

MINUTES OF THE
PROPERTY MANAGEMENT COMMITTEE MEETING
WITH BOARD OF DIRECTORS
ORANGE COUNTY WATER DISTRICT
February 28, 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 (not present)

OCWD Staff

Mike Markus, General Manager
Bruce Dosier, Director IS/Property
Judy-Rae Karlsen, Assistant District Secretary
Joel Kuperberg, General Counsel
Bruce Dosier, Don Jackson

Alternates

Cathy Green
Jan Flory
Kathryn Barr
Vincent Sarmiento
Shawn Dewane

Others:

Jonathan Borrega, Pamela Galera, Sue Kim,
Rick Shintaku - 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 Green, seconded by Director Anthony and carried [5-0] as follows.

[Yes-Sheldon, Anthony, Sidhu, Green, Flory/ No - 0]

1. Minutes of Property Management Committee meeting held January 24, 2014

The minutes of the Property Management Committee meeting held January 24, 2014 were approved as presented.

2. Amendment to Lease with V. Montoya Enterprises, Inc. for Wholesale Container Nursery at 1184 N. Hewes Street, Orange

Recommended for approval at the March 5 Board meeting: Approve and authorize execution of Amendment Two to Lease Agreement with V. Montoya Enterprises, Inc. to extend the termination date to March 31, 2019; and to replace the amended Rent Schedule with a revised Rent Schedule to reflect a 3% per annum rent increase.

MATTERS FOR CONSIDERATION

3. Draft Property License Agreement Policy

Director of IS/Property Management Bruce Dosier reported that staff updated the following property documents and related fee schedules; Short-Term (Temporary) License Agreements, Long-Term License Agreements, and insurance provisions. He stated the original fee schedule was created in 1986 and updated in 1992, and it was created to pay for the staff time required to process licenses, permits, agreements, and insurance provisions. Mr. Dosier reported the cost of

staff time has significantly increased and he reviewed the draft Property License Agreement Policy and the proposed fee schedule. He responded to Committee questions about the terms and conditions within the Lease Agreements and the amount of staff time that is required to process lease and insurance documents. The Committee expressed support for staff reviewing and updating policies such as the District Film Policy. Discussion ensued about the notification process used to inform the Board when agreements that have been executed; but the Committee took no formal action to change the current notification process. Following a lengthy discussion, the Committee took the following action.

Upon motion by Director Green, seconded by Director Anthony and carried [5-0], the Committee recommended that the Board at its March 5 Board meeting: Adopt the following OCWD Property License Agreement Policy that sets forth procedures for issuing Property License Agreements for District property.

[Yes-Sheldon, Anthony, Sidhu, Green, Flory/ No- 0]

OCWD PROPERTY LICENSE AGREEMENT POLICY

1. Short-Term (Temporary) License Agreements (6 months or less)

1.1. Approval Authority

- 1.1.1. Upon approval as to form by District General Counsel, the General Manager or his designee is authorized to execute on behalf of the District Temporary License Agreements with terms of six months duration or less accepting entry by District staff onto property of others or granting entry by others onto property owned by the District, which entry shall include access and Approved Uses;
- 1.1.2. Approved Uses to include temporary uses that do not have a significant impact on the use of District property to include but not be limited to:
 - 1.1.2.1. Construction Laydown area;
 - 1.1.2.2. Potholing and other ground studies;
 - 1.1.2.3. Surveying;
 - 1.1.2.4. Studies of various kinds such as environmental studies;

1.2. Base License Fee:

- 1.2.1. The Base License Fee for access shall be \$1,148;
- 1.2.2. The Base License Fee for Approved Uses shall be the greater of \$1,148 or staff's estimate of market rent and shall be paid in a lump sum;
- 1.2.3. The Base License Fee for use by an individual for direct access to his/her adjacently owned property shall be \$100.
- 1.2.4. The General Manager or his designee may alter or waive License fees under the following circumstances:
 - 1.2.4.1. Use by a nonprofit organization which qualifies under Section 501 (c) (3) of the Internal Revenue Code or Section 23701 of the California Revenue and Taxation Code as a charitable organization. If such a nonprofit organization is a party to the License Agreement, no person, directly or indirectly may receive a profit from use of the License Agreement.
 - 1.2.4.2. Use by an individual who submits a letter written on school letterhead by a school administrator or instructor stating that the individual is currently enrolled in a recognized United States educational institution. If such an individual is a party to the License Agreement, no person, directly or indirectly may receive a profit from use of the License Agreement.

- 1.2.4.3. Use by an organization, group or individual sponsored or cosponsored by the District.
- 1.2.4.4. Use by an organization, group or individual who will provide final reports generated by environmental or other studies, surveys, etc.
- 1.2.5. The District may impose an additional cost to be paid by the Licensee to recover the costs incurred for District staff time when the Licensee requires staff time in excess of that factored into the Base License Fee, as determined by the General Manager.

2. Long-Term License Agreements (greater than 6 months)

2.1. Approval Authorization

- 2.1.1. Upon approval as to form by District General Counsel, approval by the Board of Directors shall be required to authorize the General Manager to issue License Agreements for terms of greater than six months duration accepting entry by District staff onto property of others or granting entry by others onto property owned by the District;

2.2. Fee schedule shall be as follows:

- 2.2.1. The Base License Fee for entry shall be \$1,148;
- 2.2.2. The Base License Fee for Approved Uses shall be the greater of \$1,148 or staff's estimate of market rent and may be paid in one lump sum;
- 2.2.3. The Base License Fee shall be adjusted annually with 3% CPI;
- 2.2.4. The District may impose an additional cost to be paid by the Licensee to recover the costs incurred for District staff time when the Licensee requires staff time in excess of that factored into the Base License Fee.
- 2.2.5. Additional terms and/or license fees altered or waived as directed by the Board of Directors;

3. Insurance Requirements

- 3.1. District standard insurance provisions apply.

