

EXHIBIT "A"

MINUTES OF REGULAR MEETING – February 22, 2021

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 February 22, 2021 via teleconference pursuant to the provisions of the Governor's Executive Orders N-25-20 and N-29-20 due to COVID-19. Members of the public did not attend this meeting in person.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Technical Services Burton, Executive Director of Water Policy Weghorst, Executive Director of Finance and Administration Clary, Director of Treasury and Risk Management Jacobson, Executive Director of Operations Chambers, Director of Water Quality and Regulatory Compliance Colston, Director of Recycling Operations Zepeda, Director of Information Services Malone, Director of Water Resources Sanchez, Director of Maintenance Mykitta, Director of Human Resources Mitcham, Government Relations Officer/Deputy General Counsel Compton, Secretary Bonkowski, General Counsel Collins, Consultant Newell, and members of staff and the public.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED: None.

CONSENT CALENDAR

Prior to voting on this item, Director Swan asked that a minor description change be revised relative to an entry on his mileage to include a CASA conference on Item No. 5, Exhibit "F". He further received clarification on the original janitorial contact amount on Item No. 7, and clarification on the total amount required for the budget increase on Item No. 8, which staff said would be discussed in detail during tonight's Closed Session. There being no further comments, on MOTION by LaMar, seconded by McLaughlin, and unanimously carried by a roll call vote (5-0) Withers, McLaughlin, Swan, LaMar and Reinhart voting aye, and 0 noes, ITEMS 3 THROUGH 7 WERE APPROVED AS FOLLOWS:

3. BOARD MEETING MINUTES

Recommendation: That the minutes of the February 5, 2021 Adjourned Regular Meeting and the February 8, 2021 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, Karen McLaughlin, Peer Swan, and John Withers, as described.

CONSENT CALENDAR CONTINUED)

5. JANUARY 2021 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 January 2021 Summary of Payroll ACH payments in the total amount of \$3,203,313, and approve the January 2021 Accounts Payable Disbursement Summary of Warrants 414652 through 415329, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$27,315,481.

6. TWO-YEAR JANITORIAL CONTRACT AWARD

Recommendation: That the Board authorize the General Manager to execute a two-year janitorial services contract with American Building Maintenance, Inc. in the total amount of \$580,376.

7. MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES BUDGET INCREASE

Recommendation: That the Board authorize a budget increase in the amount of \$27,000,000, from \$238,542,100 to \$265,542,100, for the MWRP Biosolids and Energy Recovery Facilities, Project 04286.

ACTION CALENDAR

MITCHELL EAST HABITAT MITIGATION PROPERTY PURCHASE

Using a PowerPoint presentation, Director of Water Resources Sanchez described the Natural Community Conservation Plan and reviewed the District's potential mitigation requirements that may include the Syphon Reservoir Improvement Project (which currently is being negotiated with the proposed use of 34.38 credits and retaining 19 credit for future use).

Using a map, Ms. Sanchez described the proposed Mitchell East Property located in the Trabuco Canyon area in an unincorporated area of eastern Orange County and consists of approximately 39.8 acres owned by the Parker family. The property is in the County's Foothill / Trabuco Specific Plan Area with the Trabuco Creek crossing the southern portion of the property. Ms. Sanchez said that the Purchase Agreement provides for a six-month due diligence period during which staff conducted studies, tests and inspections prior to the acquisition of the Property. She said that Fuscoe Engineering was retained to perform due diligence investigations on the Property which included: an American Land Title Association survey, a Preliminary Title Report review, an Environmental Phase 1 site assessment, examination of surface soils, flood and seismic hazards, and a review of the general plan for the area and zoning designations. Additionally, consultants at Environmental Science Associates (ESA) evaluated the habitat quality at the property. She said that following a summary of the findings of the due diligence work: 1) staff found no items of record to contest in the review of the Preliminary Title Report; 2). the County of Orange has an easement over the property referred to as "Trabuco Creek Road", and the property is subject to the Foothill/ Trabuco Specific Plan which has two zonings,

