

MINUTES OF REGULAR MEETING – JANUARY 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 January 25, 2016 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Finance and Administration Clary, Executive Director of Water Policy Weghorst, Executive Director of Operations Sheilds, Assistant Director of Maintenance Drake, Director of Treasury and Risk Management Jacobson, Director of Public Affairs Beeman, Director of Water Resources Sanchez, Director of Human Resources Roney, Legal Counsel Arneson, Secretary Bonkowski, Government Relations Officer Compton, Mr. Bruce Newell, Mr. Jim Reed, Mr. Rich Mori, Mr. Ed Casey, Mr. Ted Flannigan and other members of the public and staff.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS RECEIVED TOO LATE: None.

WORKSHOP

ENERGY STORAGE OPPORTUNITY

Using a PowerPoint presentation, Executive Director of Operations Sheilds provided an overview of a potential battery energy storage system program with energy storage system developer Advanced Microgrid Solutions (AMS). He introduced Mr. Ted Flannigan of EcoMotion, the District's energy consultant, to the Board who said he would be verifying the best possible solutions to the District.

Mr. Sheilds reviewed the objective of developing seven megawatts of energy storage at 13 District sites. He said that AMS would assume all responsibility for project design, development, permitting, financing, maintenance, operations, and all legal and contractual obligations to SCE. He further said that IRWD would in turn provide site and billing data access, with energy incentives being paid to AMS; however, any savings greater than the minimum guarantee, would be paid to IRWD. The contract term would be 10 years. He further reviewed the next steps which include finalizing a non-disclosure agreement and preparing the energy storage services agreement with AMS for Board submittal in March or April 2016. Following discussion, Director Swan asked that staff review the rationale at a future meeting for each of the proposed sites for battery storage.

CONSENT CALENDAR

Director Swan said relative to item No. 9, he would like staff to provide him with a copy of the agreement and fee formula. There being no further discussion, on MOTION by Reinhart, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 11 WERE APPROVED AS PRESENTED.

4. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the January 11, 2016 Regular Board Meeting be approved as presented.

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

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

6. IRVINE RANCH WATER DISTRICT STRATEGIC MEASURES

Recommendation: That the Board receive and file the report.

7. DECEMBER 2015 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for December 2015, and Disclosure Report of Reimbursements to Board members and staff; approve the December 2015 summary of payroll ACH payments in the total amount of \$1,569,894 and approve the December 2015 Accounts Payable Disbursement Summary of warrants 363367 through 364168, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$33,933,726.

8. PIEZOMETER AUTOMATION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Piezometer Automation, project 30572 (6298); authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

9. ORANGE COUNTY WATER DISTRICT ANNEXATION BUDGET INCREASE

Recommendation: That the Board approve a budget increase in the amount of \$132,600, from \$439,400 to \$572,000, for the Orange County Water District annexation fee for 2015/16, project 1363.

10. ACQUISITION OF LAND AND EASEMENTS FOR EASTWOOD AND HIDDEN CANYON PUMP STATIONS

Recommendation: That the Board authorize the acquisition of pump station sites for Eastwood and Hidden Canyon Developments from Irvine Community Development Company LLC and the Irvine Land Company LLC; authorize the General Manager to execute the Conveyance Agreements and related deeds for the acquisitions; and subject to non-substantive changes, authorize the General Manager to execute the agreement with the City of Irvine with regard to the City of Irvine's storm drain easement within the proposed Eastwood Pump Station site; and adopt the following resolution by title:

RESOLUTION NO. 2016 -3

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT AUTHORIZING
ACQUISITION OF LAND AND EASEMENTS FOR
EASTWOOD AND HIDDEN CANYON PUMP STATIONS

RECESS AND CLOSED SESSION

At 6:20 p.m., General Manager Cook asked that the meeting be recessed to hold a Closed Session. There being no objections, President Matheis announced that a Closed Session would be held as follows: Conference with Real Property Negotiator relative to Government Code Section 54956.8; Property: OCSD Service Area 7 Sewer Infrastructure; Agency Negotiator: Paul Cook, General Manager; Purpose of Negotiations: Proposed Acquisition of Property – Price and Terms. The Board meeting was recessed at 6:22 p.m.

RECONVENE AND OPEN SESSION

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

ACTION CALENDAR

OCSD SERVICE AREA 7 LOCAL SEWER FACILITIES TRANSFER AGREEMENT

Two agencies, Irvine Ranch Water District and East Orange County Water District (EOCWD), have submitted applications to Orange County Local Agency Formation Commission (OC LAFCO) to assume the local sewer service from OCSD. Any transfer of ownership of the local sewers will require that OC LAFCO approve the requested reorganization. In light of the pending OC LAFCO decision, IRWD and OCSD have negotiated a Local Sewer Facilities Transfer Agreement to transfer ownership of local sewers in Service Area 7 and the appropriate reserve balance to IRWD should OC LAFCO approve IRWD's application (the Transfer Agreement).

On MOTION by Reinhart, seconded and unanimously carried, SUBJECT TO NON-SUBSTANTIVE CHANGES, THE BOARD APPROVED THE PROPOSED SERVICE AREA 7 LOCAL SEWER FACILITIES TRANSFER AGREEMENT BETWEEN THE ORANGE COUNTY SANITATION DISTRICT AND IRWD, AND AUTHORIZED THE PRESIDENT TO EXECUTE THE AGREEMENT ON BEHALF OF THE DISTRICT.

GENERAL MANAGER'S REPORT

General Manager Cook reported on a burglary next door at the post office where the mailbox was vandalized. He noted a past incident when this occurred in December, and staff issued Stop Payments on vender checks which were reissued.

Mr. Cook reported on the shared service program with El Toro Water District for sewage flows, and that he and General Manager Bob Hill submitted a letter to LAFCO reporting on its success.

Mr. Cook reported on the biosolids tour held last Friday with Metropolitan Water District of Southern California along with OCWD staff.

DIRECTORS' COMMENTS

Director LaMar reported that he along with Director Matheis attended the Southern California Water Committee meeting. He also said he attended a MWDOC Water Policy dinner.

Director Withers reported that he will be attending an upcoming LAFCO Executive Committee meeting.

Director Swan reported on his attendance at an OCWD Board meeting, a WACO Planning meeting, a CASA conference where branding was discussed, a San Joaquin Wildlife Sanctuary Board meeting along with Director Matheis, and a MWDOC Water Policy dinner.

Director Reinhart reported on his attendance at a MWDOC Administration and Finance Committee meeting, and a meeting he and Director Matheis had with Moulton Niguel Water District relative to acquisitions and consolidations.

Director Matheis reported on her attendance at a Clean Tech Connect Water Energy Innovation forum, a Irvine Chamber Business Outlook meeting, a Shadetree Partnership Board meeting, a MWDOC Water Policy dinner, and a San Joaquin Wildlife Sanctuary Board meeting.

ADJOURNMENT

President Matheis adjourned the meeting.

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

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone