matheis reported on her attendance at an Irvine City Council meeting accepting an Irvine Global Village Festival Sponsor Recognition award; an ACC-OC election results analysis with Mr. Dan Walters; a CORO water conference with Executive Director of Operations Sheilds; a MWDOC retirement event for Director Wayne Clark, an OCWD retirement event for Director Kathryn Barr; an Exchange Club of Irvine event; and an Urban Water Institute meeting.

## DIRECTORS' COMMENTS (CONTINUED)

Director Withers said that he was very impressed with the comment letter sent to Mr. Markus of the Orange County Water District relative to Clean Energy Capital's financial analysis of the proposed Huntington Beach Water Desalination Project, and complimented staff and the Directors on their efforts.

Director Reinhart reported on his attendance at the MWDOC Board meeting.

Director Swan reported on his attendance at OCWD meetings; a WACO monthly meeting; a WACO planning meeting; retirement events for Directors Clark and Kathryn Barr; and a two-day ACWA Board meeting in Sacramento.

Director LaMar reported on his attendance at a CORO conference; a retirement event for Director Clark; and a Nature Reserve of Orange County meeting where one of their priority challenges is to assemble a Fire Management Plan. In that regard, he said NROC hired Ms. Carol Rose as a consultant to prepare guidelines for each property owner. Mr. LaMar also said he will be discussing this topic tomorrow with the new Orange County Fire Chief.

## CLOSED SESSION

President LaMar said that the following Closed Session will be held:

CLOSED SESSION CONFERENCE WITH LABOR NEGOTIATOR pursuant to (Government Code Section 54957

Agency Designated Representative: Steven Lamar

Unrepresented Employee: Paul Cook

## OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors Swan, Reinhart, LaMar, Withers, and Matheis present. By unanimous vote (5-0 ayes), EFFECTIVE OCTOBER 1, 2014, THE GENERAL MANAGER WAS GRANTED A 6.00% INCREASE OF HIS CURRENT BASE SALARY WITH THE DISCRETION TO APPLY THIS INCREASE TO HIS BASE SALARY AND/OR PERFORMANCE AWARD.

## ADJOURNMENT

There being no further business, President LaMar adjourned the meeting in memory of Mr. Ted Martin, President of El Toro Water District.

APPROVED and SIGNED this 15<sup>th</sup> day of December, 2014.

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President, IRVINE RANCH WATER DISTRICT

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Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

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Legal Counsel - Bowie, Arneson, Wiles & Giannone