4. Additional Provisions

- 4.1. The location of the License shall be evaluated by the District's General Manager, or his designee, to ascertain the appropriateness and amount of risk involved;
- 4.2. The Licensee must execute and return the License with the required Licensee fee, and Licensee's Certificate of Insurance, and if applicable Bond, must be approved by the District's General Manager, or his designee, prior to commencement of use.

4. Amendment to License Agreement with County of Orange

Mr. Dosier reported the County of Orange Public Works (County) is in the process of widening Lincoln Avenue and the Lincoln Avenue Bridge at the Santa Ana River, and the County has a License Agreement to construct improvements from District land to Lincoln Avenue and the Lincoln Avenue Bridge as part of the Lincoln Avenue Road Widening Project. He stated the County's License Agreement will expire on June 30, 2014 and due to construction delays, the County has requested an extension to October 20, 2014. The Committee then took the following action

Upon motion by Director Anthony, seconded by Director Green and carried [5-0], the Committee recommended that the Board at its March 5 Board meeting: Approve and authorize execution of Amendment One to License Agreement with County of Orange to

extend the License Agreement to a new expiration date of October 20, 2014.

[Yes-Sheldon, Anthony, Sidhu, Green, Flory/ No- 0]

5. License Agreement with USS Cal Builders for Anaheim Lake

Mr. Dosier reported the Orange County Transportation Authority is managing the Tustin Avenue/Rose Drive Grade Separation Project, and USS Cal Builders (contractor) is building the bridge over the BNSF Railroad train tracks. He stated the contractor has requested use of the 8,750 square foot parcel of land near Anaheim Lake, north of Mini-Anaheim Lake as a staging area. Mr. Dosier advised that staff reviewed the request and has determined the staging area will not impact District operations and then recommended issuing a License Agreement to USS Cal Builders for use of the staging area until October 31, 2015 (or until the project is completed whichever comes first) and proposed a license fee of \$790 per month. The Committee discussed the request for the staging area and suggested that staff add dust containment to the License Agreement. The Committee then took the following action.

Upon motion by Director Yoh, seconded by Director Anthony and carried [4-1], the Committee recommended that the Board at its March 5 Board meeting: Approve and authorize execution of License Agreement with USS Cal Builders for use of a Staging Area at Anaheim Lake with an expiration date of October 31, 2015 and a license fee of \$790 per month.

[Yes-Sheldon, Anthony, Sidhu, Green, Flory/ No- 0]

6. Change Order to Environmental Associates, LLC for Preparation of Environmental Impact Report for Ball Road Basin General Plan Amendment and Zone Change

Mr. Dosier reviewed the history of the District's relationship with the City of Anaheim regarding the Ball Road Basin General Plan Amendment, the Environmental Impact Report (EIR) and potential zoning changes. He stated that as part of the application process, the District's consultant Environmental Associates, LLC began preparing the EIR to comply with the California Environmental Quality Act (CEQA). Mr. Dosier advised that the City of Anaheim has determined that even though OCWD is not the application for the power plant proposed by Competitive Power Ventures or the public park proposed by the Anaheim Community Services Department, the Ball Road Basin EIR must now include an analysis for these land use initiatives, which will require the District to issue a Change Order to Environmental Associates, LLC in the amount of \$66,800. Mr. Dosier noted the Committee has options to consider: 1) Stop working on the General Plan Amendment and Zoning changes until issues with the City of Anaheim are resolved; 2) Issue the Change Order for \$66,800 to Environmental Associates, LLC and modify the scope of work on the EIR; 3) Proceed with the completion of the original General Plan Amendment and the original request for a zoning change for the Ball Road Basin property; or 4) Defer this matter to the next Property Management Committee meeting for further discussion.

City of Anaheim representative Jonathon Borrego reviewed the City's requirement for the additional EIR analysis. He explained the path to zoning changes/entitlements and clarified that the City is requesting a qualitative not a quantitative analysis. He responded to Committee questions and concerns. The Committee discussed the various options and then took the following action.

Upon motion by Director Anthony, seconded by Director Green and carried [5-0], the Committee recommended this matter be deferred to the March 28 Property Management Committee meeting for further consideration.

[Yes-Sheldon, Anthony, Sidhu, Green, Flory/ No- 0]

INFORMATIONAL ITEM

7. Status Update of the Anaheim Canyon Specific Plan

Mr. Borrego presented the Anaheim Canyon Specific Plan (ACSP) and he discussed the proposed Zoning and General Use Plans at Mini Anaheim Lake and Anaheim Lake parcels south to Miraloma, as well as the Miraloma Basin zoning and land use changes.

City of Anaheim representative Sue Kim reported the draft Anaheim Canyon Specific Plan has been an open process and the draft was released in May for comments and is scheduled for review and approval in late April and approval by the Anaheim City Council in July. The Committee expressed their concerns about the proposed zoning and land use designations and the potential devaluing of District property. The Committee requested the General Manager track the progress of the Anaheim Canyon Specific Plan and prepare written comments to be submitted at the appropriate time.

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

Items No. 2-5 were agreed upon to be placed on the Consent Calendar for the March 5 Board meeting.

GENERAL MANAGER COMMENTS

General Manager Mike Markus gave a brief update on the Army Corps of Engineers and the change in flood to non flood seasons and elevation changes at Prado dam. He advised that staff has commenced the GWRS Feasibility Study and is working on the remediation of the Panattoni project. Mr. Markus reported that Executive Director of Operations Bill Hunt will send out an email with an update on recent storm activity.

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:20 p.m.



Stephen Sheldon, Chairman