

EXHIBIT "A"

MINUTES OF REGULAR MEETING – AUGUST 28, 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 Vice President Swan on August 28, 2017 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Swan, Matheis, LaMar, Reinhart and Withers (arrived at 5:21 p.m.).

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Water Policy Weghorst, Executive Director of Operations Shields, Executive Director of Engineering and Water Quality Burton, Executive Director of Finance and Administration Clary, Director of Treasury and Risk Management Jacobson, Director of Maintenance Drake, Director of Human Resources Roney, Legal Counsel Coffee, Secretary Bonkowski, Assistant Secretary Swan, Principle Engineer Akiyoshi, Principle Engineer Cortez, Asset System Manager Meserlian, Government Relations Officer Compton, Mr. John Fabris, Ms. Emily Zuniga, and members of the public.

WRITTEN COMMUNICATIONS: None.

ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

WORKSHOP

ENTERPRISE ASSET MANAGEMENT SOFTWARE IMPLEMENTATION UPDATE

Using a PowerPoint presentation, Mr. Barkev Meserlian provided background information on the District's Enterprise Asset Management (EAM) program. Mr. Meserlian then reviewed the Maximo Implementation Team, the implementation plan, milestones, schedule overview for Phase 1 of the program, program objectives, and next steps. Director Withers arrived at 5:21 p.m.

Director LaMar reported that this item was reviewed by the Engineering and Operations Committee on August 15, 2017. Following discussion, the Board thanked Mr. Meserlian for his efforts on this project.

CONSENT CALENDAR

On MOTION by Swan, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 12 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, Peer Swan, Douglas Reinhart and John Withers, as described.

CONSENT CALENDAR (CONTINUED)

5. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the August 14, 2017 Regular Board Meeting be approved as presented.

6. OPERATIONS CENTER PERMANENT BACKUP GENERATOR FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Operations Center Permanent Backup Generator, project 06167, 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.

7. MAIN STREET DIVERSION STRUCTURE REHABILITATION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Main Street Diversion Structure Rehabilitation, project 05174; 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.

8. LAKE FOREST ZONE A RESERVOIR DEMOLITION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Lake Forest Zone A Reservoir Demolition, project 07094; authorize the Filing of a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

9. TUSTIN LEGACY CAPITAL FACILITIES

Recommendation: That the Board authorize the General Manager to accept the City of Tustin's construction contract with KEC Engineering in the amount of \$263,804 for the Victory Road Recycled Water Improvements, project 07163; authorize the General Manager to accept the city's construction contract with USS Cal Builders, Inc. in the amount of \$332,594.28 for the Moffett Drive Bridge Domestic and Recycled Water Improvements, projects 06765 and 06766; authorize the General Manager to accept the City's construction contract with Bali Construction, Inc. in the amount of \$187,348 for the Flight Drive Recycled Water Improvements, project 07535; and authorize a budget increase for project 07163 in the amount of \$200,000, from \$162,800 to \$362,800, for the construction of recycled water pipelines within Victory Road.

10. JULY 2017 TREASURY REPORT

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for July 2017, and Disclosure Report of Reimbursements to Board Members and Staff; approve the July 2017 Summary of Payroll ACH payments in the total amount of \$1,733,580 and approve the July 2017 Accounts Payable Disbursement Summary of Warrants 378596 through 379170, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$49,693,221.

CONSENT CALENDAR (CONTINUED)

11. SANTIAGO HILLS II CAPITAL FACILITIES DESIGN CHANGE ORDER

Recommendation: That the Board authorize the General Manager to accept Irvine Community Development Company's design change order with Michael Baker International in the amount of \$203,200 for the Santiago Hills II, Recycled Water Capital Improvements, project 05823.

12. ACWA REGION 10 ELECTION BALLOT FOR THE 2018-19 TERM

Recommendation: That the Board support the candidates as selected by the ACWA Region 10 nominating committee and authorize the General Manager to sign the Region 10 Board ballot for the 2017-2018 term.

ACTION CALENDAR

MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES CONTRACT CHANGE ORDER NO. 58 AND VARIANCE NO. 4

The Biosolids Project was awarded to Filanc/Balfour-Beatty (FBB) to provide biosolids digestion, dewatering, energy production, and on-site sludge drying. The project includes excavation for subsurface structures; installation of foundation piles; three egg-shaped digesters; a state-of-the-art odor control system; a biogas conditioning system and power generation using microturbines; fats, oil and grease receiving station; and new utility services.

Executive Director of Engineering and Water Quality Burton reported that Contract Change Order 58 contains the following items: 1) a concrete cap over shallow pipe crossings in the amount of \$7,923.00; 2) additional conduit and wiring for the sludge screen moisture sensors in the amount of \$8,355.32; 3) SCADA programming modifications in the amount of \$15,758.38; 4) polymer storage power panel wire and breaker modifications in the amount of \$24,238.65; 5) odor control starter modifications in the amount of 41,436.09; 6) odor control fan remote temperature device revisions in the amount of \$52,484.50; and 7) relocation of digester control building gas room local control panels in the amount of \$32,743.00.

Mr. Burton said that Ninyo & Moore has been providing concrete sampling/testing, masonry grout sampling/testing, and welding inspection since 2013. He said that the effort to complete these samplings and inspections was underestimated and after review of the remaining effort needed, staff asked that Ninyo & Moore submit variance No. 4 for the remaining work along with in-place density testing during paving operations which will occur starting in fall 2017.

Director LaMar reported that this item was reviewed and approved by the Engineering and Operations Committee on August 15, 2017. On MOTION by LaMar, seconded and unanimously carried, **THE BOARD APPROVED CONTRACT CHANGE ORDER NO. 58 IN THE AMOUNT OF \$182,938.94 WITH FILANC/BALFOUR BEATTY FOR ELECTRICAL AND SCADA PROGRAMMING MODIFICATIONS; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 4 IN THE AMOUNT OF \$17,950 WITH NINYO AND MOORE TO PROVIDE SUPPLEMENTAL MATERIALS TESTING FOR THE MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES, PROJECT 04286.**

IRWD SECURITY GUARD SERVICES CONTRACT

Director of Human Resources Roney noted a error on the recommendation and corrected the first year renewal date to end on June 30, 2018. Ms. Roney reviewed the observations from the April 2015 Security Assessment conducted by consultant TelSec, Inc. including: 1) security risks unique to the open campus nature of the IRWD Operations Center and Michelson Water Recycling Plant (MWRP) are due A) the significant increase in the value of facilities, equipment and assets at the MWRP; B) the encroaching urbanism surrounding the Operations Center and MWRP resulting in an increase in security breaches; C) a significant increase in traffic through the entrance/exit access points; 2) alternatives to mitigate the identified security risks included: A) construction of a staffed, kiosk-controlled access point into and out of the Operations Center and MWRP; B) segregation of the plant operation facilities through fencing and locked gates; and/or C) locking all entrance gates at all times. Ms. Roney said that following a preliminary review of the alternatives presented to mitigate security risks at the Operations Center and the MWRP that in January of 2017, staff recommended a series of improvements including a staffed, kiosk-controlled access point into and out of these facilities; however, after further review and analysis, staff determined that a phased approach to security enhancement would be more effective and would focus on securing the facilities through fencing and locked gates combined with enhanced security patrols. She said also the lobby of the Operations Center would be reconfigured to provide space for security staffing along with improved and enhanced exterior electronic surveillance equipment. She further said that this approach to mitigating the security risks would also allow the District to evaluate and assess effectiveness at each phase over time with the ability to add other measures including a security kiosk on Riparian View as needed in the future.

Ms. Roney said that staff issued a Request for Proposal for enhanced and expanded security guard and patrol services for all District facilities and that proposals were received from G4S Secure Solutions, MPS Security, Cypress Private Security and Securitas, Inc. She said that Securitas, Inc. was determined to be the highest-rated firm, especially in the areas of length and breadth of experience providing security in the public utility sector, its staffing structure, and its ability to provide efficient and timely response and communication to the District. She then reviewed various levels of security service components.

Director LaMar reported that this item was reviewed by the Engineering and Operations Committee on August 15, 2017. Following discussion, on MOTION by LaMar, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO ENTER INTO A CONTRACT WITH SECRUITAS, INC. FOR SECURITY GUARD AND PATROL SERVICES FOR A THREE-YEAR TERM WITH OPTIONS FOR TWO ONE-YEAR RENEWALS AS FOLLOWS: SEPTEMBER 1, 2017 THROUGH JUNE 30, 2018 AT \$669,860.00; FISCAL YEAR 2018-19 AT \$696,654.00, AND FISCAL YEAR 2019-20) AT \$724,520.00.

OTHER BUSINESS

GENERAL MANAGER'S REPORT

General Manager Cook noted that Ms. Mary Lynn Coffee was providing legal counsel services this evening as Mr. Alfred Smith was out of town. He further said that IRWD's consultant Mr. Bruce Newell was providing rescue efforts in Texas due to hurricane Harvey.

DIRECTOR COMMENTS

Director Matheis reported that she attended an Urban Water Institute conference and noted the panel discussing the Delta Fix and General Manager Cook's presentation on energy storage.

Director Withers noted that he had a meeting with former IRWD Board member Mr. Brian Brady.

Director LaMar reported on his attendance at a Water Reliability Summit hosted by Santa Margarita Water District, a California Environmental Dialogue Plenary Meeting in San Diego, a meeting he had with State Water Resources Control Board members last Wednesday including newest member Mr. E. Joaquin Esquivel, and an ACWA Region 8 Program at MWD.

Director Swan reported on his attendance at a Water Reliability Summit hosted by Santa Margarita Water District, an Urban Water Institute conference in San Diego, and a CASA conference in San Diego. He noted upcoming meetings including tomorrow's event at UCI relative to water solution innovations, a MWDOC policy dinner, and a WACO meeting. He further suggested that staff schedule a tour with OCWD staff to visit Kern County.

Director Reinhart reported on his attendance at a meeting with State Water Resources Control Board members.

CLOSED SESSION

President Reinhart said that a Closed Session would be held this evening relative to conference with Legal Counsel regarding anticipated litigation - Government Code Section 54956.9(d)(2), *International Brotherhood of Electrical Workers Local 47 v. Irvine Ranch Water District, Public Employee Relations Board*, Unfair Practice Charge No. LA-CE-1197-M

OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors Swan, LaMar, Reinhart, Withers and Matheis present. President Reinhart said that by unanimous vote (5 ayes and 0 noes), direction was provided to staff regarding a response on the second petition only.

ADJOURNMENT

There being no further business, President Reinhart adjourned the meeting at 7:30 p.m.

APPROVED and SIGNED this 11th day of September, 2017 at 7:13 p.m.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Alfred Smith, Legal Counsel – Nossaman LLP