

## EXHIBIT "A"

### MINUTES OF REGULAR MEETING – OCTOBER 28, 2013

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 October 28, 2013 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None

Also Present: General Manager Cook, Executive Director of Finance Clary, Executive Director of Engineering Burton, Executive Director of Water Policy Heiertz, Director of Water Resources Weghorst, Legal Counsel Hoskinson, Secretary Bonkowski, Director of Risk Management and Treasury Jacobson, Director of Public Affairs Beeman, Assistant Director of Recycling Operations Lee, Ms. Christine Compton, Mr. Eric Akiyoshi, Mr. Mike Hoolihan, Ms. Amy McNulty, Mr. Jim Reed, and other members of the public and staff.

WRITTEN COMMUNICATION: None.

#### ORAL COMMUNICATION

Mrs. Joan Irvine Smith's assistant addressed the Board of Directors with respect to the Dyer Road wellfield. She said it was her understanding that currently wells 1, 4, 5, 6, 7, C-8, C-9, 10, 12, 13, 14, 15, 17 and 18 will operate in accordance with the District's annual pumping plan. Wells 2, 3, 11 and 16 will be off. This was confirmed by Mr. Cook, General Manager of the District.

On October 2, 2013, the OCWD Board adopted a resolution approving and authorizing execution of an Annexation Agreement with IRWD, the City of Anaheim, YLWD; certified the final program/project EIR for the OCWD annexation request for IRWD, the City of Anaheim, YLWD; authorized filing of a CEQA Notice of Determination; and authorized transmittal of a resolution to LAFCO and directed staff to prepare the necessary documents and application to LAFCO to annex the requested areas into the District. This was confirmed by Mr. Cook.

On October 14, 2013, the IRWD Board adopted the "Final Program/Project Environmental Impact Report OCWD request by the City of Anaheim, IRWD, and Yorba Linda Water District" as a responsible agency under CEQA and directed staff to file a Notice of Determination, and authorized execution of the "Annexation Agreement between OCWD and IRWD regarding annexation to OCWD". This was confirmed by Mr. Cook.

With respect to the Groundwater Emergency Service Plan, IRWD has an agreement in place with various south Orange County water agencies, MWDOC and OCWD, to produce additional groundwater for use within IRWD and transfer imported water from IRWD to south Orange County in case of emergencies. IRWD has approved the operating agreement with certain south Orange County water agencies to fund the interconnection facilities needed to affect the emergency transfer of water. MWDOC and OCWD have also both approved the operating agreement. This was confirmed by Mr. Cook.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - None.

PUBLIC HEARING

DECLARING INTENTION TO DETACH SPECIFIED TERRITORY FROM AND/OR TO ANNEX SPECIFIED TERRITORY TO EACH OF IMPROVEMENT DISTRICT NOS. 102, 105, 106, 121, 130, 135, 140, 161, 182, 184, 186, 2(202, 206, 221, 230, 235, 250, 261, 282, 284 AND 286

General Manager Cook reported that tonight there are a number of resolutions in both Items 3 and 12 pertaining to proposed changes in the boundaries of numerous Improvement Districts within the Irvine Ranch Water District (IRWD), and that this item is one of the first steps in a process that will result in a streamlining of the number of Improvement Districts within IRWD. Mr. Cook said that the purpose of this Public hearing is to allow members of the public and the Board to consider any matters concerning the annexations of the specified territories. He said that the District Secretary has noticed the hearing pursuant to the requirements of Section 6066 of the California Government Code. He further said that before beginning the Public Hearing, Executive Director of Finance Clary would like to present some changes in how staff is presenting the resolutions tonight.

Executive Director of Finance Clary reported that a supplemental resolution (proposed Resolution No. 2013-42) had been placed before each Board member which will be the resolution recommended for adoption under this Public Hearing ordering the detachment of specified territories from, and/or to annex specified territories to Improvement District Nos. 102, 105, 106, 121, 135, 140, 161, 182, 184, 186, 2(202, 206, 221, 230, 235, 250, 261, 282, 284 and 286. Ms. Clary said that the proposed Resolution No. 2013-38 declaring its intention to order the consolidation of coterminous Improvement Districts and adoption of Plan of Works for consolidated Improvement Districts Nos. 125 and 225, currently placed under this Public Hearing (Item No. 3), be moved and adopted under Action Calendar No. 12 on the agenda. There being no objections from the Board for these administrative adjustments, the resolution changes were made accordingly.

Using a PowerPoint presentation, Ms. Clary provided an overview of scheduling the long-term capital funding plan noting the upcoming hearing on November 11, 2013 to annex specified territory to IDs 153 and 253, the formation of ID 185 and 285 along with the adoption of Plan of Works respectively, and ordering the consolidation of coterminous IDs (21 IDs) and adoption of Plans of Works for consolidated ID Nos. 125 and 225.

President Reinhart declared this to be the time and place for a hearing on the detachment and /or annexation of specified territories to, and/or from Water IDs 102, 105, 106, 121, 130, 135, 140, 161, 182, 184, and 186 to form coterminous water IDs, and Sewer IDs 2(202), 206, 221, 230, 235, 250, 261, 282, 284, and 286 to form coterminous sewer IDs.

President Reinhart declared the hearing open and asked the Secretary how the hearing was noticed.

Secretary Bonkowski said that the Notice of the time and place of this hearing was published in the Orange County Register on October 14, 2013 and October 21, 2013. A notice was also posted in the District office on October 8, 2013, and on October 14, 2013, notices were posted in three public places within the territories proposed to be annexed or detached.

On MOTION by Swan, seconded and unanimously carried, THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

President Reinhart requested Legal Counsel to describe the nature of the proceedings.

Legal Counsel Hoskinson said that tonight's public hearing is held to provide all persons interested an opportunity to be heard, to present objections or protests, including any written comments submitted, concerning the District's intention to annex and/or detach specified territories to form 21 coterminous Improvement Districts.

President Reinhart inquired of the Secretary whether there have been any written communications. Secretary Bonkowski said that there were none.

President Reinhart inquired whether there is anyone present who wishes to address the Board concerning the proposed annexations to and detachments from the listed improvement districts. There was no one who wished to be heard.

President Reinhart inquired whether there are any comments or questions from members of the Board of Directors. There were none.

On MOTION by Swan, seconded and unanimously carried, THE HEARING WAS CLOSED AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2013-42

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
IRVINE RANCH WATER DISTRICT ORDERING THE  
DETACHMENT OF SPECIFIED TERRITORIES FROM, AND/OR  
ANNEXATION OF SPECIFIED TERRITORIES TO EACH OF  
IMPROVEMENT DISTRICT NOS. 102, 105, 106, 121, 130,  
135,140, 161, 182, 184, 186, 2(202), 206, 221, 230, 235, 250,  
261, 282, 284, AND 286.

## CONSENT CALENDAR

Director Swan asked that Item No. 9 be moved to the Action Calendar for discussion. There being no objection, this item was moved accordingly. On MOTION by Swan, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 8 WERE APPROVED AS FOLLOWS:

4. MINUTES OF REGULAR AND ADJOURNED REGULAR BOARD MEETING

Recommendation: That the minutes of the October 14, 2013 Regular Board meeting and the October 18, 2013 Adjourned Regular Board meeting be approved as presented.

5. RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS

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

6. SEPTEMBER 2013 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for September 2013, and disclosure report of reimbursements to board members and staff; approve the September 2013 summary of payroll ACH payments in the total amount of \$1,442,307 and approve the September 2013 accounts payable disbursement summary of warrants 342226 through 342864, workers' compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$14,008,726.

7. PLANNING AREA 9B (STONEGATE) JEFFREY ROAD PIPELINES CONTRACT CHANGE ORDER

Recommendation: That the Board authorize a budget increase for project 30422 (1024) in the amount of \$233,100, from \$2,729,100 to \$2,962,200, and for project 30389 (4176) in the amount of \$335,500, from \$777,700 to \$1,113,200; authorize a budget reduction for project 10423 (1519) in the amount of \$568,600, from \$1,755,600 to \$1,187,000; approve Expenditure Authorizations for projects 10423 (1519), 30422 (1024), and 30389 (4176) in the amounts of \$201,400, \$233,100, and \$335,500, respectively; and approve a Contract Change Order in the amount of \$166,328 to the Reimbursement Agreement with the Irvine Community Development Company for Planning Area 9B Jeffrey Road pipelines, projects 10423 (1519), 30422 (1024), and 30389 (4176).

8. STRAND RANCH WELL SREX-4 REPLACEMENT OVERSIGHT

Recommendation: That the Board approve a Compromise and Release Agreement for the replacement of SREX-4; approve an Expenditure Authorization for Project 11289 (2812) in the amount of \$95,900; and authorize the General Manager to enter into a Professional Services Agreement with Wildermuth Environmental, Inc. for hydrogeologic and engineering oversight of the replacement of SREX-4 in the amount of \$77,110.

## ACTION CALENDAR

### DEEP AQUIFER TREATMENT SYSTEM AND WELL 77 LEASE PAYMENT - EXPENDITURE AUTHORIZATION

Following a response by staff relative to Director Swan's inquiry on the lease payments to the City of Santa Ana and the Irvine Unified School District, on MOTION by Swan, seconded and unanimously carried, THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION FOR PROJECT 10391 (1214) IN THE AMOUNT OF \$424,900 TO FUND THE DEEP AQUIFER TREATMENT SYSTEM (DATS) AND THE WELL 77 LEASE PAYMENTS.

### VARIANCE FOR THE MULTI-FAMILY DWELLING AND COMMERCIAL PLUMBING FIXTURE RETROFIT PROGRAM

General Manager Cook reported that in July 2012, IRWD entered into an agreement with Bottom Line Utility Solutions to provide installation services for the Multi-Family Dwelling and Commercial Plumbing Fixture Retrofit Program. In May 2013, Variance No. 1 was approved extending the agreement term through June 2014. He said that an additional variance is required for additional funding for plumbing fixture retrofitting and modification of its bond requirement.

Acting Assistant Director of Conservation Amy McNulty reported that this program has been successful, and that recently staff has developed a reasonable bonding requirement for this type of retrofit project which is based on the daily average toilet install quantities and associated cost. She said that using the installation rates from the program's performance last year, staff determined a daily exposure cost of not more than \$15,000. A bond in this amount can be held for the duration of the program, rolling over day to day, and not require phasing which creates a hindrance to the program flow.

Director Withers reported that this item was reviewed and approved by the Engineering and Operations Committee meeting on October 15, 2013. On MOTION by Withers, seconded and unanimously carried, THE BOARD APPROVED VARIANCE NO. 2 WITH BOTTOM LINE UTILITY SOLUTIONS MODIFYING BOND REQUIREMENTS AND INCREASING THE CONTRACT AMOUNT BY \$378,555 TO THE AGREEMENT FOR NON-CONSULTANT SERVICES FOR THE MULTI-FAMILY DWELLING AND COMMERCIAL PLUMBING FIXTURE RETROFIT PROGRAM.

### TUSTIN LEGACY REIMBURSEMENT AGREEMENT AND BARRANCA PARKWAY PIPELINES CONSTRUCTION CONTRACT

General Manager Cook reported that the City of Tustin (City) is continuing with the development of Tustin Legacy including Barranca Parkway street improvements between Armstrong Avenue and Tustin Ranch Road. As part of the development projects, the City will design and construct IRWD's domestic water, sewer, and recycled water capital facilities under a Reimbursement Agreement.

Director of Engineering and Planning Burton reported on the successful first phase of the project with the City including the change order for dewatering. Mr. Burton said that the City is now proposing to construct the Barranca Parkway Street Improvements between Armstrong Avenue

and Tustin Ranch Road as a change order to Noble's existing contract. Noble provided a cost proposal to construct IRWD's facilities including domestic water, sewer, and recycled water facilities. The sewer facilities will replace an existing temporary trunk sewer so it will be constructed at the City's cost. He said that Noble's price for IRWD's portion of the work including domestic water and recycled water facilities is \$635,616.06. Staff has reviewed the proposed unit prices and has determined that they are fair and consistent with other recently bid construction projects.

Director Withers reported that this item was reviewed and approved by the Engineering and Operations Committee on October 15, 2013. On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED A BUDGET INCREASE FOR THE TUSTIN LEGACY BARRANCA PIPELINES, PROJECT 11714 (4366) IN THE AMOUNT OF \$180,400, FROM \$162,800 TO \$343,200, AND FOR PROJECT 31714 (4368) IN THE AMOUNT OF \$529,100, FROM \$160,600 TO \$689,700; APPROVED EXPENDITURE AUTHORIZATIONS FOR PROJECTS 11714 (4366) AND 31714 (4368) IN THE AMOUNTS OF \$343,200 AND \$689,700; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A REIMBURSEMENT AGREEMENT WITH THE CITY OF TUSTIN FOR THE DESIGN AND CONSTRUCTION OF IRWD CAPITAL FACILITIES IN THE TUSTIN LEGACY DEVELOPMENT.

DECLARING INTENTION TO CONSOLIDATE COTERMINOUS IMPROVEMENT DISTRICT (ID) 125/225, ANNEX AND DETACH PARCELS TO REORGANIZE ID 153/253, FORM ID 185/285 AND TO ADOPT PLANS OF WORKS FOR CONSOLIDATED, REORGANIZED AND NEWLY FORMING IDS

Using a PowerPoint presentation, Executive Director of Finance Clary reviewed the schedule for the Long-Term Capital Funding Plan and tonight's recommendations: declaring the intent to consolidate the coterminous IDs into the developed ID 125/225; declaring the intent to annex and detach parcels in order to form the developing ID 153/253; declaring the intent to form IDs 185/285 which is made up of a portion of the Opportunity Study Area currently included in IDs 135/235; and declaring the intent to adopt Plans of Works (POW) for the new formations 125/225, 153/253, and 185/285. Ms. Clary said that the Secretary has advertised accordingly for the November 11, 2013 Public Hearing.

On MOTION by LaMar, seconded and unanimously carried, THE FOLLOWING RESOLUTIONS WERE ADOPTED BY TITLE:

RESOLUTION NO. 2013- 38

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT DECLARING ITS INTENTION TO ORDER THE CONSOLIDATION OF COTERMINOUS IMPROVEMENT DISTRICTS AND ADOPT PLANS OF WORKS FOR CONSOLIDATED IMPROVEMENT DISTRICT NOS. 125 AND 225

RESOLUTION NO. 2013- 39

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
IRVINE RANCH WATER DISTRICT DECLARING ITS  
INTENTION TO DETACH SPECIFIED TERRITORY FROM,  
AND TO ANNEX SPECIFIED TERRITORY TO  
IMPROVEMENT DISTRICT NOS. 153 AND 253  
AND ADOPT AMENDED PLANS OF WORKS  
FOR SAID IMPROVEMENT DISTRICTS

RESOLUTION NO. 2013-40

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
IRVINE RANCH WATER DISTRICT DECLARING ITS  
INTENTION TO FORM IMPROVEMENT DISTRICT NO. 185  
AND TO ADOPT A PLAN OF WORKS THEREFOR

RESOLUTION NO. 2013-41

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
IRVINE RANCH WATER DISTRICT DECLARING ITS  
INTENTION TO FORM IMPROVEMENT DISTRICT NO. 285  
AND TO ADOPT A PLAN OF WORKS THEREFOR

OTHER BUSINESS

GENERAL MANAGER'S REPORT

General Manager Cook introduced Mr. Randy Lee, Assistant Director of Recycling Operations, who will oversee the MWRP, LAWRP, biosolids marketing and compliance, and collection and treatment systems. Mr. Lee commented that he was looking forward to working for the District.

Mr. Cook reported that Mr. Mark Gingras was retiring from the District, and that he has accepted a position with the City of San Clemente to manage its treatment facility.

DIRECTORS' COMMENTS

Director Matheis reported on her attendance at MWDOC's Water Policy Forum with Mr. Rob Hunter discussing infrastructure, and a Water Education Foundation Seminar relative to sustaining the Water Education Foundation and private/public partnerships.

Director Withers reported on his attendance at a meeting with Mayor Murray from the City of Tustin, Southern California Water Committee's annual meeting, and MWD's 50<sup>th</sup> anniversary of its Diemer Water Treatment Plant. In response to his noting a telephone conversation with the City of Santa Ana's Manager's office relative to high water usage at its Centennial Heritage Museum site, General Manager Cook said that he will ask staff to contact the City to provide advice on

conservation measures. Director Withers further reported on his plans to attend this Thursday's ISDOC quarterly meeting.

Director Swan commented on Ms. Rita Sudman's resignation from the Water Education Foundation. He noted his participation on a telephone conference call relative to ACWA's Region X, a MWDOC/OCWD Committee meeting, a MWDOC water policy meeting, Sea and Sage's annual breakfast, and an ACWA Region II and IV meeting in Sacramento.

Director LaMar reported on his attendance at a MWDOC Planning Public Affairs meeting, an ACWA Region X meeting, a Southern California Water Committee meeting, and MWD's 50<sup>th</sup> anniversary of the Diemer Water Treatment Plant.

Director Reinhart reported on his attendance at a MWDOC Board meeting, an ACWA Region X program, a MWDOC water policy meeting, and a Southern California Water Committee meeting.

### CLOSED SESSION

President Reinhart said that the following Closed Sessions would be held:

- (1) CONFERENCE WITH LABOR NEGOTIATORS  
Agency Designated Representatives: Paul Cook and Jenny Roney  
Employee Organization: Irvine Ranch Water District Employees Association
- (2) CONFERENCE WITH LEGAL COUNSEL relative to existing litigation -  
Government Code Section 54956.9(a) – Williams vs. IRWD and MWDCS  
(Revised Confidentiality and Common Interest Agreement; Second Amended  
Tolling Agreement (Water Agencies)).
- (3) CONFERENCE WITH LEGAL COUNSEL relative to anticipated litigation–  
Government Code Section 54956.9(d)(2) – significant exposure to litigation  
(one potential case).
- (4) CONFERENCE WITH LEGAL COUNSEL relative to anticipated litigation–  
Government Code Section 54956.9(d)(4) – initiation of litigation (one potential  
case) (potential settlement construction contractor).

### OPEN SESSION

The meeting was reconvened with LaMar, Reinhart, Matheis, Withers and Swan present. President Reinhart said that no action was reported from the Closed Session.

### ADJOURNMENT

There being no further business, President Reinhart adjourned the meeting.

APPROVED and SIGNED this 11<sup>th</sup> day of November, 2013.

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President, IRVINE RANCH WATER DISTRICT



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Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

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Legal Counsel - Bowie, Arneson, Wiles & Giannone