

MINUTES OF THE
PROPERTY MANAGEMENT COMMITTEE MEETING
WITH BOARD OF DIRECTORS
ORANGE COUNTY WATER DISTRICT
January 24, 2014 @ 12:00 p.m.

Property Management Committee Chair Sheldon called the Property Management Committee meeting to order at 12 p.m. in Conference Room C-2. The Recording Secretary called the Roll and reported a quorum as follows.

Committee Members:

Steve Sheldon
Phil Anthony
Harry Sidhu
Denis Bilodeau (not present)
Roger Yoh

OCWD Staff

Mike Markus, General Manager
Bruce Dosier, Director IS/Property
Christina Fuller, Recording Secretary
Joel Kuperberg, General Counsel
Don Jackson, John Kennedy, Greg Woodside

Alternates

Cathy Green
Jan Flory
Kathryn Barr
Vincent Sarmiento
Shawn Dewane

Others:

Pamela Galera – City of Anaheim
Michael Boss – Paragon Partners Group
Vince Barbato – Family Development Group
Al Shaikh – City of Anaheim

VISITOR PARTICIPATION

There were no persons wishing to address the Committee on matters not on today's Agenda.

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Sheldon, seconded by Director Anthony and carried [5-0] as follows.

1. Minutes of Property Management Committee Meeting held November 15, 2013

The minutes of the Property Management Committee meeting held November 15, 2013 were approved as presented.

2. Amendment to License Agreement with Griffith Company

Recommended for approval at the February 5 Board meeting: Approve and authorize execution of Amendment One to License Agreement with Griffith Company to extend the License Agreement to a new expiration date of October 20, 2014.

MATTERS FOR CONSIDERATION

3. Sale of South Street Properties to Family Development Group, Incorporated

Director of IS/Property Management Bruce Dosier presented the property history and provided a summary of prior steps taken. He also reviewed the timeline of negotiations with Family Development Group, Incorporated. Director Flory questioned whether the price was at fair market value for this property. Director Flory called for an updated appraisal on the property, commenting that the appraisal amount seemed low given the current real estate market and noted the appraisal was two years old. Director Sheldon advised that the appraisal is at fair market value given the zoning issues with the property. After a discussion over the price of the property, the Committee took the following action.

Upon motion by Director Yoh, seconded by Director Anthony and carried [4-1], the Committee recommended to Approve and authorize execution of Agreement for Purchase and Sale of Real Property and Instructions to Escrow with Family Development Group Inc. for the purchase of 3.6 acres located at or about 2840-2901 East South Street, Anaheim, California for \$1,000,000.

Yes: Sheldon, Anthony, Yoh, Green/No: Sidhu

Absent: Bilodeau

4. Request for Proposals for Oil, Gas and Mineral Consultant

Mr. Dosier reminded the committee that the Board had authorized staff to prepare and issue a Request for Proposals (RFP) for an Oil, Gas and Mineral consultant in order to pursue the potential development and marketing of oil on District property. He stated that staff issued the RFP and received one proposal from Paragon Partners. Director Sidhu questioned the value and necessity of the feasibility study. Director Dewane advised that it is in the District's best interest to know the value and potential of all of its properties. Following a lengthy discussion, the Committee then took the following action.

Upon motion by Director Sheldon, seconded by Director Yoh and carried [4-1], the Committee recommended to Accept Paragon Partners revised Proposal dated November 14, 2013 in total amount not to exceed \$142,400 for Phase 1 and Phase 2 Oil and Gas and Mineral consulting services; and authorize issuance of Agreement for Phase 1 Feasibility Analysis in the amount of \$112,800.

Yes: Sheldon, Anthony, Yoh, Green/No: Sidhu

Absent: Bilodeau

INFORMATIONAL ITEMS

5. Status of Property Acquisition at 3199 East La Palma Avenue in Anaheim

Mr. Dosier reported to the Committee that the due diligence period for the acquisition of the La Palma property had ended on January 22, 2014 and that escrow was due to close on the property on January 29, 2014. The Committee then discussed the option to purchase the additional approximately 16.5 acres adjacent to the La Palma property. The Committee directed staff to return to the next Property Committee meeting or sooner with an evaluation of the option to purchase.

6. Status of the General Plan Amendment and Zone Change for the Ball Road Basin Property Located on Ball Road and Phoenix Club Drive in Anaheim

Mr. Dosier reported that staff was advised by the City that, because use as a "Utility" is allowed under the General Commercial land use designation, and that there is the possibility of a potential lease for use as an electrical generating facility, that use as an electrical generating facility must also be evaluated as an alternative in the Environmental Impact Report (EIR) being prepared for the District's General Plan Amendment and Zone Change from Open Space to General Commercial. He stated that additionally, the City proposes to acquire the Property for use as a park, and has submitted an application to request a General Plan Amendment and Zone Change from Open Space to Park. He noted that because there is the possibility of a potential use of the property by the City as a park, the City has advised staff that use as a park must also be evaluated as an alternative to the project in the District's EIR. Mr. Dosier advised the Committee that the additional evaluation in the EIR is out of the scope of the District's environmental consultants preparing the District's EIR. The Committee directed staff to return to the February meeting with a quote from the consultants for the additional work.

7. Quarterly Report on Leases and Permits/Licenses for the Period Ending December 31, 2013

Mr. Dosier stated the staff report was in today's packet.

**DETERMINATION OF ITEMS TO BE PLACED ON CONSENT CALENDAR FOR
FEBRUARY 5 BOARD MEETING**

Items 3 and 4 were agreed upon to be placed on the Consent Calendar for the February 5, 2014 Board meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:25 p.m.


Stephen Sheldon, Chairman