

MINUTES OF REGULAR MEETING – JULY 9, 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 July 9, 2018 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Reinhart, Withers (arrived at 5:12 p.m.), Matheis, Swan, and LaMar.

Also Present: General Manager Cook, Executive Director of Engineering and Water Quality Burton, Executive Director of Water Policy Weghorst, Executive Director of Finance and Administration Clary, Director of Water Recycling Operations Zepeda, Director of Maintenance Drake, Director of Water Operations Roberts, Director of Water Resources Sanchez, Director of Human Resources Roney, Director of Treasury and Risk Management Jacobson, Government Relations Officer Compton, Director of Public Affairs Beeman, Legal Counsel Collins, Legal Counsel Casey, Secretary Bonkowski, Public Affairs Manager Fabris, Principal Engineer Cortez, Principal Engineer Akiyoshi, Mr. Andrew Pollard, Mr. Mike Suple, and Ms. Brittany O'Donnell.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

CONSENT CALENDAR

Following a request from Director Swan to vote separately on Item No. 8, on MOTION BY Matheis, seconded by LaMar and carried (LaMar, Reinhart, Matheis, and Swan voting aye and Withers absent (4-1), CONSENT CALENDAR ITEMS NOS. 3 THROUGH 7 AND 9 WERE APPROVED. On MOTION by Matheis, seconded by LaMar and carried (LaMar, Matheis, and Reinhart voting aye, Withers absent and Swan voting no (3-1-1), CONSENT CALENDAR ITEM NO. 8 WAS APPROVED.

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

Recommendation: That the Board ratify/approve the meetings and events for Mary Aileen Matheis, Doug Reinhart, Steve LaMar, Peer Swan and John Withers, as described.

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the June 25, 2018 Regular Board Meetings be approved as presented.

5. 2018 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: Receive and file.

CONSENT CALENDAR (CONTINUED)

6. LUMP SUM PAYMENT OPTION FOR EMPLOYER CONTRIBUTIONS FOR FY 2018-19 TO THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Recommendation: That the Board approve the lump sum payment for employer contributions to the California Public Employees Retirement System by making a one-time contribution of \$4,520,803 for the District's FY 2018-19 employer contribution.

7. MICHELSON WATER RECYCLING PLANT FILTER PUMP STATION NO. 2 DISCHARGE HEADER REPLACEMENT FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Michelson Water Recycling Plant Filter Pump Station No. 2 Discharge Header Replacement, project 07009, 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. RESOLUTION FOR TITLE XVI GRANT FUNDING FOR THE SYPHON RESERVOIR IMPROVEMENT PROJECT

Recommendation: That the Board adopt the following resolution by title authorizing staff to apply for a Bureau of Reclamation WaterSMART: Title XVI Water Reclamation and Reuse Program grant for up to 25% of the total project costs for the Syphon Reservoir Improvement Project that will be completed before September 30, 2020, and authorizing the General Manager to execute a related agreement to receive grant funding.

RESOLUTION NO. 2018 – 19

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT AUTHORIZING SUBMISSION OF
A GRANT APPLICATION FOR THE WATERSMART TITLE XVI
WATER RECLAMATION AND REUSE PROGRAM TO THE
DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION,
POLICY AND ADMINISTRATION

9. NEWPORT BAY WATERSHED COOPERATIVE AGREEMENT

Recommendation: That the Board authorize the General Manager to execute a Cooperative Agreement to fund total maximum daily load programs and related activities in the Newport Bay Watershed (No. MA-080-18011416), and approve related Newport Bay nutrient, fecal coliform and toxics TMDLs work plans and budgets.

ACTION CALENDAR

2018 WATER USE EFFICIENCY OUTREACH CAMPAIGN

Director of Public Affairs Beeman reported that last year a new creative water use efficiency outreach campaign was launched which focused on reducing outdoor watering among customer groups that have traditionally been difficult to reach. Ms. Beeman said that based on the success of the 2017 fall water use efficiency campaign and the recent customer survey findings that indicate customers are willing to do more to save water, staff recommends the implementation of a 2018 fall water use efficiency campaign that will continue to focus on outdoor water use.

Using a PowerPoint presentation, Mr. Mike Sukle of Sukle Advertising provided the Board with an update on the media impressions delivered to individuals during the 2017 campaign noting nearly 10 million digital advertising impressions, television advertising across 25 networks, cinema programs in 11 theaters, bus and bus shelter advertising, and its campaign in newspapers. Director Withers arrived at 5:12 p.m.

Mr. Sukle said that pre-campaign and post-campaign surveys targeting single-family homes were conducted by FM3 and noted that: 1) 48% of the customer surveyed said they saw at least one of the IRWD advertisements suggesting the campaign reached a strong share of the audience; 2) television, bus/bus shelter advertisements and communications from IRWD were cited as the most seen mediums; 3) one-third of post-survey respondents recalled “The days are shorter, water less” call-to-action and 29% said this encouraged them to make changes to their sprinkler timers; 4) both pre and post-campaign surveys indicated that 86% of IRWD’s customers continue to consider outdoor water use efficiency important; and 5) three of four customers agreed they could do more to waste less water.

Mr. Sukle said that staff conducted an evaluation of over-allocation customers targeted in the 2017 fall campaign with the goal of determining if there were data to support changes in water use behavior by these customers after the campaign ended. He said the evaluation concluded that no significant water savings or differences were identifiable due to: 1) pre-campaign water use data was affected by the severe statewide drought and drought messaging in 2016-17; 2) an extremely wet 2016-17 and a dry 2017-18; and 3) non-drought pre-campaign water use and allocation data were affected by significant changes to customer allocations during and after the drought.

Mr. Sukle said that in May 2018, FM3 conducted a customer survey of 800 IRWD customers and that a portion of the survey was dedicated to water conservation awareness and behavior among the survey group. Key findings include: 1) nearly 23% of respondents self-reported that they are using less water than one year ago; 66% are using about the same and 10% are using more; 2) just over half said they are likely to take additional steps to conserve water, however the additional steps mentioned most were indoor as opposed to outdoor; and 3) customers continue to focus more on indoor water use than on outdoor water use.

Mr. Sukle said that their firm proposes to expand and reuse the “See it from Your Lawn’s Perspective” campaign for the next fiscal year and include two of the individuals from last year’s campaign.

Following discussion, Director Matheis said that this item was reviewed by the Water Resources Policy and Communications Committee on July 5, 2018. On MOTION by Matheis, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE

A PROFESSIONAL SERVICES AGREEMENT WITH SUKLE ADVERTISING & DESIGN IN THE AMOUNT OF \$790,330 FOR IMPLEMENTATION OF THE 2018 WATER USE EFFICIENCY CAMPAIGN.

DOMESTIC WATER PIPELINE REPLACEMENT TO THE MICHELSON WATER RECYCLING PLANT CONSTRUCTION AWARD

General Manager Cook reported that the Michelson Water Recycling Plant (MWRP) currently receives domestic water from a six-inch asbestos cement pipeline located within the landscaped slope of Riparian View. Mr. Cook said that this pipeline has experienced multiple leaks since 2011 and needs to be replaced.

Executive Director Engineering and Water Quality Burton that that the project was advertised for construction bidding to a select list of nine pipeline contractors. Mr. Burton said that three contractors attended the pre-bid meeting and the bid opening was held on June 28, 2018. He said that GCI Construction is the apparent low bidder with a bid of \$322,335. The engineer's estimate is \$250,000. He said that the cost difference between the engineer's estimate and the bids received can be predominantly attributed to the higher-than-expected costs to install the new pipeline and to restore the pavement. The bid prices for pipe installation ranged from \$245 to \$440 per linear foot; the engineer's estimate was \$212 per linear foot. Since the two low bids received are within 9%, staff believes the low bid represents the true cost of the project. He further said that although GCI Construction's bid included a cost for mobilization and demobilization that exceeded the District's maximum requirement of 5% of the total bid, legal counsel advised that the requirement may be waived since there would not be a competitive disadvantage for the other bidders. On MOTION by Matheis, seconded and unanimously carried, **THE BOARD WAIVED THE REQUIREMENT THAT A COST FOR MOBILIZATION AND DEMOBILIZATION NOT EXCEED A MAXIMUM OF 5% OF THE TOTAL BID AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH GCI CONSTRUCTION, INC. IN THE AMOUNT OF \$322,335 FOR THE DOMESTIC WATER PIPELINE REPLACEMENT TO THE MICHELSON WATER RECYCLING PLANT, PROJECT 07149.**

GENERAL MANAGER'S REPORT

General Manager Cook said that a flier had been placed before each Board member noticing LAFCO's farewell celebration on August 8 for Commissioner John Withers for his 24 years of service.

Mr. Cook said that he received notice from the Southwest Membrane Operators' Association that the District received a first place award for best-tasting water from the Irvine Desalter Project and a second place award for the Baker Water Treatment Plant.

DIRECTORS' COMMENTS

Director Matheis reported on her attendance at the South Orange County State of the County luncheon meeting featuring Supervisor Lisa Bartlett, an ISDOC Quarterly meeting, a WACO monthly meeting, and that on Tuesday she will be attending an ISDOC Executive Committee meeting.

Director Swan reported on his attendance at an ISDOC quarterly meeting, a WACO Planning meeting, Newport Beach Chamber of Commerce meetings, a California Water Dialogue meeting which

celebrated its 20 anniversary, a WACO monthly meeting, and a MWDOC Workshop with MWD Directors.

Director LaMar reported on his attendance at a MWDOC workshop with MWD Directors, and a WACO monthly meeting relative to water bonds.

Director Reinhart reported on his attendance at a MWDOC workshop with MWD Directors, a WACO monthly meeting, and a MWDOC Planning and Operations Committee meeting.

CLOSED SESSION

President Reinhart said that a Closed Session would be held as follows:
Conference with Legal Counsel relative to existing litigation – Government Code Section 54956.9(d)(1) IRWD v. OCWD Case No. 30-2016-00858584.

OPEN SESSION

Following the Closed Session, the meeting was reconvened with five Directors present. President Reinhart said no action was reported in Closed Session.

ADJOURNMENT

President Reinhart adjourned the meeting at 7:32 p.m.

APPROVED and SIGNED this 23rd day of July, 2018.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, Legal Counsel – Lewis Brisbois