

EXHIBIT "A"

MINUTES OF REGULAR MEETING – FEBRUARY 11, 2019

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 February 11, 2019 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive of Engineering and Water Quality Burton, Executive Director of Water Policy Weghorst, Executive Director of Operations Chambers, Executive Director of Finance and Administration Clary, Director of Water Recycling Operations Zepeda, Director of Treasury and Risk Management Jacobson, Director of Water Resources Sanchez, Director of Water Quality Colston, Legal Counsel Collins, Legal Counsel Roux, Dintzer, and Wickersham of Alston & Bird, Secretary Bonkowski, Assistant Secretary Swan, Government Relations Officer/Deputy General Counsel Compton, Mr. Robert Hunter, Mr. Karl Seckel, Mr. Bruce Newell, staff and members of the public.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

WORKSHOP

IRWD WATER BANKING OBJECTIVES, CAPACITIES AND SOURCES

Using a PowerPoint presentation, Director of Water Resources Sanchez highlighted the purpose of the IRWD Water Banking Program which is to capture and store water available in wet years for customer use in droughts and during supply interruptions. Ms. Sanchez highlighted the District's policy principles including: 1) the need for supplemental supplies and storage facilities for use during droughts and major supply interruptions; 2) securing low cost and diverse water supplies to benefit the District's customers; 3) developing partnerships for mutually beneficial exchanges; 4) long-term equity ownership of facilities; 5) minimizing third-party impacts; and 6) sharing water supply reliability benefits. She reviewed the existing banking components and facilities including an aquifer containing 126,000 acre-feet of storage, 761 acres of land for recharge, 13 wells; and three turnouts. She reviewed the District's current sources of water for banking including water from the State Water Project (SWP) and from non-SWP supplies. She said as of February 2019, IRWD had 30,834 acre-feet of storage with IRWD's partners having 8,126 acre-feet of storage. She reviewed extraordinary supply and the need for extraordinary supply, which would be required in the case of natural disasters, such as earthquakes.

Executive Director of Water Policy Weghorst reviewed the use of water banking capacities to various supply programs including Strand Ranch, Stockdale West, and Rosedale's leased storage. Mr. Weghorst reviewed the various scenarios for capacities to meet IRWD's requirements with or without the Syphon Reservoir. He then reviewed the 2014 Central Valley

Project program which allows transfers and exchanges of exchange contractor water, and reviewed its challenges.

Following discussion, President LaMar and members of the Board thanked staff for the update which they found very helpful.

CONSENT CALENDAR

Director Swan asked that Item No. 10, Newport Coast Lift Station Rehabilitation Budget Increase and Bid Rejection be moved to the Action Calendar for discussion. There being no objections, this item was moved accordingly. On MOTION by Swan, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 9 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 Mary Aileen Matheis, Doug Reinhart, Steve LaMar, Doug Reinhart, Peer Swan and John Withers, as described.

5. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the January 28, 2019 Regular Board meeting be approved as presented.

6. 2019 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: That the Board adopt an “oppose” position on the Safe and Affordable Drinking Water and Exide Cleanup Budget Trailer Bill; a “watch” position on AB 68 (Ting), AB 69 (Ting), and SB 13 (Wieckowski) and authorize staff to change the position to “seek amendments” should amendments need to protect the District’s interests that relate to rate, charges and fees; a “watch” position on AB 134 (Bloom), AB 217 (Garcia), ACA 3 (Mathis/Garcia), SB 200 (Monning); a “support” position on AB 292 (Quirk), the Association of California Water Agencies/California Municipal Utilities Agencies’ Safe Drinking Water Trust, SB 134 (Hertzberg), the San Diego County Water Authority’s proposal related to military veterans and water/wastewater plant operator certification, and The Water Recycling Investment and Improvement Act (Napolitano); and a “support in concept” position on California Municipal Utilities Agencies/Eastern Municipal Water District’s reintroduction of AB 2050.

7. PROPOSED 2019 INVESTMENT POLICY

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

CONSENT CALENDAR (CONTINUED)

RESOLUTION NO. 2019-6

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

8. REVISED PERSONNEL POLICIES AND PROCEDURES

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

RESOLUTION NO. 2019 -7

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT
SUPERSEDING RESOLUTION NO. 2016-5 AND ESTABLISHING
REVISED PERSONNEL POLICIES AND PROCEDURES

9. SAND CANYON PROFESSIONAL CENTER PHASE II MATERIALS TESTING
AND INSPECTION CONSULTANT SELECTION

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with Koury Engineering & Testing, Inc. in the amount of \$137,807 for materials testing and inspection services for the Sand Canyon Professional Center Phase II, project 06210.

ACTION CALENDAR

NEWPORT COAST LIFT STATION REHABILITATION BUDGET INCREASE AND BID
REJECTION

Following clarification of the project by Executive Director of Engineering and Water Quality Burton relative to Director Swan's inquiry, on MOTION by Swan, seconded and unanimously carried, THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$274,000, FROM \$2,654,600 TO \$2,928,600, FOR PROJECT 06400, REJECTED THE BID RECEIVED FOR THE NEWPORT COAST LIFT STATION LANDSCAPE PROJECT, AND AUTHORIZED STAFF TO RE-BID THE LANDSCAPE PROJECT AFTER REVISING THE PROJECT DOCUMENTS.

CYBERSECURITY RISK MANAGEMENT ASSESSMENT PROFESSIONAL SERVICES
CONTRACT AWARD

Cybersecurity involves dealing with a constantly evolving nature of security risk. One of IRWD's strategic goals is to assess the District's overall cybersecurity risk profile and establish a program and practices to minimize risk. This includes establishing an overall plan for addressing cybersecurity awareness, education, response and prevention. The first step to implementing the strategy is to conduct an independent risk assessment.

A Request for Proposal was issued in September 2018 to five consultants with experience performing Cybersecurity Risk Management Assessments including Lewis Brisbois/Alvarez & Marsal, MossAdams, NovaCoast, Performance Technology Partners, and Tevora. Based on the interviews and the proposal rankings, staff believes that Tevora has the best understanding of the Cybersecurity Risk Management Assessment project. On MOTION by Swan, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH TEVORA AMOUNT OF \$178,200.

GENERAL MANAGER'S REPORT

General Manager Cook introduced the District's newly-hired Director of Maintenance, Mr. Richard Mykitta, and noted his previous experience.

Mr. Cook reported on the recent six-inch asbestos cement pipeline repair project on Barranca Parkway in Irvine where the District procured the services of Sanders Paving under the urgent necessity clause. This project was completed at a cost of \$143,705.95 with a job well done. He thanked Director of Water Operations Tom Roberts for his efforts.

He further reported on the rain events and noted that staff has been diverting water flows to the Orange County Sanitation District and the Green Acres Project to prevent the Sand Canyon Reservoir from spilling over. He said that if the rains continue, however, it may overflow soon.

DIRECTORS' COMMENTS

Director Reinhart reported on his attendance at an OCWD Board meeting and a SOCWA Board meeting.

Director Swan reported on his attendance at a WACO monthly meeting, MWDOC Board and Committee meetings, and an Orange County Business Council annual dinner.

Director Matheis reported on her attendance at an OCWD lunch meeting and an OC Forum 2019 State of the County event.

Director LaMar reported on his attendance at an ACWA Federal Affairs Committee meeting in Sacramento, an ACWA Board meeting, a Joint Hearing on Safe and Affordable Drinking Water in Sacramento, and an Orange County Business Council annual dinner.

COMMUNITY UPDATES: None.

CLOSED SESSION

General Counsel Collins announced that the following Closed Sessions would be held.

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION - Pursuant to Government Code Section 54956.9(d)(1): *Filanc-Balfour Beatty, JV v. IRWD*, Case No. 30-2019-01048770-CU-BC-CXC

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION - Pursuant to Government Code Section 54956.9(d)(1): *Orange County Water District v. Sabic Innovative Plastics US, LLC, et al.*, Case No. 30-2008-0078246-CU-TT-CXC

OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors Withers, LaMar, Swan, Matheis and Reinhart present. General Counsel Collins reported that the Board in Closed Session AUTHORIZED ALSTON & BIRD TO DEFEND THE LAWSUIT AND FILE A CROSS-COMPLAINT ON BEHALF OF THE DISTRICT IN *FILANC-BALFOUR BEATTY, JV V. IRWD* CASE, NO. 30-2019 01048770-CU-BC-CXC.

General Counsel Collins further reported that the Board in Closed Session AUTHORIZED ALSTON & BIRD TO DEFEND THE LAWSUIT AND FILE A CROSS-COMPLAINT ON BEHALF OF THE DISTRICT FOR *ORANGE COUNTY WATER DISTRICT V. SABIC INNOVATIVE PLASTICS US, LLC, ET AL.*, CASE NO. 30-2008-0078246-CU-TT-CXC

ADJOURNMENT

President LaMar adjourned the meeting at 7:21 p.m.

APPROVED and SIGNED this 11th day of March, 2019.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, Legal Counsel
– Lewis Brisbois