AGENDA
BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT

IMPROVEMENT CORPORATION
ANNUAL MEETING

JUNE 27, 2016

CALL TO ORDER 6:00 P.M., Irvine Ranch Water District
Board of Directors Meeting Room
15600 Sand Canyon Ave., Irvine, California

ROLL CALL Directors Withers, Matheis, LaMar, Swan and President Reinhart *

The Irvine Ranch Water District's Improvement Corporation was formed in August 1986 to assist IRWD in financing water, sewer, and other public improvements. IRWD and the Improvement Corporation entered into an installment sale financing in 1986 relative to certain in-tract facilities of IRWD utilizing the sale of $60 million in certificates of participation.

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1. APPROVAL OF MINUTES

   Recommendation: Approve the minutes of the January 25, 2016 Special Meeting.

2. COMMUNICATIONS

3. ADJOURNMENT

* The President is the Vice President of IRWD and the Vice President is the President of IRWD.

MINUTES OF SPECIAL MEETING OF THE
IRVINE RANCH WATER DISTRICT
IMPROVEMENT CORPORATION

January 25, 2016

The Special Meeting of the Irvine Ranch Water District (IRWD) Improvement Corporation was called to order by President Reinhart at 7:22 p.m. in the Board of Directors meeting room of the principal office of the Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine, California.

Commissioners Present: LaMar, Reinhart, Swan, Withers, and President Matheis

Commissioners Absent: None

Also present: Treasurer Jacobson, and Secretary Bonkowski of the Irvine Ranch Water District Improvement Corporation, Legal Counsel Arneson, and members of the IRWD staff and the public.

APPROVAL OF MINUTES

On MOTION by Withers, seconded and unanimously carried, THE MINUTES OF THE JUNE 8, 2015 ANNUAL MEETING WERE APPROVED AS PRESENTED.

STATE AND FEDERAL EXEMPT ORGANIZATION TAX FILING

On MOTION by Swan, seconded and unanimously carried, BOTH THE STATE AND FEDERAL EXEMPT ORGANIZATIONAL FILINGS FOR THE IMPROVEMENT CORPORATION FOR CALENDAR YEAR 2014.

COMMUNICATIONS - None

ADJOURNMENT

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

Dated: February 3, 2016

____
Leslie Bonkowski, Secretary

APPROVED and SIGNED this ____ day of __________, ____

____
President *

APPROVED AS TO FORM:

____
Legal Counsel, IRWD Improvement Corporation

* The Imp. Corp. President is the Vice President of IRWD and the Vice President of the Imp. Corp. is the President of IRWD.

AGENDA

BOARD OF DIRECTORS OF
BARDEEN PARTNERS, INC.

ANNUAL MEETING

JUNE 27, 2016

CALL TO ORDER 6:30 p.m. Irvine Ranch Water District
Board of Directors Meeting Room
15600 Sand Canyon Ave., Irvine, Calif.

ROLL CALL Directors Matheis, Reinhart, Swan, LaMar
and President Withers

Bardeen Partners, Inc. was formed in March 1991 to act on behalf of IRWD in matching its real estate investments, and to segregate such investments from other activities of IRWD.

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1. <u>APPROVAL OF MINUTES</u>

   Recommendation: Approve the minutes of Special Meeting of May 23, 2016.

2. <u>ORAL COMMUNICATIONS</u>

3. <u>ADJOURNMENT</u>

MINUTES OF SPECIAL MEETING OF
BARDEEN PARTNERS, INC.

MAY 23, 2016

The special meeting of the Board of Directors of the Bardeen Partners, Inc. was called to order by President Withers at 7:25 p.m. in the Board Room of the principal office of the Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: LaMar

Also Present: Legal Counsel Arneson of the IRWD staff.

APPROVAL OF MINUTES

On MOTION by Matheis, seconded and unanimously carried, THE MARCH 28, 2016 MINUTES OF THE SPECIAL MEETING WERE APPROVED AS PRESENTED.

