

EXHIBIT "A"

MINUTES OF REGULAR MEETING – DECEMBER 14, 2015

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 December 14, 2015 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Reinhart, LaMar, Swan, Matheis and Withers (arrived at 5:11 p.m.)

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Finance and Administration Clary, Executive Director of Engineering and Water Quality Burton, Executive Director of Operations Shields, Executive Director of Water Policy Weghorst, Director of Treasury and Risk Management Jacobson, Director of Public Affairs Beeman, Director of Water Resources Sanchez, Director of Human Resources Roney, Principle Engineer Akiyoshi, Legal Counsel Arneson, Secretary Bonkowski, Government Relations Officer Compton, Mr. Bruce Newell, Mr. Jim Reed, Ms. Kellie Welch, Ms. Cheryl Kelly, and Ms. Eileen Lin.

WRITTEN AND ORAL COMMUNICATIONS: None.

CONSENT CALENDAR

Director Swan thanked staff for their efforts on the 2015-16 Comprehensive Annual Financial Report which is being received and filed tonight on the Consent Calendar. There being no further comments, on MOTION by Swan, seconded and carried (4-1) Reinhart, LaMar, Swan and Matheis voting aye and Withers absent, **CONSENT CALENDAR ITEMS 3 THROUGH 8 WERE APPROVED AS FOLLOWS:**

3. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the November 23, 2015 Regular Board Meeting be approved as presented.

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, Douglas Reinhart, Peer Swan, and John Withers as described.

5. REVISED PERSONNEL POLICIES AND PROCEDURES (PERSONNEL POLICY NO. 45)

Recommendation: That the Board approve revisions to personnel policies and adopt the following resolutions by title: 1) Rescinding Resolution No. 2011-7, adopting revised Appendix "A-1" to its Conflict of Interest code and readopting Conflict of Interest code

and Appendix "A-2"; and 2) Rescinding Resolution No. 2015-28 and establishing revised Personnel Policy No. 45.

RESOLUTION NO. 2015 - 30

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, RESCINDING
RESOLUTION NO. 2011-7, ADOPTING REVISED APPENDIX "A-1"
TO ITS CONFLICT OF INTEREST CODE AND READOPTING
CONFLICT OF INTEREST CODE AND APPENDIX "A-2"

RESOLUTION NO. 2015 -31

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, RESCINDING
RESOLUTION NO. 2015-28 AND ESTABLISHING
REVISED PERSONNEL POLICIES
(FOR POLICY NO. 45)

6. IRVINE BUSINESS COMPLEX SIDEWALK IMPROVEMENTS BUDGET
ADDITION

Recommendation: That the Board authorize the addition of projects 11899 (6489) and 21899 (6850) to the FY 2015-16 Capital Budget in the amounts of \$442,900 and \$49,700, respectively, for the Irvine Business Complex Sidewalk Improvements, projects 11899 (6849) and 21899 (6850).

7. PROPOSED 2016 INVESTMENT POLICY

Recommendation: That the Board approve the Proposed 2016 Investment Policy and adopt the following resolution by title:

RESOLUTION NO. 2015-32

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT APPROVING 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. FY 2014-15 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Recommendation: Receive and file.

ACTION CALENDAR

AMENDMENT AND RESTATEMENT OF THE 401(a) MONEY PURCHASE PENSION PLAN

General Manager Cook reported that in September 2015, the Board approved an additional contribution to the 401(a) Money Purchase Pension Plan (401(a) Plan) equal to 1% of base salary for District managers, supervisors, and confidential employees who have completed two years of regular, full-time service. This change requires a modification to "Schedule A" of the Adoption Agreement, and the Plan is required to be amended and restated. On MOTION by Swan, seconded and carried, (4-1) Reinhart, LaMar, Swan and Matheis voting aye and Withers absent, THE BOARD APPROVED AMENDING THE DISTRICT'S 401(A) MONEY PURCHASE PLAN TO INCLUDE THE REQUIRED LANGUAGE RELATED TO THE ADDITIONAL CONTRIBUTION EQUAL TO 1% OF THE EMPLOYEE'S BASE SALARY FOR MANAGERS, SUPERVISORS, AND CONFIDENTIAL EMPLOYEES WHO HAVE COMPLETED TWO YEARS OF REGULAR, FULL-TIME SERVICE WITH THE DISTRICT.

EAST IRVINE ZONE 1 TO 3 METER REPLACEMENT CONSTRUCTION AWARD

Executive Director of Engineering and Water Quality Burton reported that the existing 36-inch East Irvine Zone 1 to 3 turbine flow meter at the Zone 1 Reservoir needs to be replaced due to several issues including: 1) it provides inaccurate flow readings; 2) it is located in a vault below grade, which makes maintenance activities difficult; and 3) the upstream and downstream pipe segments adjacent to the existing meter are severely corroded. Director Withers arrived at 5:11 p.m.

Mr. Burton said that the project was advertised to a select list of 17 pipeline contractors with three contractors attending the pre-bid meeting on October 26, 2015. The bid opening was held with bids received from RC Foster Corporation, GCI Construction, TE Roberts, and Paulus Engineering. He said that Paulus is the apparent low bidder with a bid in the amount of \$379,744; the engineer's estimate was \$217,000. Mr. Burton said that the engineer underestimated costs for the pipeline installation, meters, valves, retaining wall, electrical and controls. He said that with the two lowest bids separated by less than \$13,000, staff believes the low bid represents the true cost of the project.

On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED A BUDGET INCREASE FOR PROJECT 11801 (5519) IN THE AMOUNT OF \$401,500, FROM \$198,600 TO \$600,100; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH PAULUS ENGINEERING, INC. IN THE AMOUNT OF \$379,744 FOR THE EAST IRVINE ZONE 1 TO 3 METER REPLACEMENT, PROJECT 11801 (5519).

APPROVAL OF FINAL ENVIRONMENTAL IMPACT REPORT FOR STOCKDALE INTEGRATED BANKING PROJECT

Using a PowerPoint presentation, Ms. Kellie Welch provided an overview of the Stockdale Integrated Banking project. Ms. Welch reviewed the project objectives to: 1) provide IRWD

customers with increased water supply reliability through redundancy and diversification during periods when other supply sources may be reduced or interrupted; 2) allow both Rosedale and IRWD to utilize available storage in the local San Joaquin Valley Groundwater Basin by developing groundwater banking facilities; 3) provide additional groundwater recharge, storage and recovery capacity in the Kern River Fan region; 4) develop recharge and recovery capacities at each of IRWD's and Rosedale's respective properties; 5) integrate the project facilities and coordinate operations with Rosedale's Conjunctive Use Program, including the Strand Ranch Integrated Banking Project; and 6) provide maximum operational flexibility between IRWD's and Rosedale's various programs and facilities.

Ms. Welch provided capacities noting that there is approximately 26,000 acre-feet (AF) of available storage under the Stockdale West Ranch and approximately 18,400 AF of available storage under the Stockdale East Property. Recharge capacities are estimated to be approximately 27,100 acre-feet per year (AFY) for Stockdale West and approximately 19,000 AFY for Stockdale East. Recovery facilities would be designed to extract approximately 11,250 AFY at Stockdale West and approximately 7,500 AFY at Stockdale East. Once the third Stockdale project site has been identified, the associated storage, recharge and recovery capacities will be determined.

Ms. Welch said that pursuant to the requirements of California Environmental Quality Act (CEQA) Guidelines, a Notice of Preparation was publicly circulated for 30 days on September 24, 2013. In addition, IRWD held a public scoping meeting on October 15, 2013, and Rosedale held a second public scoping meeting on October 16, 2013. The purpose of the meetings was to provide the public and governmental agencies information on the CEQA process and to give further opportunities to identify environmental issues and alternatives for consideration in the Environmental Impact Report (EIR). Additionally, she said that on April 28, 2015, Rosedale filed a Notice of Completion of the Draft Environmental Impact Report (EIR) with the Governor's Office of Planning and Research. Pursuant to Section 21091 of the Public Resources Code, the filing initiated a 45-day public review period (April 28, 2015 through June 12, 2015). A Notice of Availability of the Draft EIR was posted on April 28, 2015, with the County Clerks in Kern County and Orange County. Public meetings were held at Rosedale's office in Bakersfield on May 12, 2015, and at IRWD's office in Irvine on May 13, 2015. No comments were offered from the audience at either public meeting.

Ms. Welch said that for the preparation of the Final EIR, five letters providing comments on the Draft EIR were received during the public review period. The agencies that provided comments are the California Department of Conservation, the Kern County Water Agency, the Kern Water Bank Authority, the San Joaquin Valley Air Pollution Control District and the City of Bakersfield. Rosedale, in consultation with IRWD, reviewed all of the written comments received and prepared detailed responses to comments directed to any significant environmental issues. The comments, responses and revisions to the Draft EIR text are included in separate document comprised of additional chapters (8, 9 and 10) which, together with the Draft EIR, comprise the Final EIR (FEIR).

Ms. Welch said that on December 8, 2015, Rosedale's Board of Directors certified the FEIR, adopted the findings and MMRP and approved the project without any changes. The FEIR, findings and Mitigation Monitoring and Reporting Program (MMRP) adopted by Rosedale are the same as those provided in the exhibits to the write-up. As a responsible agency, IRWD must

comply with CEQA by considering the FEIR, findings and MMRP that were prepared and certified by Rosedale.

Ms. Welch said that IRWD's consideration must be given to the environmental effects of the Proposed Project prior to reaching a decision on the project. In addition, IRWD must approve findings related to the Proposed Project and file a Notice of Determination. IRWD has the responsibility for mitigating or avoiding only the direct or indirect environmental effects of those portions of the Proposed Project it decides to approve and/or carry out. Because the Proposed Project will be undertaken jointly by Rosedale and IRWD, it is proposed that IRWD adopt Rosedale's findings which are included in the exhibit and that the MMRP reflect the two districts' joint responsibility as presented.

Director Swan reported that the Draft EIR has been reviewed at multiple meetings of the Water Banking Committee. On MOTION by Swan, seconded and unanimously carried, THE BOARD DIRECTED THAT THE FINDINGS (AS PREPARED BY THE ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT AS THE LEAD AGENCY, IN CONSULTATION WITH IRWD AS A RESPONSIBLE AGENCY) BE ATTACHED TO THE RESOLUTION, AND ADOPTED THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2015 -33

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT RELATIVE TO ITS CONSIDERATION OF THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE STOCKDALE INTEGRATED BANKING PROJECT ADOPTING WRITTEN FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; ADOPTING A MITIGATION, MONITORING AND REPORTING PROGRAM; APPROVING THE PROJECT; AND AUTHORIZING THE FILING OF A NOTICE OF DETERMINATION TO PROCEED WITH THE PROJECT

STOCKDALE INTEGRATED BANKING PROJECT OPERATING AGREEMENT

Using a PowerPoint presentation, Assistant Director of Water Policy Sanchez provided an overview of the Stockdale Integrated Banking Project Operating Agreement. Ms. Sanchez reported that in January 2012, the Water Banking Ad Hoc Committee approved draft terms for a water banking and exchange program with Rosedale that would utilize IRWD's Stockdale West Ranch and Rosedale's Stockdale East property. These terms were incorporated into a Development Agreement that called for IRWD and Rosedale to share in the cost of the preparation of the EIR for the Project and to cooperate in the development of a comprehensive long-term Agreement for a Water Banking, Recovery and Exchange Program for the Stockdale West and Stockdale East Properties. She said that on March 26, 2012, the Board approved the Development Agreement which was executed in June 2012.

Ms. Sanchez provided a summary of the general terms of the agreement which includes: 1) coordinated use and operation of IRWD's Stockdale West and Rosedale's Stockdale East properties; 2) terms consistent with the Strand Banking Agreement to January 12, 2039 and extendable; 3) each party pays to construct its own facilities and retains ownership; and 4) each

party has first priority to its own facilities and capacities with the second priority to any unused capacities from the other party's facilities. She further reviewed capacity rights, the acquired storage account; Kern River flows, design and construction of facilities, recharge and recovery schedule, and IRWD program costs.

On MOTION by Swan, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE AN AGREEMENT FOR A WATER BANKING, RECOVERY AND EXCHANGE PROGRAM AT THE STOCKDALE WEST AND STOCKDALE EAST PROPERTIES SUBJECT TO NON-SUBSTANTIVE CHANGES CONTINGENT ON THE BOARD'S ADOPTION OF WRITTEN FINDINGS RELATED TO THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE STOCKDALE INTEGRATED BANKING PROJECT, ADOPTION OF A MITIGATION MONITORING AND REPORTING PROGRAM, APPROVAL OF THE PROJECT, AND THE SUCCESSFUL CONCLUSION OF THE STATUTE OF LIMITATIONS UPON FILING A NOTICE OF DETERMINATION FOR THE PROJECT.

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. Mr. Cook said that the last Board of Directors' compensation increase was effective in January 2015. The current compensation for the Board of Directors is \$248 per meeting, not to exceed 10 meetings per month. In accordance with Section 20202 et seq. of the California Water Code, the Board's meeting compensation increases on January 1 of each year by five (5%) percent. If the Board accepts the increase, the resulting per meeting fee will be \$260 (rounded to the nearest dollar).

Director Swan said that this item was reviewed by the Finance and Personnel Committee meeting on December 9, 2015 and the members recommended that the proposed increase be discussed by the full Board. Following discussion, on MOTION by Swan, seconded and unanimously carried, THE BOARD ACCEPTED THE FIVE (5%) PERCENT SCHEDULED COMPENSATION INCREASE FOR CALENDAR YEAR 2016 FOR A TOTAL OF \$260 PER MEETING NOT TO EXCEED 10 MEETINGS PER MONTH.

ELECTION OF OFFICERS FOR 2016

General Manager Cook acted as temporary Chair and called for nominations. Director LaMar nominated Director Matheis as President and Director Reinhart as Vice President. There being no further nominations, Director Swan made a motion for nominations to be closed. On a unanimous vote MARY AILEEN MATHEIS WAS ELECTED PRESIDENT AND DOUGLAS REINHART WAS ELECTED VICE PRESIDENT.

OTHER BUSINESS

GENERAL MANAGER'S REPORT

General Manager Cook reported that the Board recently approved a Professional Services Agreement with GHD with Dr. Iday Syachrani as the consultant performing the District's

Enterprise Asset Management services. Mr. Cook said that Dr. Syachrani left his employment with GHD and is now working at Kayuga Solutions. He further said that GHD agreed to assign the agreement with all of the terms and conditions to Kayuga and that he recently executed the assignment.

Mr. Cook provided an update on the planned power outage at the MWRP in order to replace the electrical conductors. He said that staff worked last week and over the weekend to complete the project and recognized staff for its efforts.

Mr. Cook reported on the conservation efforts for residential customers in November which equaled an 18% savings. He said that the cumulative reduction is at 17.8% and that the District is in good shape with the current regulations. He said that in the coming months that staff will be targeting the commercial and industrial users.

DIRECTORS' COMMENTS

Director Swan reported that he attended an Explore Oceans event and that on behalf of the District he accepted the District a plaque for the District's donation. He said that he attended the usual meetings along with Mr. Richard Bell's retirement event today at MWDOC.

Director Reinhart said that he attended a MWDOC Finance and Administration Committee meeting where using reserve funds for various projects was discussed. He also said that Mr. Matt Stone is Castaic Lake Water Agency's new General Manager.

Director Matheis reported that she attended an ACWA conference, an Urban Water Institute Planning Committee meeting, and a Global Village presentation. She further said that she is honored to be elected President for 2016 and is delighted to have Director Reinhart as a co-leader.

Director LaMar reported that he was asked to be Chair of the ACWA Federal Affairs Committee for 2016 and said that he would be conferring with Director Swan for his insight on issues.

IRWD's consultant Reed reported on meetings he attended on behalf of the District.

ADJOURNMENT

There being no further business, President Matheis adjourned the meeting at 6:10 p.m.

APPROVED and SIGNED this 11th day of January, 2016.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson,
Wiles & Giannone