

EXHIBIT "A"

MINUTES OF REGULAR MEETING –JANUARY 23, 2023

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 McLaughlin on January 23, 2023 at the District offices, 15600 Sand Canyon Avenue, Irvine.

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

Directors Absent: None.

Written and Oral Communications: None.

Also Present: General Manager Cook, Executive Director of Operations Chambers, Executive Director of Finance and Administration Clary, Executive Director of Technical Services Burton, Executive Director of Water Policy Weghorst, Director of Treasury and Risk Management Jacobson, Director of Strategic Communications and Advocacy / Deputy General Counsel Compton, Director of Water Resources Sanchez, Director of Recycling Operations Zepeda, Director of Human Resources Mitcham, Director of Safety and Security Choi, Director of Water Quality and Regulatory Compliance Colston, Director of Maintenance Manning, Director of Information Services Kaneshiro, Secretary Bonkowski, Assistant Secretary Swan, General Counsel Collins, and members of the staff and public.

CONSENT CALENDAR

Director Swan asked that Item No. 6, FISCAL YEAR 2022-23 IRWD GUIDING PRINCIPLES SCORECARD, be moved to the Action Calendar for discussion. There being no objections, this item was moved accordingly. On MOTION by Reinhart, seconded by Withers, and unanimously carried, CONSENT CALENDAR ITEMS 4, 5, AND 7 THROUGH 9 WERE APPROVED AS FOLLOWS:

4. BOARD MINUTES

Recommendation: That the minutes from the January 9, 2023 Regular Board Meeting be approved as presented.

5. DECEMBER 2022 TREASURY REPORT

Recommendation: That the Board receive and file the Treasurer's Investment Summary report, the summary of fixed and variable rate debt, and the disclosure report of reimbursements to Board members and staff, approve the December 2022 summary of payroll ACH payments in the total amount of \$3,597,020, and approve the December 2022 accounts payable disbursement summary of warrants 432315 through 433143, Workers' Compensation distributions, ACH payments, virtual card payments, wire transfers, payroll withholding distributions and voided checks in the total amount of \$17,350,014.

CONSENT CALENDAR (CONTINUED)

7. 2023 INDEX TENDER NOTES ANNUAL REMARKETING

Recommendation: That the Board adopt the following resolution by title approving the Remarketing Statement relating to Unscheduled Mandatory Tenders (Refunding Series 2011A-1 and Refunding Series 2011A-2).

RESOLUTION NO. 2023-1

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT APPROVING
THE REMARKETING STATEMENT RELATING TO
UNSCHEDULED MANDATORY TENDERS
(REFUNDING SERIES 2011A-1 AND
REFUNDING SERIES 2011A-2)

8. BAKER WATER TREATMENT PLANT FUEL STORAGE PROJECT BID REJECTION

Recommendation: That the Board reject the bids received for the Baker Water Treatment Plant Fuel Storage project, Project 11864, and authorize staff to re-bid the project after revising the construction documents.

9. 15 MG ZONE 1 RESERVOIR INTERIOR COATING AND IMPROVEMENTS
FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the 15-million-gallon Zone 1 Reservoir Interior Coating and Improvements project, authorize the General Manager to file a Notice of Completion, and authorize the payment of the retention 35 days after date of recording the Notice of Completion for Project 05761.

ACTION CALENDAR

FISCAL YEAR 2022-23 IRWD GUIDING PRINCIPLES SCORECARD

In response to Director Swan's inquiry, staff provided an update on reservoir capacity in Irvine Lake. Additionally, following discussion, General Manager Cook said he would provide updates on capacity for certain reservoirs in his Weekly Report of District Activities. There being no further discussion, on MOTION by Swan, seconded by LaMar and unanimously carried, THE FISCAL YEAR 2022-23 IRWD GUIDING PRINCIPLES SCORECARD WAS RECEIVED AND FILED.

FUNDING IRWD'S OTHER POST-EMPLOYMENT BENEFITS LIABILITY

Using a PowerPoint presentation, Manager of Strategic Planning and Analysis Smithson provided an overview for funding other Post-Employment Benefits liability. Mr. Smithson reported that IRWD has fully funded its pension liability through a combination of contributions to CalPERS and its Section 115 Pension Benefits Trust along with three other Post-Employment Benefits Plans (OPEB).

He said that currently, IRWD has no mechanism to fund its OPEB liability beyond its practice of only paying the annual required contributions.

Mr. Smithson reviewed the projected growth of the OPEB unfunded liability and outlined two approaches for managing this increasing liability which include: 1) continue the current funding strategy: pay-as-you-go and only fund the annual required contributions; or 2) establish a Section 115 Trust to facilitate future funding to reduce the unfunded OPEB liability. He said a legal opinion was provided by Pillsbury and it stated that establishing this trust would not affect the District's ability to terminate or amend its OPEB programs and confirmed that with the correct language, its assets could revert to IRWD if the plans are terminated and all OPEB liabilities are extinguished.

Director Swan reported that this item was reviewed by the Finance and Personnel Committee meeting, and the Committee concurred with the staff recommendation. Following Director Swan's request for staff to verify termination clauses, on MOTION by Swan, seconded by Reinhart and unanimously carried, **THE BOARD APPROVED ESTABLISHING A NEW SECTION 115 POST-EMPLOYMENT BENEFITS PLANS TRUST FOR THE PURPOSE OF FUNDING IRWD'S FUTURE OTHER POST-EMPLOYMENT BENEFITS LIABILITY.**

UPDATE ON SYPHON RESERVOIR IMPROVEMENT PROJECT MITIGATION AND LONG-TERM FUNDING

Using a PowerPoint presentation, Director of Water Policy Sanchez reported that the Irvine Ranch Water District is coordinating with representatives from the United States Fish and Wildlife Service (USFWS) and California Department of Fish and Wildlife (CDFW) to develop a mitigation plan for the proposed Syphon Reservoir Improvement Project. Ms. Sanchez updated the Board on these coordination efforts, the conceptual mitigation package, and associated long-term funding requirements that are being developed to mitigate impacts to sensitive habitat that surrounds Syphon Reservoir. Instead of a typical endowment, she said that staff recommends utilizing an alternative funding mechanism, such as a Conservation Agreement or Conservation Easement.

Director Reinhart said that this item was reviewed at the January 17, 2023 Engineering and Operations Committee meeting. Director Swan commented on potential flood issues associated with San Diego Creek. There being no further comments, on MOTION by Reinhart, seconded by McLaughlin and unanimously carried, **THE BOARD AUTHORIZED STAFF TO WORK WITH UNITED STATES FISH AND WILDLIFE SERVICE, CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE AND LEGAL COUNSEL TO DEVELOP MECHANISMS FOR LONG-TERM AND CONTINGENCY FUNDING, SUCH AS A CONSERVATION AGREEMENT OR EASEMENT ATTACHED TO THE LAND THAT WOULD AVOID THE NEED FOR ENDOWMENTS.**

GENERAL MANAGER'S REPORT

General Manager Cook introduced Ms. Christine Franchville, the District's new Senior Executive Assistant, working in the General Manager's office. Mr. Cook announced that Mr. Ryan Matuska was promoted to Customer Service Manager and introduced him to the Board.

Mr. Cook said that Mr. Rob Hunter, General Manager of MWDOC, recently passed. and said he placed before each Board member notice of an open house on January 26 to honor him. He asked that the Board meeting be adjourned in his honor.

Mr. Cook said that he spoke with Consultant Newell, and that he recently toured the canyons with Supervisor Wagner relative to making improvements for flooding events.

DIRECTORS' COMMENTS

Director LaMar reported that he attended an ACWA State Legislative Committee meeting.

Director Withers reported that he attended the meetings on the list along with a meeting with MWD's Chairman Adan Ortega where he introduced a new classification for infrastructure. He also noted that OCSD's General Manager Jim Herberg is retiring on February 9.

Director Swan reported that he attended the meetings on the list and that on Wednesday he will be attending a CASA conference and this Friday a Southern California Coalition meeting. He further said he was unable to attend the WACO Planning Committee meeting.

Director Reinhart reported that he attended the meetings on the list with the exception of the OCWD Board meeting and OCWD Water Issues Committee meeting. He further said he would not be able to attend this Thursday's South County Agencies meeting.

Director McLaughlin reported that she attended the Discovery Cube Partnership breakfast event.

CLOSED SESSION

Legal Counsel Collins reported that the following Closed Session would be held:

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS- Pursuant to Government Code Section 54956.8:
 - Property:* Assessor's Parcel Numbers 445-072-16, County of Orange
 - Agency negotiator:* Rob Jacobson, Treasurer/Director of Risk Management, and Fiona Sanchez, Director of Water Resources
 - Negotiating parties:* The Irvine Company
 - Under negotiation:* Price and Terms of Payment

2. CONFERENCE WITH LABOR NEGOTIATOR- Pursuant to Government Code Section 54957.6:
 - Agency Designated Representatives:* Paul Cook, General Manager, and Tiffany Mitcham, Director of Human Resources
 - Employee Organization:* International Brotherhood of Electrical Workers (AFL-CIO) Local #47 for the General Unit and the Non-Exempt Supervisor Unit

OPEN SESSION

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

ADJOURNMENT

President McLaughlin adjourned the meeting at approximately 6:52 p.m. in memory of Rob Hunter.

APPROVED and SIGNED this 13th day of February 2023.

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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