

## EXHIBIT “A”

### MINUTES OF REGULAR MEETING –JUNE 13, 2022

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 June 13, 2022 at the District offices, 15600 Sand Canyon Avenue, Irvine. This meeting was also held via teleconference with Director McLaughlin participating remotely, and due to noticing requirements, she abstained from voting.

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

Directors Absent: None.

Written and Oral Communications: None.

Also Present: General Manager Cook, Executive Director of Technical Services Burton, Executive Director of Operations Chambers, Executive Director of Finance and Administration Clary, Director of Treasury and Risk Management Jacobson, Executive Director of Water Policy Weghorst, Director of Recycling Operations Zepeda, Director of Water Resources Sanchez, Director of Human Resources Mitcham, Director of Strategic Communications and Advocacy/Deputy General Counsel Compton, Acting Director of Maintenance Manning, Director of Safety and Security Choi, Director of Information Services Kaneshiro, Director of Water Quality and Regulatory Compliance Colston, Secretary Bonkowski, Assistant Secretary Swan, General Counsel Collins, Consultant Newell, and members of the staff and public.

### WORKSHOP

#### MID-CYCLE OPERATING AND NON-OPERATING REVIEW THROUGH FISCAL YEAR 2022-23

Executive Director of Finance and Administration Clary reported that the two-year operating and non-operating budgets for Fiscal Year (FY) 2021-22 and FY 2022-23 were approved by the Board in April 2021, and rates based on cost-of-service through June 30, 2023 were adopted by the Board in January 2022. Ms. Clary said that staff conducted a detailed review of the second year of the two-year approved budgets for FY 2022-23 and using a PowerPoint presentation, reviewed the mid-cycle operating and non-operating budgets noting that forecasted expense variance is \$6.0 million, and that staff is recommending that the Rate Stabilization Fund be used to cover any shortfalls in operating expenses. She further said that Proposition 218 rules allow for recalculation of rates to include pass-through costs and that rates may be increased with notification of at least 30 days and without a public hearing or any additional action by the IRWD Board of Directors.

Following a brief discussion, Director Swan reported that this item was reviewed by the Finance and Personnel Committee on June 7, 2022.

CONSENT CALENDAR

General Manager Cook asked that Item No. 7, 2022 Legislative and Regulatory Update, be moved to the Action Calendar for an update on SB 1157 (Hertzberg).

Mr. Cook further said that each June, the Board is typically asked to consider changes to the salary schedules for District employees. He said that pursuant to Government Code 9495.3(c)(3), prior to taking final action on changes to salary schedules that include salary ranges for local agency executives, a summary of the recommended action for Item No. 8 is required. He said the recommendation for this item is to revise the District Salary Grade Schedules for FY 2022-23 in order to incorporate a revised Salary Grade Schedule and adopt a resolution superseding resolution No. 2022-9 revising Schedule of Positions and Salary Rate Ranges for the General Unit, the non-exempt Supervisor Unit, and for Managers, and exempt Supervisors, Confidential and Exempt Employees. He said that the revision to the salary grade scheduled is based on a cost-of-living adjustment of 7.9% for FY 2022-23.

On MOTION by Swan, seconded by Withers and carried (Swan, Withers, LaMar and Reinhart voting aye, and McLaughlin abstaining (4-0-1 vote), THE BOARD APPROVED CONSENT CALENDAR ITEMS 5, 6, AND 8 THROUGH 11 AS FOLLOWS:

5. BOARD MEETING MINUTES

Recommendation: That the minutes of the May 23, 2022 Regular Board meeting be approved as presented.

6. RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS IN 2022

Recommendation: That the Board ratify/approve the events for Steven LaMar, Douglas Reinhart, Peer Swan, and John Withers, as described.

8. ADOPTION OF REVISED IRWD SCHEDULE OF POSITIONS AND SALARY RATE RANGES FOR FISCAL YEAR 2022-23

Recommendation: That the Board approve the revised Salary Grade Schedule and adopt the following resolution by title superseding Resolution No. 2022-8 and adopting a revised Schedule of Positions and Salary Rate Ranges for the General Unit, Non-exempt Supervisor Unit, and for Managers, Exempt Supervisors, Confidential and Exempt Employees.

RESOLUTION NO. 2022-9

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, SUPERSEDING RESOLUTION NO. 2022-8 AND ADOPTING A REVISED SCHEDULE OF POSITIONS AND SALARY RATE RANGES

## CONSENT CALENDAR (Continued)

### 9. LUMP SUM PAYMENT OPTION FOR EMPLOYER CONTRIBUTIONS FOR FISCAL YEAR 2022-23 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 \$7,828,346 for IRWD's Fiscal Year 2022-23 employer Unfunded Accrued Liability contribution.

### 10. IRVINE BUSINESS COMPLEX APPURTENANCE RELOCATIONS CONSTRUCTION AWARD

Recommendation: That the Board authorize the addition of Project 12053 to the Fiscal Year 2021-22 Capital Budget in the amount of \$908,000 and authorize the General Manager to execute a construction contract with T.E. Roberts, Inc. in the amount of \$557,303 for the Irvine Business Complex Appurtenance Relocations, Project 12053.

### 11. REHABILITATION OF DYER ROAD WELLFIELD WELLS 1, 11, AND 13 FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Rehabilitation of Dyer Road Wellfield Wells 1, 11, and 13, authorize the General Manager to file a Notice of Completion, and authorize the payment of retention 35 days after recording the Notice of Completion for Projects 07092, 07088, and 10098.

## ACTION CALENDAR

### IRWD GUIDING PRINCIPLES SCORECARD

Executive Director of Finance and Administration Clary reported that staff has provided operational performance measures to the Board on a quarterly basis since February 2015 and now recommends a refresh of the current measures. Ms. Clary said that the new Guiding Principles Scorecard is intended to reflect the critical performance measures that gauge the District's key business objectives and reflect the Board-adopted Guiding Principles.

Using a PowerPoint presentation, Financial Analyst Pardee reviewed the District's vision and guiding principles, the previously used operational performance measures, and the proposed guiding principles scorecard. Following discussion, staff will make adjustments to this document and also continue with some previous trends as requested by the Board.

### 2022 ANNUAL WATER SUPPLY AND DEMAND ASSESSMENT

Using a PowerPoint presentation, Director of Water Resources Sanchez reported that IRWD's 2022 Annual Water Supply and Demand Assessment (AWSDA) is an assessment of the near-term outlook for supplies, demands and identification of any expected water shortage that may prompt response actions in the current year. Ms. Sanchez said that available supplies are assessed through

staff coordination with Orange County Water District and regional wholesalers including Municipal Water District of Orange County and the Metropolitan Water District. She said that MWDOC's 2022 AWSDA shows that there is no imported water shortage affecting IRWD.

Ms. Sanchez then reviewed the Key Criteria and Assumptions for IRWD's 2022 AWSDA: 1) The AWSDA is based on IRWD's annual water budget and therefore considers the previous year's demands and projected future demands; 2) The AWSDA is based on a projected single dry year of unconstrained demands, which are defined as demands absent any water supply or demand restrictions; 3) Projected water supplies for the AWSDA include IRWD's supplemental water banking supplies that would be available for use on an emergency basis, if needed; and 4) IRWD can access additional imported supplies in Southern California and has the potential to pump additional groundwater, if needed. She said that as shown in the 2022 AWSDA, IRWD has no projected water shortage. IRWD has an overall surplus of 25% for potable supplies and a 2% surplus for non-potable supplies, with no shortage gap. The AWSDA demonstrates that the District's supplies are reliable and are in surplus.

Director Withers reported that this item was reviewed by the Water Resources Policy and Communications Committee on June 2, 2022. On MOTION by Withers, seconded by Reinhart, and carried (Swan, Withers, LaMar and Reinhart voting aye, and McLaughlin abstaining (4-0-1 vote), THE BOARD APPROVED THE 2022 ANNUAL WATER SUPPLY AND DEMAND ASSESSMENT FOR SUBMITTAL TO THE DEPARTMENT OF WATER RESOURCES PRIOR TO THE JULY 1, 2022, DEADLINE.

#### IRWD CUSTOMER ENGAGEMENT AND ANALYTICS PROGRAM

Using a PowerPoint presentation, Director of Water Resources Sanchez provided background on the WaterSmart Software program implemented as a pilot program in 2012 which developed into a full-scale program in 2013 to present. She said that this web-based portal has 82,032 current active recipients that receive a 57% email open. She reviewed the program benefits some of which includes water use information and tips, alerts, and also contains a leak resolution and bill explainer section to assist customers to resolve issues online.

Ms. Sanchez said that the current Customer Engagement and Analytical Program services contract with WaterSmart expires on June 30, 2022, so in March 2022, staff issued a request for proposal (RFP) to 12 companies to provide Customer Engagement and Analytical Program services for the next five years. She said that in response to the RFP, proposals were received from five firms: AquaTrax, Open Channel Systems, Smart Energy Water, Util360, and WaterSmart. She said that staff completed a thorough evaluation of the written proposals, conducted interviews with each of the five companies, checked references, and evaluated cybersecurity measures. Based on this evaluation, staff recommends the selection of WaterSmart to provide program software and services for FY 2022-23, with annual options to extend the contract for up to five years.

She said that WaterSmart's software and services for IRWD's Customer Engagement and Analytical Program will provide IRWD with a customer portal, data analytics, and powerful customer communication tools. These tools provide IRWD with the ability to monitor and evaluate program marketing effectiveness and customer engagement with the portal as well as tailor other outreach messaging.

Director Withers reported that this item was reviewed by the Water Resources Policy and Communications Committee on June 2, 2022. On MOTION by Withers, seconded by Swan and carried (Swan, Withers, LaMar and Reinhart voting aye, and McLaughlin abstaining (4-0-1 vote), THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH WATERSMART TO PROVIDE CUSTOMER ENGAGEMENT AND ANALYTICS PROGRAM SOFTWARE AND SERVICES FOR FISCAL YEAR 2022-23 IN THE AMOUNT OF \$191,101, WITH AN OPTION TO EXTEND THIS AGREEMENT ANNUALLY FOR UP TO FIVE YEARS WITH A 3% ANNUAL ESCALATOR FOR A TOTAL POTENTIAL COST OF \$1,014,600 OVER THE FIVE YEARS.

#### FUNDING FOR EXPANSION OF IRWD TURF REBATE AND LANDSCAPE TUNE-UP PROGRAMS

On MOTION by Withers, seconded by Reinhart and carried (Swan, Withers, LaMar and Reinhart voting aye, and McLaughlin abstaining (4-0-1 vote), THE BOARD AUTHORIZED ADDITIONAL FUNDING IN THE AMOUNT OF \$1,000,000 FOR THE TURF REBATE PROGRAM AND \$131,000 FOR THE LANDSCAPE TUNE-UP PROGRAM AND APPROVED VARIANCE NO. 3 WITH CONSERV CONSTRUCTION INC. IN THE AMOUNT OF \$131,000.

#### 2022 LEGISLATIVE AND REGULATORY UPDATE

Using a PowerPoint presentation, Director of Strategic Communications and Advocacy/Deputy General Counsel Compton provided an update on SB 157 (Hertzberg). She noted that all urban retail water users have to submit an annual water use report to the State Board pursuant to Water Code 10609.24 and described its objective. She then reviewed the proposed changes for lowering residential indoor standards.

On MOTION by Swan, seconded by Withers and carried (Swan, Withers, LaMar and Reinhart voting aye, and McLaughlin abstaining (4-0-1 vote), THE BOARD ADOPTED A “NEUTRAL IF AMENDED” POSITION ON SB 1157 WITH THE ASM. WATER, WILDLIFE AND PARKS AMENDMENTS.

#### GENERAL MANAGER’S REPORT

General Manager Cook provided an update on the COVID-19 activity at the District and noted that it is calming down and may be able to implement optional masking next week.

#### DIRECTORS’ COMMENTS

Director McLaughlin reported on her attendance at a WACO meeting and an IRWD Business Outreach luncheon.

Director Reinhart reported on his attendance at a South Orange County Agencies’ Group meeting, an OCWD Board meeting, an OCWD Communications and Legislative Liaison Committee meeting, a WACO meeting, a MWDOC Planning and Operations Committee meeting, an OCWD Water Issues Committee meeting, a MWDOC Administration and Finance Committee meeting, and an OCWD Administration and Finance Issues Committee meeting.

Director Swan reported that he attended all of the meetings listed.

Director Withers reported that he attended all of the meetings listed and that next Monday he will be attending a VerdeXchange meeting in LA. He also noted that Mr. Mike Stockstille and Mr. Pike Oliver wrote a book on the history of the Irvine Ranch, and that one chapter mentioned IRWD.

Director LaMar reported on his attendance at a Southern California Water Dialogue meeting, an NCC Executive Committee meeting, ACWA Executive Committee and Board meetings, an IRWD Business Outreach Luncheon, and a CCEEB Search Committee meeting in San Francisco.

ADJOURNMENT

There being no further business, President LaMar adjourned the meeting at 6:29 p.m.

APPROVED and SIGNED this 27th day of June 2022.

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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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Claire Hervey Collins, General Counsel  
Hanson Bridgett LLP