ASSIGNMENT OF PURCHASE AGREEMENT – HOLT PROPERTY

An agreement to purchase 103.38 acres of land referred to as the Holt property in Riverside County and within the Palo Verde Irrigation District was executed on April 18, 2016 which permits Bardeen Partners (Bardeen) to assign its interests to the Irvine Ranch Water District (IRWD) as an entity under common control with Bardeen. To comply with the Agreement's requirement that IRWD assume all of Bardeen's obligations in writing, an Assignment and Assumption of Real Property Purchase Agreement (Assignment Agreement) has been prepared. As IRWD's Board accepted the assignment and assumed Bardeen's interests in the Agreement on May 23, 2016, staff recommends that Bardeen authorize the assignment of the Agreement to IRWD and authorize the Treasurer to execute the Assignment Agreement.

On MOTION by Swan, seconded and unanimously carried, THE BOARD AUTHORIZED THE ASSIGNMENT TO IRVINE RANCH WATER DISTRICT OF THE ORIGINAL "REAL PROPERTY PURCHASE AGREEMENT DATED AS OF APRIL 18, 2016, RELATING TO THE PURCHASE OF THE HOLT PROPERTY; AND AUTHORIZED THE TREASURER TO EXECUTE AN ASSIGNMENT AND ASSUMPTION OF REAL PROPERTY PURCHASE AGREEMENT AUTHORIZING THE ASSIGNMENT OF THE AGREEMENT FROM BARDEEN PARTNERS, INC. TO IRVINE RANCH WATER DISTRICT.

ASSIGNMENT OF PURCHASE AGREEMENT – MARTIN PROPERTY

An agreement to purchase 80.38 acres of land referred to as the Martin property in Riverside County and within the Palos Verde Irrigation District was executed on April 12, 2016 which permits Bardeen Partners (Bardeen) to assign its interests to IRWD as an entity under common control with Bardeen. To comply with the Agreement's requirement that IRWD assume all of Bardeen's obligations in writing, an Assignment and Assumption of Real Property Purchase Agreement (Assignment Agreement) has been prepared. As IRWD's Board to accepted the assignment and assume Bardeen's interests in the Agreement on May 23, 2016, staff recommends that Bardeen authorize the assignment of the Agreement to IRWD and authorize the Treasurer to execute the Assignment Agreement.

On MOTION by Swan, seconded and unanimously carried, THE BOARD AUTHORIZED THE ASSIGNMENT TO IRVINE RANCH WATER DISTRICT OF THE ORIGINAL "REAL PROPERTY PURCHASE AGREEMENT DATED AS OF APRIL 12, 2016, RELATING TO THE PURCHASE OF THE MARTIN PROPERTY; AND AUTHORIZED THE TREASURER TO EXECUTE AN ASSIGNMENT AND ASSUMPTION OF REAL PROPERTY PURCHASE AGREEMENT AUTHORIZING THE ASSIGNMENT OF THE AGREEMENT FROM BARDEEN PARTNERS, INC. TO IRVINE RANCH WATER DISTRICT.

ORAL COMMUNICATIONS – None

ADJOURNMENT

There being no further business, President Withers adjourned the meeting at 7:35 p.m.

Date: May 24, 2016

Leslie Bonkowski, Secretary

APPROVED and SIGNED this 13th day of June, 2016.

John Withers, President

APPROVED AS TO FORM:

Joan Arneson, Legal Counsel

AGENDA

IRVINE RANCH WATER DISTRICT
WATER SERVICE CORPORATION
ANNUAL MEETING

JUNE 27, 2016

CALL TO ORDER 6:30 P.M., Irvine Ranch Water District
Board of Directors Meeting Room
15600 Sand Canyon Ave., Irvine, Calif.

ROLL CALL Directors LaMar, Reinhart, Swan, Withers and President Matheis

The corporation was formed for purposes including the rendering of financial assistance to IRWD and the acquisition by purchase or other means of water companies or any interest therein for the benefit of IRWD.

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1. APPROVAL OF MINUTES

   Recommendation: Approve the minutes of the January 25, 2016 Special Meeting.

2. RESOLUTION APPROVING QUITCLAIM OF ASSETS, LIQUIDATION AND DISSOLUTION OF IRWD WATER SERVICE COMPANY II LLC

   Recommendation: Adopt a resolution of the Irvine Ranch Water District Water Service Corporation approving quitclaim of assets, liquidation and dissolution of Irvine Ranch Water District Water Service Corporation.

3. COMMUNICATIONS

4. ADJOURNMENT

MINUTES OF SPECIAL MEETING OF IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION LLC

JANUARY 25, 2016

The Annual Meeting of the Board of Directors of the Water Service Corporation LLC was called to order by President Matheis at 7:20 p.m. in the Board Room of the principal office of the Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None

Also Present: Secretary Bonkowski of the Irvine Ranch Water District Water Service Corporation, Legal Counsel Arneson, and members of the IRWD staff and public

APPROVAL OF MINUTES

On MOTION by Swan, seconded and unanimously carried, THE MINUTES OF THE ANNUAL MEETING DATED JUNE 8, 2015 WERE APPROVED.

STATE AND FEDERAL EXEMPT ORGANIZATION TAX FILING

On MOTION by Swan, seconded and unanimously carried, THE STATE AND FEDERAL EXEMPT ORGANIZATIONAL FILINGS FOR THE WATER SERVICE CORPORATION LLC FOR CALENDAR YEAR 2014 WERE APPROVED.

COMMUNICATIONS – None

ADJOURNMENT

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

Date: February 4, 2016

____
Leslie Bonkowski, Secretary

APPROVED and SIGNED this _____ of __________, _____.

____
Mary Aileen Matheis, President
Water Service Corporation

APPROVED AS TO FORM:

____
Joan Arneson, Legal Counsel

June 27, 2016
Prepared by: L. Bonkowski LB
Submitted by: C. Clary CC
Approved by: Paul Cook P. Cook

IRWD WATER SERVICE CORPORATION

APPROVING QUITCLAIM OF ASSETS, LIQUIDATION AND DISSOLUTION OF IRWD WATER SERVICE COMPANY II LLC

SUMMARY:

In 2008, the IRWD Water Service Corporation (IRWD WSC) executed various actions related to the acquisition and merger of the Orange Park Acres Mutual Water Company (OPAMWC) into the Irvine Ranch Water District. One of these actions was for IRWD WSC to form the IRWD Water Service Company II LLC (IRWD WSC II LLC) to engage in the sale and distribution of water to property owners and customers within the territory of OPAMWC, and any other business acquired under the Agreement of Merger. Staff has determined that IRWD WSC II LLC is no longer necessary as the acquisition balance has been retired and recommends taking such actions to dissolve this company requiring the adoption of a resolution to approve a quitclaim of assets, liquidation and dissolution. In addition, staff will also be submitting the same action for adoption at the IRWD Board meeting on June 13, 2016.

BACKGROUND:

In January of 2008, IRWD WSC and the Irvine Ranch Water District executed a Limited Liability Company Operating Agreement (Operating Agreement) for the purpose of forming the IRWD WSC II LLC. The purpose of this company was to engage in the sale and distribution of water to property owners and customers within the Orange Park Acres Mutual Water Company (OPAMWC) and any other business acquired under the Agreement of Merger.

As the acquisition balance was retired as of June 30, 2015, staff has reviewed the Operating Agreement and has determined that it is in the best interest of the IRWD WSC to authorize the execution and delivery of such documents and such actions by staff, to liquidate and dissolve the this company. These documents are provided in Exhibits "A" and "B". Additionally, an agenda item will be submitted to the IRWD Board of Directors on June 13, 2016 to adopt a resolution approving the actions of the II LLC (as Members and Managers of the company).

FISCAL IMPACTS:

An annual savings of approximately $9,600 for franchise taxes and fees and accountant tax preparation fees will be realized.

ENVIRONMENTAL COMPLIANCE:

None.

RECOMMENDATION:

THAT THE FOLLOWING RESOLUTION BE ADOPTED BY TITLE:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT APPROVING
QUITCLAIM OF ASSETS, LIQUIDATION AND DISSOLUTION
OF IRVINE RANCH WATER DISTRICT WATER SERVICE COMPANY II LLC

LIST OF EXHIBITS:

Exhibit "A" – Resolution
Exhibit "B" – Grant Deed

EXHIBIT “A ”

RESOLUTION NO. 2016 - ___

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT
WATER SERVICE CORPORATION APPROVING
QUITCLAIM OF ASSETS, LIQUIDATION AND
DISSOLUTION OF IRVINE RANCH WATER
DISTRICT WATER SERVICE COMPANY II LLC

WHEREAS, the Irvine Ranch Water District Water Service Corporation (the “Corporation”) and the Irvine Ranch Water District (“IRWD”) entered into a Limited Liability Company Operating Agreement, dated as of January 28, 2008 (the “Operating Agreement”), under the Beverly-Killea Limited Liability Company Act (the “Act”) for the purpose of forming the IRWD Water Service Company II LLC, a California limited liability company (“LLC II”), the members of which are IRWD and the Corporation; and

WHEREAS, LLC II was duly formed; and

WHEREAS, the business purpose of LLC II under the Operating Agreement is to engage in the sale and distribution of water to property owners and customers within the territory of Orange Park Acres Mutual Water Company (“OPAMWC”) and any other business acquired under an Agreement of Merger entered into by and between LLC II and OPAMWC; and

WHEREAS, under the Agreement of Merger, OPAMWC, as the disappearing company, was merged into LLC II, as the surviving company; and

WHEREAS, pursuant to the Operating Agreement, the Acquisition Balance, defined and determined therein as the equitable contribution of the OPAMWC service territory toward the cost of the existing IRWD system and property, was reduced to zero, commencing the setting of water commodity rates and service charges applicable within the former OPAMWC territory in the same manner as in other portions of IRWD; and

WHEREAS, this Board of Directors believes it to be in the best interest of the Corporation to authorize the execution and delivery of such documents and such actions by the Corporation, including in its capacity as a member of LLC II, as may be necessary to effect the liquidation, winding up and dissolution of LLC II; and

WHEREAS, the Act was recodified, effective January 1, 2014, and the actions taken and authorized herein are intended to be in compliance therewith to the extent applicable.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT WATER SERVICE CORPORATION HEREBY RESOLVES AND DETERMINES AS FOLLOWS:

Section 1. The Corporation hereby approves the quitclaiming of any and all interests of LLC II in property and assets to IRWD. Such approval includes the receipt of nominal or non-cash consideration for the quitclaim, including without limitation the commitments of IRWD described in Section 4 hereof. To the extent that such quitclaim constitutes a Terminating Capital Transaction as defined in the Operating Agreement, , the Corporation, as a member of LLC II, hereby votes for and approves such Terminating Capital Transaction, and acknowledges that no net proceeds will accrue from such Terminating Capital Transaction.

Section 2. The Corporation hereby votes for and approves the dissolution, liquidation and termination of LLC II, the winding up of LLC II's affairs and the cancellation of LLC II's articles of organization. The Corporation waives notice of such matters.

Section 3. The Corporation acknowledges receipt of financial reporting of LLC II as a blended component unit of IRWD in IRWD's financial statements. To the extent that as of this date any other reports or information required pursuant to Section 7.6.1 of the Operating Agreement have not been completed or submitted, or are hereafter required, the same are hereby waived. Without limiting the foregoing, statements or accountings relating to disposition of funds and assets upon dissolution are hereby waived.

Section 4. The Corporation is advised that IRWD will assume the remaining tax liability, if any, of LLC II. The Corporation is further advised that IRWD will assume or guarantee payment of all of the outstanding debts and liabilities, if any, of LLC II. Based upon due consideration of the financial responsibility of IRWD, such assumption is a reasonable and adequate means of making provision for the debts and liabilities of LLC II.

Section 5. In consideration of the Corporation's purpose to hold improvements and any other property or interest therein for the benefit of IRWD, the Corporation hereby directs that the distribution of any LLC II assets and any balance in its Capital Account, to which the Corporation may be entitled pursuant to the Operating Agreement upon dissolution of LLC II, be transferred to IRWD. To the extent that such distribution constitutes a Terminating Capital Transaction as defined in the Operating Agreement, , the Corporation, as a member of LLC II, hereby votes for and approves such Terminating Capital Transaction, and acknowledges that no net proceeds will accrue from such Terminating Capital Transaction.

Section 6. The President, Treasurer and Secretary and each other officer of the Corporation hereby are authorized and directed, on behalf of the Corporation, or on behalf of the Corporation as a member of LLC II or the manager of LLC II, as the case may be, to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution.

ADOPTED, SIGNED and APPROVED this ____ day of _________, 2016

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

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

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

____
BAWG114423/ 061016

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

Ray Thatcher, District R/W Agent
Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine CA, 92619-7000
IRWD Doc. No. E____________
ASSESSOR PARCEL NO.(S):

____

EXHIBIT "B"

(Space Above This Line For Recorder's Use)

This document is recorded at the request of and for the benefit of Irvine Ranch Water District and is therefore exempt from the payment of the recording fee pursuant to Government Code Section 6103 and from the payment of the documentary transfer tax pursuant to Revenue and Taxation Code Section 11922.

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, IRWD WATER SERVICE COMPANY II LLC ("**Owner**"), a California limited liability company and the successor in interest to Orange Park Acres Mutual Water Company pursuant to certificate of merger filed May 19, 2008 in the Office of the Secretary of State of the State of California and recorded on May 21, 2008 as Instrument No. 2008000241910 of Official Records in the Office of the County Recorder of the County of Orange, State of California, does hereby remise, release, and forever quitclaim to IRVINE RANCH WATER DISTRICT, a California water district organized under and existing pursuant to Section 34000 *et seq.* of the California Water Code, its successors and assigns, the property described as follows:

(1) all RIGHT, TITLE and INTEREST in and to Parcels 1, 2, 3, and 4 of Parcel Map No. 83-764 as shown on a map filed in Book 194, Pages 44 and 45 of Parcel Maps in the Office of the County Recorder of the County of Orange, State of California (Assessor's Parcel No. 383-294-02);

(2) all RIGHT, TITLE and INTEREST in and to Lot 1 of Tract No. 918 as shown on a map filed in Book 28, Pages 41 through 43 of Miscellaneous Maps in the Office of the County Recorder of the County of Orange, State of California (Assessor's Parcel No. 393-293-01);

(3) all RIGHT, TITLE and INTEREST in and to that portion of Lot 11 of Tract No. 944 as shown on a map filed in Book 29, Page 41 of Miscellaneous Maps as described in that certain Grant Deed recorded February 3, 1967 in Book 8169, Page 707 of Official Records, both in the Office of the County Recorder of the County of Orange, State of California (Assessor's Parcel No. 093-242-80); and

(4) all other RIGHT, TITLE and INTEREST in, upon, or otherwise pertaining to, any lands within the County of Orange, State of California, held by Owner on the date of recording hereof, including without limitation fee simple, easements, rights of way, reservations, dedications, and any other interests in land, whether recorded or unrecorded, together with any pipelines, water system facilities or other improvements of any kind.

It is the intent of this instrument to convey to Irvine Ranch Water District any and all interests of Owner in and to real property.

Dated: June 13, 2016

"**Owner**"

IRWD WATER SERVICE COMPANY II LLC,
a California limited liability company

By: IRVINE RANCH WATER DISTRICT,
Manager

By: ____________________________
Mary Aileen Matheis,
President

MAIL TAX STATEMENTS TO ADDRESS ABOVE

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On ________________________, 2016, before me, ____, a Notary Public in and for said State, personally appeared Mary Aileen Matheis , who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ___________________________________ (SEAL)

Notary Public in and for said State

IRVINE RANCH WATER DISTRICT

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by deed or grant dated ________________________ from IRWD WATER SERVICE COMPANY II LLC, a California limited liability company, to IRVINE RANCH WATER DISTRICT, a California Water District, is hereby accepted by the undersigned officer on behalf of the Board of Directors pursuant to authority conferred by Resolution 2014-40 of the Board of Directors, adopted on September 8, 2014, and the grantee consents to recordation thereof by its duly authorized officer.

Date:___________________

IRVINE RANCH WATER DISTRICT

By: ________________________________

Leslie Bonkowski
Secretary to the Board of Directors