

EXHIBIT "A"

MINUTES OF REGULAR MEETING – DECEMBER 11, 2017

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 December 11, 2017 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Engineering and Water Quality Burton, Executive Director of Finance and Administration Clary, Director of Public Affairs Beeman, Public Affairs Manager Fabris, Executive Director of Operations Shields, Director of Human Resources Roney, Director of Treasury and Risk Management Jacobson, Director of Water Operations Zepeda, Director of Maintenance Drake, Director of Water Resources Sanchez, Government Relations Officer Compton, Legal Counsel Smith, Secretary Bonkowski, Principle Engineer Malloy, Principle Engineer Cortez, Principle Engineer Akiyoshi, Mr. Barkov Meserlian, Ms. Eileen Lin, Ms. Amy McNulty, Mr. Dan Burmaster and Mr. Gregorio Estrada.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

CONSENT CALENDAR

Following requests from Directors Swan and Reinhart, item Nos. 4 and 11 were moved to the Action Calendar. There being no further comments, on MOTION by LaMar, seconded and unanimously carried, ITEMS 3, 5 THROUGH 10, AND 12 THROUGH 14 WERE APPROVED AS FOLLOWS:

3. MINUTES OF REGULAR BOARD MEETINGS

Recommendation: That the minutes of the November 27, 2017 Regular Board Meeting be approved as presented.

5. 2017 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: Receive and file.

6. FY 2016-17 COMPREHENSIVE FINANCIAL REPORT

Recommendation: Receive and file the Comprehensive Annual Financial Report subject to nonsubstantive changes.

CONSENT CALENDAR (CONTINUED)

7. MICHELSON WATER RECYCLING PLANT SECURITY FENCING BID REJECTION

Recommendation: That the Board reject all bids received for the Michelson Water Recycling Plant Security Fencing, Projects 07824, 07825 and 07826, and authorize staff to re-bid the project after revising the project documents.

8. RECYCLED WATER RESERVOIRS FILTRATION BUDGET ADDITION

Recommendation: That the Board authorize the addition of Project 10436 in the amount of \$134,200 to the FY 2017-18 Capital Budget for the Recycled Water Reservoir Filtration, Project 10436.

9. PLANNING AREA 6 PORTOLA SPRINGS NEIGHBORHOOD 5B AND 5C CAPITAL IMPROVEMENTS

Recommendation: That the Board authorize the addition of Planning Area 6 Neighborhood 5B and 5C Improvements, Projects 10100 and 10426, to the FY 2017-18 Capital Budget in the amounts of \$640,000 and \$81,000, respectively, for the design and construction of recycled water improvements under an existing Supplemental Reimbursement Agreement with the Irvine Community Development Company for Planning Area 6 (Portola Springs).

10. TUSTIN LEGACY MOFFETT AND LEGACY ROAD CAPITAL FACILITIES

Recommendation: That the Board authorize the addition of the Moffett Drive and Legacy Road Capital Domestic Water and Recycled Water Improvements, Projects 10260 and 10261 each in the amount of \$643,000, to the FY 2017-18 Capital Budget; and authorize the General Manager to accept the City of Tustin's construction contract with Sukut Construction, LLC in the amount of \$758,337 for the Moffett Drive and Legacy Road Capital Domestic Water and Recycled Water Improvements, Projects 10260 and 10261.

12. ENTERPRISE ASSET MANAGEMENT SUPPORT SERVICES

Recommendation: That the Board authorize the General Manager to execute a Professional Services Variance with Kayuga Solution for a not-to-exceed cost of \$176,800.

APPROVING DISSOLUTION OF THE IRVINE RANCH WATER DISTRICT IMPROVEMENT CORPORATION

Recommendation: That the Board adopt the following resolution by title:

RESOLUTION NO. 2017-25

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT
APPROVING DISSOLUTION OF IRVINE RANCH WATER DISTRICT
IMPROVEMENT CORPORATION

CONSENT CALENDAR (CONTINUED)

14. NOVEMBER 2017 TREASURY REPORTS

Recommendation: That The Board Receive And File The Treasurer's Investment Summary Report, The Summary Of Fixed And Variable Rate Debt, The Monthly Interest Rate Swap Summary For November 2017, And Disclosure Report Of Reimbursements To Board Members And Staff; Approve The November 2017 Summary Of Payroll Ach Payments In The Total Amount Of \$1,996,983 And Approve The November 2017 Accounts Payable Disbursement Summary Of Warrants 381564 Through 382441 Workers' Compensation Distributions, Wire Transfers, Payroll Withholding Distributions And Voided Checks In The Total Amount Of \$19,270,394.

ACTION CALENDAR

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

Director Swan noted a meeting he was not able to attend and said that tomorrow he was planning to attend a WACO planning meeting. There being no further comments, on MOTION by Swan, seconded and unanimously carried, THE BOARD RATIFIED/APPROVED THE MEETINGS AND EVENTS FOR STEVEN LAMAR, MARY AILEEN MATHEIS AND PEER SWAN.

VARIANCE NO. 5 TO SYNERGY COMPANIES AGREEMENT FOR WATER-ENERGY GRANT RELATED CUSTOMER PROGRAMS

Pursuant to Director Reinhart's request to gain a better understanding of this program, Ms. Amy McNulty provided an overview of the grant program. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 5 TO THE AGREEMENT FOR NON-CONSULTANT SERVICES BETWEEN IRWD AND SYNERGY COMPANIES IN THE AMOUNT OF \$169,000 TO CONTINUE PROVIDING FUNDING FOR THE ONE-STOP SHOP FOR WATER AND ENERGY EFFICIENCY PROGRAM WHICH WILL BE FULLY REIMBURSED THROUGH THE CALIFORNIA DEPARTMENT OF WATER RESOURCES WATER-ENERGY GRANT.

TERMINATION OF JOINT SERVICES AT THE CHIQUITA AND LOS ALISOS WATER RECYCLING PLANT

General Manager Cook reported that both IRWD and Santa Margarita Water District (SMWD) currently have underutilized and unneeded capacity ownership in SMWD's Chiquita and IRWD's Los Alisos Water Recycling Plant (LAWRP) for conveyance and treatment of sewage. Mr. Cook said that both agencies are in the process of evaluating options for modernizing their respective sewage treatment plants, and since these modernizations will require capital outlay from each District for the other District's facilities, staff worked cooperatively to determine the best path forward to terminate capacity ownership. He said that a Term Sheet for termination of joint services at these facilities has been developed, and an agreement will be prepared over the next few months.

Executive Director of Engineering and Water Quality Burton reported that Board representatives from IRWD and SMWD met on November 9, 2017 to review the Term Sheet which allows for each District to be relieved of its capacity ownership in the other District's conveyance and treatment facilities at no cost commencing July 1, 2018, provides that SMWD will assume responsibility for IRWD's remaining 0.1 MGD sewage flow from the Portola Hills area, and that SMWD will assume responsibility for 0.1 MGD of IRWD's capacity ownership in Trabuco County Water District's (TCWD) El Toro Sewer System. IRWD's remaining 0.542 million gallons per day (MGD) capacity ownership in TCWD's El Toro Sewer System will remain the responsibility of IRWD until a possible future agreement can be negotiated with TCWD. On MOTION by Matheis, seconded and unanimously carried, THE BOARD APPROVED THE TERM SHEET SUBJECT TO NON-SUBSTANTIVE CHANGES, AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE AN AGREEMENT BASED ON THE TERM SHEET.

THREE-YEAR JANITORIAL SERVICES CONTRACT AWARD

Executive Director of Operations Shields reported that a Request for Proposal with an added scope of work to include one new facility, the Baker Water Treatment Plant, was distributed to American Building Maintenance, DMS Facilities Services, Inc., Priority Building Services, and Sunset Property Services. Mr. Shields said that a bid opening was held with the lowest responsive bid received from American Building Maintenance, Inc. He said that this bid represents an increase of \$140,148 over the previous contract due to the additional scope of services and increased labor costs. He further said that American Building Maintenance, Inc. provided several references which received satisfactory responses.

Director LaMar said that this item was reviewed and approved by the Engineering and Operations Committee on December 5, 2017. On MOTION by LaMar, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A THREE-YEAR JANITORIAL SERVICES CONTRACT WITH AMERICAN BUILDING MAINTENANCE, INC., IN THE AMOUNT OF \$730,932.71 WITH ITS TERM ENDING DECEMBER 31, 2020.

MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES CONTRACT CHANGE ORDER NO. 68

General Manager Cook reported that Filanc/Balfour-Beatty (FBB) is constructing the Michelson Water Recycling Plant (MWRP) Biosolids and Energy Recovery Facilities (Biosolids Project). Contract Change Order (CCO) No. 68 includes costs for several mechanical, electrical, instrumentation, and controls items.

Executive Director of Engineering and Water Quality Burton reported that staff negotiated with FBB and agrees to the labor and material costs contained in CCO No. 68 which contains the following items: 1) FOG modifications in the amount of \$83,648.47 – to enhance the FOG receiving, storage, and mixing system operation, piping modifications and additional control features were requested by staff; 2) additional electrical outlets and circuits in the solids handling building in the amount of \$44,054.83 – after review of operational needs, staff determined that additional electrical outlets and circuits are required in several areas in the solids handling building; 3) control panel modifications in the methane digester complex in the amount of \$55,414.03 – after review of the electrical code requirements, it was determined that the three sump pump control panels in the basement of the methane digester complex need to be relocated for proper clearance from an explosive gas environment; and 4) additional electrical,

instrumentation, and controls for the heat dryer system in the amount of \$386,435.86 – during the submittal process, the dryer manufacturer, Andritz, disclosed that over 400 additional points were required for electrical, instrumentation, and controls of the dryer system.

Director LaMar reported that this item was reviewed by the Engineering and Operations Committee on December 5, 2017. Following discussion, on MOTION by LaMar, seconded and unanimously carried, THE BOARD APPROVED CONTRACT CHANGE ORDER NO. 68 IN THE AMOUNT OF \$569,553.19 WITH FILANC/BALFOUR BEATTY FOR SEVERAL MECHANICAL, ELECTRICAL, INSTRUMENTATION, AND CONTROLS ITEMS FOR THE MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES, PROJECT 04286.

SEWER COLLECTIONS SYSTEM INFRASTRUCTURE REHABILITATION SERVICE CONTRACT AWARD

The Sewer General System Modification Project is used to fund repairs required in the sewer system infrastructure. The scope of work for this project includes sewer manhole cleaning, wall preparation, lid and ring replacement, application of liner, and spark testing to ensure the installation is in compliance with the District's Construction Manual.

Executive Director of Operations Shields reported for the last three years, Zebron Corporation has been awarded the contract through a competitive bid process to perform this type of rehabilitation work for the District. Mr. Shields said that staff distributed a Request for Proposal to multiple qualified contractors. He said that bids were received from Zebron Corporation and Sancon Engineering with Zebron as lowest responsive bidder.

On MOTION by LaMar, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT AWARD WITH ZEBRON CONTRACTING, INC. IN THE AMOUNT NOT TO EXCEED \$990,000 FOR THE PERIOD JANUARY 1, 2018 THROUGH DECEMBER 31, 2020.

ANNUAL BOARD OF DIRECTORS' FEES

General Manager Cook reported that the Finance and Personnel Committee annually reviews the Board of Directors' compensation and recommends to the Board to either accept or deny a fee increase for the new calendar year. Pursuant to the District's Ordinance No. 1989-1 and enacted under Section 20202 et seq. of the California Water Code, the Board's meeting compensation increases on January 1 of each year; however, said increase may not exceed an amount equal to five percent, and no compensation for more than a total of 10 days in any calendar month. The last Board of Directors' compensation increase was effective in January 2017. The current compensation for the Board of Directors is \$273 per meeting, not to exceed 10 meetings per month. Director Swan recommended delaying action on this item at this time. On MOTION by Swan, seconded and unanimously carried, THE BOARD RECOMMENDED NO ACTION AT THIS TIME WITH AN ITEM TO BE AGENDIZED AT A FUTURE DATE.

ELECTION OF OFFICERS

General Manager Cook reported that the Bylaws of the District provide that the President and Vice President shall be elected by the Board from among its members. The term of office of the

President and Vice President is one year, or until the election and qualification of their successors. On January 9, 2017, Director Reinhart was elected to the office of President and Director Peer Swan was elected to the office of Vice President for calendar year 2017. General Manager Cook acted as temporary Chairman to conduct the election of President. Director LaMar nominated Director Reinhart as President. There being no further nominations, Director LaMar made a motion for nominations to be closed. Director Swan said that his comment did not have any reflection on the current nomination, but that he believed the Board adopted a policy of rotating officers annually.

There being no further comments, on MOTION by LaMar, seconded carried on a roll call vote (4-1), (Matheis, Reinhart, LaMar, and Withers voting aye and Swan noting no), DOUGLAS REINHART WAS ELECTED PRESIDENT FOR 2018. Director Withers nominated Director LaMar as Vice President. There being no further nominations, Director Withers made a motion for nominations to be closed. Director Swan said he had the same comments on the previous item On MOTION by Director Withers, seconded and carried by a roll call vote, STEVEN LAMAR WAS ELECTED VICE PRESIDENT FOR 2018.

GENERAL MANAGER'S REPORT

General Manager Cook reported that he communicated with OCWD's General Manager Markus in relation to a pilot program for storage and exchange accounts. He said this pilot program will also be discussed at this Wednesday's Producers meeting with the Producers aligned with IRWD's position.

Mr. Cook noted that Director Matheis will be unavailable for the January 8, 2018 Board meeting, and following a review of the Advance Calendar, determined that this meeting be cancelled due to a lack of items. He said that the next Board meeting will be held on January 22, 2018.

DIRECTORS' COMMENTS

Director Matheis reported on her attendance at an ACWA conference in Anaheim, and said she also attended her regular outside activities.

Director Withers reported on his attendance at an ACWA conference and said he will be attending an NWRI meeting, an OCSD Board meeting and a SAWPA meeting this week.

Director LaMar reported on his attendance at an ACWA conference, a meeting with Mr. Grant Davis from the California Department of Water Resources, and a WACO meeting, and said he will be attending a California Environmental Dialogue meeting relative to long-term issues.

Director Swan reported on his attendance at an ACWA Conference, an ACWA JPIA Committee meeting, a SAWPA reception for two retirees, a Chapman University Economic Forecast event, a meeting at UCI relative to desalination, a Newport Chamber of Commerce meeting, and a WACO meeting.

Director Reinhart reported on his attendance at an ACWA conference, a MWDOC Board workshop, and a SOCWA Board meeting.

ADJOURNMENT

There being no further business, President Reinhart adjourned the meeting.

APPROVED and SIGNED this 22nd day of January, 2018.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Alfred Smith, Legal Counsel – Nossaman LLP