

EXHIBIT “A”

MINUTES OF REGULAR MEETING – July 12, 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 July 12, 2021 in person at the District’s headquarters located at 15600 Sand Canyon Avenue, Irvine, California and via teleconference pursuant to the provisions of the Governor’s Executive Order N-08-21 due to COVID-19.

Directors Present: LaMar, Withers, Swan, and Reinhart

Directors Absent: McLaughlin

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

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED: None.

PUBLIC HEARING

SEWER CHARGES IN IRWD’S NEWPORT NORTH AREA

On June 24, 2019, the Board adopted Rates and Charges for Fiscal Year 2019-20 and 2020-2021. Considering the hardships to many IRWD customers created by the impacts of COVID-19, on May 26, 2020, the Board elected to defer the FY 2020-21 sewer rate increases scheduled to become effective in July 2020. The rate increase remains deferred, and no additional rate increases have been approved at this time. The current monthly sewer charges of \$26.10 for a residential single-family home and \$19.55 per unit for multiple family dwelling units remain in effect. Newport North customers have the same rate as other IRWD sewer customers, but the method of collection differs in that they pay their sewer fees on an annual basis by means of the County tax rolls.

President Reinhart declared this to be the time and place for a hearing on the sewer charge report for the Newport North area and declared the hearing open. He asked the Secretary how the hearing was noticed.

Secretary Bonkowski said that the report was filed with her on June 23, 2021 and notice of the filing of the report and the time and place of this hearing was published in the Daily Pilot on June 27 and July 4, 2021. A notice was also posted in the District office on June 23, 2021.

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

President Reinhart asked Legal Counsel to describe the nature of the proceedings. Legal Counsel Collins said that by resolution, the Board of Directors elected to have sewer charges for certain parcels collected on the tax roll each year in the same manner, by the same persons, and at the same time as, together with and not separately from, its general taxes, pursuant to Section 5473 et seq. of the California Health and Safety Code.

President Reinhart asked the Secretary whether there have been any written communications. She said there were none.

President Reinhart asked whether there is anyone present who wished to address the Board regarding the proposed collection of sewer charges on the tax roll. There was no one who wished to be heard. President Reinhart asked whether there were any comments or questions from members of the Board of Directors; there were none.

President Reinhart asked that the hearing will be closed. On MOTION by Swan, seconded by LaMar and unanimously carried, THE HEARING WAS CLOSED AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2021 - 14

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT ADOPTING THE
SEWER CHARGE REPORT AND AUTHORIZING COLLECTION
OF SEWER CHARGES ON THE TAX ROLL FOR IRWD'S
NEWPORT NORTH AREA

CONSENT CALENDAR

On MOTION by Swan, seconded by Withers and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 10 WERE APPROVED AS FOLLOWS:

4. BOARD MEETING MINUTES

Recommendation: That the minutes of the June 28, 2021 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 Steven LaMar, Douglas Reinhart, Peer Swan, and John Withers, as described.

6. 2021 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: Receive and file.

CONSENT CALENDAR (CONTINUED)

7. VARIANCE TO AGREEMENTS WITH KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD AND EVERETT DOREY

Recommendation: That the Board authorize the General Manager to execute a variance to IRWD's Professional Services Agreement with Kronick, Moskovitz, Tiedemann & Girard related to rates, charges and fees increasing the not-to-exceed value of the contract by \$750,000 and extending the term through June 30, 2022, and authorize the General Manager to execute a variance to the letter of engagement with Everett Dorey for legal services related to tort matters and litigation increasing the not-to-exceed value of the contract by \$150,000.

8. FY 2021-22 OPERATING BUDGET VENDOR EXPENDITURE COMMITMENTS GREATER THAN \$200,000

Recommendation: That the Board approve the list of vendor commitments greater than \$200,000 based on approved FY 2021-22 operating budget expenditures.

9. LUMP SUM PAYMENT OPTION FOR EMPLOYER CONTRIBUTIONS FOR FY 2021-22 TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Recommendation: That the Board approve the lump sum payment for employer contributions to the California Public Employees' Retirement System (CalPERS) by making a one-time contribution of \$6,811,095 for IRWD's FY 2021-22 employer Unfunded Accrued Liability (UAL) contribution.

10. UTILITY BILL PRINTING, MAILING, AND ELECTRONIC BILL PRESENTMENT SERVICES CONTRACT EXTENSION

Recommendation: That the Board ratify approval of the two-year contract extension effective August 15, 2020 through August 15, 2022 with InfoSend Inc. for utility bill printing, mailing, and electronic bill presentment services in the amount of \$1,246,000.

ACTION CALENDAR

15 MG ZONE 1 RESERVOIR INTERIOR COATING AND IMPROVEMENTS BUDGET INCREASE AND CONSTRUCTION AWARD

The 15 Million Gallon Zone 1 Reservoir Interior Coating and Improvements project includes removal and replacement of the entire reservoir interior coating and portions of the exterior coating and replacement of the reservoir roof hatches, vent, reservoir cathodic protection system, and other miscellaneous accessories. The project also includes recoating the existing East Irvine Zone 1 to 3 booster pump station (BPS) and associated surge tank, which are located on the reservoir site.

On MOTION by Swan, seconded by Withers and unanimously carried, THE BOARD AUTHORIZED A BUDGET INCREASE FOR PROJECT 05761 IN THE AMOUNT OF \$1,271,500, FROM \$2,748,500 TO \$4,020,000, AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH PACIFIC HYDROTECH CORPORATION IN THE AMOUNT OF \$3,340,190 FOR THE 15 MG ZONE 1 RESERVOIR INTERIOR COATING AND IMPROVEMENTS, PROJECT 05761.

SETTING CONNECTION FEES AND PROPERTY TAXES FOR FISCAL YEARS 2021-22 AND 2022-23

Using a PowerPoint presentation, Manager of Strategic Planning and Analysis Smithson reviewed the District's approach to setting connection fees and property taxes. Mr. Smithson said that during the process, staff obtained and incorporated local developer input. He said that this year, staff is proposing to set the connection fees for two fiscal years, consistent with the two-year budget cycle. The changes to connection fees proposed for Fiscal Year (FY) 2021-22 are based on updates to IRWD's capital budget, updated developer projections, and adjustments to the Engineering News Record (ENR) construction cost index. He said that changes to the connection fees proposed for FY 2022-23 are based on estimated construction cost increases of 3% for all improvement districts (ID). He said that staff will revisit connection fees and rates at mid-cycle and update the Committee on capital updates, development timing / progression, and other changes that could affect tax rates and fees.

Mr. Smithson reviewed the key changes and said for capital IDs 112/212, there is a \$9.9 million increase, and in IDs 153/253, there is a \$16.3 million increase. He reviewed the development projections for these IDs noting that for IDs 112/212, 2,800 units would be reduced to 1,000, and IDs 153/253 projections would increase by over 400 units in future projections. Using charts, Mr. Smithson reviewed the proposed two-year connection fees and property tax rates by IDs. He further provided a snapshot of the analysis of changes within IDs.

Director Swan reported that this item was reviewed by the Finance and Personnel Committee on July 6, 2021. Directors LaMar and Withers complimented staff on their efforts. On MOTION by Swan, seconded by LaMar and unanimously carried, THE BOARD APPROVED REVISIONS TO CONNECTION FEES AND PROPERTY TAXES AS PRESENTED AND ADOPTED THE FOLLOWING RESOLUTIONS BY TITLE:

RESOLUTION NO. 2021 – 15

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA ADOPTING CHANGES TO CONNECTION FEES AS SET FORTH IN THE SCHEDULE OF RATES AND CHARGES IN EXHIBIT "B" OF THE RULES AND REGULATIONS OF IRVINE RANCH WATER DISTRICT FOR WATER, SEWER, RECYCLED WATER, AND NATURAL TREATMENT SYSTEM SERVICE

RESOLUTION NO. 2021 – 16

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA ESTABLISHING *AD VALOREM* TAX REVENUES FOR FISCAL YEAR 2021-22

RESOLUTION NO. 2021 – 17

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT AMENDING ALLOCATION OF *AD VALOREM* PROPERTY TAXES TO DEBT SERVICE, SUBJECT TO PLEDGE

GENERAL MANAGER'S REPORT

General Manager Cook reported that there was one more COVID-19 case contracted over the 4th of July holiday. Mr. Cook said that the District would be opening the exercise rooms at both facilities this Wednesday, and that van pooling would go into effect at the end of the month.

He updated the Board on outstanding billing noting that 4,000 accounts are overdue with an outstanding debt of \$2.5 million. He said that 62,000 customers have signed up with the Paymentus online payment system. In response to Director Reinhart's inquiry relative to the two legislative bills related to debt caused by COVID-19, Ms. Compton provided a brief update.

He further noted that Director of Water Resources Sanchez was featured in the *Irvine Standard*.

COMMUNITY UPDATE

Consultant Newell provided an update on last Thursday's bridge work by the District where water was shut off from 10:00 a.m. to 4:00 p.m. He further said that the pre-fire meeting on July 24 may need to be rescheduled as the planned speakers have not confirmed attendance.

DIRECTORS' COMMENTS

Director LaMar reported on his attendance at a WACO meeting and several ACWA meetings.

Director Swan said he attended MWD's General Manager Kightlinger's going-away event, a Newport Chamber of Commerce "Wake Up" event where they discussed redistricting. In response to his inquiry regarding redistricting, Ms. Compton said that the Board will likely have its kick-off meeting at the December 13 Board meeting to consider various map options on new division boundaries based on the most recent census. Director Swan further said he attended a WACO meeting, a MWDOC Planning Committee meeting, a Southern California Dialogue Planning meeting, a MWDOC Workshop with MWD Directors, and an OCBC Government Affairs meeting.

Director Withers said he attended an ISDOC meeting along with his regular meetings. He said that he will also be attending an upcoming NWRI Board meeting and a MWDOC Water Policy Forum.

Director Reinhart reported that he attended a SOCWA Issues discussion, a WACO meeting, an OCWD Board meeting, and a MWDOC Board meeting.

ADJOURNMENT

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

APPROVED and SIGNED this 26th day of July 2021.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, General Counsel
Hanson Bridgett LLP