

MINUTES OF REGULAR MEETING – SEPTEMBER 10, 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 September 10, 2018 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: Acting General Manager Burton, Executive Director of Water Policy Weghorst, Executive Director of Finance and Administration Clary, Executive Director of Operations Chambers, Director of Water Recycling Operations Zepeda, Director of Water Resources Sanchez, Director of Administrative Services Mossbarger, Director of Treasury and Risk Management Jacobson, Director of Public Affairs Beeman, Legal Counsel Collins, Secretary Bonkowski, Assistant Secretary Swan, Principal Engineer Cortez, Principal Engineer Akiyoshi, Principal Engineer Mori, District Consultant Newell, Electrical and Instrumentation Manager O’Neill, User Support Manager Sharp, Customer Service Manager Matuska, Mr. Andrew Pollard, Ms. Melissa Baum-Haley, and members of the public.

WRITTEN COMMUNICATIONS: None.

ORAL COMMUNICATIONS: Mr. Colin Lavin of International Brotherhood of Electrical Workers Local 47 introduced himself to the Board and commented on the status of current bargaining efforts. Director Swan left the Board room.

ITEMS TOO LATE TO BE AGENDIZED: None.

CONSENT CALENDAR

On MOTION by Withers, seconded and carried, (Matheis, Reinhart, LaMar, Withers voting aye and Swan absent (4-0)), CONSENT CALENDAR ITEMS 3 THROUGH 9 WERE APPROVED AS FOLLOWS:

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 August 27, 2018 Regular Board Meeting be approved as presented.

CONSENT CALENDAR (Continued)

5. 2018 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: Receive and file.

6. MICHELSON WATER RECYCLING PLANT SECURITY FENCING FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Michelson Water Recycling Plant Security Fencing, Projects 07824, 07825, 07826, 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.

7. UCI COOLING TOWER RECYCLED WATER CONVERSION PIPELINE PHASE II FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the UCI Cooling Tower Recycled Water Conversion Pipeline Phase II, Projects 07101 and 07102, 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. RENEWAL OF GROUP MEDICAL AND DENTAL INSURANCE PLANS FOR PLAN YEAR 2019

Recommendation: That the Board authorize the continuation of the District's health insurance plans with CalPERS with changes in District and employee contribution rates as outlined in Exhibit "A", and authorize continuation of the District's dental insurance plans with ACWA/JPIA Delta Dental DPO Plan A with the child and adult orthodontic plan add-on with no changes to premium rates from the 2018 plan year.

9. REVISED DEFERRED COMPENSATION INVESTMENT POLICY STATEMENT

Recommendation: That the Board approve the Proposed Deferred Compensation Investment Policy Statement.

ACTION CALENDAR

ORANGE COUNTY GREAT PARK REACH A SEWER IMPROVEMENTS BUDGET INCREASE AND CONSTRUCTION AWARD

Director Swan returned to the Board room. Principal Engineer Mori reported that FivePoint constructed the Reach A sewer in 2014 to serve the planned development at the Great Park. Mr. Mori said that after constructing the sewer, FivePoint increased the number of proposed dwelling units at the Great Park which prompted the need to upsize the Reach A sewer. FivePoint has since upsized various portions of the sewer within its development, and IRWD is upsizing the offsite portion of the sewer through Irvine Company property and under the Interstate 5 freeway. He said that this project includes upsizing approximately 1,500 feet of 12-inch diameter sewer pipeline to 18-inch diameter sewer pipeline and miscellaneous manhole improvements.

Approximately 450 feet of the upsized sewer will be constructed under Interstate 5 freeway via bore and jack.

Mr. Mori said that staff advertised the project for bids to a select list of 12 contractors including CCL Contracting, E.J. Meyer Company, GCI Construction, Kennedy Pipeline Company, L&S Construction, Leatherwood Construction, Mladen Buntich Construction, Paulus Engineering, Steve P. Rados, Sukut Construction, T.E. Roberts, and W.A. Rasic Construction. The bid opening was held on August 30 with bids received from T.E. Roberts, L&S Construction, E.J. Meyer Company, Paulus Engineering, and Mladen Buntich Construction. Mr. Mori said that T. E. Roberts, Inc. is the apparent low bidder with a bid amount of \$1,251,110. The remaining bids ranged between \$1,781,400 and \$2,514,450. The engineer's estimate, prepared by MBF Consulting, was \$1,285,000. Following discussion relative to the future capacity requirements in that area and noting that a parallel system will remain be in place, on MOTION by Matheis, seconded and unanimously carried, **THE BOARD APPROVED A BUDGET INCREASE IN THE AMOUNT OF \$1,055,100, FROM \$652,000 TO \$1,707,100, FOR PROJECT 10068 AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH T.E. ROBERTS, INC. IN THE AMOUNT OF \$1,251,110 FOR THE ORANGE COUNTY GREAT PARK REACH A SEWER IMPROVEMENTS, PROJECT 10068.**

PROPOSED IRWD POLICY PRINCIPLES REGARDING UPDATES TO METROPOLITAN WATER DISTRICT'S LOCAL RESOURCES PROGRAM

Executive Director of Water Policy Weghorst reported that the Metropolitan Water District of Southern California (MWD) is developing updates to its policies governing the implementation of its Local Resources Program (LRP) which provides incentives to water agencies for the development of water recycling, groundwater recovery, and seawater desalination projects.

Mr. Weghorst said that staff has prepared a policy position paper regarding updates to MWD's Local Resources Program. He said currently MWD offers three LRP incentive payment structures for the development of water recycling, groundwater recovery, and seawater desalination projects. He then reviewed the draft IRWD policy principles which provide a basis for IRWD's advocacy for making such improvements and for developing new approaches including: 1) MWD should consider the needs of its member agencies in implementing incentive programs other than the LRP to encourage water supply projects located both in and outside of MWD's service area that improve the water supply reliability of MWD and its member agencies; 2) MWD should establish criteria for prioritizing LRP incentives to local resource projects in areas with reduced water supply reliability as compared to other areas of MWD's service area; 3) LRP funding should not be provided to projects that result in local communities subsidizing other areas of MWD's service area; 4) LRP funding should not result in significant impacts to MWD treatment facilities; 5) LRP funding should also be offered to agencies for projects that will result in reductions in demands for untreated water from MWD with incentives being provided down to the cost of Full Service Tier-1 Untreated Rate offered by MWD such as recycled water storage projects; 6) MWD should index its LRP incentives to inflation to improve the feasibility and lifecycle costs of local resource projects; 7) MWD should expand the LRP or develop other incentives programs to encourage storm water and urban runoff capture and reuse projects that do not result in reductions in supplies to others; 8) A new incentive program should be implemented by MWD that promotes development of extraordinary supplies from projects located outside MWD's service area; 9) Incentives should be provided to fund large "on-site"

reuse projects that defer or avoid MWD's capital and/or operational costs; and 10) MWD should provide LRP incentives to desalination projects through separate funding initiatives that do not impair the ability of non-desalination related local projects to receive funding under existing MWD limits for LRP investments.

Director Matheis reported that this item was reviewed by the Water Resources Policy and Communication Committee on September 6, 2018. Following discussion, on MOTION by Matheis, seconded and unanimously carried, **THE BOARD ADOPTED THE PROPOSED IRWD POLICY POSITION PAPER REGARDING UPDATES TO METROPOLITAN WATER DISTRICT'S LOCAL RESOURCES PROGRAM.**

GENERAL MANAGER'S REPORT

Acting General Manager Burton reported that the SARWQCB approved an NPDES permit which would allow tertiary water to flow to the San Diego Creek in emergency situations.

Mr. James Sharp was introduced to the Board as the District's new User Support Manager in the Information Systems Department who will focus on managing computer support provided to District users. Mr. Sharp then provided a background of his work history.

DIRECTORS' COMMENTS

Director Withers thanked Mr. Colin Lavin for introducing himself to the Board. He further said he attended his regular meetings.

Director Matheis reported on her attendance at the Coastkeepers' "Toast of the Coast" event along with Directors LaMar and Withers, and a WACO meeting last Friday.

Director Swan reported on his attendance at an ACWA Energy meeting, a MWDOC Board Workshop with MWD Directors, an OCWD Board Meeting, a WACO meeting, an exposition at the Newport Beach City Hall, and an SWD/IRWD Ad Hoc Committee meeting.

Director LaMar reported on his attendance at a MWDOC Board workshop with MWD Directors, an OC Coastkeepers "Toast the Coast" event, and an ACWA Executive Director Selection Committee meeting where they chose a new Executive Director with background and reference checks in process.

Director Reinhart reported on his attendance at a Sustain OC Water Solution 3: Stretching Water Resources event, a MWDOC Board Workshop with MWD Directors, a SOCWA Board Meeting, and a WACO meeting.

COMMUNITY UPDATES

Consultant Bruce Newell reported that he will be attending an annual pre-fire season meeting this Thursday.

ADJOURNMENT

President Reinhart adjourned the meeting at 5:49 p.m.

APPROVED and SIGNED this 24th day of September, 2018.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, Legal Counsel
– Lewis Brisbois