

MINUTES OF REGULAR MEETING – NOVEMBER 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 Vice President Matheis on November 23, 2015 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Reinhart, LaMar (arrived at 5:14 p.m.), Swan, Matheis and Withers

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Finance and Administration Clary, Executive Director of Engineering and Planning Burton, Executive Director of Operations Shields, Director of Treasury and Risk Management Jacobson, Director of Public Affairs Beeman, Director of Water Resources Sanchez, Legal Counsel Arneson, Secretary Bonkowski, Assistant Director of Maintenance Drake, Government Relations Manager Compton, Mr. Bruce Newell, Mr. Jim Reed, Mr. Hal Furman and Ms. Sally Furman, and other members of the public and staff.

WRITTEN AND ORAL COMMUNICATIONS: None.

CONSENT CALENDAR

Director Swan said relative to Item No. 5, he requested the Colorado Rivers Users Annual Conference being held December 16 through December 18 in Las Vegas be included on the list of meetings he will attend on behalf of the District. Additionally, Director Matheis said she was unable to attend the two meetings listed for November 18. There being no further comments, on MOTION by Withers seconded and carried (4-0) (Withers, Reinhart, Matheis and Swan voting aye, and LaMar absent), THE FOLLOWING CONSENT CALENDAR ITEMS 4 THROUGH 10 WERE APPROVED AS AMENDED:

4. MINUTES OF BOARD MEETINGS

Recommendation: That the minutes of the November 6, 2015 Adjourned Regular Board meeting and the November 9, 2015 Regular Board Meeting be approved as presented.

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

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

CONSENT CALENDAR (CONTINUED)

6. OCTOBER 2015 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for October 2015, and Disclosure Report of Reimbursements to Board members and staff; approve the October 2015 Summary of Payroll ACH payments in the total amount of \$2,329,412 and approve the October 2015 accounts payable disbursement summary of warrants 361858 through 362728, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$37,445,122.

7. AUTOMATION SUPPORT CONSULTANT SERVICES

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement in the amount of \$200,000 with Vertech for automation support services.

8. LAGUNA CANYON ROAD AND TECHNOLOGY DRIVE CAPITAL RECYCLED WATER FACILITIES

Recommendation: That the Board authorize the General Manager to accept Irvine Community Development Company's construction contract with Sukut in the amount of \$2,344,000 for the Laguna Canyon Road and Technology Drive Capital Recycled Water facilities, project 30366.

9. 400 AND 450 SPECTRUM CENTER DRIVE CAPITAL SEWER RELOCATION

Recommendation: That the Board authorize the addition of project 21304 (6479) to the FY 2015-16 Capital Budget in the amount of \$596,200; authorize the General Manager to execute a Supplemental Reimbursement Agreement with Irvine Community Development Company; and authorize the General Manager to accept Irvine Community Development Company's construction contract with KEC Engineering in the amount of \$1,490,825 for the 400 and 450 Spectrum Center Drive Sewer Relocation, project 21304 (6479).

10. THREE-YEAR DAM MONITORING AND SURVEILLANCE CONSULTANT SELECTION

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with Genterra Consultants, Inc. in the amount of \$144,990 for three years of dam monitoring and surveillance services.

ACTION CALENDAR

ENTERPRISE ASSET MANAGEMENT SYSTEM PROJECT SUPPORT VARIANCE

Executive Director of Operations Shields reported that the Enterprise Asset Management System (EAMS) project is designed to improve the District's ability to manage and derive maximum value from its assets from acquisition to retirement. Mr. Shields said that the first phase of the project, initiated in January 2015, is a mammoth task and includes pre-implementation activities such as completing the asset inventory database, asset identification, condition assessment protocols, and asset consequence of failure analysis.

Assistant Director of Maintenance Drake reported that Variance No. 1 provides for project management support services on a full-time basis through 2016 completing the pre-implementation phase and moving on to the first stages of the implementation phase. Mr. Drake said to date 12,400 items have been categorized as well as 57,000 items photographed which will be integrated into a software package. He said that the second or implementation phase will include milestones such as recommending and seeking approval of a software package; initiating the software implementation process; finalizing maintenance organizational structure impacts; developing business processes and asset management strategies; and the continuation of asset consequence of failure analysis. President LaMar arrived at 5:14 p.m. Mr. Drake said that during the planning stages for the EAMS project, project management for Phase One was anticipated to be performed by the Maintenance and Reliability Manager; however, as a result of various conditions, it has been managed by a full-time Project Manager since January 2015. He further said that this constitutes a variance of 100% over the original contract bringing the total contract amount to \$620,400.

In response to Director Swan's inquiry if there would be a downside to collecting information prior to selecting the software, Mr. Drake noted that the information collected is designed to work with any software package. Director Swan suggested that staff investigate which systems perform best in the private sector for asset management systems. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH GHD IN THE AMOUNT OF \$310,200 FOR PROJECT MANAGEMENT SUPPORT SERVICES FOR THE ENTERPRISE ASSET MANAGEMENT SYSTEM PROJECT.

PRESENTATION

FEDERAL LEGISLATIVE ACTIVITIES UPDATE

Mr. Hal Furman, the District's federal legislative consultant, provided an update on the 2016 legislative activities including the Water Resources Reform and Development Act, legislation to respond to the drought, legislation to provide tax rebates for water conservation, and the Santa Ana Mountains to Sea legislation.

ACTION CALENDAR (CONTINUED)

DYER ROAD WELL FIELD SURGE TANKS CONSULTANT SELECTION

This project will replace the existing surge tanks at Well 11 and Well 15 and install new surge tanks at Well 5 and Well 7, all which will be built aboveground to avoid corrosion. The surge tank at Well 16 will be built as part of the Initial Disinfection Facility (IDF) Sodium Hypochlorite Storage and Feed System project since Well 16 and IDF are located on the same site. Staff issued a Request for Proposal for the design to Carollo Engineers, Lee & Ro, Tetra Tech, and West Yost Associates. Tetra Tech was selected based on its team's project understanding, extensive experience on similar projects and proposal fee.

On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH TETRA TECH IN THE AMOUNT OF \$290,000 FOR THE DYER ROAD WELL FIELD SURGE TANKS, PROJECT 11754 (5473).

DYER ROAD WELL FIELD WELL NO. 3 REHABILITATION CONSTRUCTION AWARD

Beginning in 1998 until September 2010, tetrachloroethylene or perchloroethylene (PCE), trichloroethylene (TCE), and perchlorate were periodically detected in the well water and since 1998, Well No. 3 has only been operated for quarterly sampling, capacity tests, and equipment tests. IRWD retained Richard C. Slade & Associates to provide design services for the well's rehabilitation. The project was advertised for construction to a select list of five contractors. Two bids were received with the apparent low bidder being General Pump Company with a bid amount of \$477,657. The engineer's estimate was \$455,550.

In response to Director Swan's comments, General Manager Cook said that although Well No. 3 has not produced water for potable use, it remains an important well for IRWD in the event other District wells are not able to operate as planned. Following discussion, on MOTION by Withers, seconded and carried (4-1) (Withers, Reinhart, Matheis and LaMar voting aye, and Swan voting no), THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$300,300, FROM \$401,500 TO \$701,800; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH GENERAL PUMP COMPANY IN THE AMOUNT OF \$477,657 FOR THE DYER ROAD WELL FIELD WELL NO. 3 REHABILITATION, PROJECT 11672 (4327).

OTHER BUSINESS

GENERAL MANAGER'S REPORT

General Manager Cook reported on last Friday's power outage at the MWRP where Southern California Edison's large transformer shorted out. He said repairs were made and the plant was back in operation at 8:15 p.m with a debriefing meeting scheduled for tomorrow. Director Reinhart suggested conducting an analysis of the failure modes in place.

General Manager Cook updated the Board on Service Area 7 and noted that staff will be meeting with OCSD staff in the near future.

DIRECTORS' COMMENTS

Director Withers reported on his attendance at a LAFCO meeting and an OCSD Board meeting. He thanked General Manager Cook, Government Relations Manager Compton and President LaMar for attending the recent LAFCO Commissioner's meeting relative to Service Area 7.

Director Swan reported on a meeting with MWDOC's Director Bret Barbre last week to discuss several water issues including reservoir storage legislation; a WACO Planning meeting; an OCWD lunch meeting where Principle Engineer Malloy spoke on bioreactors; and an Explore Ocean event where the District was presented a plaque for its support.

Director Reinhart reported that he and Director LaMar attended MWDOC's Public Affairs and Legislation meeting, a South Orange County Managers meeting with Director LaMar and General Manager Cook, and an MNWD Board meeting honoring Director Larry Lizotte for his 45 years of service to the District. He said he was unable to attend the MWDOC Board meeting.

Director Matheis reported on her attendance at a South Orange County Water Management Executive Committee meeting, an Exchange Club Annual Thanksgiving breakfast event, and an IEEE Orange County Section Annual Awards event.

Director LaMar reported that he attended a MWDOC Board meeting, a South Orange County Agencies meeting, a Natural Community Coalition meeting, and the Exchange Club of Irvine's annual Thanksgiving breakfast event.

ADJOURNMENT

President LaMar adjourned the meeting at 6:31 p.m.

APPROVED and SIGNED this 14th day of December, 2015.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone