

**AGENDA
IRVINE RANCH WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING**

August 8, 2016

PLEDGE OF ALLEGIANCE

CALL TO ORDER

5:00 p.m., Board Room, District Office
15600 Sand Canyon Avenue, Irvine, California

ROLL CALL

Directors LaMar, Reinhart, Swan, Withers and President Matheis

NOTICE

If you wish to address the Board on any item, including Consent Calendar items, please file your name with the Secretary. Forms are provided on the lobby table. Remarks are limited to five minutes per speaker on each subject. Consent Calendar items will be acted upon by one motion, without discussion, unless a request is made for specific items to be removed from the Calendar for separate action.

COMMUNICATIONS TO THE BOARD

1. A. Written:

B. Oral:

2. **ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

Recommendation: Determine the need to discuss and/or take immediate action on item(s).

CONSENT CALENDAR

Resolution No. 2016-22

Items 3-7

3. **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 Matheis, Peer Swan and Douglas Reinhart as described.

4. **MINUTES OF REGULAR BOARD MEETING**

Recommendation: That the minutes of the July 25, 2016 Regular Board meeting be approved as presented.

CONSENT CALENDAR – Continued	Items 3-7
<p>5. <u>2017 MEDICAL INSURANCE COVERAGE RENEWAL</u></p> <p>Recommendation: That the Board authorize the continuance of IRWD’s health care coverage with CalPERS for calendar year 2017 with changes in employee and District contribution levels as recommended in Table A.</p>	
<p>6. <u>DENTAL AND VISION INSURANCE COVERAGE FOR CALENDAR YEAR 2017</u></p> <p>Recommendation: That the Board authorize the General Manager to extend IRWD’s existing contract with ACWA/JPIA for Delta Preferred Option Plan A with child and adult orthodontic coverage for calendar year 2017, and with EyeMed for vision coverage for the fourth year of the rate guarantee for 2017.</p>	
<p>7. <u>NOMINATION OF MARY AILEEN MATHEIS AS THE THIRD VICE PRESIDENT OF ISDOC AND AS A MEMBER OF THE ISDOC EXECUTIVE COMMITTEE</u></p> <p>Recommendation: That the Board adopt a resolution nominating Mary Aileen Matheis to serve on the Independent Special Districts of Orange County Executive Committee for the 2017-2018 term in the role of Third Vice President.</p>	<p>Reso. No. 2016-</p>
ACTION CALENDAR	
<p>8. <u>IRVINE LAKE PIPELINE NORTH CONVERSION SANTIAGO HILLS ZONE C+ RESERVOIR CONSTRUCTION AWARD AND CONSTRUCTION PHASE SERVICES CONSULTANT SELECTION</u></p> <p>Recommendation: That the Board find that the irregularity in the bid of Pascal & Ludwig Constructors did not affect the bid amount or give the bidder a competitive advantage over the other bidders and waive the irregularity; authorize the General Manager to execute a construction contract with Pascal & Ludwig Constructors in the amount of \$9,038,010, and authorize the General Manager to execute a Professional Services Agreement with Kleinfelder in the amount of \$244,470 for construction phase services for the Irvine Lake Pipeline North Conversion Santiago Hills Zone C+ Reservoir, project 5407.</p>	

ACTION CALENDAR - Continued

9. ENERGY MANAGEMENT SERVICES AGREEMENTS

Recommendation: That the Board authorize the General Manager to execute agreements with Hybrid-Electric Building Technologies Irvine 1, LLC, Hybrid-Electric Building Technologies West Los Angeles 1, LLC, and Redwood Energy Storage, LLC to provide energy management services related to battery energy storage systems hosted at IRWD sites, and that the Board determine the projects are exempt from CEQA, approve the projects, and authorize staff to post and file the Notices of Exemption in Orange County. Staff also recommends that the Board authorize the addition of the Energy Storage Systems, project 7444, in the amount of \$222,200 to the FY 2016-17 capital budget.

OTHER BUSINESS

Pursuant to Government Code Section 54954.2, members of the Board of Directors or staff may ask questions for clarification, make brief announcements, make brief reports on his/her own activities. The Board or a Board member may provide a reference to staff or other resources for factual information, request staff to report back at a subsequent meeting concerning any matter, or direct staff to place a matter of business on a future agenda. Such matters may be brought up under the General Manager's Report or Directors' Comments.

- 10. A. General Manager's Report
- B. Directors' Comments
- C. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL RELATIVE TO EXISTING LITIGATION - Government Code Section 54956.9(d)(1) IRWD v. OCWD (Case No.30-2016-00858584-CU-WM-CJC).
- D. Open Session
- E. Adjourn

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Irvine Ranch Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available at the entrance to the Board of Directors Room of the District Office. The Irvine Ranch Water District Board Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.), please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in alternative format upon written request to the District Secretary at least seventy-two (72) hours prior to the scheduled meeting.

August 8, 2016
Prepared and
Submitted by: N. Savedra
Approved by: P. Cook

CONSENT CALENDAR

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

SUMMARY:

Pursuant to Resolution 2006-29 adopted on August 28, 2006, approval of attendance of the following events and meetings are required by the Board of Directors.

Events/Meetings

Steven LaMar

7/28-29/16 ACWA Board Meeting, Sacramento, CA
8/09/16 ACWA Energy Committee Meeting, San Diego, CA
8/25/16 South Orange County Agencies' Meeting

Mary Aileen Matheis

7/20/16 Monthly Discussion of District Activities w/General Manager Paul Cook
8/23/16 Monthly Discussion of District Activities w/General Manager Paul Cook

Douglas Reinhart

7/12/16 NWRI Operations Committee Meeting
7/20/16 Monthly Discussion of District Activities w/General Manager Paul Cook
8/05/16 Tour of Syphon Reservoir
8/23/16 Monthly Discussion of District Activities w/General Manager Paul Cook
8/25/16 South Orange County Agencies' Meeting

Peer Swan

8/03/16 MWDOC/MWD Board Meeting
8/04/16 Newport Chamber – Wake up Newport
8/05/16 Tour of Syphon Reservoir
8/16/16 WACO Planning Committee Meeting

RECOMMENDATION:

THAT THE BOARD RATIFY/APPROVE THE MEETINGS AND EVENTS FOR STEVEN LAMAR, MARY AILEEN MATHEIS, DOUGLAS REINHART, AND PEER SWAN AS DESCRIBED.

LIST OF EXHIBITS:

None

August 8, 2016

Prepared and

Submitted by: L. Bonkowski 

Approved by: P. Cook 

CONSENT CALENDAR

MINUTES OF BOARD MEETING

SUMMARY:

Provided are the minutes of the July 25, 2016 Regular Board Meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE JULY 25, 2016 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – July 25, 2016 Minutes

EXHIBIT "A"

MINUTES OF REGULAR MEETING – JULY 25, 2016

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 Matheis on July 25, 2016 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: LaMar, Swan, Matheis and Withers (arrived at 5:17 p.m.).

Directors Absent: Reinhart.

Also Present: General Manager Cook, Executive Director of Engineering and Water Quality Burton, Executive Director of Finance Clary, Executive Director of Water Policy Weghorst, Executive Director of Operations Shields, Director of Treasury and Risk Management Jacobson, Director of Public Affairs Beeman, Director of Human Resources Roney, Assistant Director of Recycling Operations Zepeda, Legal Counsel Arneson, Secretary Bonkowski, Principle Engineer Akiyoshi, Ms. Christine Compton, Mr. James Clark, and Mr. Jim Reed.

WRITTEN COMMUNICATIONS: None.

ORAL COMMUNICATIONS: None.

PUBLIC HEARINGS

SEWER TAXES IN THE NEWPORT NORTH SERVICE AREA

General Manager Cook reported that on June 27, 2016, the Board adopted Rates and Charges for Fiscal Year 2016-17 which included monthly sewer charges of \$25.75 for a residential single family home and \$19.30 per unit for multiple family dwelling units. The Newport North customers will be billed the same rate, but the method of collection differs in that they will pay their sewer fees on an annual basis through the County tax rolls.

Mr. Cook said that by adoption of Resolution No. 1987-45, the Board of Directors elected to have sewer charges for certain parcels of land located in the Newport North area collected on the tax roll together with the District's general taxes. That resolution directs the filing of a report containing a description of such parcels and the corresponding charges for each fiscal year. Pursuant to the requirements of the Health and Safety Code of the State of California, a public hearing on the report is required.

President Matheis said this was the time and place for a hearing on the sewer taxes in the Newport North area, and declared the hearing open. She asked the Secretary how the hearing was noticed.

Secretary Bonkowski reported that the report was filed with her on June 28, 2016 and the notice of the filing of the report and the time and place of this hearing was published in the Newport Beach-Costa Mesa Daily Pilot on July 9 and July 16, 2016. She said that a notice was also posted in the District office on June 28, 2016.

On MOTION by Swan, seconded and carried (Matheis, LaMar, Swan voting aye and Withers absent), THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

President Matheis requested Legal Counsel Arneson to describe the nature of the proceedings.

Legal Counsel Arneson described the nature of the proceedings, saying that the purpose of the hearing was to provide an opportunity for all persons interested or the owner of any parcel within the area to present objections or protests to the report.

President Matheis asked Secretary Bonkowski whether she had received any written communications concerning this matter, and she stated that she had not. President Matheis asked if there was anyone present who wished to address the Board concerning the report and the proposed collection of sewer charges on the tax roll. There was no one present who wished to be heard. President Matheis further inquired if there were any comments or questions from members of the Board of Directors. There were no comments from the Board.

On MOTION by Swans, seconded and carried (Matheis, LaMar, Swan voting aye and Withers absent), THE HEARING WAS CLOSED, AND RESOLUTION NO. 2016-18 WAS ADOPTED BY TITLE AS FOLLOWS:

RESOLUTION NO. 2016-18

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE
RANCH WATER DISTRICT ADOPTING REPORT OF SEWER
CHARGES TO BE COLLECTED ON THE TAX ROLL
(NEWPORT NORTH SERVICE AREA)

2016 GENERAL OBLIGATION BOND ISSUANCE

General Manager Cook said that pursuant to the California Water Code, the IRWD Board is required to hold a Public Hearing and make findings pertaining to the issuance of consolidated Improvement District (ID) bonds.

President Matheis said that this to be the time and place for a hearing of the Board of Directors of the Irvine Ranch Water District regarding the proposed Resolution of Issuance of Consolidated Bonds for Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285, and 288 in an amount up to \$130 million, and declared the hearing open. She asked the District Secretary how the hearing was noticed.

Secretary Bonkowski said that Resolution No. 2016-15, declaring the Board's intention to issue bonds, was published for two successive weeks in the Orange County Register on July 9, 2016 and July 16, 2016 and posted at the District office on July 9, 2016. Additionally, she said on July 9, 2016 this resolution was posted in three public places within each Improvement District. The Proof of Publication and Affidavit of Posting are now to be received and filed.

On MOTION by Swan, seconded and carried (Matheis, LaMar, Swan voting aye and Withers absent), THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.

President Matheis asked Legal Counsel to describe the nature of the proceedings.

Legal Counsel Arneson said the hearing is held and all persons interested, including all persons owning land in the included Improvement Districts or any persons otherwise interested in the Bonds, were given an opportunity to be heard concerning any matters set forth in Resolution No. 2016-15 and the proposed resolution of issuance or any matters material thereto, including the question of whether the burden on the lands of any of the Included Improvement Districts would be increased over the burden that would be borne by the Included Improvement District were its bonds sold separately.

President Matheis asked the Executive Director of Finance and Administration to provide a summary of the proposed bond issue and requested findings. Director Withers arrived at 5:17 p.m.

Director of Finance Clary said that the proposed bond issue is recommended to reimburse the Capital Fund for expenditures that have occurred over the past three years up to a maximum amount of \$130 million. The capital expenditures are primarily related to the Biosolids project, the Baker Water Treatment facility and other smaller capital projects. Relative to the findings, Public Financial Management and Bank of America Merrill Lynch have prepared letters which staff has provided as Exhibits "A" and "B", respectively which outline the advantages of a negotiated transaction versus competitive bid sale of the bonds, issuing the bonds as a consolidated sale, and the advantages of issuing the bonds in a fixed rate mode.

President Matheis asked the Secretary whether there have been any written communications. Secretary Bonkowski said she had received none.

President Matheis asked whether there is anyone present who wished to address the Board concerning the matter. There was no one who wished to be heard.

President Matheis inquired whether there are any comments or questions from members of the Board. There were none. President Matheis said that hearing will be closed and asked for a recommendation to close the hearing and to adopt resolutions.

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

RESOLUTION NO. 2016-19

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT MAKING FINDINGS
RELATIVE TO CONSOLIDATED BONDS
(CONSOLIDATED SERIES 2016)

RESOLUTION NO. 2016- 20

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT PROVIDING FOR
THE ISSUANCE OF CONSOLIDATED BONDS OF
SAID DISTRICT, APPROVING DOCUMENTS AND AUTHORIZING
AND RATIFYING CERTAIN ACTIONS (SERIES 2016)

CONSENT CALENDAR

5. MINUTES OF REGULAR BOARD MEETINGS

Recommendation: That the minutes of the July 11, 2016 Regular Board Meeting, and July 14, 2016 and July 18, 2016 Adjourned Board Meetings be approved as presented.

Recommendation: That the Board ratify/approve the meetings and events for Steven LaMar, Mary Aileen Matheis, and Peer Swan as described.

6. 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 Matheis, and Peer Swan as described.

7. IRVINE RANCH WATER DISTRICT STRATEGIC MEASURES

Recommendation: That the Board receive and file the report.

8. JUNE 2016 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for June 2016, and Disclosure Report of Reimbursements to Board members and staff; approve the June 2016 summary of payroll ach payments in the total amount of \$1,641,418 and approve the June 2016 accounts payable disbursement summary of warrants 367878 through 368923, workers' compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$25,833,430.

9. SANTIAGO HILLS II SUPPLEMENTAL REIMBURSEMENT AGREEMENT

Recommendation: That the Board authorize the General Manager to execute a Supplemental Reimbursement Agreement with the Irvine Community Development Company for the design and construction of IRWD Capital Facilities within the Santiago Hills II Development.

ACTION CALENDAR

ESTABLISHING REDEVELOPMENT CONNECTION FEES

General Manager Cook reported that an increased level of redevelopment throughout the IRWD service area has been occurring over the past several years. Mr. Cook said that connection fees are being paid by developers based on existing rates and charges without any credits applied for system capacity previously paid. He said that staff has reviewed these fees and recommends that the Board adopt a redevelopment fee methodology as part of the District's Rates and Charges and also that that this methodology be retroactive to January 2014 when the IRWD rate-setting

long-term financing strategy was adopted with a reimbursement to developers totaling \$1.1 million.

Executive Director of Finance Clary reported that staff proposes adoption of the following methodology to calculate a redevelopment connection fee: 1) Calculate water and sewer connection fee based on redevelopment plans utilizing current rates and charges; 2) Provide a credit based on the existing project (to be redeveloped) by calculating a connection fee using current rates and charges; and 3) The redevelopment connection fee calculation is the difference between the new development connection fee and the connection fee credit. No refunds will be given if the credit is greater than the connection fee.

Director Swan reported that this item was reviewed and approved by the Finance and Personnel Committee on July 12, 2016. On MOTION by Swn, seconded and unanimously carried, **THE BOARD ADOPTED THE FOLLOWING RESOLUTION BY TITLE CHANGING THE RATES AND CHARGES TO INCLUDE THE ADDITION OF A REDEVELOPMENT CONNECTION FEE METHODOLOGY ALONG WITH MISCELLANEOUS NON-SUBSTANTIVE CHANGES.**

RESOLUTION NO. 2016- 21

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" TO THE
RULES AND REGULATIONS OF IRVINE RANCH WATER DISTRICT
FOR WATER, SEWER, RECYCLED WATER, AND NATURAL
TREATMENT SYSTEM SERVICE

2016 CERTIFICATES OF PARTICIPATION ISSUANCE AND REFUNDING OF THE 2010
CERTIFICATES OF PARTICIPATION

Director of Treasury and Risk Management Jacobson reported that on June 27, 2016, the Board approved the issuance of Certificates of Participation in an amount not to exceed \$100 million primarily to reimburse replacement-related capital expenditures for construction of the District's Michelson Water Recycling Plant's Biosolids Handling and Energy Recovery Facility, and approved a potential refunding of the callable portion (\$42.2 million) of the 2010 COPs outstanding at 3.82%. He said that legal counsel Arneson has prepared a resolution providing for approval of the new issuance and refunding documents in substantially final form, which includes the Installment Sale Agreement with the IRWD Water Service Corporation, a contract of purchase with Goldman Sachs, a trust agreement with Bank of New York Mellon, and a Preliminary Official Statement. All documents are on file with the Secretary.

Director Swan reported that the 2016 COPs issuance was reviewed and approved by the Finance and Personnel Committee on June 7, 2016 and July 12, 2016, and by the Board on June 27, 2016. On MOTION by Swan, seconded and unanimously carried, **THE BOARD ADOPTED THE FOLLOWING RESOLUTION BY TITLE:**

RESOLUTION 2016-22

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT APPROVING INSTALLMENT SALE AGREEMENT, TRUST AGREEMENT AND OTHER DOCUMENTS AND APPROVING CERTAIN ACTIONS RELATING TO CERTIFICATES OF PARTICIPATION, IRVINE RANCH WATER DISTRICT, SERIES 2016

MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES RECOVERY PLAN CONTRACT CHANGE ORDER

General Manager Cook reported that construction of the Biosolids Project was awarded to Filanc/Balfour-Beatty (FBB) in March 2013 in the amount of \$163,513,307. Mr. Cook said that the Biosolids Project will provide biosolids digestion, dewatering, energy production, and on-site sludge drying. The project includes excavation for subsurface structures; installation of 3,009 foundation piles; three egg-shaped digesters; a state-of-the-art odor control system; a biogas conditioning system and power generation using micro-turbines; a fats, oil and grease receiving station; and new utility services.

Executive Director of Engineering and Water Quality Burton said that staff negotiated with the contractor, FBB, for the past nine months to resolve complex items and FBB has agreed to the costs contained in Contract Change Order No. 45 in the amount of \$9,750,000. The change order addresses the following items: 1) *SCADA Recovery Plan*: The Supervisory Control and Data Acquisition (SCADA) programs are being written by Delta Systems Engineering, the System Integrator (SI), as a subcontractor to the electrical subcontractor (Morrow-Meadows Corporation) who is a subcontractor to the general contractor, FBB. The \$1,500,000 budget included by the SI in its original bid was over \$900,000 less than the next bidder. As the construction progressed, it became apparent that the SI underestimated the complexity of working with many equipment vendors and meeting the requirements of attending pre-programming workshops. Additionally, since the time that the project was bid, the SI experienced several staff changes including new management personnel who restructured their team with additional outside consultants. Although tremendous progress has been made, the SI is unable to absorb the cost of finishing the SCADA work through to completion of the project; 2) The cost and time for the SI to attend workshops, coordinate with equipment vendors, prepare documentation of how the control programs will be written, write the control programs, conduct bench testing, participate in field testing, and provide final documentation of the control programs through to completion of the project; 3) *Project Delays*: FBB submitted letters stipulating that its work was delayed due to Southern California Edison not providing electrical power in a timely manner, IRWD adding 480-volt secondary circuit breakers on four large electrical transformers, and submittal and approval of Local Control Panel drawings for the thickening and dewatering centrifuges; and 4) *Project Schedule*: The Biosolids project was planned with seven intermediate project milestones that generally follow the path of the treatment process. Achieving each intermediate milestone indicates that the contractor is pursuing the project towards final completion.

Director LaMar said that very complex issues of this project were reviewed and approved by the Engineering and Operations Committee on July 19, 2016. Following a discussion of this change order with Director Swan, on MOTION by LaMar, seconded and carried, (LaMar, Matheis and Withers voting aye, and Swan abstaining, THE BOARD APPROVED CONTRACT CHANGE

ORDER NO. 45 IN THE AMOUNT OF \$9,750,000 WHICH ADDRESSES ALL PROJECT DELAYS TO DATE AND AUTHORIZED EXTENSION OF THE CONTRACTUAL DATE FOR FINAL COMPLETION TO OCTOBER 31, 2017, EXTENSION OF THE CONTRACTUAL DATES FOR INTERMEDIATE MILESTONE BY VARIOUS AMOUNTS; AUTHORIZED REDUCTION OF RETENTION FROM 10% TO 6.25% AND RELEASED FUNDS IN EXCESS OF 6.25% OF THE CONTRACT AMOUNT FROM RETENTION CURRENTLY HELD FOR THE MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES, PROJECT 4286.

GENERAL MANAGER'S REPORT

General Manager Cook reported that staff had received another Public Records Act Request from Manatt Phelps & Phillip, LLP. Mr. Cook said that this request was relative to documents relating to proposed desalination plants in Orange County. He said that staff will be asking for a time extension this week, and will keep the Board informed relative to this request.

Mr. Cook said that he and President Matheis met with Mr. Brian Calle, Opinion Editor of Southern California News Group, to discuss the District's perspective on desalination and the Orange County Water District (OCWD) recycled water penalty.

He further reported that the District's windmill area outside the Operations Center has become a stop for the Pokémon smartphone application, and that it was necessary to have this site removed for safety/security reasons.

DIRECTORS' COMMENTS

Director La Mar said that he attended an Orange County Forum, a Southern California Water Committee meeting, an NCC Executive Committee meeting and an ACWA Board meeting in Sacramento.

Director Withers said that he will be attending an Orange County Sanitation District meeting this Wednesday.

Director Swan said that he will be attending a Southern California Dialogue meeting this Wednesday. He said he recommends that OCWD place more water into the basin so it will have a full basin this year.

Director Matheis also reported on her attendance at the meeting with Mr. Calle along with General Manager Cook. She said she also attended a Southern California Water Committee meeting with Director LaMar.

President Matheis said that the Board will recess to hold a Water Service Corporation Special meeting, and then hold the following Closed Session:

CLOSED SESSION

President Matheis said that the following Closed Session would be held:

CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL RELATIVE TO EXISTING LITIGATION - Government Code Section 54956.9(d)(1) IRWD v. OCWD (Case No.30-2016-00858584-CU-WM-CJC).

OPEN SESSION

Following the Closed Session, the meeting was reconvened with LaMar, Withers, Swan, and Matheis present. President Matheis said that there was no action to report.

ADJOURNMENT

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

APPROVED and SIGNED this 8th day of August, 2016.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone

August 8, 2016

Prepared by: Gretchen Ronin

Submitted by: Jenny Roney

Approved by: Paul Cook



CONSENT CALENDAR

2017 MEDICAL INSURANCE COVERAGE RENEWAL

SUMMARY:

CalPERS Health Benefits Services has notified participating agencies of premiums for the 2017 contract year. Staff recommends that the Board extend the District's coverage through CalPERS medical insurance program for calendar year 2017, and adjust employee contributions as described below.

BACKGROUND:

Medical Marketing and Comparison Results:

Staff worked with Mercer, IRWD's broker, to conduct a marketing study for District benefits. For medical benefits, Mercer contacted Anthem, Blue Shield, Kaiser, Health Net, and United Healthcare. Because these carriers are incumbent carriers in the CalPERS benefits program, they have contracts and limitations which impacted the marketing process. Anthem, Blue Shield, and Health Net are unable to provide quotes to CalPERS member agencies unless a formal letter of termination is provided, as per their agreement with CalPERS. Kaiser cannot provide a proposal until a letter is received from IRWD stating the District's intention to leave CalPERS. Since leaving the CalPERS medical system would impact the District for a minimum of five years, it would be difficult to recommend making a decision in the absence of any calculable cost savings.

Staff also reviewed the ACWA JPIA health benefits program. The program offers Anthem (two PPOs, two HMOs, one Consumer Directed Health Plan) and Kaiser. Under the CalPERS program, employees can elect between three Anthem PPOs, seven HMOs, and Kaiser. The ACWA JPIA plans are comparably priced with the CalPERS health plans but offer fewer choices.

There are also several disadvantages to the ACWA administrative practices. One major disadvantage would be in the administration of retiree health benefits. Under the CalPERS program, retirees deal directly with CalPERS for administrative issues (e.g., address changes, replacement card requests, coverage questions, and open enrollment processing). Under ACWA, the District would become responsible for paying health premiums for retirees and collecting premium payments directly from retirees. The District would also handle all the administrative issues for retirees and be responsible for education and enrollment during each open enrollment period. Another major difference for the ACWA retiree program is that retirees must be continually enrolled in a medical plan upon retirement. Currently, under the CalPERS program, District retirees may elect to defer their enrollment in medical benefits until a later date when the coverage is needed. Under ACWA rules, retirees who are not enrolled in coverage under CalPERS at the time the District terminated coverage will be ineligible to enroll in ACWA

retiree coverage. Also, IRWD Board members would not be eligible to participate in the ACWA health program after retirement.

The District required cost for retiree coverage under ACWA is lower than the required contribution under CalPERS which is set at \$129 per month per retiree for 2017. Under the ACWA plan, the District must pay 25% of the premium for the lowest cost plan in which a retiree is eligible to enroll. For non-Medicare eligible retirees, the lowest cost plan is \$384.72 per month, resulting in a calculated cost of \$96.18 per month per retiree. For Medicare eligible retirees, the lowest cost plan for 2016 was \$173.88 per month, resulting in a calculated cost of \$43.47 per month (premiums for this plan have not yet been set for 2017). The District currently has 80 retirees, 26 of whom are enrolled in Medicare plans. Total employer contributions for the retiree coverage would be \$6,324 per month under ACWA and \$10,320 per month under CalPERS. The CalPERS contribution increased by 3% for 2017. Changes for the ACWA program will be based on future premium changes.

Staff has reviewed the medical marketing, ACWA comparison, and the CalPERS renewal information. Although costs would be comparable for the ACWA program, the program provides significantly fewer choices and adds additional administrative burden to the District. Therefore, staff recommends that the best course of action for the District is to remain in the CalPERS medical plan for 2017.

CalPERS Medical Insurance Renewal Information:

The District currently utilizes the CalPERS medical insurance program and receives premium rates each year in advance of open enrollment in September. For the 2017 calendar year, CalPERS has notified the District of premium rate changes for each of the specific plans from which IRWD employees can choose.

Medical Insurance Premium Changes:

The District has been notified that for the 2017 contract year, premiums for the District’s plans will change as follows:

	<u>2017 Premiums</u>	<u>2016 Premiums</u>
PERS Care	5.35% increase	15.85% increase
PERS Choice	4.49% increase	15.03% increase
PERS Select	1.32% increase	6.77% increase
Blue Shield Access+ HMO	18.87% increase	9.39% increase
Blue Shield Net Value HMO	not offered in 2017	18.76% increase
Kaiser Permanente	-0.91% decrease	4.35% increase
Anthem Traditional HMO	12.43% increase	-4.35% decrease
Anthem Select HMO	3.83% increase	-2.94% decrease
Health Net Salud y Mas	-11.66% decrease	2.96% increase
Health Net SmartCare HMO	-10.01% decrease	2.95% increase
United HealthCare HMO	11.29% increase	10.00% increase
Sharp Health Plan HMO	9.46% increase	-0.57% decrease

Plan Design Changes:

Staff has not been notified of any substantive changes to the plan designs or benefits available to employees under the current CalPERS health plan offerings other than the discontinuation of the Blue Shield Net Value HMO. Currently, the District has only five employees enrolled in this plan for 2016. Employees will be notified of any changes that may affect their health plan choices prior to open enrollment. The CalPERS open enrollment period is September 12, 2016 through October 7, 2016. Information about CalPERS health plans will be mailed to employees at their homes in August. Open enrollment meetings to review plan design changes, new plan offerings, and open enrollment elections will be held on September 12. Healthcare providers have also been invited to attend the District’s Health Fair on September 20 (Operations Center) and September 22, (Sand Canyon).

Proposed Changes to Employee and Employer Contributions:

Staff recommends that changes be made to employee contributions for calendar year 2017 based on the District’s past practice of using the high enrollment PPO plan (PERS Choice) to set employee and employer contributions, and to set the employee and employer contributions for the other plans by using the calculated employer contribution for the PERS Choice plan. This also aligns with the negotiated terms of the IRWD Employee Association Memorandum of Understanding. Because the premiums for the PERS Choice plan are increasing by 4.49% for 2017, District contributions will also increase from 2016 levels. Attached is Exhibit “A” which outlines the proposed employee and employer costs for this recommendation by plan and in the aggregate.

Employee and employer contributions for 2016 and proposed contributions for 2017 as shown in Exhibit “A” and summarized in the tables below.

2016 and Proposed 2017 Monthly Contributions and Premiums

Plan Providers	2017 Premium Change	2016 Employee Contribution (Emp/E+1/Fam)	2016 District Contribution (Emp/E+1/Fam)	Proposed 2017 Employee Contribution (Emp/E+1/Fam)	Proposed 2017 District Contribution (Emp/E+1/Fam)	Total 2017 Premium (Emp/E+1/Fam)
PERS Care PPO	5.35%	\$146/\$292/\$380	\$615/\$1231/\$1599	\$159/\$318/\$414	\$643/\$1286/\$1672	\$802/\$1604/\$2086
PERS Choice PPO	4.49%	\$68/\$136/\$178	\$615/\$1231/\$1599	\$71/\$142/\$186	\$643/\$1286/\$1672	\$714/\$1428/\$1858
PERS Select PPO	1.32%	\$10/\$20/\$26	\$615/\$1231/\$1599	\$0/\$0/\$0	\$633/\$1266/\$1647	\$633/\$1266/\$1647
Blue Shield Access +	18.87%	\$39/\$78/\$103	\$615/\$1231/\$1599	\$135/\$270/\$352	\$643/\$1286/\$1672	\$778/\$1556/\$2024
Blue Shield NetValue	Canceled	\$51/\$102/\$133	\$615/\$1231/\$1599	Not offered	Not offered	Not offered
Kaiser Permanente	-0.91%	\$0/\$0/\$0	\$605/\$1210/\$1573	\$0/\$0/\$0	\$599/\$1199/\$1559	\$599/\$1199/\$1559
Anthem Traditional HMO	12.43%	\$95/\$190/\$249	\$615/\$1231/\$1599	\$156/\$311/\$406	\$643/\$1286/\$1672	\$799/\$1598/\$2078
Anthem HMO Select	3.83%	\$19/\$38/\$51	\$615/\$1231/\$1599	\$16/\$31/\$42	\$643/\$1286/\$1672	\$659/\$1318/\$1714
Health Net Salud y Mas	-11.66%	\$0/\$0/\$0	\$536/\$1072/\$1394	\$0/\$0/\$0	\$473/\$947/\$1231	\$473/\$947/\$1231
Health Net SmartCare	-10.01%	\$0/\$0/\$0	\$596/\$1194/\$1552	\$0/\$0/\$0	\$537/\$1074/\$1397	\$537/\$1074/\$1397
United HealthCare	11.29%	\$0/\$0/\$0	\$494/\$988/\$1284	\$0/\$0/\$0	\$549/\$1099/\$1429	\$549/\$1099/\$1429
Sharp Health Plan	9.46%	\$0/\$0/\$0	\$561/\$1123/\$1459	\$0/\$0/\$0	\$614/\$1229/\$1597	\$614/\$1229/\$1597

CalPERS Administrative Fees and Reserves:

On July 1, 2016, the CalPERS administrative fee was set at 0.31%, a reduction from the prior year's fee of 0.32%. The administrative fee is calculated on total active and total retired health premiums each month. CalPERS can also charge up to 4% for a contingency reserve fund but has not done so since 1985. There was no contingency reserve fee charged for the 2016 calendar year, and to date IRWD has not been notified of any contingency reserve fees for 2017.

FISCAL IMPACTS:

Renewal of the District's current health insurance coverage with CalPERS, as represented in Table A, will result in total projected expenses for FY 2016-17 of \$4,965,000. Actual expenses for FY 2015-16 were \$4,604,000, resulting in an expected year-over-year increase of \$361,000 (7.8%). The District's budget for this coverage for FY 2016-17 is \$5,019,000. Projected annual medical insurance premiums for FY 2016-17 will be approximately \$54,000 (1.08%) under budget.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on August 2, 2016.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE CONTINUANCE OF IRWD'S HEALTH CARE COVERAGE WITH CALPERS FOR CALENDAR YEAR 2017 WITH CHANGES IN EMPLOYEE AND DISTRICT CONTRIBUTION LEVELS AS RECOMMENDED IN TABLE A.

LIST OF EXHIBITS:

Exhibit "A" – CalPERS Medical Premium Comparison with Recommended Payroll Deductions

EXHIBIT "A"

Irvine Ranch Water District 2017 CalPERS Monthly Medical Insurance Premiums Comparison and Proposed IRWD Payroll Deductions

	Current 2016 Enrollment	2016 Medical Premiums	2017 Medical Premiums	2017 Premium Increases		2016 P/R Deductions	Proposed 2017 P/R Deductions	Proposed 2017 IRWD Contribution
				\$	%			
PERS Care PPO								
Single	6	\$761.50	\$802.24	\$40.74	5.35%	\$146.00	\$159.00	\$643.24
Two Party	3	\$1,523.00	\$1,604.48	\$81.48	5.35%	\$292.00	\$318.00	\$1,286.48
Family	6	\$1,979.90	\$2,085.82	\$105.92	5.35%	\$380.00	\$414.00	\$1,671.82
	15	\$21,017.40	\$22,141.80			\$4,032.00	\$4,392.00	\$17,749.80
PERS Choice PPO								
Single	13	\$683.71	\$714.43	\$30.72	4.49%	\$68.00	\$71.00	\$643.43
Two Party	18	\$1,367.42	\$1,428.86	\$61.44	4.49%	\$136.00	\$142.00	\$1,286.86
Family	27	\$1,777.65	\$1,857.52	\$79.87	4.49%	\$178.00	\$186.00	\$1,671.52
	58	\$81,498.34	\$85,160.11			\$8,138.00	\$8,501.00	\$76,659.11
PERS Select PPO								
Single	3	\$625.20	\$633.46	\$8.26	1.32%	\$10.00	\$0.00	\$633.46
Two Party	4	\$1,250.40	\$1,266.92	\$16.52	1.32%	\$20.00	\$0.00	\$1,266.92
Family	5	\$1,625.52	\$1,647.00	\$21.48	1.32%	\$26.00	\$0.00	\$1,647.00
	12	\$15,004.80	\$15,203.06			\$240.00	\$0.00	\$15,203.06
Blue Shield Access+								
Single	13	\$654.87	\$778.45	\$123.58	18.87%	\$39.00	\$135.00	\$643.45
Two Party	14	\$1,309.74	\$1,556.90	\$247.16	18.87%	\$78.00	\$270.00	\$1,286.90
Family	35	\$1,702.66	\$2,023.97	\$321.31	18.87%	\$103.00	\$352.00	\$1,671.97
	62	\$86,442.77	\$102,755.40			\$5,204.00	\$17,855.00	\$84,900.40
Blue Shield NetValue - not offered in 2017								
Single	2	\$666.35	\$778.45			\$51.00	\$135.00	\$643.45
Two Party	1	\$1,332.70	\$1,556.90			\$102.00	\$270.00	\$1,286.90
Family	2	\$1,732.51	\$2,023.97			\$133.00	\$352.00	\$1,671.97
	5	\$6,130.42	\$7,161.74			\$470.00	\$1,244.00	\$5,917.74
Kaiser Permanente								
Single	27	\$605.05	\$599.54	(\$5.51)	-0.91%	\$0.00	\$0.00	\$599.54
Two Party	22	\$1,210.10	\$1,199.08	(\$11.02)	-0.91%	\$0.00	\$0.00	\$1,199.08
Family	61	\$1,573.13	\$1,558.80	(\$14.33)	-0.91%	\$0.00	\$0.00	\$1,558.80
	110	\$138,919.48	\$137,654.14			\$0.00	\$0.00	\$137,654.14
Anthem Traditional HMO								
Single	0	\$710.79	\$799.15	\$88.36	12.43%	\$95.00	\$156.00	\$643.15
Two Party	0	\$1,421.58	\$1,598.30	\$176.72	12.43%	\$190.00	\$311.00	\$1,287.30
Family	0	\$1,848.05	\$2,077.79	\$229.74	12.43%	\$249.00	\$406.00	\$1,671.79
	0	\$0.00	\$0.00			\$0.00	\$0.00	\$0.00
Anthem Select HMO								
Single	1	\$634.75	\$659.03	\$24.28	3.83%	\$19.00	\$16.00	\$643.03
Two Party	2	\$1,269.50	\$1,318.06	\$48.56	3.83%	\$38.00	\$31.00	\$1,287.06
Family	1	\$1,650.35	\$1,713.48	\$63.13	3.83%	\$51.00	\$42.00	\$1,671.48
	4	\$4,824.10	\$5,008.63			\$146.00	\$120.00	\$4,888.63
Health Net Salud y Mas								
Single	1	\$535.98	\$473.46	(\$62.52)	-11.66%	\$0.00	\$0.00	\$473.46
Two Party	0	\$1,071.96	\$946.92	(\$125.04)	-11.66%	\$0.00	\$0.00	\$946.92
Family	0	\$1,393.55	\$1,231.00	(\$162.55)	-11.66%	\$0.00	\$0.00	\$1,231.00
	1	\$535.98	\$473.46			\$0.00	\$0.00	\$473.46

	Current 2016 Enrollment	2016 Medical Premiums	2017 Medical Premiums	2017 Premium Increases		2016 P/R Deductions	Proposed 2017 P/R Deductions	Proposed 2017 IRWD Contribution
				\$	%			
Health Net SmartCare								
Single	1	\$596.98	\$537.20	(\$59.78)	-10.01%	\$0.00	\$0.00	\$537.20
Two Party	0	\$1,193.96	\$1,074.40	(\$119.56)	-10.01%	\$0.00	\$0.00	\$1,074.40
Family	0	<u>\$1,552.15</u>	<u>\$1,396.72</u>	(\$155.43)	-10.01%	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$1,396.72</u>
	1	\$596.98	\$537.20			\$0.00	\$0.00	\$537.20
United HealthCare								
Single	3	\$493.99	\$549.76	\$55.77	11.29%	\$0.00	\$0.00	\$549.76
Two Party	3	\$987.98	\$1,099.52	\$111.54	11.29%	\$0.00	\$0.00	\$1,099.52
Family	4	<u>\$1,284.37</u>	<u>\$1,429.38</u>	\$145.01	11.29%	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$1,429.38</u>
	10	\$9,583.39	\$10,665.36			\$0.00	\$0.00	\$10,665.36
Sharp Health Plan								
Single	1	\$561.34	\$614.46	\$53.12	9.46%	\$0.00	\$0.00	\$614.46
Two Party	0	\$1,122.68	\$1,228.92	\$106.24	9.46%	\$0.00	\$0.00	\$1,228.92
Family	0	<u>\$1,459.48</u>	<u>\$1,597.60</u>	\$138.12	9.46%	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$1,597.60</u>
	1	\$561.34	\$614.46			\$0.00	\$0.00	\$614.46
PERS Care PPO LA								
Single	1	\$666.91	\$715.88	\$48.97	7.34%	\$146.00	\$159.00	\$556.88
Two Party	0	\$1,333.82	\$1,431.76	\$97.94	7.34%	\$292.00	\$318.00	\$1,113.76
Family	1	<u>\$1,733.97</u>	<u>\$1,861.29</u>	\$127.32	7.34%	<u>\$380.00</u>	<u>\$414.00</u>	<u>\$1,447.29</u>
	2	\$2,400.88	\$2,577.17			\$526.00	\$573.00	\$2,004.17
PERS Choice LA								
Single	1	\$598.75	\$637.53	\$38.78	6.48%	\$68.00	\$71.00	\$566.53
Two Party	2	\$1,197.50	\$1,275.06	\$77.56	6.48%	\$136.00	\$142.00	\$1,133.06
Family	3	<u>\$1,556.75</u>	<u>\$1,657.58</u>	\$100.83	6.48%	<u>\$178.00</u>	<u>\$186.00</u>	<u>\$1,471.58</u>
	6	\$7,664.00	\$8,160.39			\$874.00	\$913.00	\$7,247.39
PERS Select LA								
Single	0	\$547.55	\$565.33	\$17.78	3.25%	\$10.00	\$0.00	\$565.33
Two Party	0	\$1,095.10	\$1,130.66	\$35.56	3.25%	\$20.00	\$0.00	\$1,130.66
Family	1	<u>\$1,423.63</u>	<u>\$1,469.86</u>	\$46.23	3.25%	<u>\$26.00</u>	<u>\$0.00</u>	<u>\$1,469.86</u>
	1	\$1,423.63	\$1,469.86			\$26.00	\$0.00	\$1,469.86
Blue Shield Access+ LA								
Single	1	\$566.53	\$675.98	\$109.45	19.32%	\$39.00	\$135.00	\$540.98
Two Party	1	\$1,133.06	\$1,351.96	\$218.90	19.32%	\$78.00	\$270.00	\$1,081.96
Family	4	<u>\$1,472.98</u>	<u>\$1,757.55</u>	\$284.57	19.32%	<u>\$103.00</u>	<u>\$352.00</u>	<u>\$1,405.55</u>
	6	\$7,591.51	\$9,058.14			\$529.00	\$1,813.00	\$7,245.14
Blue Shield Net Value LA								
Single	0	\$576.46	Not offered			\$51.00		
Two Party	0	\$1,152.92				\$102.00		
Family	0	<u>\$1,498.80</u>				<u>\$133.00</u>		
	0	\$0.00				\$0.00		
Kaiser LA								
Single	2	\$543.83	\$573.89	\$30.06	5.53%	\$0.00	\$0.00	\$573.89
Two Party	3	\$1,087.66	\$1,147.78	\$60.12	5.53%	\$0.00	\$0.00	\$1,147.78
Family	9	<u>\$1,413.96</u>	<u>\$1,492.11</u>	\$78.15	5.53%	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$1,492.11</u>
	14	\$17,076.28	\$18,020.11			\$0.00	\$0.00	\$18,020.11

	Current 2016 Enrollment	2016 Medical Premiums	2017 Medical Premiums	2017 Premium Increases		2016 P/R Deductions	Proposed 2017 P/R Deductions	Proposed 2017 IRWD Contribution
				\$	%			
Anthem Traditional HMO LA								
Single	0	\$610.64	\$713.69	\$103.05	16.88%	\$95.00	\$156.00	\$557.69
Two Party	0	\$1,221.28	\$1,427.38	\$206.10	16.88%	\$190.00	\$311.00	\$1,116.38
Family	<u>0</u>	<u>\$1,587.66</u>	<u>\$1,855.59</u>	<u>\$267.93</u>	16.88%	<u>\$249.00</u>	<u>\$406.00</u>	<u>\$1,449.59</u>
	0	\$0.00	\$0.00			\$0.00	\$0.00	\$0.00
Anthem Select HMO LA								
Single	0	\$543.47	\$592.78	\$49.31	9.07%	\$19.00	\$16.00	\$576.78
Two Party	0	\$1,086.94	\$1,185.56	\$98.62	9.07%	\$38.00	\$31.00	\$1,154.56
Family	<u>2</u>	<u>\$1,413.02</u>	<u>\$1,541.23</u>	<u>\$128.21</u>	9.07%	<u>\$51.00</u>	<u>\$42.00</u>	<u>\$1,499.23</u>
	2	\$2,826.04	\$3,082.46			\$102.00	\$84.00	\$2,998.46
Health Net Salud y Mas LA								
Single	0	\$466.11	\$414.79	(\$51.32)	-11.01%	\$0.00	\$0.00	\$414.79
Two Party	0	\$932.22	\$829.58	(\$102.64)	-11.01%	\$0.00	\$0.00	\$829.58
Family	<u>0</u>	<u>\$1,211.89</u>	<u>\$1,078.45</u>	<u>(\$133.44)</u>	-11.01%	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$1,078.45</u>
	0	\$0.00	\$0.00			\$0.00	\$0.00	\$0.00
Health Net SmartCare LA								
Single	0	\$585.39	\$526.73	(\$58.66)	-10.02%	\$0.00	\$0.00	\$526.73
Two Party	0	\$1,170.78	\$1,053.46	(\$117.32)	-10.02%	\$0.00	\$0.00	\$1,053.46
Family	<u>1</u>	<u>\$1,522.01</u>	<u>\$1,369.50</u>	<u>(\$152.51)</u>	-10.02%	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$1,369.50</u>
	1	\$1,522.01	\$1,369.50			\$0.00	\$0.00	\$1,369.50
United Healthcare LA								
Single	2	\$492.24	\$545.71	\$53.47	10.86%	\$0.00	\$0.00	\$545.71
Two Party	0	\$984.48	\$1,091.42	\$106.94	10.86%	\$0.00	\$0.00	\$1,091.42
Family	<u>2</u>	<u>\$1,279.82</u>	<u>\$1,418.85</u>	<u>\$139.03</u>	10.86%	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$1,418.85</u>
	4	\$3,544.12	\$3,929.12			\$0.00	\$0.00	\$3,929.12
Waive coverage								
Single	1	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
Two Party	6	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
Family	<u>15</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>		<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
	22	\$0.00	\$0.00			\$0.00	\$0.00	\$0.00
Monthly Premium		\$409,163.47	\$435,042.11					
Less: Employee Contributio		20,287.00	35,495.00					
Net Monthly Premium		388,876.47	399,547.11					
Net Annual Premium		4,666,517.64	4,794,565.32	128,047.68	2.74%			

Note: Costs for FY2016-17 will consist of 6 months at current 2016 premiums (\$388,878/month) and 6 months at new 2017 premium levels (\$399,547/month) plus additional premiums as 29 vacant positions are filled over the next several months. Estimated premiums for FY2016-17 of \$4,965,000 are \$54,000 (1.08%) under the budgeted amount of \$5,019,000.

August 8, 2016
Prepared by: Gretchen Ronin
Submitted by: Jenny Roney
Approved by: Paul Cook 

CONSENT CALENDAR

DENTAL AND VISION INSURANCE COVERAGE FOR CALENDAR YEAR 2017

SUMMARY:

ACWA JPIA (ACWA) has negotiated rates with Delta Dental for the plan year beginning January 1, 2017 which resulted in no change in the premiums for IRWD's current dental plan, Plan A. The District is in the final year of a four-year rate guarantee with EyeMed for vision coverage. Staff recommends that the Board extend IRWD's existing contract with ACWA for Delta Dental Plan A coverage for calendar year 2017 and continue through the final year of the contract for vision coverage with EyeMed for 2017.

