

EXHIBIT "A"

MINUTES OF REGULAR MEETING – MARCH 27, 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 March 27, 2017 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Swan, LaMar, Matheis, Reinhart, and Withers (arrived at 5:13 p.m.).

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Finance Clary, Executive Director of Water Policy Weghorst, Executive Director of Operations Shields, Executive Director of Engineering and Water Quality Burton, Director of Water Resources Sanchez, Director of Public Affairs Beeman, Director of Treasury and Risk Management Jacobson, Director of Human Resources Roney, Director of Recycling Operations Zepeda, Director of Water Operations Roberts, Director of Maintenance Drake, Legal Counsel Arneson (via teleconference), Secretary Bonkowski, Principle Engineer Akiyoshi, Government Relations Officer Compton, Mr. Allen Shinbashi, Mr. Alex Munoz, Mr. Jim Reed, Mr. Bruce Newell, Mr. Ric Cox, Ms. Cathy Paxton, Mr. K.R. Jagannatti, Ms. Laurel Wykes, and Mr. Dru Whitefeather.

ORAL COMMUNICATIONS:

Mr. Ric Cox and Ms. Cathy Paxton inquired about a coordinated effort with their homeowners' association and the District relative to landscaping at IRWD's former Perez Reservoir site. Director Withers arrived at 5:13 p.m. Director Swan suggested that staff research a landscaping easement indemnifying the District.

Mr. Dru Whitefeather and Ms. Laurel Madonado made an inquiry relative to connection fees for residential service in the former Orange Park Acres area as they are in the process of building a second residence on an existing property which has a septic system which will not accommodate additional flow. Executive Director of Engineering and Water Quality Burton provided them information relative to sewer hookup fees. He further said staff will be revisiting these fees in a few months and will be making recommendations for each home.

WRITTEN COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

PRESENTATIONS

CALIFORNIA WATER ENVIRONMENT ASSOCIATION (CEWEA) AWARD

General Manger Cook reported that Mr. Henry Solis was recognized by the CWEA for receiving its Richard D. Pomeroy Award for his efforts to the industry that have helped expand knowledge, improve methods and introduce new techniques that enhance the professional development of sewage collection personnel.

PRESENTATIONS (CONTINUED)

HYATT HOUSE, IRVINE – CALIFORNIA’S FIRST FULLY DUAL-PLUMBED HOTEL

Using a PowerPoint presentation, Mr. Gabriel Vargas provided a presentation on the new Hyatt House in Irvine, the first fully dual-plumbed hotel in California.

CONSENT CALENDAR

On MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 7 WERE APPROVED AS FOLLOWS:

4. RATIFY/APPROVE BOARD OF DIRECTORS’ ATTENDANCE AT MEETINGS AND EVENTS

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

5. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the March 13, 2017 Regular Board Meeting be approved as presented.

6. FEBRUARY 2017 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer’s Investment Summary Report, the Monthly Interest Rate Swap Summary for February 2017, and Disclosure Report of Reimbursements to Board members and staff; approve the February 2017 Summary of Payroll ACH payments in the total amount of \$1,691,520 and approve the February 2017 accounts payable Disbursement Summary of warrants 374709 through 375074, Workers’ Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$12,161,916.

7. UC IRVINE COOLING TOWER RECYCLED WATER CONVERSION PIPELINE PHASE 1 FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the UC Irvine Cooling Tower Recycled Water Conversion Pipeline Phase I, project 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

ACTION CALENDAR

2017 LEGISLATIVE UPDATE

Government Relations Officer Compton placed before each Board member a copy of amended Assembly Bills Nos. 574, No.791, 792, and 793, along with a draft opposition letter to Assemblymember Garcia opposing ABs 791, 792, and 793 (Frazier). Ms. Compton reviewed these bills and recommended that the Board take an oppose position. Following discussion, Director LaMar asked to follow up with a summary of ABs 791, 792, and 793. On MOTION by Matheis, seconded and unanimously carried, THE BOARD ADOPTED A “SUPPORT” POSITION ON AB 574 (QUIRK), AND AN “OPPOSE” POSITION ON AB 1667 (FRIEDMAN), AND AUTHORIZED STAFF TO COMMUNICATE THE DISTRICT’S CONCERNS REGARDING STATEWIDE REQUIREMENTS FOR DEDICATED IRRIGATION METERS TO THE AUTHOR; AND A “CO-SPONSOR AND SUPPORT” POSITION ON AB 986 AND AB 1654, AS PROPOSED TO BE AMENDED BY ACWA; REAFFIRMED ITS “SUPPORT” FOR THE TAX-EXEMPT STATUS OF MUNICIPAL BONDS AND “OPPOSE” ANY CAP ON TAX-EXEMPT MUNICIPAL BOND INTEREST; AND AN ”OPPOSE” POSITION ON ABs 791, 792, AND 793.

ASSOCIATION OF CALIFORNIA WATER AGENCIES POLICY STATEMENT ON BAY-DELTA FLOW REQUIREMENTS

Government Relations Manager Compton reported that the State Water Resources Control Board (State Board) proposed an amendment to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary. Ms. Compton said that the proposed amendments would increase the unimpaired flow requirements for the San Joaquin River, which would negatively affect water supply reliability for California’s urban and agricultural communities. She said that after reviewing the proposed amendments, the Association of California Water Agencies (ACWA) drafted an “ACWA Policy Statement on Bay-Delta Flow Requirements,” which was approved by the ACWA Board of Directors earlier this month. She said that ACWA is now asking its members to adopt a resolution in support of the policy statement. Following discussion, staff was asked to submit a cover letter with the resolution explaining the District’s rationale on this issue. On MOTION by LaMar, seconded and unanimously carried, THE BOARD ADOPTED THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2017-8

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT IN SUPPORT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES POLICY STATEMENT ON BAY-DELTA FLOW REQUIREMENTS

REVISED REAL ESTATE INVESTMENT POLICY

General Manager Cook said that a resolution was placed before each Director. Mr. Cook said that for fiscal year ended June 30, 2016, the District implemented the Government Accounting Standards Board’s (GASB) Rule No. 72, *Fair Value Measurement and Application*. Under the new Rule, real estate investment values previously reported on a cost basis are now reported on the District’s annual financial statements at fair market value. He said that consistent with the

change in valuation for financial reporting, staff recommends a revision to the District's Real Estate Investment Policy relative to the valuation used in the percentage limitation guidelines.