Open Space Conservation and Trabuco Canyon Residential; 3) an existing well inside of a shed and a water tank in the middle of the property were identified along with remnants of a demolished building, and a transformer was observed on a power pole as well as a downed electrical pole near the center of the property; 4) the predominant soils on the property are gravelly silt loam, sandy loam and sand; 5) the southeast half of the property is located within a flood zone influenced by the Trabuco Creek (the areas of potential restoration opportunity are not within this zone and there are no seismic hazards identified); 6) the vegetation map indicates that of approximately 40 acres, 26 acres are considered high value coastal sage scrub; 4.3 acres are moderate value habitat with 3.2 acres of coast live oak woodland. There are approximately two acres of disturbed area where previous farming occurred which has potential for restoration; and 7) the property is located within Orange County Transportation Authority's Conservation Assessment priority conservation areas, possessing good potential biological value for gnat catcher, orange throat whiptail, arroyo toad and coastal cactus wren. The property contains oak woodlands, and the southern portion is within a wildlife corridor of the Foothill / Trabuco Specific Plan area and within the critical habitat area for the arroyo toad and the coastal California gnatcatcher. Although no gnatcatchers were observed on the property at the time of ESA's site visit, it does contain suitable habitat with the potential for occurrence of gnatcatcher. Acquisition of the property can enable this corridor segment of the Trabuco Canyon area to be preserved as permanent open space to enhance wildlife connectivity.

Ms. Sanchez said that the District retained a real property appraiser to provide a current market valuation of the Mitchell East Property, and based on the appraisal report, the market value for the Property as of November 12, 2020 is \$955,000.

Director Reinhart reported that he and Director Withers reviewed this item at the Engineering and Operations Committee meeting on February 14, 2020 and concurred with the staff recommendation. Following discussion, Director Swan asked that following purchase of the property a plan be presented to the Board that includes information on the well. Director LaMar suggested that a fence may need to be installed to protect the habitat as hikers use this property for sightseeing. There being no further comments, on MOTION by Reinhart, seconded by Withers, and unanimously carried by a roll call vote (5-0) Withers, McLaughlin, Swan, LaMar and Reinhart voting aye, and 0 noes, THE BOARD FOUND THAT ALL MATTERS CURRENTLY IDENTIFIED WITH REGARD TO THE CONDITION OF TITLE, PHYSICAL CONDITION AND SUITABILITY OF THE MITCHELL EASE PROPERTY FOR THE USES CONTEMPLATED ARE ACCEPTABLE; APPROVED THE ADDITION OF THE PROJECT "MITIGATION LAND", PROJECT NUMBER 11093 TO THE FY 2020-21 CAPITAL BUDGET IN THE AMOUNT OF \$990,000; FOUND THAT THE PROPERTY ACQUISITION IS EXEMPT FROM CEQA; APPROVED THE PROJECT AND AUTHORIZED STAFF TO POST AND FILE THE NOTICES OF EXEMPTION IN ORANGE COUNTY; AND AUTHORIZED THE GENERAL MANAGER, TREASURER AND EACH OTHER OFFICER OF THE DISTRICT, EACH ACTING SINGLY, TO EXECUTE AND DELIVER ANY AND ALL DOCUMENTS, ASSIGNMENTS, CERTIFICATES, INSTRUCTIONS AND INSTRUMENTS NECESSARY OR PROPER FOR CARRYING OUT AND CLOSING THE REAL ESTATE PURCHASE TRANSACTION FOR THE ACQUISITION OF THE PROPERTY.

GENERAL MANAGER'S REPORT

General Manager Cook reported that it is quiet with current COVID-19 cases with one case recently reported which was contracted outside of work. He said that the District is continuing testing at MWRP twice a week, and that all tests have been negative to date.

Mr. Cook said that IRWD continues to be at \$1.7 million outstanding for unpaid customer billing.

Mr. Cook introduced Ms. Tiffany Mitcham, IRWD's new Human Resources Director, who started work at IRWD on February 16.

COMMUNITY UPDATE

Consultant Newell said that all is quiet in the canyon area.

DIRECTORS' COMMENTS

Director McLaughlin reported on her attendance at a Southern California Water Coalition Water Quality Matters webinar relative to PFAS in the water supply.

Director Swan reported on his attendance at MWDOC Water Issues and Administration and Finance Committee meetings, a PPIC Headwaters webinar, an Urban Water Institute water conference, a MWDOC Managers meeting, and a Newport Beach Chamber of Commerce Government Affairs Meeting.

Director Withers said that he spoke with an individual from EBMUD and was told that they are currently at \$7 million in outstanding unpaid customer bills. He said that he will be attending the City of Irvine's State of the City address tomorrow at 5:00 p.m.

Director LaMar reported on his attendance at ACWA meetings, a PPIC Headwaters webinar, and one day of the Urban Water Institute conference.

Director Reinhart reported on his attendance at OCWD and MWDOC meetings.

CLOSED SESSION

Legal counsel Collins said that the following Closed Session would be held this evening:

CLOSED SESSION 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

OPEN SESSIOS

Following the Closed Sessions, the meeting was reconvened with Directors McLaughlin, Swan, Reinhart, LaMar and Withers present. No action was reported.

ADJOURNMENT

There being no further business President Reinhart adjourned the meeting.

APPROVED and SIGNED this 8th day of March 2021.

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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