MINUTES OF SPECIAL MEETING
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT
November 15, 2013, 12:25 p.m.

President Dewane called to order the November 15, 2013 special meeting of the Orange County Water District Board of Directors at 12:25 p.m. in the Boardroom at the District office. Following the Pledge of Allegiance to the Flag, the Assistant District Secretary called the roll and reported a quorum as follows.

**Directors**
Philip Anthony (not present)
Kathryn Barr
Denis Bilodeau (arrived 1:25 pm)
Shawn Dewane
Cathy Green
Vincent Sarmiento
Stephen Sheldon
Harry Sidhu
Bruce Whitaker
Roger Yoh (left at 1:40 pm)

**Others**
Dennis Sorensen - Resident
Curtis Payne - Hardin Automotive
Adam Bendig - Resident
Rebecca Madison - Hardin
Justin Holeckek - Hardin
Michael A. Hardin - Hardin
Mauricio Martinez - Hardin
Robert Cudd - Resident
Chris Compton - Hardin
Brad Vetter - Hardin
Walter Cadman - Hardin
Susan Waters - Sunkist Plaza
Robert Jones - Rancho Del Rio
Christina Ormsbee - Hardin
Evernardo Villa Hardin
Andrea Genovese Resident
Norman Orosco Resident
Tamara Thompson Cal Apt Assembly
Jayne Jones Anaheim Equestrian Cntr
Joseph Payne - Stop the Power Plant
Andrew McElroy - Hardin
Linda Lee Colon - Garden Grove KIA
Stephen Faessel - Resident
Susan Faessel - Resident
Barbara Hershey - Resident
Barbara Hackworth - Resident
Jean Benbow - Resident
Shawn Shahbazi - Realtor
Ron Pughe - Resident

**Staff**
Michael Markus, General Manager
Joel Kuperberg, General Counsel
Judy-Rae Karlsen, Assistant District Secretary
Bruce Dosier, Stephanie Dosier,
Randy Fick, Roy Herndon,
Bill Hunt, John Kennedy,
Mike Wehner, Greg Woodside,
Nira Yamachika

Patel Walter - Resident
Jared Hardin - Hardin Automotive
Brandon Wood - Puddles Car Wash
Eric Hardin - Hardin Auto Group
June Aagesen - Resident
Gary Aagesen - Resident
Don Calkins - City of Anaheim
Pamela Galera - City of Anaheim
Susan Waters - Sunkist Plaza
Robert Hawkins - Hardin attorney
John Montanez - Resident
Richard Ewald - Hardin
Aimee Tang - Hardin
Erin Beshear - Hardin
Rachel Williams - Anaheim Auto
Yolanda Heredis - Anaheim Auto
Mark Ambriz - Anaheim Auto
Helen Garner - Resident
Enrique Corona - Resident
Betty Femusca - Resident
Janet Potter - Resident
Heidi Imhoff - Hardin
Ashley Gomez - Hardin
Tony Koelfeh - Hardin
Gren Thrashu - Hardin
Sernaz Irani - Resident
Kamron Ermi - Resident
Brandon Ardessson - Garden Grove KIA
Ed Bartel - Resident
Cathy Orosco - Anaheim
Richard Alvarado - Hardin
Daniel Valger - Hardin
Shaun Melendez - Hardin
Teresa Munoz - Hardin
Dan Granspenger - Orange
Arlene Eliason - Anaheim
Dennis Sorenson - Resident
Todd Ament - Chamber of Commerce
Steve Lodge - Business owner
Dori Groff
Steve Wicke

VISITOR PARTICIPATION

There were no persons wishing to address the Board on items not on today’s Agenda.

MATTER FOR CONSIDERATION

1. Status of Due Diligence Agreement for the Ball Road Basin property located on Ball Road and Phoenix Club Drive in Anaheim

Prior to adjourning to closed session, President Dewane noted there were several members of the public interested in addressing the Board on the potential lease for the Ball Road Basin property. He invited the following individuals to address the Board.