Director Withers reported that this item was reviewed and approved by the Asset Management Committee on March 23, 2017. On MOTION by Withers, seconded and unanimously carried, THE BOARD ADOPTED THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2017 -9

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT
RESCINDING RESOLUTION NO. 2008-2 AND
ADOPTING REVISED REAL ESTATE INVESTMENT
POLICY

SAND CANYON OFFICE DEVELOPMENT – PHASE II PROJECT/CONSTRUCTION
MANAGEMENT

Director of Treasury and Risk Management Jacobson reported that in February 2008, the Board approved Phase I of the Sand Canyon Office Project on land adjacent to the Sand Canyon headquarters site. This project was completed in early 2012 and the medical office building is fully leased through April 2022. Mr. Jacobson said that Phase II of the approved campus master plan includes construction of an approximate 71,000 square foot professional office building on the remaining vacant land.

Mr. Jacobson said that the Board previously approved the retention of Ware Malcomb to provide architectural services related to design of the Phase II building and site work. Following the pre-application process with the City of Irvine, building plans were submitted and are currently in the second round of plan review. Plan approval is estimated to be complete in June/July 2017.

Mr. Jacobson said that based on the plan approval status, retaining a project manager is recommended to assist staff with completion of the plan approval process, to provide a project cost estimate, as well as management of the bidding, contractor selection and construction of the project. Staff anticipates that construction will begin when a key tenant lease agreement is secured. Mr. Jacobson said that staff requested proposals from three firms to perform project management services related to completing the plan approval process and construction of Phase II. The firms include Newport Real Estate Services, Bernards and Abacus Project Management. Two of the firms, NRES and Bernards, submitted complete proposals, and the Abacus proposal did not include pricing information requested. He said that based on the proposals received, staff recommends the retention of NRES to manage Phase II of the Sand Canyon office development project.

Director Withers reported that this item was reviewed and approved by the Asset Management Committee on March 23, 2017. On MOTION by Withers, seconded and unanimously carried, THE BOARD APPROVED THE RETENTION OF NEWPORT REAL ESTATE SERVICES TO PROVIDE PROJECT/CONSTRUCTION MANAGEMENT SERVICES RELATED TO THE SAND CANYON OFFICE DEVELOPMENT PHASE II IN AN AMOUNT NOT TO EXCEED \$230,000.

GENERAL MANAGER'S REPORT

General Manager Cook noted that tonight's Board meeting will be adjourned to March 28, 2017 at 7:45 a.m. to hold a tour of the District's Michelson Water Recycling Plant Biosolids and Energy Recovery facility.

Mr. Cook said that he and Executive Director of Water Policy Weghorst will be traveling to Buena Vista Water District on Wednesday, and that on Thursday, he will be traveling to Sacramento to participate on a panel during its Energy Storage Summit. He further said that next week he and Government Relations Manager Compton will be in Washington D.C. meeting with various legislators and staff.

DIRECTORS' COMMENTS

Director Matheis reported that she attended a Santiago Aqueduct Commission meeting where she was appointed Alternate Commissioner, a WateReuse Annual Conference in San Diego, and the 34th Annual Water Education Foundation's Executive Briefing in Sacramento.

Director LaMar reported that he attended the NWRA Federal Water Issues Conference in Washington, D.C. for four days last week.

Director Withers reported on his attendance at a WateReuse Annual Conference in San Diego, and a University Temple program relative to water development in Israel.

Director Swan reported on his attendance at Newport Bay Watershed meetings, a Newport Chamber of Commerce meeting, a WACO Planning meeting, and a San Bernardino Valley Water District meeting relative to the Santa Ana River Watershed's integrated regional water management plan, One Water One Watershed.

Director Reinhart said that he attended a South Orange County agency meeting.

OTHER BUSINESS

President Reinhart said that the following Closed Session items would be held:

- 1) CONFERENCE WITH LEGAL COUNSEL RELATIVE TO ANTICIPATED LITIGATION – Government Code Section 54956.9(d)(2) – significant exposure to litigation (one or more potential cases);
- 2) CONFERENCE WITH LEGAL COUNSEL RELATIVE TO EXISTING LITIGATION – Government Code Section 54956.9(d)(1) IRWD v. OCWD Case No.30-2016-00858584-CU-WM-CJC);
- 3) CONFERENCE WITH LEGAL COUNSEL RELATIVE TO ANTICIPATED LITIGATION – Government Code Section 54956.9(d)(2) – significant exposure to litigation (one potential case); and
- 4) PUBLIC EMPLOYEE APPOINTMENT – Pursuant to Government Code Section 54957(b). Title: Legal Counsel

OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors Reinhart, Withers, Swan, LaMar and Matheis present. President Reinhart said there was no action to report.

ADJOURNMENT

There being no further business, President Reinhart adjourned the meeting to Tuesday, March 28, 2017 at 7:45 a.m. at IRWD's Operations Center for a tour of the Michelson Water Recycling Plant Biosolids and Energy Recovery Facility. He closed the meeting in memory of Serrano Water District's Director Rich Freschi.

APPROVED and SIGNED this 10th day of April, 2017.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone