

EXHIBIT "A"

MINUTES OF REGULAR MEETING –NOVEMBER 28, 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 Acting President McLaughlin on November 28, 2022 at the District offices, 15600 Sand Canyon Avenue, Irvine. This meeting was also held via teleconference using Webex pursuant to AB 361 (Remote meetings).

Directors Present: Swan (via teleconference), Withers, Reinhart, LaMar (via teleconference) and McLaughlin

Directors Absent: None.

Written and Oral Communications: None.

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

CONSENT CALENDAR

Following a motion by Withers and seconded to approve Consent Calendar Items 4 through 9, prior to the vote, Director Swan asked to make a substitute motion to amend the recommended motion for No. 8, ANNUAL BOARD OF DIRECTORS' FEES to defer the five percent compensation increase for calendar year 2023 at this time. Prior to voting on the substitute motion, Acting President McLaughlin said that pertaining to Item No. 7 on the Consent Calendar of today's agenda that on November 14, 2022, the Board conducted its annual Performance Evaluation of the General Manager. She said that this evening the Board is considering changes to his compensation based on that performance review. Pursuant to Government Code Section 54953(c)(3), prior to taking final action on changes to the General Manager's compensation, that she will provide a summary of the recommended action before us. She said that the recommendation is to: 1) increase the base salary of the General Manager from \$334,156 to \$364,751 per year (a 9.2% increase), effective October 1, 2022; 2) increase the General Manager's automobile allowance from \$800 to \$875 per month; and 3) provide a one-time performance award for the General Manager in the amount of \$32,100 as a taxable lump sum cash payment. She further said that all other aspects of the General Manager's compensation remain unchanged. On MOTION by Swan, seconded by LaMar, and unanimously carried by a roll call vote (Reinhart, Swan, Withers, LaMar, and McLaughlin voting aye (5-0)), CONSENT CALENDAR ITEMS 4 THROUGH 9 WERE APPROVED AS AMENDED AS FOLLOWS:

4. BOARD MEETING MINUTES

Recommendation: That the minutes of the November 14, 2022 Regular Board meeting be approved as presented.

CONSENT CALENDAR (Continued)

5. OCTOBER 2022 TREASURY REPORT

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the summary of fixed and variable rate debt, and disclosure report of reimbursements to board members and staff, approve the October 2022 summary of payroll ACH payments in the total amount of \$2,357,738, and approve the October 2022 accounts payable disbursement summary of warrants 431013 through 431652, Workers' Compensation distributions, ACH payments, virtual card payments, wire transfers, payroll withholding distributions and voided checks in the total amount of \$39,456,642.

6. PROPOSED 2023 INVESTMENT POLICY

Recommendation: That the Board approve the proposed 2023 Investment Policy and adopt the following resolution by title.

RESOLUTION NO. 2022-18

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT APPROVING AN INVESTMENT
POLICY AND AUTHORIZING THE TREASURER AND ASSISTANT
TREASURERS TO INVEST AND REINVEST FUNDS OF THE
DISTRICT AND OF EACH OF ITS IMPROVEMENT DISTRICTS
AND TO SELL AND EXCHANGE SECURITIES

7. GENERAL MANAGER COMPENSATION CHANGES

Recommendation: That the Board approve an increase to the annual salary of the General Manager to the amount of \$364,751, an increase to the General Manager's automobile allowance to \$875 per month, and a one-time performance award in the amount of \$32,100, all effective October 1, 2022.

8. ANNUAL BOARD OF DIRECTORS' FEES

Recommendation: That the Board defer the five (5%) percent compensation increase for calendar year 2023 at this time.

9. PLANNING AREA 1 ORCHARD HILLS NEIGHBORHOOD 4 RECYCLED WATER IMPROVEMENTS

Recommendation: That the Board authorize the General Manager to accept Irvine Community Development Company, LLC's construction contract with FYDAQ Company, Inc. in the amount of \$888,981, and authorize a budget increase for Project 01722 in the amount of \$713,500, from \$566,500 to \$1,280,000, for the Planning Area 1 Orchard Hills Neighborhood 4 Recycled Water Improvements.

ACTION CALENDAR

MICHELSON WATER RECYCLING PLANT FUELING FACILITY BUDGET INCREASE AND CONSTRUCTION AWARD

Executive Director of Technical Services Burton reported that the Michelson Water Recycling Plant (MWRP) Fueling Facility project will install a compressed natural gas (CNG) fueling facility, replace the existing diesel and gasoline fueling systems, and install an additional diesel storage tank to increase the storage capacity to account for three days of emergency diesel fuel use. In addition, the MWRP perimeter road will be extended and an emergency access road over the flood control berm will be constructed. Mr. Burton said that in parallel to this project, the District began planning measures to increase the emergency fuel storage capacity throughout the service area to account for three days of emergency fuel use for generators. The Operations Center has nine stationary generators and 11 portable generators. This project will install an additional above-ground diesel storage tank to supply the three days of emergency diesel fuel.

Mr. Burton said that road improvements were also added to the scope of work. The MWRP perimeter road will be extended at the existing cul-de-sac to connect with the northeast corner of the Biosolids access road, creating a continuous perimeter road. In addition, an emergency access road over the existing flood control berm will be constructed to allow access to MWRP when the flood gates are installed on Riparian View at the entrance to the MWRP. The soil cut from the hillside to construct the fueling facility will be used to construct the road over the flood control berm. These improvements will not impact the flood protection of the MWRP.

Mr. Burton said that the project was advertised to a select bidders list of 22 mechanical contractors on September 28, 2022. The bid opening occurred on November 9, 2022, with four bids with Innovative Construction Solutions as the apparent low bidder with a bid of \$9,547,000. He said that the bids ranged from 41 to 59 percent higher than the engineer's estimate of \$6,779,000 and that the discrepancy between the bids and the engineer's estimate can be attributed to an underestimate of the cost for CNG equipment. The overall complexity of the project also likely contributed to the discrepancy between the bids and the engineer's estimate. Construction bids have been observed to be higher in the current market. He further said that Innovative Construction Solutions has experience with mechanical projects and is well qualified to construct the fueling facility.

Following Mr. Burton responding to Director Swan's inquiries on the project, on MOTION by LaMar, seconded by Reinhart, and unanimously carried by a roll call vote (Reinhart, Swan, Withers, LaMar, and McLaughlin voting aye (5-0), THE BOARD AUTHORIZED BUDGET INCREASES IN THE AMOUNT OF \$1,546,000, FROM \$2,630,000 TO \$4,176,000, FOR PROJECT 07881 AND IN THE AMOUNT OF \$2,717,000, FROM \$5,257,000 TO \$7,974,000, FOR PROJECT 07882, AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH INNOVATIVE CONSTRUCTION SOLUTIONS IN THE AMOUNT OF \$9,547,000 FOR THE MICHELSON WATER RECYCLING PLANT FUELING FACILITY, PROJECTS 07881 AND 07882.

ETWD-IRWD SOUTH ORANGE COUNTY WASTEWATER AUTHORITY RIGHTS ASSIGNMENT AND ASSUMPTION AGREEMENT

Executive Director of Technical Services Burton reported that staff has been evaluating withdrawal options regarding IRWD's participation in the South Orange County Wastewater Authority (SOCWA) for the Effluent Transmission Main (ETM) and Aliso Creek Ocean Outfall (ACOO) that handle ocean discharges from IRWD's Los Alisos Water Recycling Plant in Lake Forest. Mr. Burton said that an Assignment and Assumption Agreement with El Toro Water District (ETWD) has been prepared that will allow IRWD to withdraw from SOCWA while maintaining use of the ETM and the ACOO. He said that the draft Agreement was provided to SOCWA as well as all the SOCWA member agencies on September 6, 2022, and to date, neither IRWD nor ETWD have received any comments regarding the Agreement from either SOCWA or any of the SOCWA member agencies.

Mr. Burton said that the agreement between IRWD and ETWD was approved by the ETWD Board on November 22, 2022. He said that upon IRWD Board approval of the agreement and execution by both ETWD and IRWD, IRWD plans to submit a formal letter of withdrawal to SOCWA and the member agencies along with the executed agreement. He further said that per the SOCWA JPA, the withdrawal letter must be received by SOCWA and all member agencies at least 120 calendar days in advance of June 30, 2023, to be effective on the start of the next fiscal year that commences July 1, 2023.

Director Reinhart said that this item was reviewed by the Engineering and Operations Committee on February 15, 2022 and suggested submitting the withdrawal well in advance of the 120 days advance notice. On MOTION by Reinhart, seconded by Withers and unanimously carried by a roll call vote (Reinhart, Swan, Withers, LaMar, and McLaughlin voting aye (5-0), THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE THE EL TORO WATER DISTRICT / IRVINE RANCH WATER DISTRICT SOUTH ORANGE COUNTY WASTEWATER AUTHORITY RIGHTS ASSIGNMENT AND ASSUMPTION AGREEMENT SUBJECT TO NON-SUBSTANTIVE CHANGES.

GENERAL MANAGER'S REPORT

Mr. Burton provided an update on the microturbines at the Biosolids Dewatering and Energy Recovery Facilities.

COMMUNITY UPDATE

Consultant Newell reported that there was no activity to report in the Santiago Canyon.

DIRECTORS' COMMENTS

Director Withers reported that he attended the meetings listed on the report. He said that the Orange County Sanitation District is in the progress of hiring a new General Manager to replace the Mr. Herberg, who will be retiring. He further said that this week he will be attending an ACWA conference along with an IRWD community tour.

Directors Reinhart, Swan and LaMar said that they attended the meetings listed on the report.

Director McLaughlin said she attended a South Orange County Watershed Management Area Executive Committee meeting.

ADJOURNMENT

At 5:25 p.m., Acting President McLaughin adjourned the meeting.

APPROVED and SIGNED this 12th day of December 2022.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, General Counsel
Hanson Bridgett LLP

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