Public Comments

Christine Murray, Anaheim City Councilwoman, stated that she would like to comment on the discussion that took place earlier in the day during the Property Management Committee meeting. She advised the Board that the City of Anaheim Planning staff posted land designations and the planning process for the Canyon Specific Plan on the City of Anaheim website in May, and OCWD was invited to participate in open forums to discuss those land designations; however no one representing OCWD attended. She advised that OCWD has not been circumvented in this process, and staff is interested in addressing District concerns and seeking an amicable resolution. Ms. Murray stated that she is an advocate of infrastructure and clean energy in the region, however, she requested that local control be maintained and not circumvented as the District considers leasing the property in Anaheim. She requested the District include the City of Anaheim and its residents in the decision-making process, and to look for alternate sites for the project.

Susan Faessel, Anaheim resident, spoke in opposition of the proposed lease agreement and expressed her gratitude to OCWD for working with Anaheim to develop the Anaheim Coves project.

Barb Hershey, homeowner and Captain of the Neighborhood Watch program, stated she lived within .5 miles of the proposed power plant and she opposed the proposed lease to CPV. She expressed concerns about environmental safety issues and future property values.

Director Sheldon left the meeting at 12:47 p.m.

Stephen Faessel, Anaheim resident and former Anaheim Commissioner, discussed the authority of the California Energy Commission (CEC) and he reported the absence of public hearings is a significant loss in the due process when stakeholder are overlooked.

Shawn Schabazi, local realtor, expressed his opposition to the proposed lease and advised there would be negative impacts on future real estate sales, fewer property investments and declining property values.
Director Whitaker asked Mr. Schabazi if he had any market information to support his forecasting on the property values in Placentia near the Canyon power plant. Mr. Schabazi did not have that information.

Dennis Sorenson, resident, expressed a passion for the peaceful riverbed trails in Anaheim and he was opposed to the placement of the power plant in that area.

Ron Pughe, homeowner in Orange, stated his support of the Stop the Power Plant group and advised that neighbors in adjacent cities will support the initiative.

Curtis Payne, Hardin Automotive, stated his concerns about the negative economic impacts on the Hardin Automotive business and his opposition to the power plant. He requested the District consider other options for the property at Ball Road basin.

Adam Bendig stated he would like the Board to listen to the residents that will be directly affected.

Richard Ewald, Hardin Honda Service Manager, spoke in opposition of the lease to CPV at Ball Road. He addressed various negative economic impacts on the local automotive dealerships, the Phoenix Club and community businesses located in the vicinity of the proposed power plant. Mr. Ewald advised that repeat business will be adversely affected and layoffs will occur.

Director Sheldon returned to the meeting at 1:05 p.m.

Andrea Genovese, resident, spoke in opposition of the power plant as it is inconsistent with the local community planning, development and the investments already planned for that area.

Tommy Thompson, Executive Director of the South Coast Division of the California Apartment Association, spoke in opposition to the proposed power plant due to the potential loss of investments and how it would upset the local planning efforts and future community investments. He stated the unsolicited proposal does not meet the good planning criteria established in both Anaheim and throughout Orange County.

June Aagesen, resident, stated she did not wish to comment at this time.

Kathy Orosco, an Anaheim resident for 64 years, said she has watched the landscape in Anaheim change over the years. She spoke in opposition of the location proposed for the power plant and she expressed the need for more park space similar to Anaheim Coves.

Brandon Wood, General Manager of Puddles Car Wash and combat veteran, stated he fought for this country, the people, the system, and its ideals. He stated he is an involved and concerned citizen and requested the District make the people proud and vote "no" on the lease to the power plant.

Director Dewane expressed appreciation to Mr. Wood for his service to the country.

Dennis Hardin, owner of Hardin Automotive, stated his father began the business in 1957 and his family now owns and operates three dealerships in Anaheim, two dealerships in Garden Grove and one in Irvine. He expressed his concerns about the presence of a power plant in close proximity to his retail and business operations.
Jared Hardin, Hardin Automotive Group, stated his concern that CPV has not been forthcoming or honest about their plans with the business community, and he felt that CPV has been dismissive in discussions regarding Hardin Automotive business concerns. Mr. Hardin requested the Board consider the needs of the business community in the decision-making process.

Eric Hardin, Hardin Automotive Group, stated his concern about the negative impacts of the power plant on his business and customer perceptions that will impact Hardin's retail operations.

Erin Beshear, employee at Anaheim Automotive Center, shared her observations about the positive changes in Anaheim that have contributed to make Anaheim a premier destination, and she expressed concerns that the power plant contradicts the progress the City of Anaheim has made to attract residents and business owners. She stated she enjoys the wildlife and the sites along the river trails and she strongly opposes the building of the power plant.

John Sackrison, Executive Director of the Orange County Automotive Dealers Association, stressed the potential impacts on the dealerships in Anaheim. He reported on various Directors accomplishments and leadership roles and acknowledged that Directors Green, Whitaker and Yoh have been consistent and outspoken proponents for local control and good leadership. He stated his opposition to the proposed lease and requested that OCWD work with Anaheim and employ an open and public process. He requested the Board reject the CPV proposal to locate and build a power plant at the Ball Road basin location.

Todd Ament, Anaheim Chamber of Commerce, stated he was involved in the zoning process for over two years as a member of the Anaheim Planning Department at the Canyon site and there are similar tensions with the zoning issues. He advised the City is using an open process and staff will make a presentation for the District if Directors are unable to attend meetings. He reported on meetings with CPV and the frustrations expressed about the Stop the Power Plant website. Mr. Ament advised that CPV has not provided renderings of the plant and he summarized the process that CPV has used to circumvent the City's planning process. He stated that the local planning process is a vehicle that is used to protect landowners and business owners who are part of that process and invest in the community as a result of that process. Mr. Ament outlined his feelings about CPV being able to circumvent the planning process of local government and he advised that the City of Anaheim is not in favor of this lease and hoped the land would become part of the commercial planning process and be placed on the open market. He requested that if the District makes the decision to move forward, that a requirement be added that the lease go through the Planning Commission and then to the Anaheim City Council for review.

Director Dewane stated that misleading statements and spreading misinformation destroys credibility. He advised this type of difficult decision is why the CEC is involved, because the local planning level would never approve the development of energy production in their jurisdiction. He advised the District has property and makes decisions on leases; however, if CPV is awarded a lease it will be required to comply with the established regulatory process and whatever local or regional scrutiny is involved to determine health and/or safety issues. He noted local issues are important but the regional perspective must also be considered and discussed in a respectful forum.

Director Sidhu stated his concerns that Directors have not been given the final renderings by CPV and he questioned the timetable of the decision-making process at the Board level. He agreed the City of Anaheim and the community should be involved.
Director Whitaker stated he was confused and concerned about Mr. Ament's offer to help facilitate finding an alternate site after he just acknowledged the Canyon power plant site was now causing the Planning Commission second thoughts and a heightened awareness of stakeholder issues.

Director Bilodeau arrived at 1:25 p.m. at this point in the meeting.

Jayne Jones, owner of the Anaheim Equestrian Center Rancho Del Rio Stables expressed her concerns about the project and its potential impact on her business, the animals they care for, and the neighbors that enjoy unencumbered access to the river trails and wildlife.

Arlene Eliason stated she is an equestrian and a 20 year resident in Ranch Del Rio and works in the Canyon District near the power plant. She supports the concept of open space at the Ball Road Basin location and was concerned about the construction and the future impact of a power plant on her home, her work and local recreational areas.

Robert Hawkins, Hardin attorney reported on his review of District documents provided as a result of a Public Records request. He advised the records he received did not have certain documents that he felt would be important for the Board and stakeholders to review and consider during the decision-making process. He stated that a presentation by CPV would provide helpful information.

Seeing no additional speakers, Director Dewane closed the public comment period.

2. ADJOURNMENT TO CLOSED SESSION

Prior to adjourning to closed session, Director Dewane invited CPV representative Mark Turner to address the Board and introduce the proposed project to those in attendance. Mr. Turner provided basic information on CPV and its business strategy to be part of the changing environment in Orange County as aging infrastructure for the production of electricity is retired and new clean technology comes online. He reviewed the CPV company portfolio and explained that the current process is one of gaining site control with the next step being entering into the application process with the California Energy Commission (CEC) which will require community participation and the involvement of the local municipality. Mr. Turner reported that CPV is aware of the challenges that it will encounter as each project comes online in urban areas, and reported that CPV has not skipped or circumvented any regulatory or municipal process. He noted that community outreach has already begun and CPV will be holding a series of meetings with stakeholders to provide updates on the progress of the project and to discuss areas of mitigation that may be necessary and specific to each phase of the project. Mr. Turner advised that the initial proposal has already been altered and CPV engineering staff has modified the initial project concept to include a clean energy facility with a smaller footprint and added a multi-sports complex.

Director Yoh left the meeting at 1:45 p.m.

Mr. Turner distributed a series of photo boards with renderings of site plans from a variety of perspectives for the Board and the audience to review. He reported the site plans are realistic and an accurate representation of the project as it looks today. Director Dewane thanked Mr. Turner for the candid presentation and invited him to stay and meet with the public while the Board adjourned to closed session.

Prior to adjourning to closed session, one additional member of the public requested permission to speak. Director Dewane invited the speaker to the podium.
Michael Kosmedes, resident of east Anaheim, asked Director Sheldon if land use issues were considered by the District in these projects and advised the appropriate use of the land should be a consideration of the Board as the property at Ball Road Basin is documented as a liquid faction zone in the event of an earthquake. Director Sheldon replied the Board is interested in land use; however, the land use in this project will be an issue for CPV to investigate and consider.

The Board then adjourned to Closed Session at 2:10 p.m. to discuss the following matter.

CONFERENCE WITH REAL PROPERTY NEGOTIATORS
[Government Code Section 54956.8]
Real property located at: Parcels (3)
253-473-01 - 1200 S. Phoenix Club Drive, Anaheim, CA 92806
253-631-32 - 1200 S. Phoenix Club Drive, Anaheim, CA 92806
253-631-39 - 1200 S. Phoenix Club Drive, Anaheim, CA 92806
OCWD negotiator: Michael Markus
Negotiating party: Basin Development, LLC (Competitive Power Ventures)
Under negotiation: Price and Terms

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 3:05 p.m. whereupon General Counsel Joel Kuperberg announced the Board took the following action with a vote of 6-2-2 in Closed Session.

RESOLUTION NO C-11-2
AUTHORIZING THE RETENTION OF VOIT REAL ESTATE SERVICES
TO ASSIST OCWD WITH DISCUSSING TERMS OF LEASE
WITH THE AFFILIATE OF COMPETITIVE POWER VENTURES FOR PROPERTY
LOCATED ON BALL ROAD BASIN

Authorized retention of Voit Real Estate Services [Mike Hefner/Mike Vernik] to assist OCWD to determine the terms of the lease with the affiliate of Competitive Power Ventures for 3 parcels of property located on Phoenix Club Drive in Anaheim, California.

Ayes: Bilodeau, Dewane, Green, Sheldon, Sarmiento, Whitaker
Nays: Barr, Sidhu
Absent: Anthony, Yoh

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 3:10 p.m.

Judy-Rae Karlsen, Assistant District Secretary

Shawn Dewane, President