BACKGROUND:

IRWD's current dental coverage is provided by Delta Dental Plan of California through ACWA JPIA. Delta Dental offers two different Delta Preferred Option (DPO) plans which are summarized in Exhibit "A." The major coverage differences between Plan A and Plan B include a higher level of diagnostic and preventive benefits and a higher annual maximum benefit under Plan B. IRWD currently contracts through ACWA for DPO Plan A with child and adult orthodontic coverage added on.

ACWA has negotiated rates with Delta Dental for calendar year 2017. Premiums for Plan A with child and adult orthodontic coverage will remain unchanged from 2016 rates.

The District's current monthly rates are \$35.36 for employee only, \$69.99 for employee plus one, and \$128.10 for family coverage. Monthly rates for the upgraded DPO Plan B are \$47.86 for employee only, \$94.96 for employee plus one, and \$169.30 for family coverage. These rates are 32% higher than the rates for the current coverage. Exhibit "B" details the estimated costs for the two dental plan options available to the District.

ACWA's administration fee is included in the premiums shown above and in Exhibit "B" and is \$2.24 per enrollee per month. Staff recommends that the Board extend the District's existing contracts with ACWA for Dental Plan A.

FISCAL IMPACTS:

Renewal of the District's current dental coverage with ACWA JPIA will result in total projected expenses for FY 2016-17 of \$410,847. Actual expenses for FY 2015-16 were \$387,000, resulting in an expected year-over-year increase of \$23,847 (6.2%). The District's budget for this coverage for FY 2016-17 is \$418,800. Projected annual dental insurance premiums for FY 2016-17 will be approximately \$8,313 (2.0%) under budget.

Renewal of the District's vision coverage with EyeMed will result in total projected expenses for FY 2016-17 of \$79,000. Actual expenses for FY 2015-16 were \$75,000, resulting in an expected year-over-year increase of \$4,000 (5.3%). The District's budget for this coverage for FY 2016-17 is \$79,700. Projected annual vision insurance premiums for FY 2016-17 will be approximately \$700 (0.9%) under budget.

ENVIRONMENTAL IMPACTS:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on August 2, 2016.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXTEND IRWD'S EXISTING CONTRACT WITH ACWA/JPIA FOR DELTA PREFERRED OPTION PLAN A WITH CHILD AND ADULT ORTHODONTIC COVERAGE FOR CALENDAR YEAR 2017, AND WITH EYEMED FOR VISION COVERAGE FOR THE FOURTH YEAR OF THE RATE GUARANTEE FOR 2017.

LIST OF EXHIBITS:

Exhibit "A" – Dental Plan Benefits Comparison
Exhibit "B" – Dental Plan Premiums Comparison

**IRVINE RANCH WATER DISTRICT
JANUARY 2017
DENTAL PLAN RENEWAL COMPARISON**

IRVINE RANCH WATER DISTRICT DENTAL PLAN BENEFITS	ACWA DELTA PREFERRED PLAN A		ACWA DELTA PREFERRED PLAN B	
	In Network	Out of Network	In Network	Out of Network
Individual Deductible	\$25		\$25	
Family Deductible	\$50		\$50	
Dependent Coverage Maximum Age	26 years		26 years	
Calendar Year Maximum	\$1,500		\$2,000	
Diagnostic & Preventive Treatments	85% Deductible waived	80% Deductible waived	100% Deductible waived	100% Deductible waived
Basic Treatments	80% after deductible	80% after deductible	85% after deductible	80% after deductible
Crowns, Jackets, & Casts	50% after deductible	50% after deductible	50% after deductible	50% after deductible
Prosthodontic Treatments*	50% after deductible	50% after deductible	50% after deductible	50% after deductible
Orthodontic Treatments*	50%	50%	50%	50%
Orthodontia Lifetime Maximum	\$2,000	\$2,000	\$2,000	\$2,000

* 12 month waiting period from date of eligibility

**IRVINE RANCH WATER DISTRICT
2017 DENTAL RENEWAL -- FINANCIAL COMPARISON
CURRENT AND RENEWAL OPTION RATES**

EXHIBIT "B"

	<i>Current Plan A w/ Child & Adult Ortho</i>		<i>Option 1 Calendar Year 2017 Plan A w/ Child & Adult Ortho</i>			<i>Option 2 Calendar Year 2017 Plan B w/ Child & Adult Ortho</i>		
	<i>Enrollment</i>	<i>Premium</i>	<i>Enrollment</i>	<i>Premiums</i>	<i>% Increase</i>	<i>Enrollment</i>	<i>Premiums</i>	<i>% Increase</i>
<u>ACWA Delta Dental</u>								
Single	74	\$35.36	74	\$35.36	0.00%	74	\$47.86	35.35%
Two Party	82	\$69.99	82	\$69.99	0.00%	82	\$94.96	35.68%
Family	194	<u>\$128.10</u>	194	<u>\$128.10</u>	0.00%	194	<u>\$169.30</u>	32.16%
<i>Monthly Dental Premium</i>		\$33,207		\$33,207			\$44,173	
<i>% Change to Current Monthly Premium</i>				0.00%			33.02%	
NET ANNUAL PREMIUM		\$398,487		\$398,487			\$530,071	
% Change to Current Annual Premium				0.00%			33.02%	

August 8, 2016

Prepared by: Christine Compton 

Approved by: Paul Cook 

CONSENT CALENDAR

NOMINATION OF MARY AILEEN MATHEIS AS THE THIRD VICE PRESIDENT OF ISDOC AND MEMBER OF THE ISDOC EXECUTIVE COMMITTEE

SUMMARY:

The Independent Special Districts of Orange County (ISDOC) is seeking candidates to serve as the association's officers and on its Executive Committee for the 2017-2018 term. The deadline for submittal of candidate nominations is August 19, 2016. Staff recommends the Board adopt a resolution nominating Director Mary Aileen Matheis to serve on the ISDOC Executive Committee for the 2017-2018 term and nominating her to serve as Third Vice President of the association.

BACKGROUND:

ISDOC is a membership association of Orange County's 25 independent special districts. Its purpose is to advance the interests of Orange County special districts through advocacy of sound public policy, educational opportunities to enhance special district governance and the services and collaboration with others to elevate awareness of the role of special districts. ISDOC does not have any responsibility for the Orange County Special Districts Selection Committee, which is a separate and unrelated entity.

ISDOC is currently seeking candidates who are board members or trustees of regular ISDOC member agencies to serve as its officers and on its Executive Committee for the 2017-2018 term. The ISDOC Executive Committee determines the direction and focus of ISDOC issues and activities as well as supports the fulfillment of ISDOC's goals. The Executive Committee is comprised of the ISDOC President, First Vice President, Second Vice President, Third Vice President, Secretary, Treasurer and the Immediate Past President. The responsibilities of each office are as follows:

- *President:* The President is the chief executive officer of ISDOC. He or she presides at all meetings of the Board of Directors and the Executive Committee; appoint all committees; and represents ISDOC as its official spokesperson;
- *First Vice President:* The First Vice President chairs the Program Committee, and in the absence of the President, serves as the President;
- *Second Vice President:* The Second Vice President chairs the Membership Committee, and in the absence of the President and First Vice President, serves as the President;
- *Third Vice President:* The Third Vice President chairs the Legislative Committee, and in the absence of the President, First Vice President, and Second Vice President, serves as the President;

- Secretary: The Secretary is responsible for all correspondences and the dissemination of information to members. The Secretary prepares and distributes agendas and minutes for the Executive Committee meetings and edits and publishes the quarterly newsletters; and
- Treasurer: The Treasurer maintains ISDOC financial records and bank accounts; collects dues and other receipts; and pays all bills duly approved by the Executive Committee.

Director Matheis has expressed interest in serving as a member of the ISDOC Executive Committee as ISDOC's Third Vice President. Attached as Exhibit "A" is a Board resolution nominating Director Matheis for this position.

The election for ISDOC's officers will take place in September after the nomination period has closed on August 19, 2016. The new officers will be announced at the September 29, 2016, ISDOC general membership meeting.

FISCAL IMPACTS:

Event expenses and director fees will be incurred by Director Matheis to attend ISDOC Executive Committee meetings and other ISDOC meetings held in Orange County.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE NOMINATING DIRECTOR MARY AILEEN MATHEIS TO SERVE ON THE INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY EXECUTIVE COMMITTEE FOR THE 2017-2018 TERM IN THE ROLE OF THIRD VICE PRESIDENT.

RESOLUTION NO. 2016-

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT, ORANGE COUNTY,
CALIFORNIA PLACING IN NOMINATION MARY AILEEN MATHEIS AS THE THIRD
VICE PRESIDENT OF ISDOC AND MEMBER OF THE ISDOC EXECUTIVE COMMITTEE
FOR THE 2017-2018 TERM

LIST OF EXHIBITS:

Exhibit "A" – Resolution for Nomination of Director Matheis to serve as Third Vice President of ISDOC and on the ISDOC Executive Committee for the 2017-2018 Term

EXHIBIT "A"

RESOLUTION NO. 2016-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT, ORANGE COUNTY,
CALIFORNIA NOMINATING MARY AILEEN MATHEIS FOR THE
OFFICE OF THIRD VICE PRESIDENT OF THE INDEPENDENT SPECIAL DISTRICTS
OF ORANGE COUNTY AND AS A MEMBER OF ITS EXECUTIVE COMMITTEE

WHEREAS, the Board of Directors of the Irvine Ranch Water District does encourage and support the participation of its members in the affairs of the Independent Special Districts of Orange County (ISDOC); and

WHEREAS, Mary Aileen Matheis has indicated a desire to serve as Executive Committee of ISDOC.

NOW, THEREFORE, the Board of Directors of IRWD DOES HEREBY RESOLVE, DETERMINE and ORDER as follows:

Section 1. Does place its full and unreserved support in the nomination of Mary Aileen Matheis for the office of Third Vice President of ISDOC and as a member of the ISDOC Executive Committee, and the Secretary is hereby directed to forward a certified copy of this resolution to the Independent Special Districts of Orange County; and

Section 2. Does hereby determine that the expenses attendant with the service of Mary Aileen Matheis in ISDOC shall be borne by the Irvine Ranch Water District.

ADOPTED, SIGNED AND APPROVED this 8th day of August, 2016.

President, IRVINE RANCH WATER DISTRICT
and of the Board of Directors thereof

Secretary, IRVINE RANCH WATER DISTRICT
and of the Board of Directors thereof

APPROVED AS TO FORM:
BOWIE, ARNESON, WILES & GIANNONE

Legal Counsel

Prepared by: J. Moeder/R. Mori
Submitted by: K. Burton *KLB*
Approved by: Paul Cook *P. Cook*

ACTION CALENDAR

IRVINE LAKE PIPELINE NORTH CONVERSION SANTIAGO HILLS ZONE C+ RESERVOIR CONSTRUCTION AWARD AND CONSTRUCTION PHASE SERVICES CONSULTANT SELECTION

SUMMARY:

The Irvine Lake Pipeline (ILP) North Conversion Project is part of the District's strategic plan to increase recycled water usage and reduce reliance on imported water supplies by converting a significant portion of the ILP from untreated water to recycled water. As part of the project, a new Santiago Hills Zone C+ 2.4 million gallon (MG) buried concrete recycled water reservoir and various improvements at the Rattlesnake Complex and Zone A-C booster pump station are required. Kleinfelder completed the engineering design and submitted an updated proposal for construction phase services based on the fully developed project. Bids were received from five contractors for construction of the project. Staff recommends that the Board:

- Waive a bid irregularity and authorize the General Manager to execute a construction contract with Pascal & Ludwig Constructors in the amount of \$9,038,010, and
- Authorize the General Manager to execute a Professional Services Agreement with Kleinfelder in the amount of \$244,470 for construction phase services for the ILP North Conversion Santiago Hills Zone C+ Reservoir Project.

BACKGROUND:

The ILP North Conversion project will convert the Rattlesnake Reach of the ILP, which is located between Rattlesnake Reservoir and the proposed Zone C+ reservoir, from untreated to recycled water. To streamline the design and construction of the ILP North Conversion Project, staff divided the project into two components: 1) the Santiago Hills Zone C+ Reservoir and Rattlesnake Reservoir Improvements Project, and 2) the Offsite Pipelines Project. The Irvine Company is constructing the Offsite Pipelines Project under a reimbursement agreement as part of its Jamboree Road and Santiago Canyon Road street improvements. The Irvine Company and IRWD continue to coordinate the street, pipeline, and reservoir improvements to ensure a successful project.

Construction Award:

Staff advertised the project June 9, 2016 to a select list of six contractors including Gateway Pacific Contractors, Kiewit Pacific, Pacific Hydrotech, Pascal & Ludwig Constructors, PCL Construction, and SSC Construction. The bid opening was held July 21, 2016, with bids received from all the invited contractors, except SSC Construction. Bids ranged from \$9,038,010 to \$11,237,361, and the engineer's estimate of probable construction cost was \$11,900,000. Pascal & Ludwig Constructors is the apparent low bidder with a bid amount of \$9,038,010.

Staff reviewed Pascal & Ludwig Constructors' bid and determined that it is responsive. Even though the apparent low bid was significantly less than the engineer's estimate, the two lowest bids were separated by only \$52,000, or 0.6 percent, which confirms that the apparent low bid amount is appropriate. Pascal & Ludwig constructed the Portola Springs Zone 6 and Zone D reservoirs in 2009. Staff recommends awarding a construction contract to Pascal & Ludwig Constructors in the amount of \$9,038,010. The Bid Summary is attached as Exhibit "A".

Potential Irregularity in Construciton Bid:

After review of Pascal & Ludwig Constructors' bid documents, staff determined the bid had an irregularity in the Statements by Bidder Section A, Items and Manufacturers. Pascal & Ludwig Constructors crossed out and initialed a correction (as permitted by the Instructions to Bidders) of its listed manufacturer for the "Strainer Backwash Pumps". Staff confirmed that the manufacturer listed in the bidder's corrected entry does not supply strainer backwash pumps, indicating that an error was made. All other bidders listed the same manufacturer, Paco, for this item. Erroneously listing a manufacturer for a component listed could provide the contractor the ability to price equipment that is not reflective of the requirements in the specifications and may provide the bidder a competitive advantage. However, in this case, staff concluded that based on all available information this was an error. All bidders listed the same manufacturer of the specified strainer backwash pumps, and as such, staff will require that Paco pumps be supplied by the apparent low bidder. Staff reviewed this information with legal counsel and determined that the above described irregularity did not 1) entail a failure to meet the District's specification; 2) permit a lower bid to be submitted; or 3) impair the District's ability to compare and rank the bids. As such, staff determined that the irregularity in Pascal & Ludwig Constructors' bid is inconsequential and cannot have affected the bid amount or given the bidder a competitive advantage over the other bidders.

Construction Phase Services:

In November 2014, the Board authorized the execution of a Professional Services Agreement with Kleinfelder for the engineering design and construction phase services for the project. With the project now fully developed, staff and Kleinfelder updated the construction phase services scope of work that staff originally prepared during the Request for Proposals phase of the project. Kleinfelder's proposal, which is based on the updated construction phase services scope of work, is attached as Exhibit "B" and includes additional budget for submittals, Request for Information, and construction coordination. The additional effort provided in the updated proposal more closely matches the anticipated level of construction support that will be required with a project of this complexity. The original Professional Services Agreement with Kleinfelder for construction phase services will be cancelled once the new agreement is executed. Staff recommends that the Board authorize the General Manager to execute a Professional Services Agreement with Kleinfelder in the amount of \$244,470 for engineering support services during construction.

Grant Funding:

The project has qualified for grant funding from two sources: the United States Department of Interior Bureau of Reclamation (USBR) and the State Water Resources Control Board (State Board). The USBR funding, in the amount of \$300,000, is being provided through the Drought Resiliency Grant program, with a 75 percent IRWD matching requirement. The State Board is also considering awarding Proposition 1 Recycled Water Program grant funds to the project. If awarded, the Proposition 1 funds will fund 35 percent of eligible construction costs up to a maximum project cost of \$29,510,300.

Staff has worked closely with the USBR and the State Board for more than one year to provide project information and to accelerate the execution of the respective funding agreements in advance of the start of construction. Despite staff's best efforts, the funding agreements have not yet been finalized with either the USBR or the State Board. Staff has been informed that the funding agreements will be ready for execution in the coming months, but neither agency has been willing to commit to a firm date. For both grants, any construction costs incurred prior to the execution of a funding agreement will not be reimbursable under the grants.

Upon completion of construction, the project will support the recycled water demands of the Santiago Hills II Development, which is currently underway by the Irvine Company. The construction of the reservoir will establish the new Zone C+ recycled water pressure zone, which will be used as the primary recycled water source of supply to the development. To meet the schedule requirements of the development, construction of the project must proceed now. Staff anticipates that the contractor will be on site in mid to late September, and that early construction activities will likely focus on site grading activities. Since the funding agreements are not yet executed, staff anticipates that these early construction activities will be ineligible for reimbursement under either grant. Staff will continue to coordinate with each funding source to help ensure that the funding agreements are finalized and executed in the coming months.

Project Schedule:

The contract allows 690 calendar days for construction, which results in a project completion date of June 30, 2018.

FISCAL IMPACTS:

Project 5407 is included in the FY 2016-17 Capital Budget. Sufficient budget exists to fund the project. Based on the apparent low bid amount, staff anticipates receiving about \$3,000,000 in grant funding for construction of the reservoir project.

ENVIRONMENTAL COMPLIANCE:

This project is subject to the California Environmental Quality Act (CEQA) and in conformance with California Code of Regulations Title 14, Chapter 3, Article 6, a Notice of Intent to adopt a Mitigated Negative Declaration was filed with the County of Orange on November 3, 2015. Pursuant to State Guideline § 15073, the Initial Study/Mitigated Negative

Declaration (IS/MND) was made available for public review for a period of 30 days from November 4, 2015 through December 3, 2015. The IS/MND was adopted by IRWD Board of Directors at its January 11, 2016 meeting. A Notice of Determination was filed with the Orange County Clerk/Recorder and the CA State Clearinghouse on January 12, 2016.

COMMITTEE STATUS:

The Engineering and Operations Committee reviewed the consultant selection recommendation on July 19, 2016. Construction awards are not routinely taken to Committee prior to submittal to the Board.

RECOMMENDATION:

THAT THE BOARD FIND THAT THE IRREGULARITY IN THE BID OF PASCAL & LUDWIG CONSTRUCTORS DID NOT AFFECT THE BID AMOUNT OR GIVE THE BIDDER A COMPETITIVE ADVANTAGE OVER THE OTHER BIDDERS AND WAIVE THE IRREGULARITY; AUTHORIZE THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH PASCAL & LUDWIG CONSTRUCTORS IN THE AMOUNT OF \$9,038,010, AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH KLEINFELDER IN THE AMOUNT OF \$244,470 FOR CONSTRUCTION PHASE SERVICES FOR THE IRVINE LAKE PIPELINE NORTH CONVERSION SANTIAGO HILLS ZONE C+ RESERVOIR, PROJECT 5407.

LIST OF EXHIBITS:

Exhibit "A" – Bid Summary

Exhibit "B" – Kleinfelder's Proposal for Construction Phase Services

EXHIBIT "A"

Bid Opening: July 21, 2016 @ 2:00 p.m.

Irvine Ranch Water District Bid Summary For
Irvine Lake Pipeline North Conversion Reservoir Project
Project Number 5407

Entered By: TM Lynch

Item No.	Description	Qty/Unit	Engineer's Estimate		1 Pascal & Ludwig Constructors Ontario, CA		2 Pacific Hydrotech Perris, CA		3 Gateway Pacific Contractors, Inc. Sacramento, CA		4 Kiewit Pacific, Co. Santa Fe Springs, CA		5 PCL Construction, Inc. Corona, CA	
			Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	Furnish all labor, materials, equipment, services and appurtenant work	1 LS	\$10,050,926.00	\$10,050,926.00	\$7,689,000.00	\$7,689,000.00	\$7,912,000.00	\$7,912,000.00	\$8,439,899.00	\$8,439,899.00	\$9,230,361.00	\$9,230,361.00	\$9,465,034.00	\$9,465,034.00
2	Mobilization/Demobilization (Max 4% of Base Bid)	1 LS	\$561,952.00	\$561,952.00	\$300,000.00	\$300,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00	\$430,000.00	\$430,000.00
3	Erosion Control and Implementation of the Storm Water Pollution Prevention Plan	1 LS	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
4	Trench Safety Measures	1 LS	\$444,584.00	\$444,584.00	\$12,000.00	\$12,000.00	\$2,000.00	\$2,000.00	\$10,000.00	\$10,000.00	\$100,000.00	\$100,000.00	\$250,000.00	\$250,000.00
5	Soil Handling and Off-site Disposal	36,000 CY	\$8.50	\$476,000.00	\$11.11	\$622,160.00	\$6.00	\$336,000.00	\$10.00	\$560,000.00	\$2.00	\$112,000.00	\$10.00	\$560,000.00
6	Procurement of Hellan Strainers through Firm Fixed-Price Proposal	1 LS	\$304,850.00	\$304,850.00	\$304,850.00	\$304,850.00	\$304,850.00	\$304,850.00	\$304,850.00	\$304,850.00	\$304,850.00	\$304,850.00	\$304,850.00	\$304,850.00
7	Grading Modifications per Addendum No.1	1 LS	\$18,210.00	\$18,210.00	\$35,000.00	\$35,000.00	\$110,000.00	\$110,000.00	\$1,000.00	\$1,000.00	\$14,150.00	\$14,150.00	\$152,477.00	\$152,477.00
8	Startup, Testing, and Training	1 LS	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00
9	Operation & Maintenance Manuals	1 LS	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
10	Final Record Drawings	1 LS	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
SUBTOTAL - Base Bid Items				\$11,931,522.00		\$9,038,010.00		\$9,089,850.00		\$9,740,749.00		\$10,186,361.00		\$11,237,361.00
Adjustment (+ or -)				\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Total Amount of Bid				\$11,931,522.00		\$9,038,010.00		\$9,089,850.00		\$9,740,749.00		\$10,186,361.00		\$11,237,361.00
* Pacific Hydrotech shows base bid total as \$9,730,759					Manufacturers:		Manufacturers:		Manufacturers:		Manufacturers:		Manufacturers:	
					Automatic Strainers: Hellan		Automatic Strainers: Hellan		Automatic Strainers: Hellan		Automatic Strainers: Hellan		Automatic Strainers: Hellan	
					Strainer Backwash Pumps: Crump		Strainer Backwash Pumps: PACO		Strainer Backwash Pumps: PACO		Strainer Backwash Pumps: Charles P.		Strainer Backwash Pumps: PACO	
					30" Ball Valve Motor Actuator: Auma		30" Ball Valve Motor Actuator: Auma		30" Ball Valve Motor Actuator: PRATT		30" Ball Valve Motor Actuator: Auma		30" Ball Valve Motor Actuator: Auma	
					Electric Panels: Allen Bradley		Electric Panels: Allen Bradley		Electric Panels: Allen Bradley		Electric Panels: ABB		Electric Panels: Allen Bradley	
					Pressure Reducing Valves: Cla-Val		Pressure Reducing Valves: Cla-Val		Pressure Reducing Valves: Cla-Val		Pressure Reducing Valves: Cla-Val		Pressure Reducing Valves: Cla-Val	
					Magnetic Flow Meters: ABB Water Master		Magnetic Flow Meters: ABB		Magnetic Flow Meters: ABB		Magnetic Flow Meters: ABB Water Master		Magnetic Flow Meters: ABB	
					Surge Tanks: Pulsco		Surge Tanks: Crump Engineering		Surge Tanks: AA Tanks		Surge Tanks: ZZ Technologies		Surge Tanks: Pulsco	
					Subcontractors:		Subcontractors:		Subcontractors:		Subcontractors:		Subcontractors:	
					DN Tanks: Prestressed Tanks		DN Tanks: Prestressed		DN Tanks: Prestressing		DN Tanks: Tank Prestressing		Southwest V-Ditch: Flatwork	
					Gerdau: Rebar		Colwell: Earthwork		Alcorn Fence: Fencing		Retaining Walls Co: Retaining Wall		DN Tanks: Prestressed Tank	
					McKenna: Backfill and Excavation		Simpson Sandblasting and Specialty Coatings and Waterproofing		Alcorn Fence: Fencing		Vertical Horizon Scaffold Inc: Suspended Slab Shoring		Vertical Horizon Scaffold Inc: Suspended Slab Shoring	
					Simpson Sandblasting: Painting		Alcorn Fence Company: Fence		Vertical Horizons: Shoring		Simpson Sandblasting: Waterproofing/coating		MSE Retaining Systems Inc: Retaining Wall	
					Halcyon: Electrical		Precision Shotcrete Innovations: Concrete Ditches		MSE Retaining System: Keystone Retaining Wall		Southwest V-Ditch: Flatwork		Western Paving: Asphalt Paving	
					Alcorn Fence: Fence		Wheeler Paving: AC Paving		Simpson Sandblasting: Coating		Alcorn Fence: Fencing		Simpson Sandblasting & Special Coatings	
					Western Paving: Paving		Condon-Johnson: Earth Shoring		Gerdau: Rebar		Lead Electric: Electrical		Alcorn Fence Company: Fencing	
					DML Wall		Halcyon Electric: Electrical and Instrumentation		Condon Johnson & Associates, Inc.: Temp Shoring				McKenna General Engineering: Earthwork	
							Hillside Retaining Walls and Engineering: MSE Wall		Maddox Electrical: Electrical				Gerdau Reinforcing Steel: Rebar	
							Vertical Horizon Scaffold: Deck Shoring						Halcyon Electrical Inc.: Electrical and INC	

EXHIBIT "B"



July 5, 2016
Kleinfelder Project No.: 20153742.001A
IRWD Reference No.: 30496 (5407)

Mr. Jacob Moeder
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, California 92618

**SUBJECT: Construction Services for the
Irvine Lake Pipeline North Conversion Reservoir Project**

Dear Mr. Moeder:

Kleinfelder is pleased to submit this request for construction phase services for the ILP North Conversion Reservoir Project. Below is a summary of the proposed scope of work and fee.

SCOPE OF WORK

- A. **Project Meetings:**
Kleinfelder will schedule and conduct a total of 14 project progress meetings during the construction period, and will prepare meeting minutes. Each meeting is assumed to be two hours in duration. One of the Project Meetings will be a Pre-Construction Meeting with the Contractor to set expectations for construction, communicate design intent, and establish a strong working relationship.
- B. **Miscellaneous Construction Support:**
Kleinfelder will provide ongoing construction support to assist IRWD with answering contractor's questions, reviewing change orders as needed, and other support throughout the construction duration.
- C. **Contractor's Request for Information (RFI):**
Kleinfelder will review and respond to the Contractor's RFI, up to a maximum of 70 RFIs
- D. **Minor Plan Revisions:**
Depending on field conditions, the Project Team is prepared to perform minor plan revisions during construction. This task includes a maximum of 100 hours of staff time for minor plan revisions to the construction drawings, as needed.
- E. **Site Visits:**
Kleinfelder will perform up to 8 visits to the site to observe the progress and quality of the executed work of the Contractor. Site visits will be scheduled to coincide with project meetings to maximize team efficiencies.
- F. **Shop Drawing Reviews:**
Kleinfelder will provide an initial review of up to 155 shop drawing submittals. It is anticipated that a second review will be performed for 75 shop drawings to verify comments from the initial submittal are addressed. Approximately two hours per initial shop drawing review, and one hour for subsequent reviews is included.

G. Record Drawings:

Kleinfelder will prepare record drawings on 24-inch by 36-inch mylars at the completion of construction using IRWD-approved Contractor's and IRWD Inspector's redlines. Final record drawing mylars, reissued signed mylars (as needed), AutoCAD electronic files, and a single color PDF of the final as-built mylars will be submitted to IRWD on CD at the completion of construction.

H. Assistance with Energy Control Procedures and Asset Management:

Kleinfelder will prepare Energy Control Procedures (ECP's) in accordance with California Occupational Safety and Health (Cal/OSHA) requirements for all equipment and operations that may store potential energy. The project team will prepare an inventory of new equipment utilizing IRWD's asset management parent/child spreadsheet format. This task includes a budget of \$10,000 as requested in the RFP.

FEE

Kleinfelder's fee for the construction phase services is a not-to-exceed amount of \$244,470, as shown in the attached fee estimate spreadsheet.

Thank you for your consideration of this request. If you have any questions about our scope, assumptions or level of effort, please do not hesitate to contact us at (619) 831-4534 or (949) 585-3111.

Sincerely,

KLEINFELDER



Laura Robinson, PE
Project Manager



Bartlett W. Patton, PE
Client Account Manager

Attachment: Labor and Subconsultant Estimates



LABOR AND SUBCONSULTANT ESTIMATES

August 8, 2016

Prepared and

submitted by: P. Shields

Approved by: Paul Cook



ACTION CALENDAR

ENERGY MANAGEMENT SERVICES AGREEMENTS

SUMMARY:

In 2015 the California Public Utilities Commission (CPUC) approved several contracts proposed by Southern California Edison (SCE) that were designed to minimize the limitations in the existing electrical grid. One of the contracts involved the development of 50 megawatts (MW) of behind-the-meter grid-scale energy storage systems using batteries. These energy storage projects, sited at qualified host customer facilities, involves the charging of batteries from the grid during off-peak hours and then discharging them during on-peak times to the host facilities. The battery systems are intended to reduce the overall cost of power at the host facility while reducing stress on the grid. There are eleven Notices of Exemption (NOE) to the California Environmental Quality Act (CEQA) that pending Board approval, will be filed with the Orange County Clerk/Recorder.

Advanced Microgrid Solutions (AMS) was awarded 10-year contracts by SCE to develop 50 MW of battery storage systems. IRWD has been working with AMS to structure an arrangement by which IRWD will host battery-based energy storing systems at certain select facilities, allowing IRWD to realize significant cost savings with minimal capital outlay. Staff recommends that the Board authorize the General Manager to execute agreements with Hybrid-Electric Building Technologies Irvine 1, LLC, Hybrid-Electric Building Technologies West Los Angeles 1, LLC, and Redwood Energy Storage, LLC to provide energy management services related to battery energy storage systems hosted at IRWD sites, and that the Board determine the projects are exempt from CEQA, approve the projects and authorize staff to post and file the Notices of Exemption in Orange County. Staff also recommends that the Board authorize the addition of the energy storage systems, project 7444, in the amount of \$222,200 to the FY 2016-17 Capital Budget.

BACKGROUND:

The retirement of the San Onofre Nuclear Generating Station (SONGS) has created a gap in local electric power capacity of approximately 2,000 MW. The Johanna and Santiago electrical Substations, located within IRWD's service area and critical to local grid stability, have been identified by the CPUC as being part of a targeted capacity constrained area. The California Independent System Operator (CA-ISO) and the CPUC authorized SCE to procure new incremental capacity through Local Capacity Requirements (LCR) contracts to fill the void left by the closure of SONGS.

In 2015, the CPUC approved several LCR contracts proposed by SCE, one of which was to develop 50 MW of behind-the-meter (connected to host customer load) grid-scale energy storage systems using batteries. These energy storage projects sited at qualified host customer facilities involves charging batteries from the grid during off-peak hours (lower cost power) and then discharging them during on-peak times reducing stress on the grid as well as reducing the overall

cost of power for IRWD. AMS was awarded 10-year contracts by SCE to develop and operate 50 MW of battery storage systems known as Demand Response Energy Storage (DRES) systems. AMS bears all responsibility for project design, development, permitting, financing, maintenance, operations, and all legal and contractual obligations to SCE. Additionally, AMS will install battery storage systems that will be dedicated only to IRWD's demand management needs separate and distinct from the DRES systems dedicated to SCE.

These demand management systems will be partially financed by Self-Generation Incentive Program (SGIP) grant funding. The SGIP is a grant-funding mechanism that provides financial incentives for energy projects including energy storage. The grant funding is essential to the economic viability of the projects dedicated for demand management for IRWD only. These funds are allocated on a first come, first served basis to successful applicants and reserving them as early as possible was an important first step. IRWD and AMS were successful in applying for and conditionally reserving approximately \$11,000,000 of SGIP funds for the proposed IRWD projects.

IRWD / AMS Partnership:

At the November 17, 2015 Engineering and Operations Committee meeting, staff provided an overview of the energy storage opportunity and associated grant funding process. A workshop was held at the January 25, 2016 Board meeting to discuss and provide an update on the project and the next steps. On February 14, 2016, IRWD signed a non-binding Memorandum of Understanding with AMS allowing both parties the time to perform an in-depth due diligence to fully evaluate project development options, finalize site selection, continue the grant funding process, perform legal and financial reviews, and explore tentative contractual arrangements. EcoMotion, a consultant with expertise regarding Energy Storage Systems and Power Purchase Agreement type contracts, was retained by IRWD to assist in this process.

As a result of this process, 11 facilities at IRWD were confirmed to be viable for locating energy storage systems and the tentative terms and conditions of the Energy Services Management Agreements were negotiated and are attached as Exhibits "A" and "B". The 11 facilities selected are listed in the two tables below. Table 1 shows the six sites that will be used to satisfy both the grid relief commitment required by SCE when called on by them under contract with AMS as well as provide guaranteed cost savings and demand management capabilities to IRWD. These six sites, referred to as the DRES sites, will have battery storage systems with six-hour capacity, four hours dedicated to SCE's DRES needs and two hours dedicated to IRWD only. When these systems are operating as both for DRES and demand management, IRWD receives the coincidental benefits in terms of cost savings. The DRES projects will be covered by their own agreement.

TABLE 1 – DRES Site Specific Information and Requirements

Premises Name		Energy Storage System Size (kW / kWh)
1.	Michelson Water Recycling Plant (MWRP)	2,500 kW / 15,000 kWh
2.	Deep Aquifer Treatment System (DATS)	1,000 kW / 6,000 kWh
3.	Los Alisos Water Recycling Plant (LAWRP)	1,000 kW / 5,600 kWh
4.	Potable Treatment Plant (PTP)	500 kW / 2,000 kWh
5.	Wells 21/22 Desalter Facility	250 kW / 1,100 kWh
6.	Dyer Road Well #10	250 kW / 1,500 kWh
Total:		5,500 kW / 31,200 kWh

Some of key operational parameters for the DRES systems are as follows:

Maximum Dispatch:	Once per day, up to 80 hours per month
Duration of Dispatch:	Anywhere from 15 minutes to 4 hours
Dispatch Window:	Must be available from 9:00 a.m. to 6:00 p.m.
Charging Restrictions:	Batteries may not charge from the grid between 9:00 a.m. and 6:00 p.m. (only charged at night or from non-grid sources)

Table 2 lists five sites that will provide demand management capability and cost savings to IRWD only (i.e., no contribution to DRES for SCE). These five sites will have battery storage systems with two-hour capacity. The demand management projects will be covered by their own agreement.

TABLE 2 – Demand Management Site Specific Information and Requirements

Premises Name		Energy Storage System Size (kW / kWh)
1.	Coastal Zone D Pump Station	500 kW / 1,000 kWh
2.	Coastal Zone 4 Pump Station	250 kW / 500 kWh
3.	Foothill Zone 6	250 kW / 500 kWh
4.	Portola 3-5 & A-C Pump Station	250 kW / 500 kWh
5.	East Irvine Zone 1-3 Pump Station	250 kW / 500 kWh
Total:		1,500 kW / 3,000 kWh

Projected Schedule

The battery storage systems design and construction schedule will be finalized in the upcoming months. The deadline for delivery of the projects is contingent on both AMS' agreement for the DRES sites listed in Table 1, and milestones associated with the SGIP grant-fund assisted projects in both Tables 1 and 2 (the two-hour capacity systems). All projects are currently scheduled to be online in 2017 to early 2018 with construction of some facilities potentially starting in 2016.

Cost Savings and Revenue Sharing

The installation and operation of the battery systems will result in cost reduction in both energy and demand charges in IRWD’s electrical bills for the 11 selected sites. The systems will also provide the opportunity to avail of new revenue generating opportunities such as participation in the Automated Demand Response program. The projected savings for the base year period were derived by comparing actual SCE bills to calculated bills for the same accounts and base period assuming the batteries are operational. The result of this analysis was the development of the Minimum Guaranteed Cost Savings (MGCS) for IRWD contained in the Energy Management Service Agreements. The total annual MGCS for the DRES sites is \$525,000, with \$315,000 cost savings guaranteed to IRWD annually and \$210,000 paid annually to AMS in the form of a monthly service fee. The annual MGCS for the demand management sites is \$88,000, with \$66,000 cost savings guaranteed to IRWD annually and \$22,000 paid annually to AMS in the form of a monthly service fee. The MGCS will be reconciled for both contracts with actuals in a “true-up” period in the year following a Term Year (12 consecutive billing periods). Following the true-up analysis, any amount above the MGCS will be shared between IRWD and AMS with 65% going to IRWD. IRWD will be made whole by AMS for any amount under the MGCS after any given true-up year.

The following numerical examples demonstrate the calculation of the amounts owed pursuant to the agreement for the DRES sites assuming that all energy storage systems are installed and operating during an entire Term Year:

Payment Examples					
	Base Case Scenario	Insufficient Savings	Insufficient Savings	Excess Savings	Excess Savings
MGCS	\$525,000	\$525,000	\$525,000	\$525,000	\$525,000
Cost Savings	\$525,000	\$450,000	\$300,000	\$620,000	\$770,000
Lost Savings	\$0	\$75,000	\$225,000	\$0	\$0
Provider Service Fee	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000
Performance Incentive	\$0	\$0	\$0	\$33,250	\$85,750
Net Total to IRWD	\$315,000	\$315,000	\$315,000	\$376,750	\$474,250
Net Total to Provider	\$210,000	\$135,000	(\$15,000)	\$243,250	\$295,750

Conclusion

The opportunity for IRWD to host battery energy storing systems at some of its facilities will allow the District to realize significant cost saving benefits with minimal capital outlay. These sustainable installations will enhance grid stability while contributing to greenhouse gas reduction and an improved carbon footprint. AMS bears all responsibility for project design, development (except for environmental studies and environmental commitments funded by IRWD), permitting, financing, maintenance, operations, and all legal and contractual obligations to SCE. Staff recommends that the Board authorize the General Manager to execute agreements

with the developer to provide energy management services related to battery-based energy storage systems hosted at IRWD, and authorize the addition of a project to the Capital Budget for FY 2016-17.

FISCAL IMPACTS:

Staff requests the addition of the Energy Storage Systems, Project 7444 to the FY 2016-17 Capital Budget as follows:

Project No.	Current Budget	Addition <Reduction>	Total Budget
7444	-0-	\$ 222,200	\$ 222,200

This is an expense project and will be included in operating expenses paid for by the Capital Improvement Districts.

ENVIRONMENTAL COMPLIANCE:

This project is exempt from the CEQA as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15301 and Section 15303. Section 15301 provides exemption for minor alterations of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. Section 15303 provides exemptions for the installation of small equipment and facilities for water, sewage, electrical, gas and other utility extensions. Upon Board approval, an NOE for each project site will be filed with the Orange County Clerk/Recorder. Copies of the 11 NOEs are attached as Exhibit "C".

COMMITTEE STATUS:

This item was reviewed by the Engineering and Operations Committee on July 19, 2016.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE AGREEMENTS WITH HYBRID-ELECTRIC BUILDING TECHNOLOGIES IRVINE 1, LLC, HYBRID-ELECTRIC BUILDING TECHNOLOGIES WEST LOS ANGELES 1, LLC, AND REDWOOD ENERGY STORAGE, LLC TO PROVIDE ENERGY MANAGEMENT SERVICES RELATED TO BATTERY ENERGY STORAGE SYSTEMS HOSTED AT IRWD SITES, AND THAT THE BOARD DETERMINE THE PROJECTS ARE EXEMPT FROM CEQA, APPROVE THE PROJECTS, AND AUTHORIZE STAFF TO POST AND FILE THE NOTICES OF EXEMPTION IN ORANGE COUNTY. STAFF ALSO RECOMMENDS THAT THE BOARD AUTHORIZE THE ADDITION OF THE ENERGY STORAGE SYSTEMS, PROJECT 7444, IN THE AMOUNT OF \$222,200 TO THE FY 2016-17 CAPITAL BUDGET.

LIST OF EXHIBITS:

- Exhibit "A" – Irvine 1, LLC & West Los Angeles 1, LLC Agreement
- Exhibit "B" – Redwood Energy Storage, LLC Agreement
- Exhibit "C" – Notices of Exemption

**A COPY OF
EXHIBITS “A” AND “B”
CAN BE OBTAINED
FROM THE
DISTRICT SECRETARY**

EXHIBIT "C"

Exempt per Gov't Code 6103

RETURN TO: Jo Ann Corey
Irvine Ranch Water District
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
949-453-5300

NOTICE OF EXEMPTION (State Guidelines 15062)

County Clerk's Filing Stamp

TO: Orange County Clerk-Recorder
12 Civic Center Plaza, Room 101
Santa Ana, CA 92701

FROM: Irvine Ranch Water District (Applicant & Lead Agency)
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
(949) 453-5300

Project Name: Energy Storage Systems Project – Coastal Zone 4-OC 63 Pump Station

Project Location: The project is located southeast of the intersection of Bonita Canyon Drive and Turtle Crest Drive in the city of Irvine, California. (See Figure 1)

County: Orange

Description of Nature, Purpose and Beneficiaries of Project:

Irvine Ranch Water District (IRWD) is planning to install Demand Response Energy Storage (DRES) or Demand Charge Management (DCM) systems at various existing District facilities. IRWD's Coastal Zone 4-OC 63 Pump Station, located southeast of the intersection of Bonita Canyon Drive and Turtle Crest Drive in the city of Irvine, is a proposed site.

The proposed project consists of the installation of a DCM 250 kilowatt, two-hour battery storage system and ancillary equipment, which will provide primary power to the Coastal Zone 4-OC 63 Pump Station facility during peak energy use and will also provide critical support to the electric grid in the local area. The DCM will involve charging batteries from the grid during off-peak hours and then discharging them during on-peak times, reducing stress on the grid and reducing the overall cost of power. During peak demand

periods, the Coastal Zone 4-OC 63 Pump Station facility would draw power from the DCM system to offset its demand from the regional electrical grid. The DCM system can provide up to two hours of continuous discharge power. IRWD will contract with a third party to install and operate the proposed DCM system.

The proposed 250 kilowatt DCM system will include a cluster of lithium ion battery units mounted on a concrete pad. Each battery block would have a height of approximately 86 inches and its footprint is approximately 42 feet by 28 feet. The DCM system will be located outside, within the existing Coastal Zone 4-OC 63 Pump Station facility, and would be compatible with the existing land use. The system would resemble typical utility scale infrastructure, such as electrical and cable boxes. Construction of the DCM system is expected to take no more than three weeks. Following installation, the DCM system will be maintained by IRWD and its partners.

In addition to complying with all laws and regulations and securing any required permits, the Energy Storage Systems Project incorporates the environmental commitments from previous CEQA documentation applicable to Coastal Zone 4-OC 63 Pump Station to ensure that there would be no potentially significant impacts to the environment. In the event that tree removal becomes necessary, IRWD will conduct this work during non-nesting season (September 15-February 15).

Name of Public Agency Approving
and Carrying out this Project:

Irvine Ranch Water District (IRWD)

15600 Sand Canyon Avenue, Irvine, CA 92618

Contact Person: Jo Ann Corey, Engineering Technician III

Area Code

949

Phone 453-5326

Exempt Status: (check one)

- Ministerial (Sec 21080(b)(1); (State Guidelines Sec. §15268)
- Declared Emergency (Sec 21080(b)(3); State Guidelines Sec. §15269(a))
- Emergency Project (Sec 21080(b)(4); (State Guidelines Sec. §15269(b)(c))
- Categorical Exemption (State Guidelines Sec. §15301)
- Categorical Exemption (State Guidelines Sec. §15302)
- Categorical Exemption (State Guidelines Sec. §15303)
- Categorical Exemption (State Guidelines Sec. §15306)
- Statutory Exemption State code number (State Guidelines §15282)

Reasons why project is exempt:

IRWD has made the determination that this Energy Storage Systems Project at Coastal Zone 4-OC 63 Pump Station is exempt from the California Environmental Quality Act (CEQA) by statute (California Code of Regulations, Title 14, Chapter 3, Article 19). Categorical exemptions include minor alteration of existing facilities (CEQA Guidelines,

Section 15301) and new construction or conversion of small structures under CEQA Guideline Section 15303. Under Class 1, activities are exempt for the operation, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination (CEQA Guidelines, Section 15301). Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures, and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure (CEQA Guidelines, Section 15303). Additionally, under Class 3, installation of small new equipment and facilities for water, sewage, electrical, gas and other utility extensions are exempt.

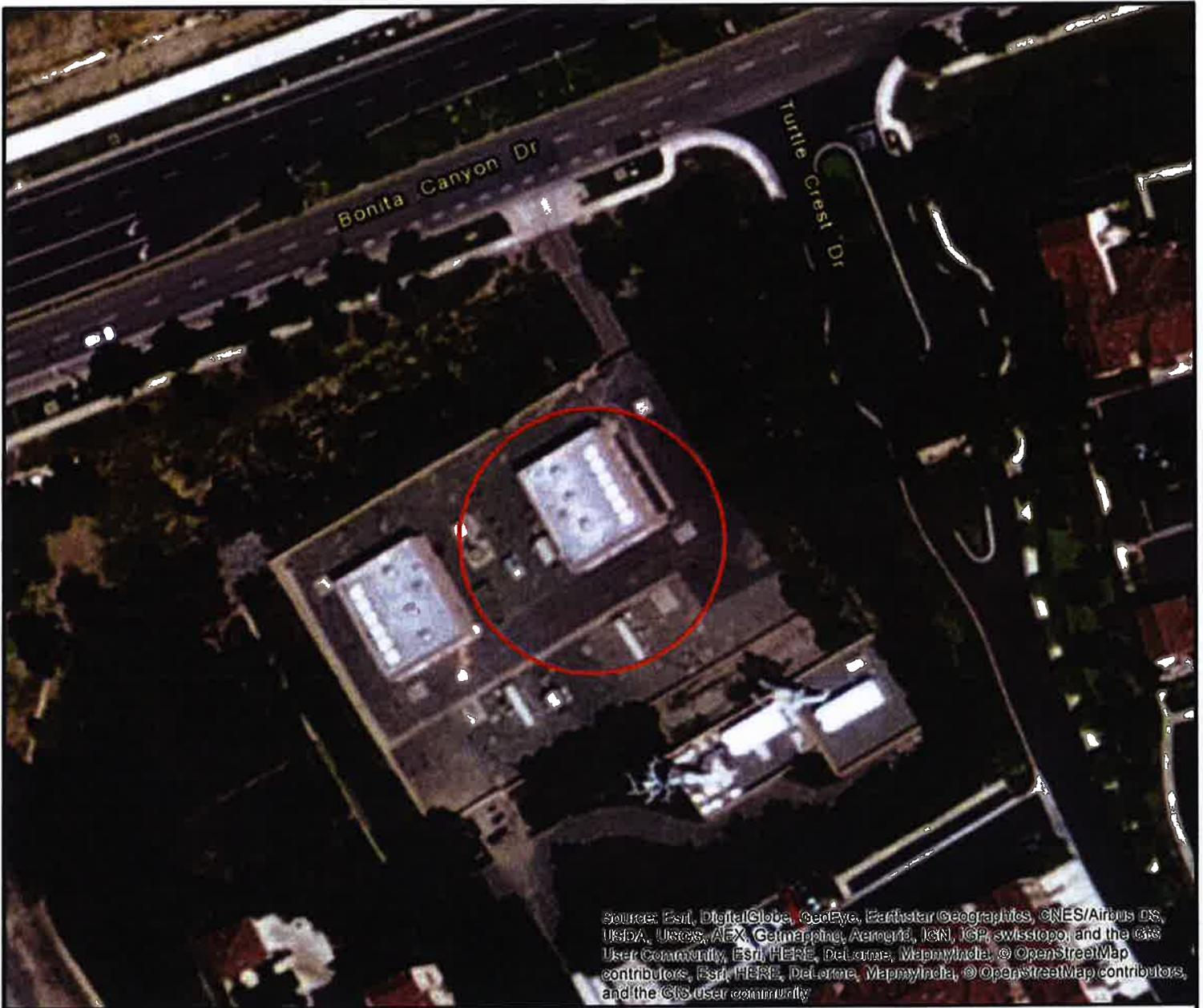
The proposed Energy Storage Systems Project at Coastal Zone 4-OC 63 Pump Station is new construction of a small structure at an existing facility. The proposed Energy Storage Systems Project at Coastal Zone 4-OC 63 Pump Station will serve to provide the existing facility with an additional electrical power source during peak demand periods by installing a DCM system on the property. IRWD will comply with all laws and regulations, will secure any required permits, and the Project incorporates the environmental commitments from previous applicable CEQA documentation to ensure that there would be no potentially significant impacts and therefore, would meet the requirements of the Class 1 and Class 3 categorical exemption under CEQA.

Submission of this form is optional. Local agencies may file this form with the county clerk pursuant to Public Resources Code Section 21152(b). The filing of the notice starts a 35-day statute of limitations on court challenges to the approval of the project under Public Resources Code Section 21167(d). Failure to file the notice results in the statute of limitations being extended to 180 days.

Jo Ann Corey, Engineering Technician III
Staff Member Responsible for Preparation

District Secretary

Date



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, IGP, swisstopo, and the GIS User Community, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community

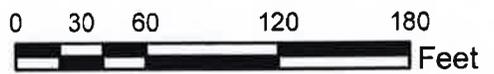


Figure 1: Coastal Zone 4-OC 63 Pump Station

MAP FEATURES

SiteName

Coastal Zone 4-OC 63 Pump Station



Date Prepared: 08/03/2016

Exempt per Gov't Code 6103

RETURN TO: Jo Ann Corey
Irvine Ranch Water District
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
949-453-5300

NOTICE OF EXEMPTION
(State Guidelines 15062)

County Clerk's Filing Stamp

TO: Orange County Clerk-Recorder
12 Civic Center Plaza, Room 101
Santa Ana, CA 92701

FROM: Irvine Ranch Water District (Applicant & Lead Agency)
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
(949) 453-5300

Project Name: Energy Storage Systems Project – Coastal Zone D Pump Station

Project Location: The project is located southeast of the intersection of Bonita Canyon Drive and Turtle Crest Drive in the city of Irvine, California. (See Figure 1)

County: Orange

Description of Nature, Purpose and Beneficiaries of Project:

Irvine Ranch Water District (IRWD) is planning to install Demand Response Energy Storage (DRES) or Demand Charge Management (DCM) systems at various existing District facilities. IRWD's Coastal Zone D Pump Station, located southeast of the intersection of Bonita Canyon Drive and Turtle Crest Drive in the city of Irvine, is a proposed site.

The proposed project consists of the installation of a DCM 250 kilowatt, two-hour battery storage system and ancillary equipment, which will provide primary power to the Coastal Zone D Pump Station facility during peak energy use and will also provide critical support to the electric grid in the local area. The DCM will involve charging batteries from the grid during off-peak hours and then discharging them during on-peak times, reducing stress on the grid and reducing the overall cost of power. During peak demand periods, the Coastal Zone D Pump Station facility would draw power from the DCM

system to offset its demand from the regional electrical grid. The DCM system can provide up to two hours of continuous discharge power. IRWD will contract with a third party to install and operate the proposed DCM system.

The proposed 250 kilowatt DCM system will include a cluster of lithium ion battery units mounted on a concrete pad. Each battery block would have a height of approximately 86 inches and its footprint is approximately 42 feet by 28 feet. The DCM system will be located outside, within the existing Coastal Zone D Pump Station facility, and would be compatible with the existing land use. The system would resemble typical utility scale infrastructure, such as electrical and cable boxes. Construction of the DCM system is expected to take no more than three weeks. Following installation, the DCM system will be maintained by IRWD and its partners.

In addition to complying with all laws and regulations and securing any required permits, the Energy Storage Systems Project incorporates the environmental commitments from previous CEQA documentation applicable to Coastal Zone D Pump Station to ensure that there would be no potentially significant impacts to the environment. In the event that tree removal becomes necessary, IRWD will conduct this work during non-nesting season (September 15 to February 15).

Name of Public Agency Approving
and Carrying out this Project: Irvine Ranch Water District (IRWD)
15600 Sand Canyon Avenue, Irvine, CA 92618

Contact Person: Jo Ann Corey, Engineering Technician III

Area Code 949 Phone 453-5326

Exempt Status: (check one)

- Ministerial (Sec 21080(b)(1); (State Guidelines Sec. §15268)
- Declared Emergency (Sec 21080(b)(3); State Guidelines Sec. §15269(a))
- Emergency Project (Sec 21080(b)(4); (State Guidelines Sec. §15269(b)(c))
- Categorical Exemption (State Guidelines Sec. §15301)
- Categorical Exemption (State Guidelines Sec. §15302)
- Categorical Exemption (State Guidelines Sec. §15303)
- Categorical Exemption (State Guidelines Sec. §15306)
- Statutory Exemption State code number (State Guidelines §15282)

Reasons why project is exempt:

IRWD has made the determination that this Energy Storage Systems Project at Coastal Zone D Pump Station is exempt from the California Environmental Quality Act (CEQA) by statute (California Code of Regulations, Title 14, Chapter 3, Article 19). Categorical exemptions include minor alteration of existing facilities (CEQA Guidelines, Section 15301) and new construction or conversion of small structures under CEQA Guideline Section 15303. Under Class 1, activities are exempt for the operation, or minor alteration

of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination (CEQA Guidelines, Section 15301). Class 3 consist of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures, and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure (CEQA Guidelines, Section 15303). Additionally, under Class 3, installation of small new equipment and facilities for water, sewage, electrical, gas and other utility extensions are exempt.

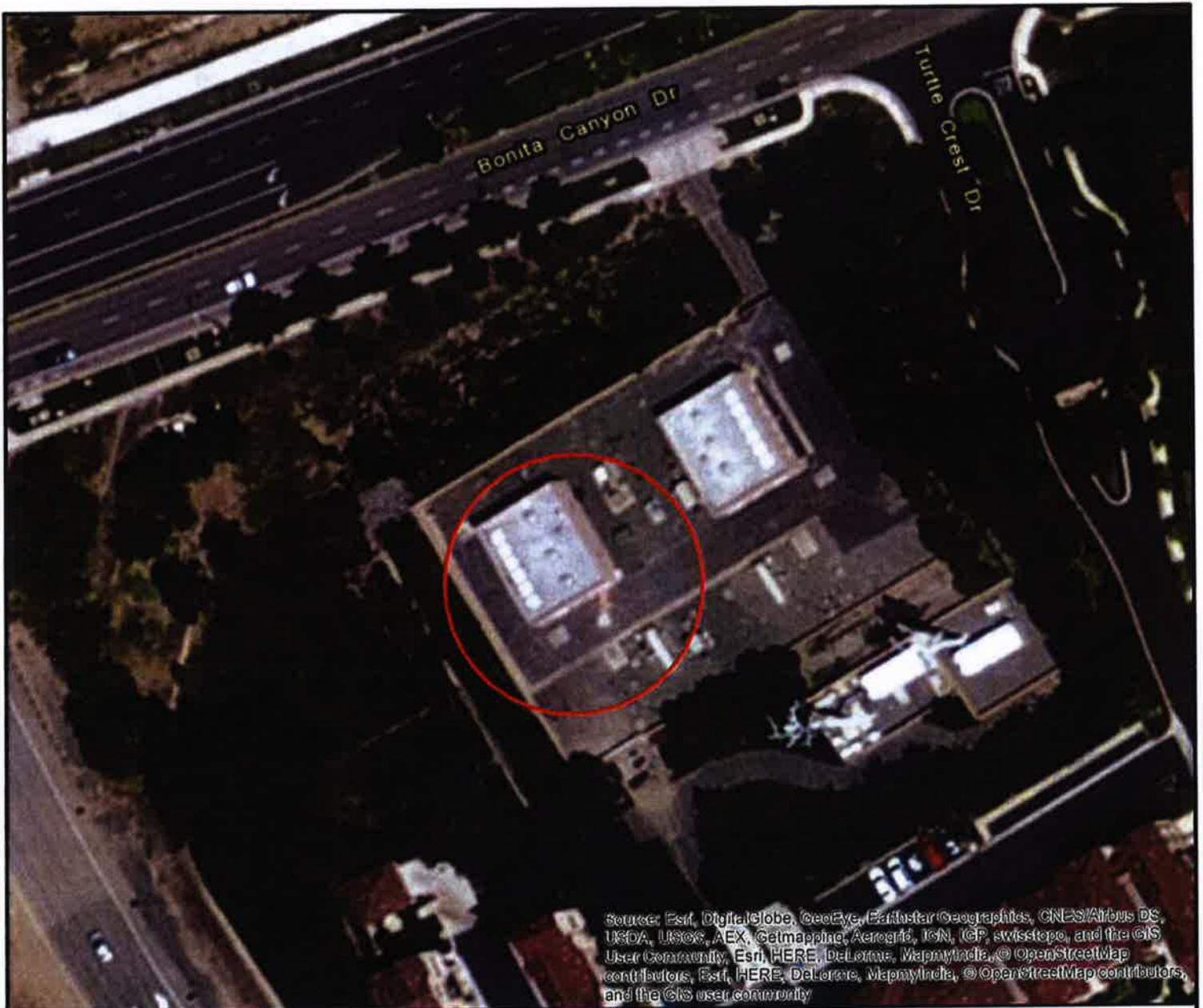
The proposed Energy Storage Systems Project at Coastal Zone D Pump Station is new construction of a small structure at an existing facility. The proposed Energy Storage Systems Project at Coastal Zone D Pump Station will serve to provide the existing facility with an additional electrical power source during peak demand periods by installing a DCM system on the property. IRWD will comply with all laws and regulations, will secure any required permits, and the Project incorporates the environmental commitments from previous applicable CEQA documentation to ensure that there would be no potentially significant impacts and therefore, would meet the requirements of the Class 1 and Class 3 categorical exemption over CEQA.

Submission of this form is optional. Local agencies may file this form with the county clerk pursuant to Public Resources Code Section 21152(b). The filing of the notice starts a 35-day statute of limitations on court challenges to the approval of the project under Public Resources Code Section 21167(d). Failure to file the notice results in the statute of limitations being extended to 180 days.

Jo Ann Corey, Engineering Technician III
Staff Member Responsible for Preparation

District Secretary

Date



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community

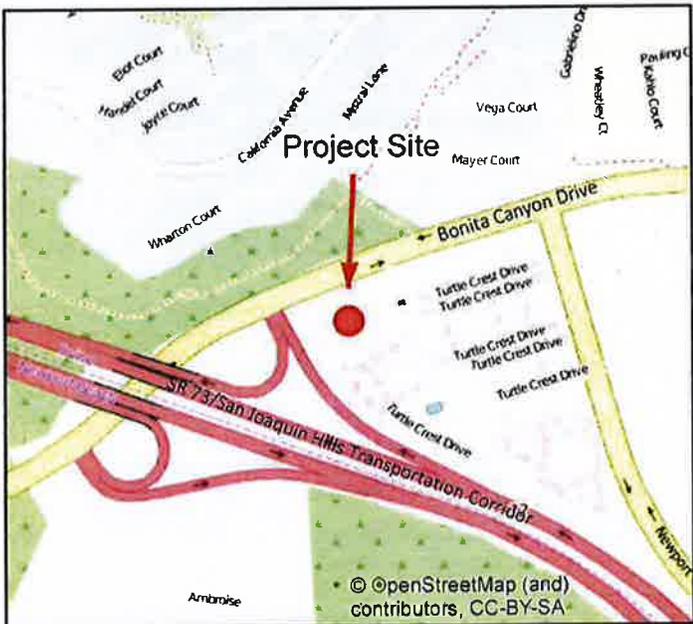


Figure 1: Coastal Zone D Pump Station

MAP FEATURES

SiteName

Coastal Zone D Pump Station



Date Prepared: 08/03/2016

Exempt per Gov't Code 6103

RETURN TO: Jo Ann Corey
Irvine Ranch Water District
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
949-453-5300

NOTICE OF EXEMPTION
(State Guidelines 15062)

County Clerk's Filing Stamp

TO: Orange County Clerk-Recorder
12 Civic Center Plaza, Room 101
Santa Ana, CA 92701

FROM: Irvine Ranch Water District (Applicant & Lead Agency)
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
(949) 453-5300

Project Name: Energy Storage Systems Project – Los Alisos Water Recycling Plant

Project Location: The project is located at 23600 Muirlands Boulevard in the city of Lake Forest, California. (See Figure 1)

County: Orange

Description of Nature, Purpose and Beneficiaries of Project:

Irvine Ranch Water District (IRWD) is proposing to install Demand Response Energy Storage (DRES) or Demand Charge Management (DCM) systems at various existing District facilities. IRWD's Los Alisos Water Recycling Plant (LAWRP), located at 23600 Muirlands Boulevard in the city of Lake Forest, is a proposed site.

The proposed project consists of the installation of a DRES 1,000 kilowatt, six-hour battery storage system and ancillary equipment, which will provide primary power to the LAWRP facility during peak energy use and will also provide critical support to the electric grid in the local area. The DRES will involve charging batteries from the grid during off-peak hours and then discharging them during on-peak times, reducing stress on the grid and reducing the overall cost of power. During peak demand periods, the LAWRP facility would draw power from the DRES system to offset its demand from the regional electrical grid. The DRES system can provide up to six hours of continuous

regional electrical grid. The DRES system can provide up to six hours of continuous discharge power. IRWD will contract with a third party to install and operate the proposed DRES system.

The proposed 1,000 kilowatt DRES system will include a cluster of lithium ion battery units mounted on a concrete pad. Each battery block would have a height of approximately 86 inches and its footprint is approximately 76 feet by 38 feet. The DRES system will be located outside, within the existing LAWRP facility, and would be compatible with the existing land use. The system would resemble typical utility scale infrastructure, such as electrical and cable boxes. Construction of the DRES system is expected to take no more than three weeks. Following installation, the DRES system will be maintained by IRWD and its partners.

In addition to complying with all laws and regulations and securing any required permits, the Energy Storage Systems Project incorporates the environmental commitments from previous CEQA documentation applicable to MWRP to ensure that there would be no potentially significant impacts to the environment. In the event that tree removal becomes necessary, IRWD will conduct this work during non-nesting season (September 15 to February 15).

Name of Public Agency Approving
and Carrying out this Project:

Irvine Ranch Water District (IRWD)
15600 Sand Canyon Avenue, Irvine, CA 92618

Contact Person: Jo Ann Corey, Engineering Technician III

Area Code

949

Phone 453-5326

Exempt Status: (check one)

- Ministerial (Sec 21080(b)(1); (State Guidelines Sec. §15268)
- Declared Emergency (Sec 21080(b)(3); State Guidelines Sec. §15269(a))
- Emergency Project (Sec 21080(b)(4); (State Guidelines Sec. §15269(b)(c))
- Categorical Exemption (State Guidelines Sec. §15301)
- Categorical Exemption (State Guidelines Sec. §15302)
- Categorical Exemption (State Guidelines Sec. §15303)
- Categorical Exemption (State Guidelines Sec. §15306)
- Statutory Exemption State code number (State Guidelines §15282)

Reasons why project is exempt:

IRWD has made the determination that this Energy Storage Systems Project at LAWRP is exempt from the California Environmental Quality Act (CEQA) by statute (California Code of Regulations, Title 14, Chapter 3, Article 19). Categorical exemptions include minor alteration of existing facilities (CEQA Guidelines, Section 15301) and new construction or conversion of small structures under CEQA Guideline Section 15303. Under Class 1, activities are exempt for the operation, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features,

involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination (CEQA Guidelines, Section 15301). Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures, and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure (CEQA Guidelines, Section 15303). Additionally, under Class 3, installation of small new equipment and facilities for water, sewage, electrical, gas and other utility extensions are exempt.

The proposed Energy Storage Systems Project at LAWRP is new construction of a small structure at an existing facility. The proposed Energy Storage Systems Project at LAWRP will serve to provide the existing LAWRP with an additional electrical power source during peak demand periods by installing a DRES system on the property. IRWD will comply with all laws and regulations, will secure any required permits, and the Project incorporates the environmental commitments from previous applicable CEQA documentation to ensure that there would be no potentially significant impacts and therefore, would meet the requirements of the Class 1 and Class 3 categorical exemption over CEQA.

Submission of this form is optional. Local agencies may file this form with the county clerk pursuant to Public Resources Code Section 21152(b). The filing of the notice starts a 35-day statute of limitations on court challenges to the approval of the project under Public Resources Code Section 21167(d). Failure to file the notice results in the statute of limitations being extended to 180 days.

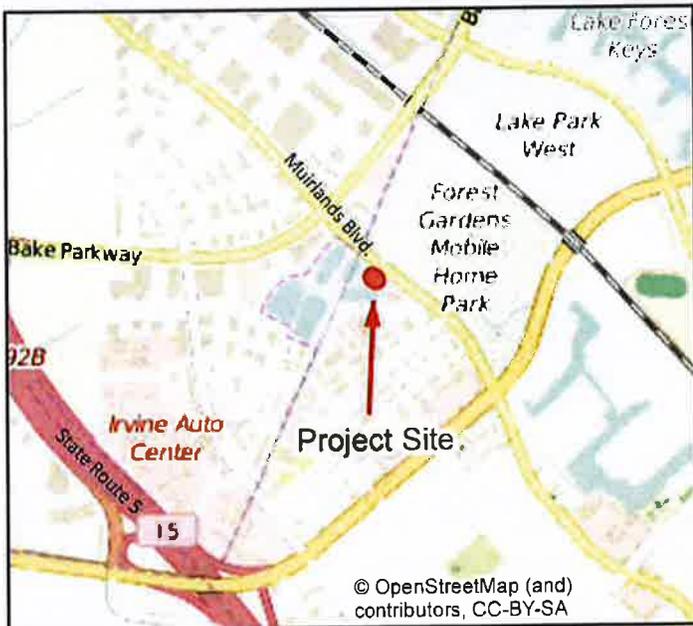
Jo Ann Corey, Engineering Technician III
Staff Member Responsible for Preparation

District Secretary

Date



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User community, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community



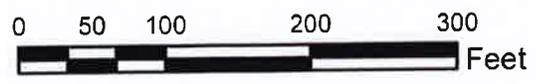
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Figure 1: Los Alisos Water Recycling Plant (LAWRP)

MAP FEATURES

 Project Location



Date Prepared: 08/03/2016

Exempt per Gov't Code 6103

RETURN TO: Jo Ann Corey
Irvine Ranch Water District
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000

NOTICE OF EXEMPTION
(State Guidelines 15062)

County Clerk's Filing Stamp

TO: Orange County Clerk-Recorder
12 Civic Center Plaza, Room 101
Santa Ana, CA 92701

FROM: Irvine Ranch Water District (Applicant/Lead Agency)
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
949-453-5300

Project Name: Energy Storage Systems – Dyer Road Well 10

Project Location: The project is located southwest of the intersection of W. Warner Avenue and S. Susan Street in the city of Santa Ana, California. (See Figure 1)

County: Orange

Description of Nature, Purpose and Beneficiaries of Project:

Irvine Ranch Water District (IRWD) is proposing to install stationary Energy Storage Systems at Dyer Road Well 10, located southwest of the intersection of W. Warner Avenue and S. Susan Street in the city of Santa Ana, California. The proposed system would be a Demand Response Energy Storage (DRES) system, which would involve charging the batteries from the grid during off-peak hours and then discharging them during on-peak times, reducing stress on the grid and reducing the overall cost of power. During peak demand periods, Dyer Road Well 10 would draw power from the DRES system to offset its demand from the regional electrical grid. The DRES system can provide up to six hours of continuous discharge power. IRWD would contract with a third party to install and operate the proposed DRES system.

The DRES system would be installed near ornamental vegetation and next to IRWD's existing well facility building. The site location is shown in Figure 1. The area is

currently a paved parking area. The DRES system would include lithium ion battery units and ancillary equipment, occupying a footprint of approximately 700 square feet (e.g., 39 feet by 18 feet). The proposed 1,500-kWh system would include a series of ion lithium battery blocks mounted on a concrete pad. Each battery block would have a height of approximately 86 inches. The system would resemble typical utility scale infrastructure, such as electrical and cable boxes. In addition to the battery system, a connective buried conduit of 30 linear feet would be installed. The buried conduit would be installed in a concrete area and connect to the electrical tie-in behind the IRWD well facility building.

Construction of the DRES system and conduit would require minor grading activities to allow for installation of the concrete pad and shallow excavation for installation of the buried conduit. Installation of both components is expected to take no more than three weeks.

Environmental Commitments:

The following measures were adopted by the IRWD Board of Directors as part of the Final Environmental Impact Report Addendum for the Conjunctive Use Water Wells and Pipeline (August 1999) and apply to the proposed Energy Storage Systems Project. These measures would be implemented during construction and operation of the proposed Energy Storage Systems Project to ensure that no impacts to visual resources, ambient noise levels, public safety, or public utilities would occur.

Visual Quality: IRWD will design the well and treatment facility to comply with the City of Santa Ana guidelines. Specific guidelines to be addressed will include setbacks, landscaping, color, building style and lighting of the facility.

Noise:

- All construction activities will comply with the City of Santa Ana's allowable construction time limits (7:00 a.m. to 8:00 p.m. Monday through Sunday).
- Prior to commencement of construction, residences within 300 feet of the project site will be notified of the expected duration and times of construction.
- The water well and treatment facility will incorporate noise abatement measures to comply with the City of Santa Ana's noise ordinance criteria.

Public Safety: In the event the grading, construction, or operation of proposed facilities will encounter hazardous waste, IRWD will ensure compliance with the State of California CCR Title 23 Health and Safety Regulations as managed by the Orange County Department of Environmental Health.

Public Utilities: IRWD will coordinate the proposed project design with responsible utilities to ensure that the project does not conflict with existing utilities and maintenance of those utilities.

In addition, IRWD would implement the following best management practices (BMPs) if necessary to ensure that impacts to biological impacts would not occur during construction and operation of the proposed project.

Biological Resources: If project construction occurs during the breeding season (generally February 1st through August 15th), IRWD will retain a qualified biologist to conduct nest surveys in potential nesting habitat within and adjacent to the project site prior to commencement of construction or site preparation activities. If active nests are found, construction activity within 300 feet, or a distance otherwise determined by a qualified biologist, of an active nest should be delayed until the nest is no longer active.

Name of Public Agency Approving
and Carrying out this Project:

Irvine Ranch Water District (IRWD)
15600 Sand Canyon Avenue, Irvine, CA 92618

Contact Person: Jo Ann Corey, Engineering Technician III

Area Code

949

Phone 453-5326

Exempt Status: (check one)

- Ministerial (Sec 21080(b)(1); (State Guidelines Sec. §15268)
 Declared Emergency (Sec 21080(b)(3); State Guidelines Sec. §15269(a))
 Emergency Project (Sec 21080(b)(4); (State Guidelines Sec. §15269(b)(c))
 Categorical Exemption (State Guidelines Sec. §15301)
 Categorical Exemption (State Guidelines Sec. §15302)
 Categorical Exemption (State Guidelines Sec. §15303)
 Categorical Exemption (State Guidelines Sec. §15306)
 Statutory Exemption State code number (State Guidelines §15282)

Reasons why project is exempt:

IRWD has made the determination that the proposed Energy Storage Systems at Dyer Road Well 10 is exempt from the California Environmental Quality Act (CEQA) by statute (California Code of Regulations, Title 14, Chapter 3, Article 19). Categorical exemptions include minor alteration of existing facilities (CEQA Guidelines, Section 15301) and new construction or conversion of small structures under CEQA Guideline Section 15303. Under Class 1, activities are exempt for the operation, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination (CEQA Guidelines, Section 15301). Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures, and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure (CEQA Guidelines, Section 15303). Additionally,

under Class 3, installation of small new equipment and facilities for water, sewage, electrical, gas and other utility extensions are exempt.

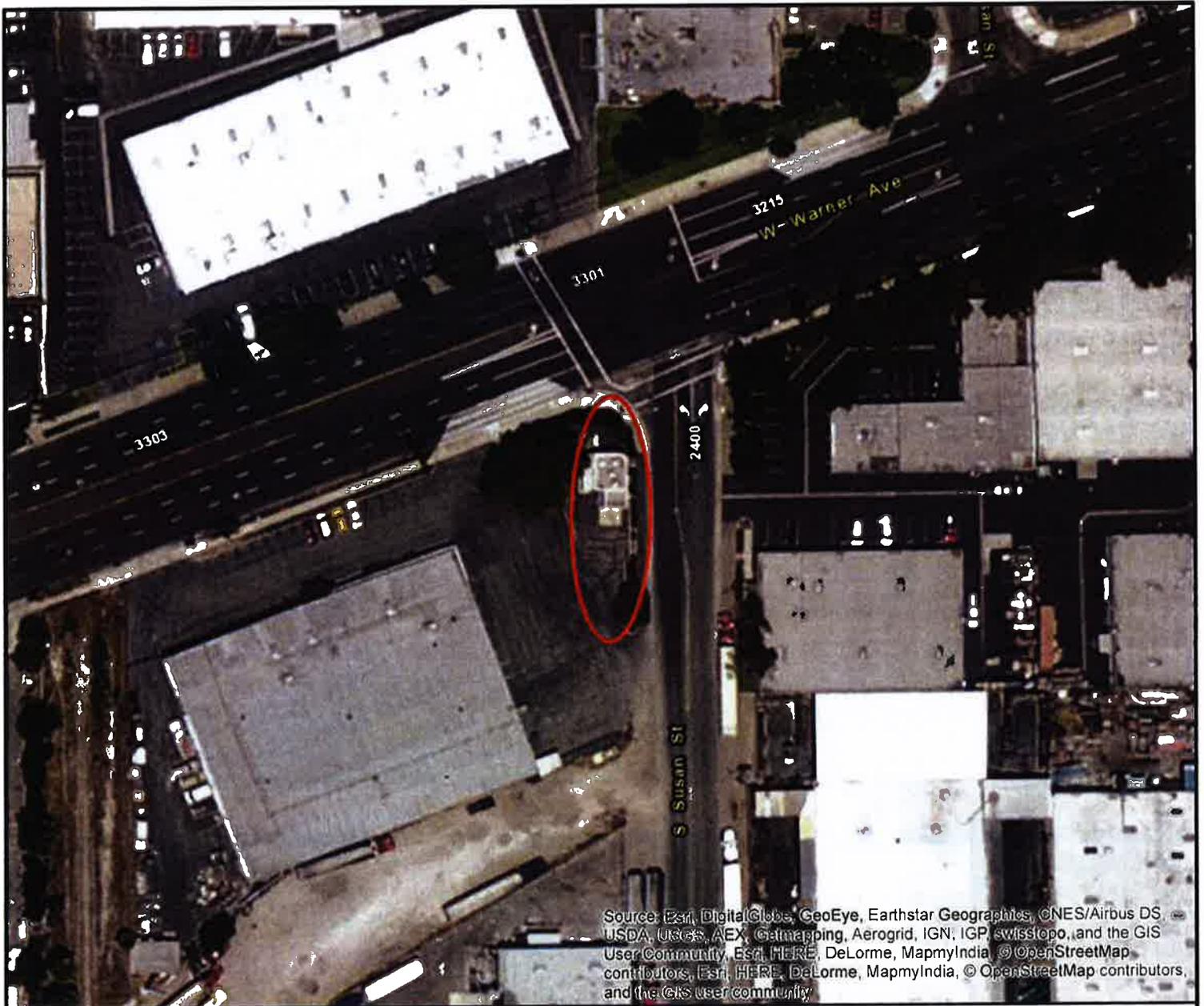
The proposed Energy Storage Systems Project is new construction of a small structure at an existing facility. The proposed Energy Storage Systems Project will serve to provide the existing Dyer Road Well 10 with an additional electrical power source during peak demand periods by installing a DRES system. The DRES system will occupy a footprint of approximately 700 square feet and will connect to the electrical tie-in via a buried conduit of 30 linear feet. IRWD will implement all applicable environmental commitments during construction and operation to ensure that no impacts to biological resources, visual resources, ambient noise levels, public safety, or public utilities will occur.

Submission of this form is optional. Local agencies may file this form with the county clerk pursuant to Public Resources Code Section 21152(b). The filing of the notice starts a 35-day statute of limitations on court challenges to the approval of the project under Public Resources Code Section 21167(d). Failure to file the notice results in the statute of limitations being extended to 180 days.

Jo Ann Corey, Engineering Technician III
Staff Member Responsible for Preparation

District Secretary

Date



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Geomatics, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community

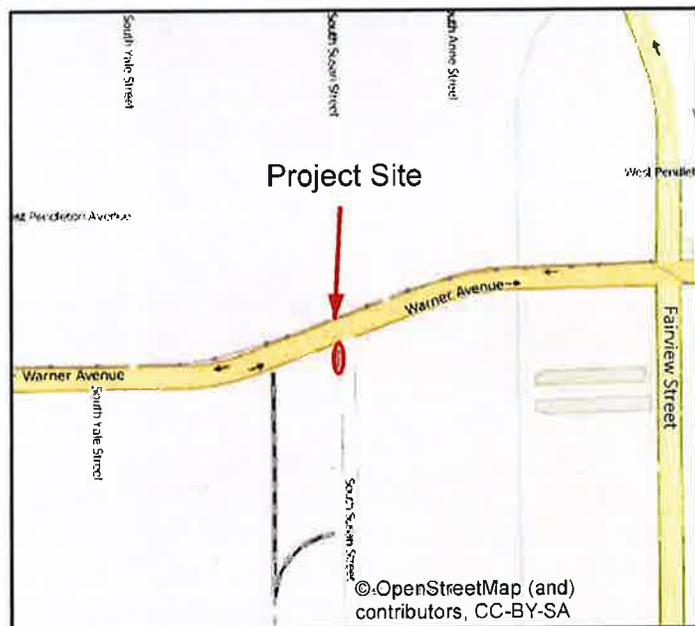
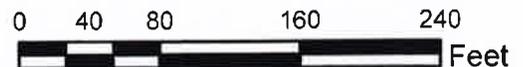


Figure 1: Dyer Road Wellfield Well 10

MAP FEATURES

 Project Location



Date Prepared: 08/03/2016

Exempt per Gov't Code 6103

RETURN TO: Jo Ann Corey
Irvine Ranch Water District
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
949-453-5300

NOTICE OF EXEMPTION
(State Guidelines 15062)

County Clerk's Filing Stamp

TO: Orange County Clerk-Recorder
12 Civic Center Plaza, Room 101
Santa Ana, CA 92701

FROM: Irvine Ranch Water District (Applicant & Lead Agency)
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
(949) 453-5300

Project Name: Energy Storage Systems Project – Michelson Water Recycling Plant

Project Location: The project is located at 3512 Michelson Drive in the city of Irvine, California. (See Figure 1)

County: Orange

Description of Nature, Purpose and Beneficiaries of Project:

Irvine Ranch Water District (IRWD) is proposing to install stationary Energy Storage Systems in the form of either Demand Response Energy Storage (DRES) or Demand Charge Management (DCM) systems at various existing District facilities. IRWD's Michelson Water Recycling Plant (MWRP), located at 3512 Michelson Drive, in the city of Irvine, is a proposed site.

The proposed project consists of the installation of a DRES 2,500 kilowatt, six-hour battery storage system and ancillary equipment, which will provide primary power to the MWRP facility during peak energy use and will also provide critical support to the electric grid in the local area. The DRES will involve charging batteries from the grid during off-peak hours and then discharging them during on-peak times, reducing stress on the grid and reducing the overall cost of power. During peak demand periods, the MWRP facility would draw power from the DRES system to offset its demand from the

regional electrical grid. The DRES system can provide up to six hours of continuous discharge power. IRWD will contract with a third party to install and operate the proposed DRES system.

The proposed 2,500 kilowatt DRES system will include a cluster of lithium ion battery units mounted on a concrete pad. Each battery block would have a height of approximately 86 inches and its footprint is approximately 165 feet by 37 feet. The DRES system will be located outside, within the existing MWRP facility, and would be compatible with the existing land use. The system would resemble typical utility scale infrastructure, such as electrical and cable boxes. Construction of the DRES system is expected to take no more than three weeks.

In addition to complying with all laws and regulations and securing any required permits, the Energy Storage Systems Project incorporates the environmental commitments from previous CEQA documentation applicable to MWRP to ensure that there would be no potentially significant impacts to the environment. In the event that tree removal becomes necessary, IRWD will conduct this work during non-nesting season (September 15 to February 15).

Name of Public Agency Approving
and Carrying out this Project:

Irvine Ranch Water District (IRWD)
15600 Sand Canyon Avenue, Irvine, CA 92618

Contact Person: Jo Ann Corey, Engineering Technician III

Area Code

949

Phone 453-5326

Exempt Status: (check one)

- Ministerial (Sec 21080(b)(1); (State Guidelines Sec. §15268)
- Declared Emergency (Sec 21080(b)(3); State Guidelines Sec. §15269(a))
- Emergency Project (Sec 21080(b)(4); (State Guidelines Sec. §15269(b)(c))
- Categorical Exemption (State Guidelines Sec. §15301)
- Categorical Exemption (State Guidelines Sec. §15302)
- Categorical Exemption (State Guidelines Sec. §15303)
- Categorical Exemption (State Guidelines Sec. §15306)
- Statutory Exemption State code number (State Guidelines §15282)

Reasons why project is exempt:

IRWD has made the determination that this Energy Storage Systems Project at MWRP is exempt from the California Environmental Quality Act (CEQA) by statute (California Code of Regulations, Title 14, Chapter 3, Article 19). Categorical exemptions include minor alteration of existing facilities (CEQA Guidelines, Section 15301) and new construction or conversion of small structures under CEQA Guideline Section 15303. Under Class 1, activities are exempt for the operation, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features,

involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination (CEQA Guidelines, Section 15301). Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures, and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure (CEQA Guidelines, Section 15303). Additionally, under Class 3, installation of small new equipment and facilities for water, sewage, electrical, gas and other utility extensions are exempt.

The proposed Energy Storage Systems Project at MWRP is new construction of a small structure at an existing facility. The proposed Energy Storage Systems Project at MWRP will serve to provide the existing MWRP with an additional electrical power source during peak demand periods by installing a DRES system on the property. IRWD will comply with all laws and regulations, will secure any required permits, and the Project incorporates the environmental commitments from previous applicable CEQA documentation to ensure that there would be no potentially significant impacts and therefore, would meet the requirements of the Class 1 and Class 3 categorical exemption over CEQA.

Submission of this form is optional. Local agencies may file this form with the county clerk pursuant to Public Resources Code Section 21152(b). The filing of the notice starts a 35-day statute of limitations on court challenges to the approval of the project under Public Resources Code Section 21167(d). Failure to file the notice results in the statute of limitations being extended to 180 days.

Jo Ann Corey, Engineering Technician III
Staff Member Responsible for Preparation

District Secretary

Date

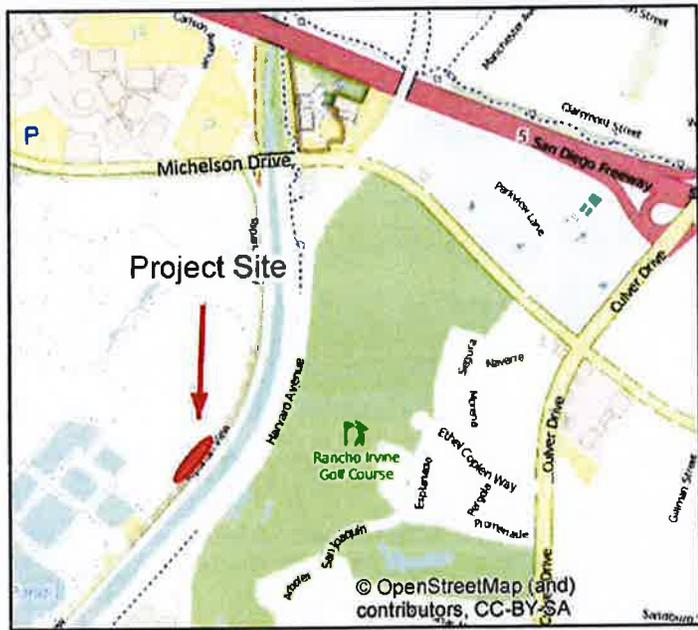
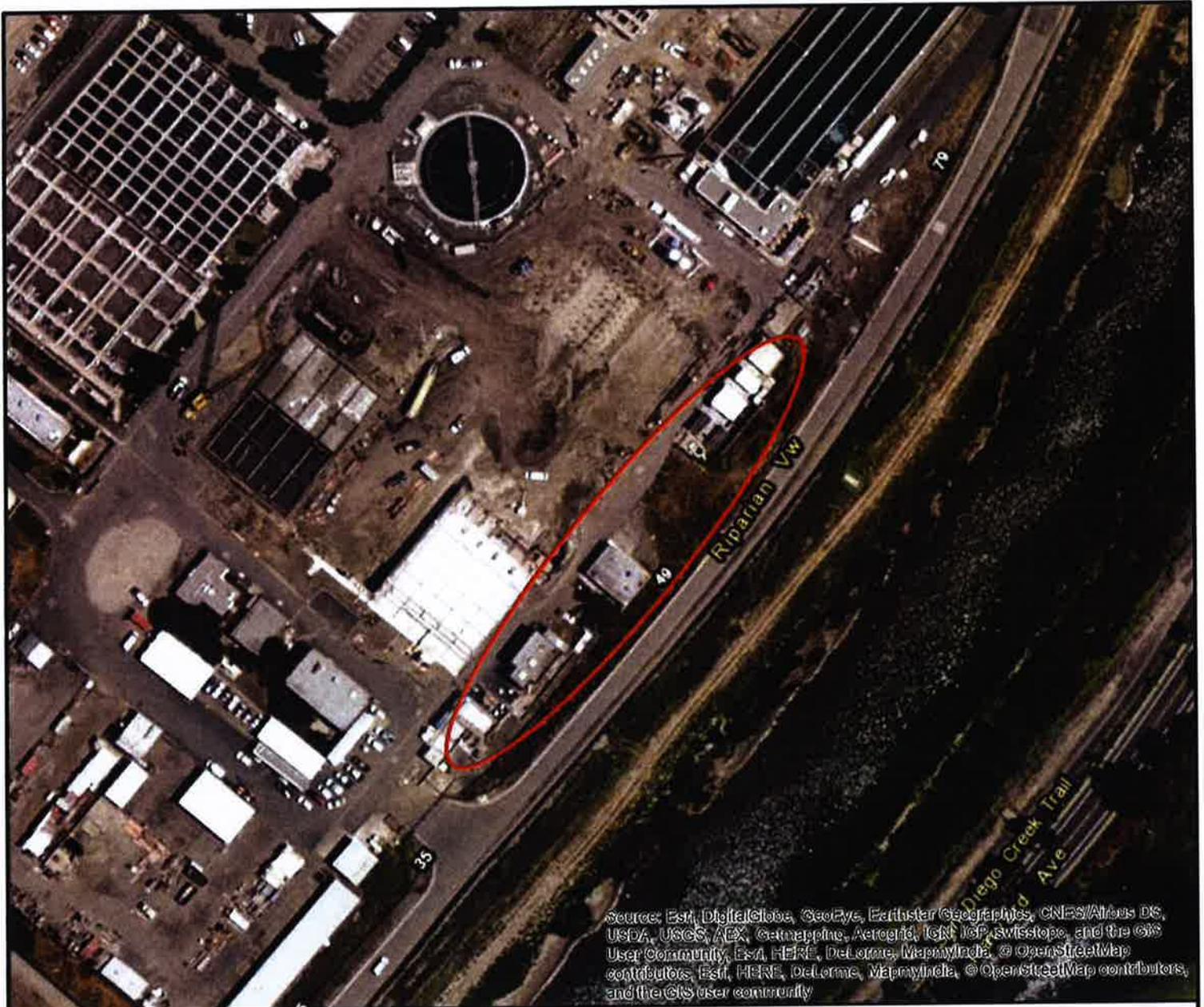
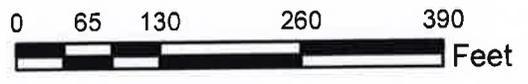


Figure 1: Michelson Water Recycling Plant (MWRP)

MAP FEATURES

 Project Location



Date Prepared: 08/03/2016

Exempt per Gov't Code 6103

RETURN TO: Jo Ann Corey
Irvine Ranch Water District
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
949-453-5300

NOTICE OF EXEMPTION
(State Guidelines 15062)

County Clerk's Filing Stamp

TO: Orange County Clerk-Recorder
12 Civic Center Plaza, Room 101
Santa Ana, CA 92701

FROM: Irvine Ranch Water District (Applicant & Lead Agency)
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
(949) 453-5300

Project Name: Energy Storage Systems Project – Potable Treatment Plant

Project Location: The project is located at 46 Waterworks Way in the city of Irvine, California. (See Figure 1)

County: Orange

Description of Nature, Purpose and Beneficiaries of Project:

Irvine Ranch Water District (IRWD) is proposing to install Demand Response Energy Storage (DRES) or Demand Charge Management (DCM) systems at various existing District facilities. IRWD's Potable Treatment Plant, located at 46 Waterworks Way, in the City of Irvine, is a proposed site.

The proposed project consists of the installation of a DRES 1,000 kilowatt, three-hour battery storage system and ancillary equipment, which will provide primary power to the Potable Treatment Plant during peak energy use and will also provide critical support to the electric grid in the local area. The DRES will involve charging batteries from the grid during off-peak hours and then discharging them during on-peak times, reducing stress on the grid and reducing the overall cost of power. During peak demand periods, the Potable Treatment Plant facility would draw power from the DRES system to offset its demand from the regional electrical grid. The DRES system can provide up to three

hours of continuous discharge power. IRWD will contract with a third party to install and operate the proposed DRES system.

The proposed project 1,000 kilowatt DRES system will include a cluster of lithium ion battery units mounted on a concrete pad. Each battery block would have a height of approximately 86 inches and its footprint is approximately 65 feet by 23 feet. The DRES system will be located outside, within the existing Potable Treatment Plant facility, and would be compatible with the existing land use. The system would resemble typical utility scale infrastructure, such as electrical and cable boxes. Construction of the DRES system is expected to take no more than three weeks.

In addition to complying with all laws and regulations and securing any required permits, the Energy Storage Systems Project incorporates the environmental commitments from previous CEQA documentation applicable to the Potable Treatment Plant to ensure that there would be no potentially significant impacts to the environment. In the event that tree removal becomes necessary, IRWD will conduct this work during non-nesting season (September 15 to February 15).

Name of Public Agency Approving
and Carrying out this Project:

Irvine Ranch Water District (IRWD)
15600 Sand Canyon Avenue, Irvine, CA 92618

Contact Person: Jo Ann Corey, Engineering Technician III

Area Code 949

Phone 453-5326

Exempt Status: (check one)

- Ministerial (Sec 21080(b)(1); (State Guidelines Sec. §15268)
- Declared Emergency (Sec 21080(b)(3); State Guidelines Sec. §15269(a))
- Emergency Project (Sec 21080(b)(4); (State Guidelines Sec. §15269(b)(c))
- Categorical Exemption (State Guidelines Sec. §15301)
- Categorical Exemption (State Guidelines Sec. §15302)
- Categorical Exemption (State Guidelines Sec. §15303)
- Categorical Exemption (State Guidelines Sec. §15306)
- Statutory Exemption State code number (State Guidelines §15282)

Reasons why project is exempt:

IRWD has made the determination that this Energy Storage Systems Project at the Potable Treatment Plant is exempt from the California Environmental Quality Act (CEQA) by statute (California Code of Regulations, Title 14, Chapter 3, Article 19). Categorical exemptions include minor alteration of existing facilities (CEQA Guidelines, Section 15301) and new construction or conversion of small structures under CEQA Guideline Section 15303. Under Class 1, activities are exempt for the operation, or minor alteration of existing public or private structures, facilities, mechanical equipment,

or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination (CEQA Guidelines, Section 15301). Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures, and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure (CEQA Guidelines, Section 15303). Additionally, under Class 3, installation of small new equipment and facilities for water, sewage, electrical, gas and other utility extensions are exempt.

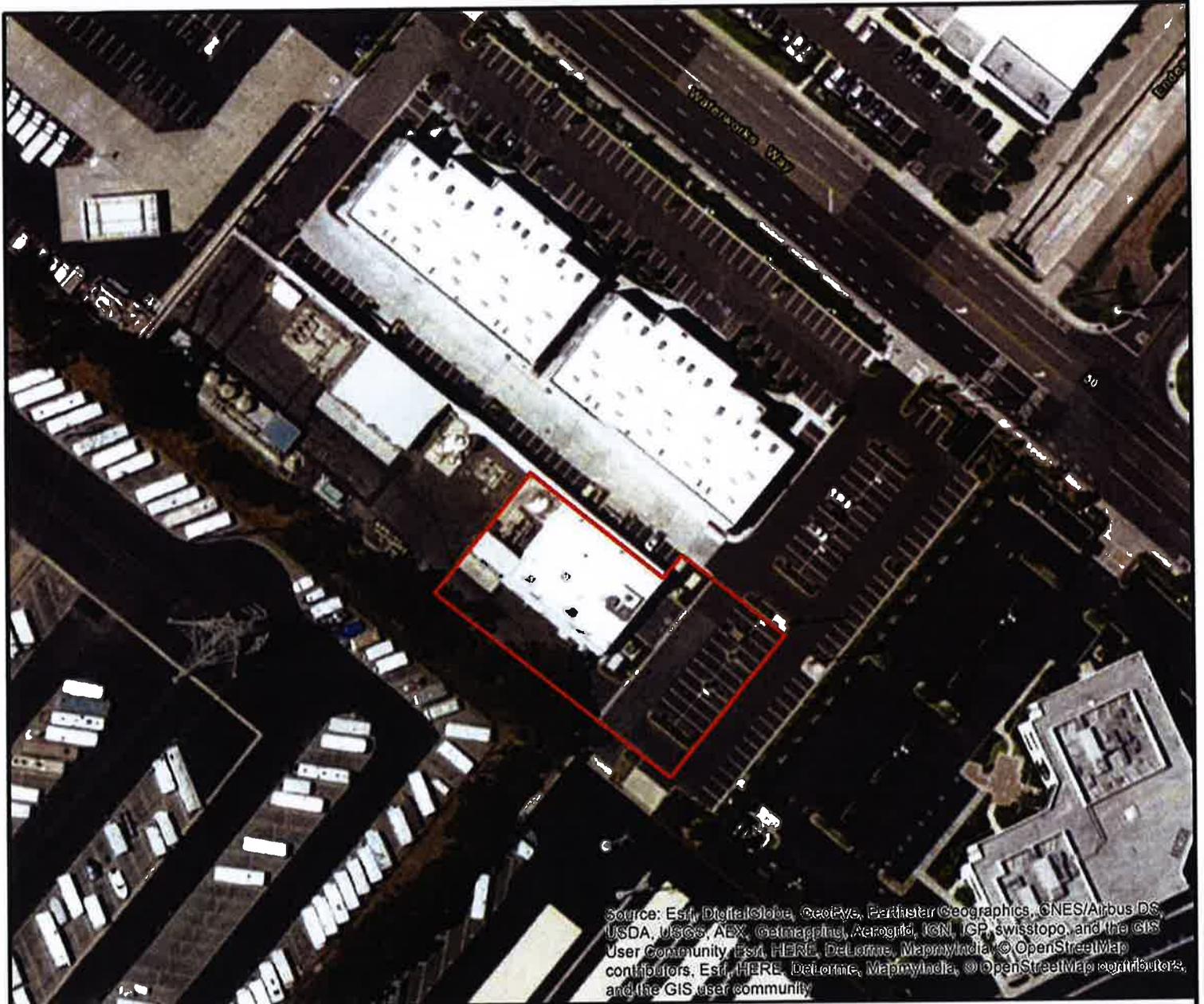
The proposed Energy Storage Systems Project at the Potable Treatment Plant is new construction of a small structure at an existing facility. The proposed Energy Storage Systems Project at the Potable Treatment Plant will serve to provide the existing facility with an additional electrical power source during peak demand periods by installing a DRES system on the property. IRWD will comply with all laws and regulations, will secure any required permits, and will ensure that the Project incorporates the environmental commitments from previous applicable CEQA documentation to ensure that there would be no potentially significant impacts and therefore, would meet the requirements of the Class 1 and Class 3 categorical exemption over CEQA.

Submission of this form is optional. Local agencies may file this form with the county clerk pursuant to Public Resources Code Section 21152(b). The filing of the notice starts a 35-day statute of limitations on court challenges to the approval of the project under Public Resources Code Section 21167(d). Failure to file the notice results in the statute of limitations being extended to 180 days.

Jo Ann Corey, Engineering Technician III
Staff Member Responsible for Preparation

District Secretary

Date



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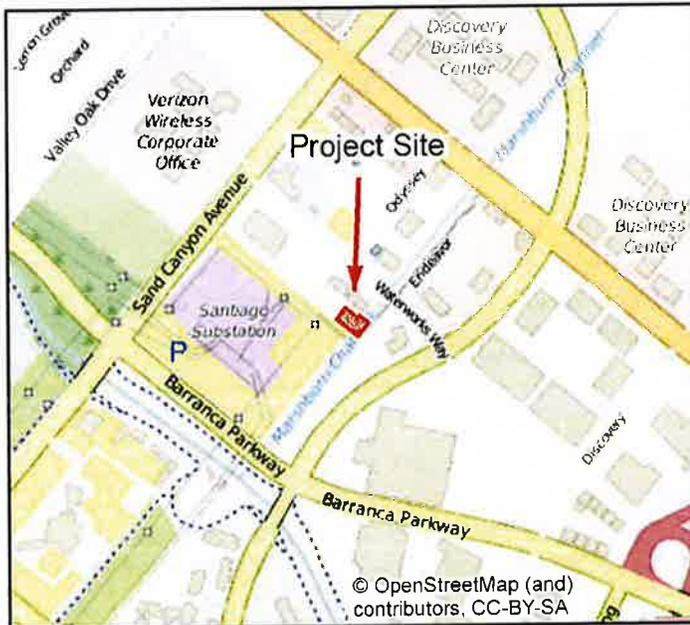
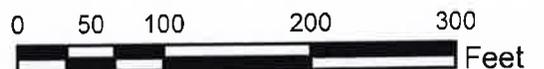


Figure 1: Potable Treatment Plant (PTP)

MAP FEATURES

 Project Location



Date Prepared: 08/03/2016

Exempt per Gov't Code 6103

RETURN TO: Jo Ann Corey
Irvine Ranch Water District
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000

NOTICE OF EXEMPTION
(State Guidelines 15062)

County Clerk's Filing Stamp

TO: Orange County Clerk-Recorder
12 Civic Center Plaza, Room 101
Santa Ana, CA 92701

FROM: Irvine Ranch Water District (Applicant/Lead Agency)
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
949-453-5300

Project Name: Energy Storage Systems – Wells 21 & 22 Treatment Facility

Project Location: The project is located at 1221 Edinger Avenue, Tustin, California (see Figure 1)

County: Orange

Description of Nature, Purpose and Beneficiaries of Project:

Irvine Ranch Water District (IRWD) is proposing to install stationary Energy Storage Systems at the Wells 21 & 22 Treatment Facility located at 1221 Edinger Avenue, Tustin, California. The proposed system will be a Demand Response Energy Storage (DRES) system, which will involve charging batteries from the grid during off-peak hours and then discharging them during on-peak times, reducing stress on the grid and reducing the overall cost of power. During peak demand periods, the Wells 21 & 22 Treatment Facility would draw power from the DRES system to offset its demand from the regional electrical grid. The DRES system can provide up to six hours of continuous discharge power. IRWD will contract with a third party to install and operate the proposed DRES system.

The DRES system would be installed outside and within the existing Treatment Facility. The approximate preliminary location is shown in Figure 1. The DRES system would

include lithium ion battery units and ancillary equipment, occupying a footprint of approximately 700 square feet (e.g., 39 feet by 18 feet). The proposed 1,500-kWh DRES system would include a cluster of ion lithium battery blocks mounted on a concrete pad. Each battery block would have a height of approximately 86 inches. The system would resemble typical utility scale infrastructure, such as electrical and cable boxes. The proposed DRES system would be compatible with the existing land use and surrounding commercial and industrial buildings. In addition to the battery system, a connective buried conduit would be installed in an area currently characterized by low-lying ornamental vegetation and paved surfaces.

Construction of the DRES system and conduit would require minor grading activities to allow for installation of the concrete pad and shallow excavation for installation of the buried conduit. Installation of both components is expected to take no more than three weeks.

Environmental Commitments:

The following mitigation measures that were adopted by the IRWD Board of Directors as part of the Final Initial Study/Mitigated Negative Declaration (IS/MND) for the Tustin Wells 21 & 22 Treatment Facility apply to the proposed Energy Storage Systems Project and will be implemented during construction and operation to ensure that no impacts to biological resources, visual resources, or ambient noise levels will occur:

AES-1: Following construction activities, IRWD shall restore disturbed areas by reestablishing pre-existing conditions including topography and repaving roadways.

BIO-1: Conduct brush removal, tree trimming, building demolition, or grading activities outside of the nesting season when feasible. The California Department of Fish and Game has defined the nesting season as February 1st through August 15th. If construction or site preparation activities occur during the nesting season, then the following measures shall be implemented:

- The applicant and/or its contractors shall retain a qualified biologist to conduct nest surveys in potential nesting habitat within and adjacent to the Project Site prior to commencement of construction or site preparation activities.
- At least one survey shall be conducted within 30 days of ground disturbance activities associated with construction or grading. A survey shall also be conducted no more than five days prior to initiation of clearance or construction work. If ground disturbance activities are delayed, additional pre-construction surveys shall be conducted such that no more than five days shall have elapsed between the last survey and the commencement of ground disturbance activities.

- Surveys shall include examination of trees, shrubs, and the ground within grassland for nesting birds, as several bird species known to occur in the area are shrub or ground nesters.
- If active nests are found, construction activity within 300 feet, or a distance otherwise determined by a qualified biologist, of an active nest should be delayed until the nest is no longer active and there is no evidence of a second attempt at nesting during the same year, as determined by the biologist.
- Limits of construction to avoid an active nest shall be established in the field with flagging, fencing, or other appropriate barriers; and construction personnel shall be instructed on the sensitivity of nest areas.
- The biologist shall serve as a construction monitor during those periods when construction activities occur near active nest areas to ensure that no inadvertent impacts to these nests occur.
- The results of the survey and monitoring, and any avoidance measures taken, shall be submitted to the Irvine Ranch Water District within 30 days of completion of the pre-construction surveys and construction monitoring to document compliance with applicable state and federal laws pertaining to the protection of native and migratory birds.

NOISE-2: In order to avoid noise-sensitive hours of the day and night, construction contractors shall comply with the following:

- Construction shall be limited to between the hours of 7:00 am and 6:00 pm Monday through Friday and the hours of 9:00 am and 5:00 pm on Saturdays, and exclude city observed federal holidays.

NOISE-3: To reduce noise impacts due to construction, the applicant shall require construction contractors to implement the following measures:

- During construction, the contractor shall outfit all equipment, fixed or mobile, with properly operating and maintained exhaust and intake mufflers, consistent with manufacturers' standards.
- Impact tools (e.g., jack hammers, pavement breakers, and rock drills) used for construction shall be hydraulically or electrically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. Where use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used. External jackets on the tools themselves shall be used where feasible. Quieter procedures, such as use of drills rather than impact tools, shall be used whenever feasible.
- Stationary noise sources that could affect adjacent receptors shall be located as far from adjacent receptors as possible.

Name of Public Agency Approving
and Carrying out this Project:

Irvine Ranch Water District (IRWD)
15600 Sand Canyon Avenue, Irvine, CA 92618

Contact Person: Jo Ann Corey, Engineering Technician III

Area Code 949

Phone 453-5326

Exempt Status: (check one)

- Ministerial (Sec 21080(b)(1); (State Guidelines Sec. §15268)
- Declared Emergency (Sec 21080(b)(3); State Guidelines Sec. §15269(a))
- Emergency Project (Sec 21080(b)(4); (State Guidelines Sec. §15269(b)(c))
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- Categorical Exemption (State Guidelines Sec. §15302)
- Categorical Exemption (State Guidelines Sec. §15303)
- Categorical Exemption (State Guidelines Sec. §15306)
- Statutory Exemption State code number (State Guidelines §15282)

Reasons why project is exempt:

IRWD has made the determination that the proposed Energy Storage Systems Project at the Wells 21 & 22 Treatment Facility is exempt from the California Environmental Quality Act (CEQA) by statute (California Code of Regulations, Title 14, Chapter 3, Article 19). Categorical exemptions include minor alteration of existing facilities (CEQA Guidelines, Section 15301) and new construction or conversion of small structures under CEQA Guideline Section 15303. Under Class 1, activities are exempt for the operation, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination (CEQA Guidelines, Section 15301). Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures, and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure (CEQA Guidelines, Section 15303). Additionally, under Class 3, installation of small new equipment and facilities for water, sewage, electrical, gas and other utility extensions are exempt.

The proposed Energy Storage Systems Project is new construction of a small structure at an existing facility. The proposed Energy Storage Systems Project will serve to provide the existing Treatment Facility with an additional electrical power source during peak demand periods by installing a DRES system on the property. The DRES system will occupy a footprint of approximately 700 square feet and would be within the existing facility building. All applicable environmental commitments adopted as part of the Final IS/MND for the Tustin Wells 21 & 22 Treatment Facility will be applied to the proposed Energy Storage Systems Project, including those listed above. As such, construction and operation of the Energy Storage Systems Project will have no impacts to biological resources, visual resources, or ambient noise levels.

Submission of this form is optional. Local agencies may file this form with the county clerk pursuant to Public Resources Code Section 21152(b). The filing of the notice starts a 35-day statute of limitations on court challenges to the approval of the project under Public Resources Code Section 21167(d). Failure to file the notice results in the statute of limitations being extended to 180 days.

Jo Ann Corey, Engineering Technician III
Staff Member Responsible for Preparation

District Secretary

Date



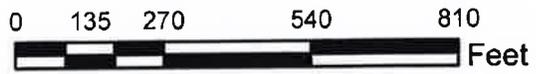
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroX, Geomatics, AeroGRID, IGN, IGP, swisstopo, and the GIS User Community, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community



Figure 1: Wells 21-22 Treatment Facility

MAP FEATURES

 Project Location



Date Prepared: 08/03/2016

Exempt per Gov't Code 6103

RETURN TO: Jo Ann Corey
Irvine Ranch Water District
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000

NOTICE OF EXEMPTION
(State Guidelines 15062)

County Clerk's Filing Stamp

TO: Orange County Clerk-Recorder
12 Civic Center Plaza, Room 101
Santa Ana, CA 92701

FROM: Irvine Ranch Water District (Applicant/Lead Agency)
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
949-453-5300

Project Name: Energy Storage Systems – Portola Zone 3-5 & A-C Pump Station

Project Location: The project is located southeast of the intersection of Portola Parkway and Orchard Hills in the city of Irvine, California. (See Figure 1).

County: Orange

Description of Nature, Purpose and Beneficiaries of Project:

Irvine Ranch Water District (IRWD) is proposing to install stationary Energy Storage Systems at the Portola 3-5 & A-C Pump Station, located southeast of the intersection of Portola Parkway and Orchard Hills in the city of Irvine, California. The proposed system would be a Demand Charge Management (DCM) system, which would involve charging batteries from the grid during off-peak hours and then discharging them during on-peak hours, reducing stress on the grid and reducing the overall cost of power. During peak demand periods, the Pump Station would draw power from the DCM system to offset its demand from the regional electrical grid. The DCM system can provide up to two hours of continuous discharge power. IRWD would contract with a third party to install and operate the proposed DCM system.

As shown in Figure 1, at the Portola Zone 3-5 & A-C Pump Station site, the DCM system would be installed in a vegetated area located outside the perimeter of the facility

property on either side of an existing water valve. Although some vegetation may be removed, existing vegetation would screen the DCM system from the adjacent roadways. The proposed DCM system would occupy a footprint of approximately 736 square feet (e.g., 32 feet by 23 feet). The proposed 1,000-kWh system would include a cluster of ion lithium battery blocks mounted on a concrete pad and ancillary equipment. Each battery block would have a height of approximately 86 inches. The system would resemble typical utility scale infrastructure, such as electrical and cable boxes.

Construction of the DCM system would require minor grading activities to allow for installation of the concrete pad. Installation of both components is expected to take no more than three weeks.

Environmental Commitments:

IRWD would implement the following best management practices (BMPs) to ensure that impacts to biological resources, visual resources, and ambient noise levels would not occur during construction and operation of the proposed DCM system:

Biological Resources: If project construction occurs during the breeding season (generally February 1st through August 15th), IRWD will retain a qualified biologist to conduct nest surveys in potential nesting habitat within and adjacent to the project site prior to commencement of construction or site preparation activities. If active nests are found, construction activity within 300 feet, or a distance otherwise determined by a qualified biologist, of an active nest should be delayed until the nest is no longer active.

Visual Resources:

- Following construction activities, IRWD shall restore disturbed areas by reestablishing pre-existing conditions including topography and repaving roadways.
- IRWD will design project facilities to comply with the City of Irvine guidelines. Specific guidelines to be addressed will include setbacks, landscaping, color, building style and lighting of the facility.

Noise:

- All construction activities will comply with the City of Irvine's allowable construction time limits (7:00 am and 7:00 pm Monday through Friday and the hours of 9:00 am and 6:00 pm on Saturdays).
- Implementation of the project will incorporate noise abatement measures to comply with the City of Irvine's noise ordinance criteria, as necessary.

Name of Public Agency Approving
and Carrying out this Project:

Irvine Ranch Water District (IRWD)
15600 Sand Canyon Avenue, Irvine, CA 92618

Contact Person: Jo Ann Corey, Engineering Technician III

Area Code 949

Phone 453-5326

Exempt Status: (check one)

- Ministerial (Sec 21080(b)(1); (State Guidelines Sec. §15268)
- Declared Emergency (Sec 21080(b)(3); State Guidelines Sec. §15269(a))
- Emergency Project (Sec 21080(b)(4); (State Guidelines Sec. §15269(b)(c))
- Categorical Exemption (State Guidelines Sec. §15301)
- Categorical Exemption (State Guidelines Sec. §15302)
- Categorical Exemption (State Guidelines Sec. §15303)
- Categorical Exemption (State Guidelines Sec. §15306)
- Statutory Exemption State code number (State Guidelines §15282)

Reasons why project is exempt:

IRWD has made the determination that the proposed Energy Storage Systems at the Portola Zone 3-5 & A-C Pump Station is exempt from the California Environmental Quality Act (CEQA) by statute (California Code of Regulations, Title 14, Chapter 3, Article 19). Categorical exemptions include minor alteration of existing facilities (CEQA Guidelines, Section 15301) and new construction or conversion of small structures under CEQA Guideline Section 15303. Under Class 1, activities are exempt for the operation, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination (CEQA Guidelines, Section 15301). Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures, and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure (CEQA Guidelines, Section 15303). Additionally, under Class 3, installation of small new equipment and facilities for water, sewage, electrical, gas and other utility extensions are exempt.

The proposed Energy Storage Systems Project is new construction of a small structure at an existing facility. The proposed Energy Storage Systems Project will serve to provide the existing Pump Station with an additional electrical power source during peak demand periods by installing a DCM system on the property. The DCM system will occupy a footprint of approximately 736 square feet and will be in a landscaped area on the outside perimeter of the wall, as shown in Figure 1. IRWD will implement the applicable environmental commitments during construction and operation to ensure that no impacts to biological resources, visual resources, or ambient noise levels would occur.

Submission of this form is optional. Local agencies may file this form with the county clerk pursuant to Public Resources Code Section 21152(b). The filing of the notice starts a 35-day statute of limitations on court challenges to the approval of the project under Public Resources Code Section 21167(d). Failure to file the notice results in the statute of limitations being extended to 180 days.

Jo Ann Corey, Engineering Technician III
Staff Member Responsible for Preparation

District Secretary

Date



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community, Esri, HERE, DeLorme, MapmyIndia, ©OpenStreetMap contributors, Esri, HERE, DeLorme, MapmyIndia, ©OpenStreetMap contributors, and the GIS user community



Figure 1: Portola Zone 3-5 & A-C Pump Station

MAP FEATURES

 Project Location



Date Prepared: 08/03/2016

Exempt per Gov't Code 6103

RETURN TO: Jo Ann Corey
Irvine Ranch Water District
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000

NOTICE OF EXEMPTION
(State Guidelines 15062)

County Clerk's Filing Stamp

TO: Orange County Clerk-Recorder
12 Civic Center Plaza, Room 101
Santa Ana, CA 92701

FROM: Irvine Ranch Water District (Applicant/Lead Agency)
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
949-453-5300

Project Name: Energy Storage Systems Project – Deep Aquifer Treatment System

Project Location: The project is located northwest of the intersection of W. Alton Avenue and Bear Street along the Santa Ana Gardens Channel in the City of Santa Ana, California. (See Figure 1)

County: Orange

Description of Nature, Purpose and Beneficiaries of Project:

Irvine Ranch Water District (IRWD) is proposing to install stationary Energy Storage Systems at the Deep Aquifer Treatment System (DATS) site, located in Santa Ana, California. The proposed system would be a Demand Response Energy Storage (DRES) system, which would involve charging batteries from the grid during off-peak hours then discharging them during on-peak times, reducing stress on the grid and reducing the overall cost of power. During peak demand periods, the DATS would draw power from the DRES system to offset its demand from the regional electrical grid. The DRES system can provide up to six hours of continuous discharge power. IRWD would contract with a third party to install and operate the proposed DRES system.

The DRES system would be installed in an area along the property boundary and adjacent to the flood control channel, near other small-scale utility infrastructure, as shown in Figure 1. The DRES system would include lithium ion battery units and ancillary equipment, occupying a footprint of approximately 65 feet by 37 feet. The proposed 6,000-kWh system would include a cluster of ion lithium battery blocks mounted on a concrete pad. Each battery block would have a height of approximately 86 inches. The system would resemble typical utility scale infrastructure, such as electrical and cable boxes. In addition to the battery system, a connective buried conduit would be installed between the DRES system and the electrical tie-in at the Southern California Edison (SCE) transformer. The conduit alignment and the tie-in are similarly surrounded by utility infrastructure.

Construction of the DRES system and conduit would require minor grading activities to allow for installation of the concrete pad and shallow excavation for installation of the buried conduit. Installation of both components is expected to take up to three weeks. In accordance with the terms and conditions of the 1999 Lease Agreement between the City of Santa Ana and IRWD, IRWD will provide the City of Santa Ana with written notice of the proposed improvements for the Energy Storage Systems Project. The proposed system would be constructed once the City of Santa Ana provides written consent. Any conditions that the City requires regarding to the manner, method, design and construction of the proposed Energy Storage Systems Project would be implemented.

Environmental Commitments:

The following measures were adopted by the IRWD Board of Directors as part of the Final Environmental Impact Report Addendum for the Conjunctive Use Water Wells and Pipeline (August 1999) and apply to the proposed Energy Storage Systems Project. These measures would be implemented during construction and operation of the proposed Energy Storage Systems Project to ensure that no impacts to visual resources, ambient noise levels, public safety, or public utilities would occur.

Visual Quality: IRWD will design the site to comply with the City of Santa Ana guidelines. Specific guidelines to be addressed will include setbacks, landscaping, color, building style and lighting of the facility.

Noise:

- All construction activities will comply with the City of Santa Ana's allowable construction time limits (7:00 a.m. to 8:00 p.m. Monday through Sunday).
- Prior to commencement of construction, residences within 300 feet of the project site will be notified of the expected duration and times of construction.
- The water well and treatment facility will incorporate noise abatement measures to comply with the City of Santa Ana's noise ordinance criteria.

Public Safety: In the event the grading, construction, or operation of proposed facilities will encounter hazardous waste, IRWD will ensure compliance with the State of California CCR Title 23 Health and Safety Regulations as managed by the Orange County Department of Environmental Health.

Public Utilities: IRWD will coordinate the proposed project design with responsible utilities to ensure that the project does not conflict with existing utilities and maintenance of those utilities.

In addition, IRWD would implement the following best management practices (BMPs) if necessary to ensure that impacts to biological impacts would not occur during construction and operation of the proposed project.

Biological Resources: If project construction occurs during the breeding season (generally February 1st through August 15th), IRWD will retain a qualified biologist to conduct nest surveys in potential nesting habitat within and adjacent to the project site prior to commencement of construction or site preparation activities. If active nests are found, construction activity within 300 feet, or a distance otherwise determined by a qualified biologist, of an active nest should be delayed until the nest is no longer active.

Name of Public Agency Approving
and Carrying out this Project:

Irvine Ranch Water District (IRWD)
15600 Sand Canyon Avenue, Irvine, CA 92618

Contact Person: Jo Ann Corey, Engineering Technician III

Area Code 949

Phone 453-5326

Exempt Status: (check one)

- Ministerial (Sec 21080(b)(1); (State Guidelines Sec. §15268)
- Declared Emergency (Sec 21080(b)(3); State Guidelines Sec. §15269(a))
- Emergency Project (Sec 21080(b)(4); (State Guidelines Sec. §15269(b)(c))
- Categorical Exemption (State Guidelines Sec. §15301)
- Categorical Exemption (State Guidelines Sec. §15302)
- Categorical Exemption (State Guidelines Sec. §15303)
- Categorical Exemption (State Guidelines Sec. §15306)
- Statutory Exemption State code number (State Guidelines §15282)

Reasons why project is exempt:

IRWD has made the determination that the proposed Energy Storage Systems Project at DATS is exempt from the California Environmental Quality Act (CEQA) by statute (California Code of Regulations, Title 14, Chapter 3, Article 19). Categorical exemptions include minor alteration of existing facilities (CEQA Guidelines, Section 1530) and new

construction or conversion of small structures under CEQA Guideline Section 15303. Under Class 1, activities are exempt for the operation or minor alteration of existing public or private structures, facilities, mechanical equipment or topographical features involving negligible or no expansion of use beyond the existing at the time of the lead agency's determination (CEQA Guidelines, Section 15301). Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures, and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure (CEQA Guidelines, Section 15303). Additionally, under Class 3, installation of small new equipment and facilities for water, sewage, electrical, gas and other utility extensions are exempt.

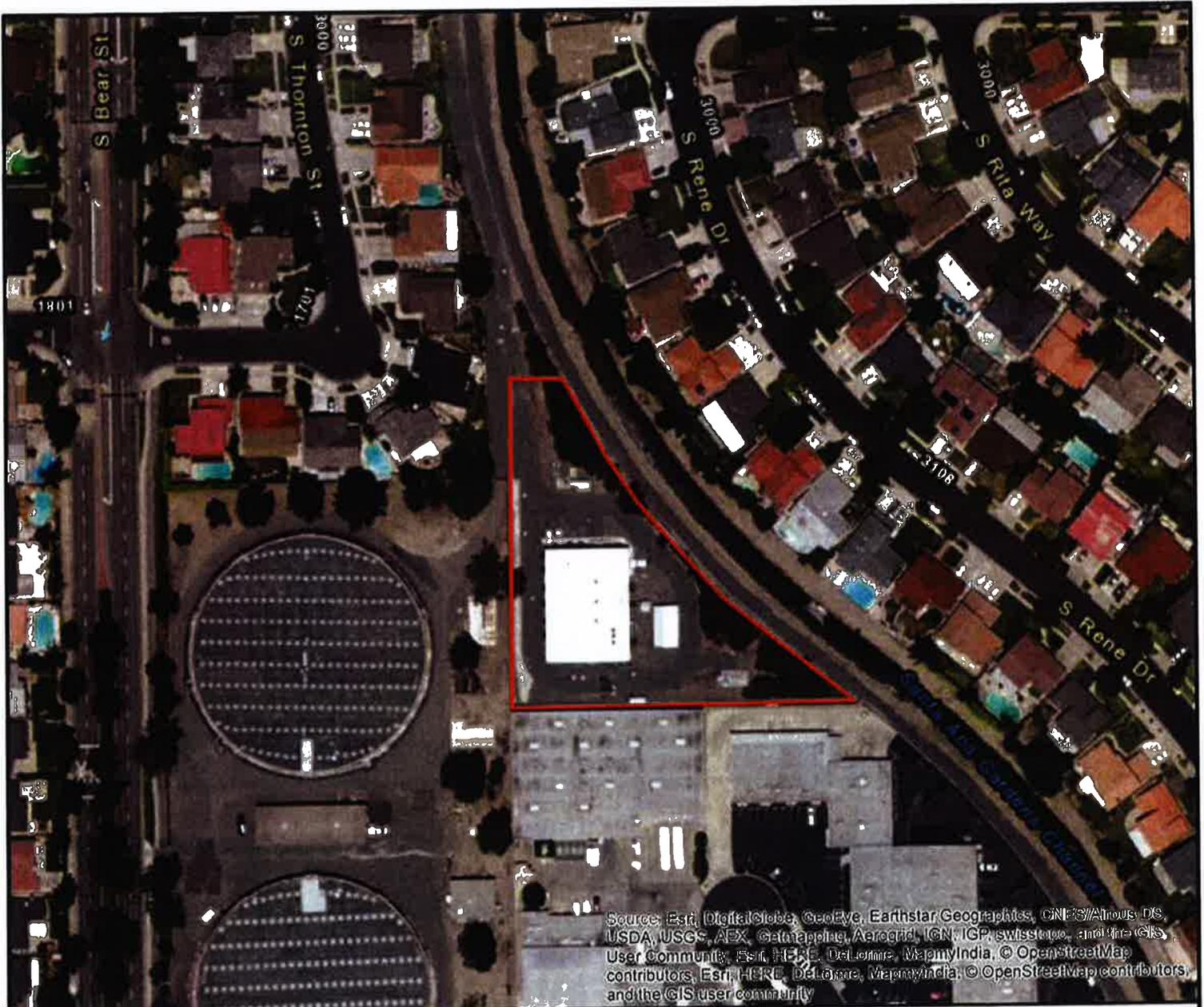
The proposed Energy Storage Systems Project is new construction of a small structure at an existing facility. The proposed Energy Storage Systems Project will serve to provide the existing DATS facility with an additional electrical power source during peak demand periods by installing a DRES system on the property. The DRES system will occupy a footprint of approximately 2,400 square feet and will be located within a landscaped area near other small-scale utility infrastructure on the perimeter of the property. IRWD will implement all applicable environmental commitments during construction and operation to ensure that no impacts to biological resources, visual resources, ambient noise levels, public safety, or public utilities will occur.

Submission of this form is optional. Local agencies may file this form with the county clerk pursuant to Public Resources Code Section 21152(b). The filing of the notice starts a 35-day statute of limitations on court challenges to the approval of the project under Public Resources Code Section 21167(d). Failure to file the notice results in the statute of limitations being extended to 180 days.

Jo Ann Corey, Engineering Technician III
Staff Member Responsible for Preparation

District Secretary

Date



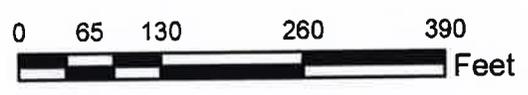
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community; Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community



Figure 1: Deep Aquifer Treatment System (DATS)

MAP FEATURES

Project Location



Date Prepared: 08/03/2016

Exempt per Gov't Code 6103

RETURN TO: Jo Ann Corey
Irvine Ranch Water District
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
949-453-5300

NOTICE OF EXEMPTION
(State Guidelines 15062)

County Clerk's Filing Stamp

TO: Orange County Clerk-Recorder
12 Civic Center Plaza, Room 101
Santa Ana, CA 92701

FROM: Irvine Ranch Water District (Applicant & Lead Agency)
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
(949) 453-5300

Project Name: Energy Storage Systems Project – Foothill Zone 6 Pump Station

Project Location: The project is located in the vicinity south of Alton Parkway, west of Commercentre Drive, and north of Arctic Ocean Drive in the city of Lake Forest. (See Figure 1)

County: Orange

Description of Nature, Purpose and Beneficiaries of Project:

Irvine Ranch Water District (IRWD) is planning to install Demand Response Energy Storage (DRES) or Demand Charge Management (DCM) systems at various existing District facilities. IRWD's Foothill Zone 6 Pump Station, located south of Alton Parkway, west of Commercentre Drive, and north of Arctic Ocean Drive in the city of Lake Forest, is a proposed site.

The proposed project consists of the installation of a DCM 250 kilowatt, two-hour battery storage system and ancillary equipment, which will provide primary power to the Foothill Zone 6 Pump Station facility during peak energy use and will also provide critical support to the electric grid in the local area. The DCM system will involve charging batteries from the grid during off-peak hours and then discharging them during on-peak times, reducing stress on the grid and reducing the overall cost of power. During peak demand periods, the Foothill Zone 6 Pump Station facility would draw power from the

DCM system to offset its demand from the regional electrical grid. The DCM system can provide up to two hours of continuous discharge power. IRWD will contract with a third party to install and operate the proposed DCM system.

The proposed project's 250 kilowatt DCM system will include a cluster of lithium ion battery units mounted on a concrete pad. Each battery block would have a height of approximately 86 inches and its footprint is approximately 20 feet by 23 feet. The DCM system will be located outside, within the existing Foothill Zone 6 Pump Station facility, and would be compatible with the existing land use. The system would resemble typical utility scale infrastructure, such as electrical and cable boxes. Construction of the DCM system is expected to take no more than three weeks. Following installation, the DCM system will be maintained by IRWD and its partners.

In addition to complying with all laws and regulations and securing any required permits, the Energy Storage Systems Project incorporates the environmental commitments from previous CEQA documentation applicable to the Foothill Zone 6 Pump Station to ensure that there would be no potentially significant impacts to the environment. In the event that tree removal becomes necessary, IRWD will conduct this work during non-nesting season (September 15 to February 15).

Name of Public Agency Approving
and Carrying out this Project:

Irvine Ranch Water District (IRWD)
15600 Sand Canyon Avenue, Irvine, CA 92618

Contact Person: Jo Ann Corey, Engineering Technician III

Area Code 949

Phone 453-5326

Exempt Status: (check one)

- Ministerial (Sec 21080(b)(1); (State Guidelines Sec. §15268)
- Declared Emergency (Sec 21080(b)(3); State Guidelines Sec. §15269(a))
- Emergency Project (Sec 21080(b)(4); (State Guidelines Sec. §15269(b)(c))
- Categorical Exemption (State Guidelines Sec. §15301)
- Categorical Exemption (State Guidelines Sec. §15302)
- Categorical Exemption (State Guidelines Sec. §15303)
- Categorical Exemption (State Guidelines Sec. §15306)
- Statutory Exemption State code number (State Guidelines §15282)

Reasons why project is exempt:

IRWD has made the determination that this Energy Storage Systems Project at Foothill Zone 6 Pump Station is exempt from the California Environmental Quality Act (CEQA) by statute (California Code of Regulations, Title 14, Chapter 3, Article 19). Categorical exemptions include minor alteration of existing facilities (CEQA Guidelines, Section 15301) and new construction or conversion of small structures under CEQA Guideline Section 15303. Under Class 1, activities are exempt for the operation, or minor alteration

of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination (CEQA Guidelines, Section 15301). Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures, and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure (CEQA Guidelines, Section 15303). Additionally, under Class 3, installation of small new equipment and facilities for water, sewage, electrical, gas and other utility extensions are exempt.

The proposed Energy Storage Systems Project at Foothill Zone 6 Pump Station is new construction of a small structure at an existing facility. The proposed Energy Storage Systems Project at Foothill Zone 6 Pump Station will comply with all laws and regulations, will secure any required permits, and the Project incorporates the environmental commitments from previous applicable CEQA documentation to ensure that there would be no potentially significant impacts and therefore, would meet the requirements of the Class 1 and Class 3 categorical exemption over CEQA.

Submission of this form is optional. Local agencies may file this form with the county clerk pursuant to Public Resources Code Section 21152(b). The filing of the notice starts a 35-day statute of limitations on court challenges to the approval of the project under Public Resources Code Section 21167(d). Failure to file the notice results in the statute of limitations being extended to 180 days.

Jo Ann Corey, Engineering Technician III
Staff Member Responsible for Preparation

District Secretary

Date

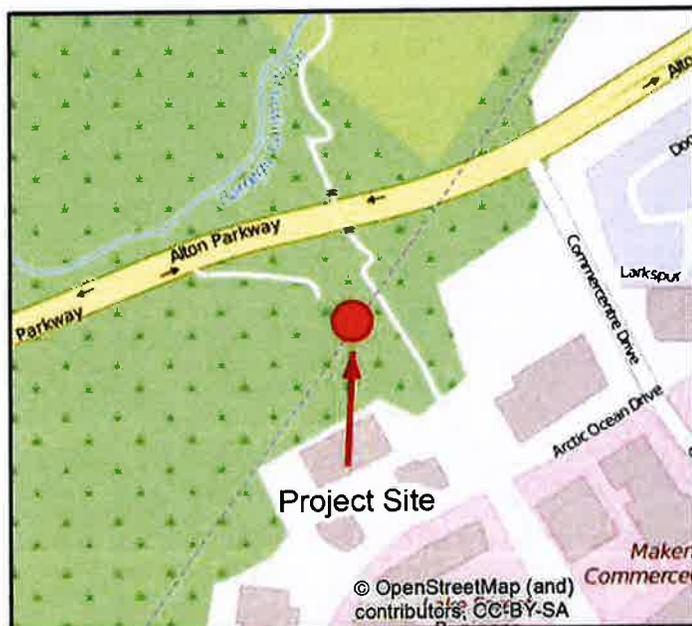
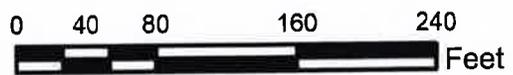


Figure 1: Foothill Zone 6 Pump Station

MAP FEATURES

 Project Location



Date Prepared: 08/03/2016

Exempt per Gov't Code 6103

RETURN TO: Jo Ann Corey
Irvine Ranch Water District
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
949-453-5300

NOTICE OF EXEMPTION
(State Guidelines 15062)

County Clerk's Filing Stamp

TO: Orange County Clerk-Recorder
12 Civic Center Plaza, Room 101
Santa Ana, CA 92701

FROM: Irvine Ranch Water District (Applicant & Lead Agency)
P.O. Box 57000
15600 Sand Canyon Avenue
Irvine, CA 92619-7000
(949) 453-5300

Project Name: Energy Storage Systems Project – East Irvine Zone 1-3 Pump Station

Project Location: The project is located southeast of the intersection of Sand Canyon Avenue and Elysian Road in the city of Irvine. (See Figure 1)

County: Orange

Description of Nature, Purpose and Beneficiaries of Project:

Irvine Ranch Water District (IRWD) is planning to install Demand Response Energy Storage (DRES) or Demand Charge Management (DCM) systems at various existing District facilities. IRWD's East Irvine Zone 1-3 Pump Station, located southeast of the intersection of Sand Canyon Avenue and Elysian Road in the city of Irvine, is a proposed site.

The proposed project consists of the installation of a DCM 250 kilowatt, two-hour battery storage system and ancillary equipment, which will provide primary power to the East Irvine Zone 1-3 Pump Station facility during peak energy use and will also provide critical support to the electric grid in the local area. The DCM system will involve charging batteries from the grid during off-peak hours and then discharging them during on-peak times, reducing stress on the grid and reducing the overall cost of power. During peak demand periods, the East Irvine Zone 1-3 Pump Station facility would draw power

from the DCM system to offset its demand from the regional electrical grid. The DCM system can provide up to two hours of continuous discharge power. IRWD will contract with a third party to install and operate the proposed DCM system.

The proposed project's 250 kilowatt DCM system will include a cluster of lithium ion battery units mounted on a concrete pad. Each battery block would have a height of approximately 86 inches and its footprint is approximately 26 feet by 14 feet. The DCM system will be located outside, within the existing East Irvine Zone 1-3 Pump Station facility, and would be compatible with the existing land use. The system would resemble typical utility scale infrastructure, such as electrical and cable boxes. Construction of the DCM system is expected to take no more than three weeks. Following installation, the DCM system will be maintained by IRWD and its partners.

In addition to complying with all laws and regulations and securing any required permits, the Energy Storage Systems Project incorporates the environmental commitments from previous CEQA documentation applicable to the East Irvine Zone 1-3 Pump Station to ensure that there would be no potentially significant impacts to the environment. In the event that tree removal becomes necessary, IRWD will conduct this work during non-nesting season (September 15-February 15).

Name of Public Agency Approving
and Carrying out this Project:

Irvine Ranch Water District (IRWD)
15600 Sand Canyon Avenue, Irvine, CA 92618

Contact Person: Jo Ann Corey, Engineering Technician III

Area Code 949

Phone 453-5326

Exempt Status: (check one)

- Ministerial (Sec 21080(b)(1); (State Guidelines Sec. §15268)
- Declared Emergency (Sec 21080(b)(3); State Guidelines Sec. §15269(a))
- Emergency Project (Sec 21080(b)(4); (State Guidelines Sec. §15269(b)(c))
- Categorical Exemption (State Guidelines Sec. §15301)
- Categorical Exemption (State Guidelines Sec. §15302)
- Categorical Exemption (State Guidelines Sec. §15303)
- Categorical Exemption (State Guidelines Sec. §15306)
- Statutory Exemption State code number (State Guidelines §15282)

Reasons why project is exempt:

IRWD has made the determination that this Energy Storage Systems Project at East Irvine Zone 1-3 Pump Station is exempt from the California Environmental Quality Act (CEQA) by statute (California Code of Regulations, Title 14, Chapter 3, Article 19). Categorical exemptions include minor alteration of existing facilities (CEQA Guidelines, Section 15301) and new construction or conversion of small structures under CEQA Guideline Section 15303. Under Class 1, activities are exempt for the operation, or

minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination (CEQA Guidelines, Section 15301). Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures, and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure (CEQA Guidelines, Section 15303). Additionally, under Class 3, installation of small new equipment and facilities for water, sewage, electrical, gas and other utility extensions are exempt.

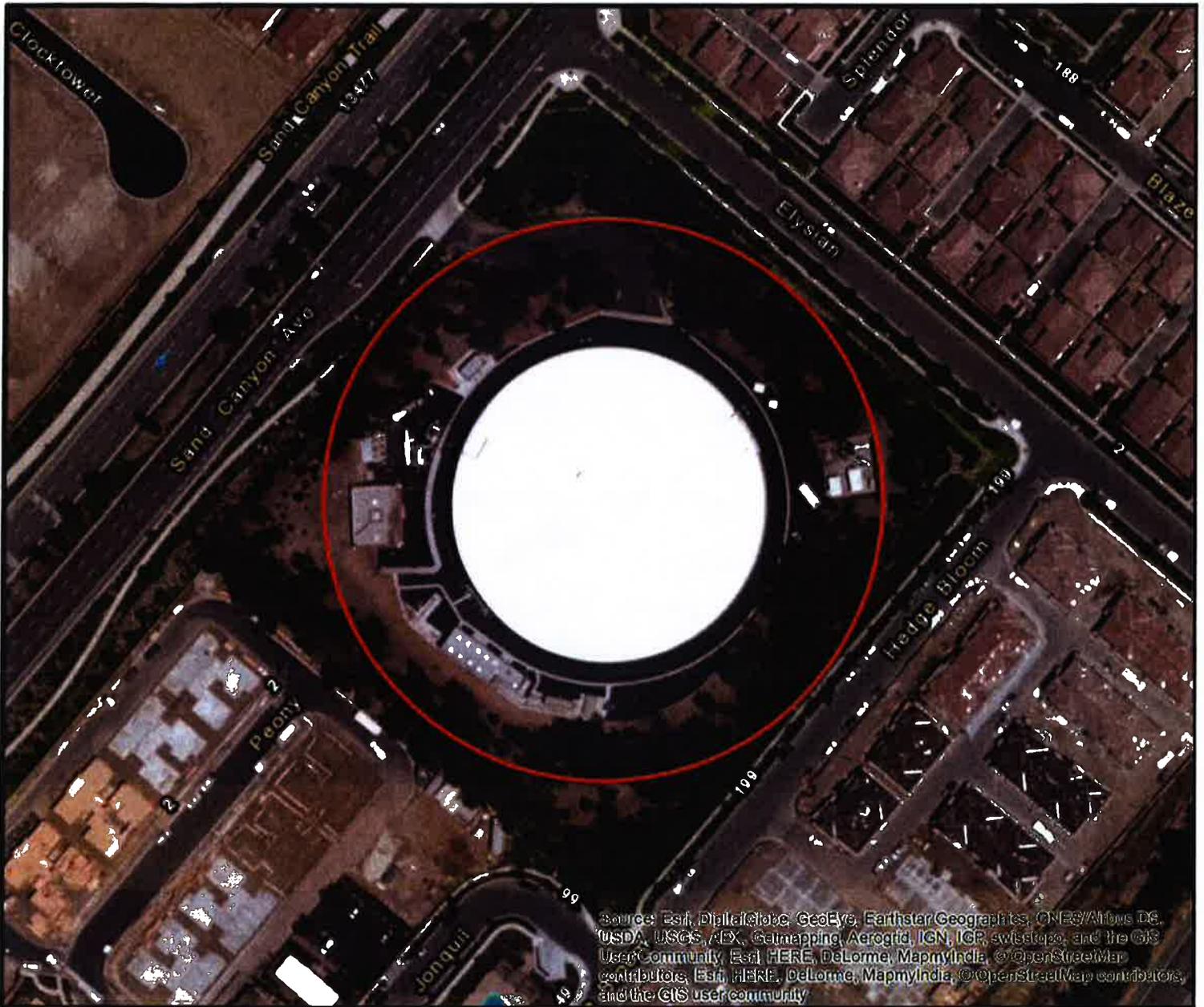
The proposed Energy Storage Systems Project at East Irvine Zone 1-3 Pump Station is new construction of a small structure at an existing facility. The proposed Energy Storage Systems Project at East Irvine Zone 1-3 Pump Station will comply with all laws and regulations, will secure any required permits, and the Project incorporates the environmental commitments from previous applicable CEQA documentation to ensure that there would be no potentially significant impacts and therefore, would meet the requirements of the Class 1 and Class 3 categorical exemption over CEQA.

Submission of this form is optional. Local agencies may file this form with the county clerk pursuant to Public Resources Code Section 21152(b). The filing of the notice starts a 35-day statute of limitations on court challenges to the approval of the project under Public Resources Code Section 21167(d). Failure to file the notice results in the statute of limitations being extended to 180 days.

Jo Ann Corey, Engineering Technician III
Staff Member Responsible for Preparation

District Secretary

Date



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, IGP, swisstopo, and the GIS User Community, Esri, HERE, DeLorme, MapmyIndia, ©OpenStreetMap contributors, Esri, HERE, DeLorme, MapmyIndia, ©OpenStreetMap contributors, and the GIS user community



Figure 1: East Irvine Zone 1-3 Pump Station

MAP FEATURES

 Project Location



0 65 130 260 390 Feet

Date Prepared: 08/03/2016