

RENEWABLE ENERGY EXPLORATORY TASK FORCE MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is among:

ORANGE COUNTY WASTE AND RECYCLING ("OCWR") and Santa Margarita Water District ("SMWD") each of which is a "Party" and which are collectively referred to as the "Parties."

I. RECITALS

WHEREAS, OCWR operates the Prima Deshecha Landfill ("Prima") which is located in San Juan Capistrano;

WHEREAS, OCWR is studying the feasibility of developing a new renewable energy facility at Prima through utilization of the gas generated by the landfill. Prima had such a facility in the past, but the contracts with the third-party vendors that constructed and operated that facility on OCWR's behalf have expired and the facility has been decommissioned;

WHEREAS, SMWD provides water, recycled water, and wastewater services to a population of approximately 215,000 residents in South Orange County;

WHEREAS, SMWD has expressed interest in evaluating the feasibility of obtaining renewable energy for its water and wastewater operations from the anticipated Prima renewable energy project;

WHEREAS, the Parties created an informal Joint Task Force (JTF) to consider preliminary matters regarding the feasibility of a potential energy partnership between the agencies and to identify opportunities to supply power to SMWD's various operational facilities;

WHEREAS, the Parties are interested in conducting more detailed technical, financial, and logistical studies to enable the Parties to evaluate mutually beneficial arrangement options for the production and provision of renewable energy. whether a partnership is something each Party and their governing boards may be interested in pursuing;

WHEREAS, SMWD is interested in contributing to the costs associated with the more detailed technical studies that are outlined in this MOU;

WHEREAS, this MOU is non-binding and does not commit either Party to any specific course of action, future project, future partnership or financial commitment, but instead is intended to provide both Parties a mechanism to obtain the information needed to make fully informed decisions regarding a possible future energy partnership or arrangement that would ultimately be presented to the respective governing boards of each Party for approval.

II. ESTABLISHMENT OF A JOINT TASK FORCE

- A. The Parties hereby formally establish the "OCWR/SMWD Renewable Energy Exploratory Task Force" ("RE Task Force") comprised of all of the Parties. Each Party shall designate one or more representatives to serve as regular participants in the RE Task Force.
- B. OCWR shall call a meeting of the RE Task Force to be held within 30 days after the full execution of this MOU. OCWR shall contact each of the Parties' representatives identified in the signature blocks below to coordinate a mutually agreeable meeting time. At the first meeting, the RE Task Force shall discuss, at a minimum:
 1. The time, place, and frequency of its meetings,
 2. A chair and vice-chair for the purpose of conducting meetings,
 3. A critical path and project milestones,
 4. Consideration and/or identification of consulting services to assist Parties in achieving agreed upon goals and objectives.

III. EXAMPLE GOALS AND OBJECTIVES**A. Consulting Services**

1. Parties may develop a scope of work for further, more detailed analysis and technical analysis of the proposed future energy arrangement. The Scope of Work may include concepts including but not limited to:
 - a. Verification of Capacity Needs (Demands and Supply)
 - b. Coordination with Utilities
 - c. Detailed Financial Pro-forma
 - d. Finalize Funding/Grant Strategy
 - e. Develop Permitting Plan
 - f. Governance
2. Consultant shall provide a Report for consideration by the RE Task Force.
3. Parties will agree on an appropriate payment arrangement for required consulting services, taking into consideration OCWR's contributions toward consulting services to date, with the ultimate intent that the Parties share consulting costs proportionally as agreed by the Parties.
4. Upon the completion of the Report, the Parties will determine whether further study is needed or whether governing board approval is required for next steps.

B. Grant and other Funding Opportunities

1. Parties will look for available grant and other funding opportunities that may be available to fund portions of the Parties respective projects that might further enhance the financial feasibility of a future energy partnership or other arrangement. Specifically, the Parties will consider whether joint grant applications might provide additional benefits to the Parties.

IV. NOTICE AND DESIGNATED REPRESENTATIVE

<u>ORANGE COUNTY WASTE AND RECYCLING</u>	<u>SANTA MARGARITA WATER DISTRICT</u>
Designated Representative: <u>Tom Koutroulis, Director of OCWR</u> Notice Address: 601 N. Ross Street, 5th Floor Sant Ana, CA 92701 With a copy by email to: Paul.Albarian@coco.oc.gov	Designated Representative: <u>Robert Grantham, SMWD General Manager</u> Notice Address: 26111 Antonio Parkway, Rancho Santa Margarita, CA 92688 With a copy by email to: Scott.Smith@bbklaw.com

V. NON-BINDING OBLIGATION

The Parties acknowledge that this MOU is not enforceable by any Party. The terms outlined herein are intended to provide both Parties a mechanism to obtain the information needed to make a fully informed decision regarding a possible future energy partnership or arrangement that would ultimately be presented to the respective governing boards of the Parties for approval.

Signature Page

Each Party is acknowledging the terms above by signing below.

ORANGE COUNTY WASTE AND RECYCLING

Tom Koutroulis, Director

Date:

Approved as to form:

Signed by:



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Paul Albarian, County Counsel

Date:

SANTA MARGARITA WATER DISTRICT



Robert Grantham, General Manager

Date:

Approved as to form:



Scott Smith, General Counsel

Date: