



AGENDA

18700 Ward St.
Fountain Valley, CA 92708
(714) 378-3200

PROPERTY MANAGEMENT COMMITTEE MEETING
WITH BOARD OF DIRECTORS *
ORANGE COUNTY WATER DISTRICT
Friday, July 24, 2026 – 12:00 p.m. – Conference Room C-2

*The OCWD Property Management Committee meeting is noticed as a joint meeting with the Board of Directors for the purpose of strict compliance with the Brown Act and it provides an opportunity for all Directors to hear presentations and participate in discussions. Directors receive no additional compensation or stipend as a result of simultaneously convening this meeting. Items recommended for approval at this meeting will be placed on **August 5, 2026** Board meeting Agenda for approval.

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

Computer Audio: You can join the Zoom meeting by clicking on the following link:

<https://ocwd.zoom.us/j/81364630427>

Meeting ID: 813 6463 0427

Telephone Audio: (213) 338 8477

Teleconference Sites:

10382 Bonnie Drive, Garden Grove

1037 Sherwood Lane, Santa Ana

303 W. Commonwealth Avenue, Fullerton

19 Cannery, Buena Park

1502 North Broadway, Santa Ana

Holiday Inn, Lobby, 7552 Park Place, Loves Park, IL

* Members of the public may attend and participate at all locations.

ROLL CALL

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

RECOMMENDATION: Adopt resolution determining need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda (requires two-thirds vote of the Board members present, or, if less than two-thirds of the members are present, a unanimous vote of those members present.)

VISITOR PARTICIPATION

Time has been reserved at this point in the agenda for persons wishing to comment for up to three minutes to the Board of Directors on any item that is not listed on the agenda, but within the subject matter jurisdiction of the District. By law, the Board of Directors is prohibited from taking action on such public comments. As appropriate, matters raised in these public comments will be referred to District staff or placed on the agenda of an upcoming Board meeting.

At this time, members of the public may also offer public comment for up to three minutes on any item on the Consent Calendar. While members of the public may not remove an item from the Consent Calendar for separate discussion, a Director may do so at the request of a member of the public.

CONSENT CALENDAR (ITEM NO. 1)

All matters on the Consent Calendar are to be approved by one motion, without separate discussion on these items, unless a Board member or District staff request that specific items be removed from the Consent Calendar for separate consideration.

1. MINUTES OF PROPERTY MANAGEMENT COMMITTEE MEETING HELD JUNE 26, 2026

RECOMMENDATION: Approve minutes as presented

MATTERS FOR CONSIDERATION

2. REQUEST BY CORONA RECREATION FOR SUBLEASE WITH OUTSOURCE UTILITY CONTRACTOR, LLC AT ANAHEIM LAKE

RECOMMENDATION: Agendize for August 5 Board meeting: Authorize the General Manager to negotiate and execute a Lease Amendment with Corona Recreation to include approximately 1.3 acres of additional land at Anaheim Lake as part of the Alternate Premises and approve a Consent to Sublease allowing Corona Recreation to sublease such property to Outsource Utility Contractor, LLC, with rent shared 50/50 between the District and Corona Recreation

3. AUTHORIZE LICENSE AGREEMENT WITH OCFCD FOR THE PRADO BASIN SHORT-TERM SEDIMENT REMOVAL COMPLIANCE PROJECT

RECOMMENDATION: Agendize for August 5 Board meeting: Authorize 10-year license agreement with Orange County Flood Control District for a license fee of \$30,000 to facilitate the Prado Basin Short-Term Sediment Removal Compliance Project

INFORMATIONAL ITEM

4. QUARTERLY REPORT ON LEASES AND PERMITS/LICENSES FOR THE PERIOD ENDING JUNE 30, 2026

CHAIR DIRECTION AS TO ITEMS TO AGENDIZE AS MATTERS FOR CONSIDERATION AT THE AUGUST 5 BOARD MEETING

DIRECTORS' COMMENTS/REPORTS

GENERAL MANAGER'S COMMENTS/REPORTS

ADJOURNMENT

PROPERTY MANAGEMENT COMMITTEE

Committee Members

Steve Sheldon - Chair
Natalie Meeks - Vice Chair
Fred Jung
Roger Yoh
Cathy Green

Alternates

Dina Nguyen - Alternate 1
Valerie Amezcua - Alternate 2
Van Tran - Alternate 3
Erik Weigand - Alternate 4
Denis Bilodeau - Alternate 5

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted at the guard shack entrance and in the main lobby of the Orange County Water District, 18700 Ward Street, Fountain Valley, CA and on the OCWD website not less than 72 hours prior to the meeting date and time above. All written materials relating to each agenda item are available for public inspection in the office of the District Secretary. Backup material for the Agenda is available at the District offices for public review and can be viewed online at the District's website: www.ocwd.com

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability-related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from the District Secretary at (714) 378-3234, by email at cfuller@ocwd.com, by fax at (714) 378-3373. Notification 24 hours prior to the meeting will enable District staff to make reasonable arrangements to assure accessibility to the meeting.

As a general rule, agenda reports or other written documentation has been prepared or organized with respect to each item of business listed on the agenda and can be reviewed at www.ocwd.com. Copies of these materials and other disclosable public records distributed to all or a majority of the members of the Board of Directors in connection with an open session agenda item are also on file with and available for inspection at the Office of the District Secretary, 18700 Ward Street, Fountain Valley, California, during regular business hours, 8:00 am to 5:00 pm, Monday through Friday. If such writings are distributed to members of the Board of Directors on the day of a Board meeting, the writings will be available at the entrance to the Board of Directors meeting room at the Orange County Water District office.

MINUTES OF THE PROPERTY MANAGEMENT COMMITTEE MEETING
WITH BOARD OF DIRECTORS
ORANGE COUNTY WATER DISTRICT
June 26, 2026 @ 12:00 p.m.

Director Meeks called the Property Management Committee meeting to order in Conference Room C-2. Members of the public also participated via Zoom. The Secretary called the roll and reported a quorum as follows:

Committee

Steve Sheldon (arrived at 12:10 p.m.)
Natalie Meeks
Fred Jung
Roger Yoh
Cathy Green

OCWD Staff

John Kennedy, General Manager
Chris Olsen, Executive Director of Engineering
Daniel Park, Property Manager
Ben Smith, Director of Recharge
Jeremy Jungris, General Counsel
Leticia Villarreal, Assistant District Secretary

Alternates

Dina Nguyen (absent)
Valerie Amezcua
Van Tran
Erik Weigand (participated as public)
Denis Bilodeau

CONSENT CALENDAR (ITEMS NO. 1-3)

The Consent Calendar was approved upon motion by Director Green, seconded by Director Jung, and carried [5-0] as follows:

Ayes: Meeks, Jung, Yoh, Green, Amezcua

1. Meeting Minutes

The Minutes of the Property Management Committee meeting held June 26, 2025 were approved as presented.

2. Amendment to Duck Hunting Lease with Prado Basin Duck Club

Recommended for approval at July 1 Board meeting: Approve and authorize execution of Amendment Twenty-One to the lease with Prado Basin Duck Club to extend the duck hunting concession on District property in the Prado Basin for the 2026-27 season, with a new expiration date of June 30, 2027.

3. Amendment to Duck Hunting Lease with Elaine Raahauge D.B.A. Mike Raahauge's Shooting Enterprises

Recommended for approval at July 1 Board meeting: Approve and authorize execution of Amendment Twenty-Five to Lease with Elaine Raahauge, d.b.a. Mike Raahauge Shooting Enterprises to extend the duck hunting concession on District property in the Prado Basin for the 2026-27 season, with a new expiration date of June 30, 2027.

INFORMATIONAL ITEMS

4. Wireless Program Overview and Potential Reinitiation of Services (ATS Communications)

Property Manager Daniel Park reported that in 2006 the District was represented by ATS Communications (ATS) to provide consulting services for unmanned wireless facilities on District property. He advised that the agreement with SCE/T-Mobile Communications Site License Agreement is expiring in November 2027. Mr. Tony Ingegneri from ATS Communications was present to update the committee on their updated service model, current wireless industry practices, consultant roles and potential options for supporting the upcoming SCE/T-Mobile renewal and future program needs.

5. Status Update on Planning of In-Place Remediation for the Prado Lead Remediation Project

Senior Planner Kevin O'Toole provided an update on the progress that has been made on the project. He stated there are three reports or documents that are currently in progress: The Remedial Action Plan (RAP), the California Environmental Quality Act (CEQA) document, and the engineering design drawings. He shared that the RAP was submitted to Department of Toxic Substances Control (DTSC) in April for review and conditional approval. He noted that once DTSC approves the RAP, both the RAP and CEQA documents will be made available for public comment together. Mr. O'Toole reported that the engineering design is also near completion and anticipated to be finalized in July.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 12:25 p.m.

Natalie Meeks, Vice Chair

AGENDA ITEM SUBMITTAL

Meeting Date: July 24, 2026

To: Property Management Committee
Board of Directors

From: John Kennedy

Staff Contact: C. Olsen/D. Park

Budgeted: N/A

Budgeted Amount: N/A

Estimated Revenue: \$324,000 (3 years)

Funding Source: N/A

Program/ Line Item No. N/A

General Counsel Approval: Yes

Engineers/Feasibility Report: N/A

CEQA Compliance: N/A

**Subject: REQUEST BY CORONA RECREATION FOR SUBLEASE WITH
OUTSOURCE UTILITY CONTRACTOR, LLC AT ANAHEIM LAKE**

SUMMARY

Corona Recreation, Inc. (Lessee) has requested District consent to a sublease with Outsource Utility Contractor, LLC (Outsource) for use of approximately 1.3 acres at the Anaheim Lake facility. Outsource is an experienced civil and utility contractor performing ongoing work with the City of Anaheim and seeks to establish a construction yard to support regional public works and utility infrastructure projects. The proposed sublease area consists of two adjacent parcels totaling 1.3 acres and would be used for equipment storage, vehicle staging, materials, tools, and operational support activities.

Attachment(s):

1. Letter of Intent from Outsource dated June 19, 2026
2. Proposed Sublease Agreement between Corona Recreation and Outsource

RECOMMENDATION

Agendize for August 5 Board meeting: Authorize the General Manager to negotiate and execute a Lease Amendment with Corona Recreation to include approximately 1.3 acres of additional land at Anaheim Lake as part of the Alternate Premises and approve a Consent to Sublease allowing Corona Recreation to sublease such property to Outsource Utility Contractor, LLC, with rent shared 50/50 between the District and Corona Recreation.

BACKGROUND/ANALYSIS

Corona Recreation, Inc. operates a fishing concession at the District's Warner Basin facility and is permitted to use portions of Anaheim Lake as alternate premises during District maintenance activities. Over the years, the District has consented to several subleases at Anaheim Lake for temporary parking or light-duty yard uses, including prior arrangements with Manheim Auctions and D.G. Performance Specialties. These prior subleases have since terminated.

Corona Recreation now requests District consent to a new sublease with Outsource Utility Contractor, LLC, an established utility contractor specializing in civil infrastructure construction, maintenance, and installation. Outsource performs ongoing work with the City of Anaheim and seeks to establish a strategically located construction yard to support current and future public works projects. The proposed sublease includes two separate

lease areas totaling approximately 1.3 acres, located along the southeast portion of Anaheim Lake.

Outsource proposes a three-year term at \$18,000 per month, with an option to extend for an additional two years upon mutual agreement. All improvements including grading, fencing, surfacing, lighting, utility connections, security measures, and environmental controls will be completed at Outsource's sole expense, with no reimbursement, rent credits, or offsets requested from the District.

Outsource will obtain and maintain all required insurance naming the District as an additional insured and comply with all applicable federal, state, and local regulations, including environmental, stormwater, hazardous materials, and OSHA requirements.

The City of Anaheim maintains a 10-foot pipeline easement on portions of District property around Anaheim Lake and accesses its facilities through gates adjacent to the proposed sublease area. Outsource will be required to clear the gate and pipeline easement when the District notifies them that the City needs access for its facilities or pipeline work.

District staff has reviewed this use and has no objections.

Staff has reviewed the proposed terms of the Sublease provided by Corona Recreation and Outsource and propose the following general terms:

LEASE AMENDMENT AND CONSENT TO SUBLEASE

Lease Amendment	Adds approximately 1.3 acres to Anaheim Lake Alternate Premises for sublease use
Sublease Term	3 years, with 2-year extension option upon mutual agreement
Termination	Upon 90-days written notice by OCWD, Corona Recreation, and/or Outsource
Rent	\$18,000 per month, shared 50% to OCWD and 50% to Corona Recreation
Use	Construction yard for equipment, vehicles, materials, tools, and operational support
Improvements	All improvements at Outsource's sole cost; no reimbursement or rent credits. Outsource shall be required to secure the property with commercial fence (chain link) or the like.
Site Controls	Outsource responsible for dust control, traffic control, and preventing sediment tracking outside authorized areas
Permitting and Water Use	Outsource must obtain any required haul or related permits; no use of OCWD water for construction or operations

Insurance and Environmental Clearance	Insurance must meet Lease requirements and name OCWD as an additional insured; any grading or vegetation disturbance requires prior OCWD authorization, including clearance from OCWD biologists
Ingress/Egress	Gate off of Miraloma Ave that bisects Lease Area 2
City Access	Outsource will be required to clear the gate and pipeline easement when the District notifies them that the City needs access for its facilities or pipeline work
Additional Conditions	All Lease terms apply to the Sublessee; Lease terms control over any conflicting sublease language. Lessee and Sublessee are jointly responsible for compliance, and OCWD may seek redress from either or both parties.

PRIOR RELEVANT BOARD ACTIONS

3/18/2026, R26-3-42, Approval of Amendment Eleven to Lease which allows for the extension of the term of the Lease for an additional five years, extending the Lease expiration date to September 30, 2031.

10/15/2025, R25-10-178, Approve Rent Credit for tree trimming at Warner Basin not to exceed \$27,000 as reimbursement for tree trimming services retained by Corona Recreation; and Authorize the General Manager to approve future tree trimming requests at their discretion.

5/15/2024, R24-5-58, Authorizing Amendment Ten to Lease Agreement with Corona Recreation, Inc. to expand radio control electric car track at Warner Basin

11/15/2023, R23-113, Approve Rent Credit to Corona Recreation, Inc. for tree trimming at Warner Basin not to exceed \$27,000 as reimbursement for tree trimming services retained by Corona Recreation

2/16/22, R22-2-14, Approve Rent Credit to Corona Recreation, Inc. for tree trimming at Warner Basin not to exceed \$19,000 as reimbursement for tree trimming services retained by Corona Recreation;

9/15/21, R21-9-136, Authorizing Amendment Nine to Lease Agreement with Corona Recreation, Inc. to extend the term of the Lease for an additional five years;

2/3/21, R21-2-14, Authorizing Amendment Eight to Lease Agreement with Corona Recreation, Inc. to include operation of a radio control electric car dirt track at Warner Basin

2/3/21, R21-2-12, Approving parking sublease by Corona Recreation with Asplundh, Inc. at Anaheim Lake

8/5/20, R20-8-99, Approve Rent Credit to Corona Recreation, Inc. for tree trimming at Warner Basin;

10/3/18, R18-10-133, Approve Amendment Seven to Lease with Corona Recreation revising Premises to exclude the additional land for parking spaces, removing the sublease for parking as a Use of Premises and eliminating the La Palma Parking Lot Rent;

10/4/17, R17-10-125, Approve Amendment Six to Lease with Corona Recreation consenting to Amendment One of Parking Agreement with D.G. Performance Specialties, Inc. reducing parking spaces from 14 to 7 spaces and reducing the parking premises from 14 to 7 spaces;

7/20/16, R16-7-95, Consent to Second Amendment to Parking Sublease with Manheim Auctions, Inc. at Anaheim Lake on Wednesdays at a rental rate of \$1,100 for each day of parking, with 50% of the rent to be paid to OCWD;

2/3/16, R16-2-12, Approving Amendment Five to Lease with Corona Recreation to exclude the sale of goods sold at Lessee's cost to Lessee's employees from Gross Receipts

5/20/15, R15-5-58 Approved Amendment Four to Lease with Corona Recreation for consent to Parking Sublease that amends the Lease Premises to include an additional area for the parking of 14 vehicles at Warner Basin by Sublessee D. G. Performance Specialties, Inc.

10/1/14, R14-10-130 Approve Amendment Three to Lease Agreement with Corona Recreation, Inc. for operations at Warner Basin and Anaheim Lake to revise monthly rent to \$6,200 or 5% of Gross Receipts, whichever is greater.

9/3/14, R14-9-00, Direct staff to negotiate a revised lease with Corona Recreation, Inc.

6/4/14, R14-6-77, Approve Amendment Two to Lease to Corona Recreation Inc. for Parking Lot Sublease with Manheim Auctions Inc. at Anaheim Lake to increase days of parking from Wednesday only to Tuesday, Wednesday, and Thursday of each week.

4/17/13, R13-4-42, Approve Amendment to Lease with Corona Recreation providing for a reduction of the rent to 5% of the gross revenues for the fishing concession through September 2014.

9/5/12, R12-9-107, Approve Consent to Parking Lease with Corona Recreation and Manheim Auctions Incorporated for rental of parking lot at Anaheim Lake.

1/16/08, R08-1-20, Approve Amendment One to Lease and consent to Parking Sublease with Corona Recreation, Inc. for sublease of existing and additional parking areas at Anaheim Lake (*Note: Lessee opted out of Amendment*).

9/20/06, R06-09-123, Approve lease to operate a fishing concession at Warner Basin and Anaheim Lake; approving lease of house at Anaheim Lake; and consent to parking lot sublease with California Automobile Dealers Association at Anaheim Lake.

LOCATION MAP- ANAHEIM LAKE Alternate Premises and Sublease Area



-  Access Points
-  Corona Recreation Alternate Premises
-  Outsource Lease Area 1 (0.86 acre)
-  Outsource Lease Area 2 (0.44 acre)
-  Parking Area

SOURCE: OCWD (07/2026); Esri (2026)

EXHIBIT "B"
Plat of Alternate Premises



June 19, 2026

Dear Corona Recreation Representatives:

Outsource Utility Contractor, LLC respectfully submits this Letter of Intent ("LOI") to express our interest in leasing certain parcels of land located near Anaheim Lake in Anaheim, California (**33°51'45.1"N 117°50'37.2"W**) for the purpose of establishing and operating a construction yard in support of our existing and future utility and civil infrastructure projects throughout Orange County.

Outsource Utility Contractor, LLC is an experienced utility contractor specializing in the construction, maintenance, and installation of utility infrastructure. The proposed construction yard would be utilized for the storage of equipment, vehicles, materials, tools, and operational support activities associated with our current and future projects.

We currently perform civil utility construction work with the City of Anaheim and maintain an active contractual relationship supporting local infrastructure improvements. Establishing a construction yard at the proposed location would provide a strategically located operational base to support ongoing and future public works and utility projects throughout the area. The proposed yard would improve operational efficiency, reduce equipment and material transportation times, enhance emergency response capabilities for utility-related work, and support the continued employment of local skilled trades personnel. We believe this use aligns with the public interest by facilitating the timely delivery of critical infrastructure improvements and maintenance services that benefit the residents and businesses served throughout the region.

We propose an initial lease term of **three (3) years at \$18,000 a month**, with an option to extend an additional 2 years upon mutual agreement of the parties. During the lease term, Outsource Utility Contractor, LLC will be solely responsible for establishing and maintaining a safe, functional, and professionally managed construction yard.

Outsource Utility Contractor acknowledges that the property may require certain improvements or modifications to accommodate our operational needs. Such improvements may include, but are not limited to, grading, fencing, surfacing, utility connections, lighting, security measures, temporary structures, permitting, environmental controls, and other site enhancements necessary for the operation of a construction yard. We expressly agree that all such improvements, modifications, and associated costs shall be undertaken at our sole expense.

Furthermore, Outsource Utility Contractor expressly acknowledges and agrees that it shall not seek compensation, reimbursement, rent credits, offsets, financial assistance, or any other form of recovery from the Municipal Water District of Orange County for any expenditures, improvements, site work, maintenance, operational costs, or investments made in connection with the leased premises. All improvements and investments made by Outsource Utility



Contractor, LLC shall be considered part of our business operations and undertaken at our own risk and expense.

We further agree to obtain and maintain all insurance coverage required under the final lease agreement, including but not limited to general liability, workers' compensation, and any other coverage reasonably required by the Municipal Water District of Orange County. Proof of insurance and endorsements naming the District as an additional insured will be provided as required.

In addition, Outsource Utility Contractor, LLC will comply with all applicable federal, state, and local laws, regulations, permits, and ordinances governing the use of the property. We are committed to operating the site in a manner that prioritizes environmental stewardship, public safety, workplace safety, and regulatory compliance. This includes compliance with all applicable environmental regulations, stormwater requirements, hazardous material handling standards, OSHA regulations, and any site-specific requirements established by the Municipal Water District of Orange County.

Our intent is to establish a cooperative and mutually beneficial lease relationship while ensuring that the District bears no responsibility for the development, operation, maintenance, or improvement of the site beyond its role as landlord. Outsource Utility Contractor, LLC is committed to maintaining the premises in a clean, orderly, and secure condition throughout the lease term and restoring the property in accordance with the requirements of the final lease agreement.

We appreciate your consideration of this proposal and look forward to discussing the opportunity further. Please do not hesitate to contact us should you require additional information regarding our qualifications, operations, or proposed use of the property.

Sincerely,

Jason Besch

Operations Manager

(714) 812 – 2245

jbesch@outsourceuucc.com

OUTSOURCE UTILITY CONTRACTOR, LLC

Outsource Utility Contractor, LLC - Parking/Storage Lease

Lessor / Master Lease Holder - Corona Recreation, Inc.

Real Property Owner - Orange County Water District

Sub-Lessee of Area #1 and Area #2 (below) – Outsource Utility Contractor, LLC

Received from **Outsource Utility Contractor, LLC**, Sub-Lessee, the sum of \$2000.00, receipt of which is acknowledged by Corona Recreation Inc., the Lessor, as deposit to be applied to the first month rental upon acceptance of this Lease, upon the following terms and conditions: In the event this lease is not consummated, said deposit will be returned to Outsource Utility Contractor, LLC.

1. Leased Premises: Lease Area #1 and Lease Area #2: That specific parking lot area, of Anaheim Lake, located 3441 Miraloma Avenue, Anaheim, California 92806, approximately 1.3+/- acres and more specifically delineated on Exhibit A, made a part hereof.

2. Term: The term shall commence on or about _____, 2026, or the date this lease is signed by the Lessor and Sub-Lessee, which ever date is soonest and continue for an initial period of 3 years, with an option to extend an additional 2 years upon mutual agreement of the parties. Lessor, Sub-Lessee and or Orange County Water District, each, reserve the right to terminate said Lease, with or without cause, upon 90 days written notice.

3. Rental: The monthly rental, payable to Lessor in advance on the first day of each month, shall be \$18,000.00, gross. The rental will be considered delinquent 15 days after due date and be subject to a 6% late charge fee. Lessor shall pay one half of said rental fee to Orange County Water District upon receipt. Rental will be adjusted, beginning after the initial term of 3 years, at the first option period, annually, based upon any increase, or decrease in the Consumer Price Index for all Urban Consumers (CPI) Los Angeles-Long Beach Anaheim, CA. (copy attached) The base period for calculation will be the most recently published Index of June 2026. In the event the CPI, stated above, is no longer available, the index most closely resembling the CPI index will be utilized in substitution.

4. Services and Utilities: Sub-Lessee to be responsible for the payment of all utilities to the leased parcel and will obtain any permits required for the installation of said utilities.

5. Improvements: Sub-Lessee at its sole expense shall secure the leased property with commercial chain link or similar fencing to secure Sub-Lessee's stored vehicles and equipment. In addition, Outsource Utility Contractor, LLC will comply with all applicable federal, state, and local laws, regulations, permits, and ordinances governing the use of the property. We are committed to operating the site in a manner that prioritizes environmental stewardship, public safety, workplace safety, and regulatory compliance. This includes compliance with all applicable environmental regulations, storm water requirements, hazardous material handling

standards, OSHA regulations, and any site-specific requirements established by the Municipal Water District of Orange County.

6. Use: Sub-Lessee will use the property as a light duty construction yard for the storage of commercial autos, work trucks, construction equipment, and trailer/office to coordinate storage activities, for the jobs in which the Sub-Lessee is involved. No trailer or hauling vehicle capable of holding trash or landscaping debris shall be parked on the premises.

7. Insurance: Lessor and Orange County Water District will be each named as additional insured by Sub-Lessee with minimum coverage of \$5,000,000.00 public liability, property damage and Sub-Lessee's legal fire liability insurance, upon tasking occupancy of said premises or be provided in the manner required by the Lease, as amended. Sub-Lessee will provide Lessor and Orange County Water District with a Certificate of insurance and provide for a ten-day written notice to Lessor in the event of cancellation of coverage. Sub-Lessee is informed that Lessor does not carry insurance to cover damage or loss to Sub-Lessee's inventory, equipment, trade fixtures, records, furnishings or other forms of personal and business property, owned or leased by Sub-Lessee or Sub-Lessee's Customers, Employees or Invites.

8. Indemnification of Lessor: Lessor and Orange County Water District will not be liable for any damage, injury or loss of income to Sub-Lessee, or any other person, or to any property, occurring on the leased premises or any part thereof, as a result of Sub-Lessee's presence or business activities on the premises, including Lease termination by Lessor. Sub-Lessee agrees to hold Lessor and Orange County Water District harmless and defend Lessor and Orange County Water District from any and all causes of action, property damage and personal injury that might arise as a result of Sub-Lessee's use and utilization of the parking area as described in paragraph 1 above.

9. Security: Sub-Lessee will provide employees and or security personnel, as necessary, to monitor, direct and secure the utilization of the parking areas, described in paragraph 1 above.

10. Damage to the premises: Sub-Lessee will pay for any and all damage to the leased premises, including any hazardous material spill or spills of oil products, gasoline, antifreeze, or other hazardous substances, occasioned as a result of Sub-Lessee's use and utilization of the leased premises. Employees will monitor all vehicles and equipment utilizing the property to ensure there are no vehicles or equipment leaking oil products, acids, gasoline, or antifreeze onto the property. Should such evidence of leakage be discovered, Sub-Lessee will either remove the vehicle/equipment from the premises or temporarily place pans under the vehicle/equipment to contain any spillage. Should accidental spillage occur, the spillage will be immediately cleaned and safely removed from the premises. Security personnel or employees will ensure that persons utilizing the property will not litter the premises and will properly dispose of all litter and debris in trash and or recyclable containers provided by the Sub-Lessee.

11. Notifications: Sub-Lessee is informed, that Orange County Water District is the real property owner of the premises described in Paragraph 1 above and is required to drain and clean Anaheim Lake from time to time. When this or other maintenance requirements occur, all or substantial portions of Anaheim Lake may not be available to Sub-Lessee for parking of its equipment. Sub-Lessee will be given 30-day notice of such non-availability, the length of such non-availability, and the extent of the property involved in the non-availability areas. Although this non-availability will probably not affect the area designated in paragraph 1 above, Sub-Lessee must be aware of such possibility that it could occur. Sub-Lessee's rental will be adjusted to reflect any non-availability of all or substantial portions of the above-described parcel. In the event such non-availability of parking occurs, Lessor and Orange County Water District will try to the best of their ability to provide an alternate storage space until Sub-Lessee's space is again available. Lessor and Orange County Water District, however, make no guarantees that alternate parking space will be available at any given future time.

12. Additional Conditions: Applicable terms of the Lease shall be applicable to Sub-lessee as the "Lessee" named in the Lease, as amended. If there exists any conflict of language or terms between the Lease, as amended, and the Sublease, the terms of the Lease, as amended, shall take precedence over the Sublease. Lessor and Sub-lessee to be liable to Orange County Water District for any failure of Sub-lessee to abide by the terms and conditions of the Lease, as amended, and the Sublease, and the District may seek redress for breach from Lessor, Sub-lessee, or both.

Agreed:

Outsource Utility Contractor, LLC

By _____ Date _____

Jason Besch, Operations Manager
(714) 812-2245
jbesch@outsourcucc.com

Corona Recreation, Inc.

By _____ Date _____

Douglas Elliott, President
(714) 812-7513
doug@douglaselliott.com

Orange County Water District

By _____ Date _____

Exhibit "A"



Table A. Los Angeles-Long Beach-Anaheim, CA, CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2022		2023		2024		2025		2026	
	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month
January	1.1	7.5	1.9	5.8	1.0	2.5	0.9	3.3	0.9	3.0
February	0.3	7.4	-0.3	5.1	0.5	3.4	0.3	3.1	0.2	2.9
March	1.5	8.5	0.1	3.7	0.7	4.0	0.7	3.0	1.1	3.4
April	0.5	7.9	0.7	3.8	0.6	3.9	0.6	3.0	0.8	3.7
May	0.8	8.0	0.1	3.2	0.1	3.9	0.1	3.0	0.0	3.6
June	1.1	8.6	0.5	2.5	-0.2	3.2	0.0	3.2	-0.3	3.3
July	-0.2	7.7	0.0	2.7	0.2	3.4	0.2	3.2		
August	0.1	7.6	0.7	3.3	0.1	2.9	0.3	3.3		
September	0.5	7.8	0.3	3.2	0.2	2.8	0.4	3.5		
October	0.6	7.5	-0.1	2.4	0.0	3.0	-	-		
November	-0.8	6.0	-0.4	2.8	-0.2	3.2	-	3.6		
December	-0.6	4.9	0.0	3.5	0.2	3.4	-0.3	3.0		

Note: The October 2025 data values are not available due to the 2025 lapse in appropriations

AGENDA ITEM SUBMITTAL

Meeting Date: July 24, 2026

To: Property Management Committee
Board of Directors

From: John Kennedy

Staff Contact: A. Waite

Budgeted: Yes

Budgeted Amount: \$1,100,000

Cost Estimate: \$30,000

Funding Source: General Fund

Program/ Line Item No. 1070.57016.2039

General Counsel Approval: Yes

Engineers/Feasibility Report: No

CEQA Compliance: EIR

**Subject: AUTHORIZE LICENSE AGREEMENT WITH OCFCD FOR THE PRADO
BASIN SHORT-TERM SEDIMENT REMOVAL COMPLIANCE PROJECT**

SUMMARY

To facilitate the District's Prado Basin Short-Term Sediment Removal Compliance Project, use of properties owned by the Orange County Flood Control District (OCFCD) within Prado Basin are required for short-term sediment stockpiling and haul road access. A license agreement between OCFCD and the District is necessary to allow these uses. Staff recommends authorizing a 10-year license agreement with OCFCD for \$30,000 for temporary sediment stockpiling and haul road access on OCFCD properties within Prado Basin.

Attachment: OCFCD License Agreement for Prado Basin Sediment Removal Project

RECOMMENDATION

Agendize for August 5 Board meeting: Authorize 10-year license agreement with Orange County Flood Control District for a license fee of \$30,000 to facilitate the Prado Basin Short-Term Sediment Removal Compliance Project.

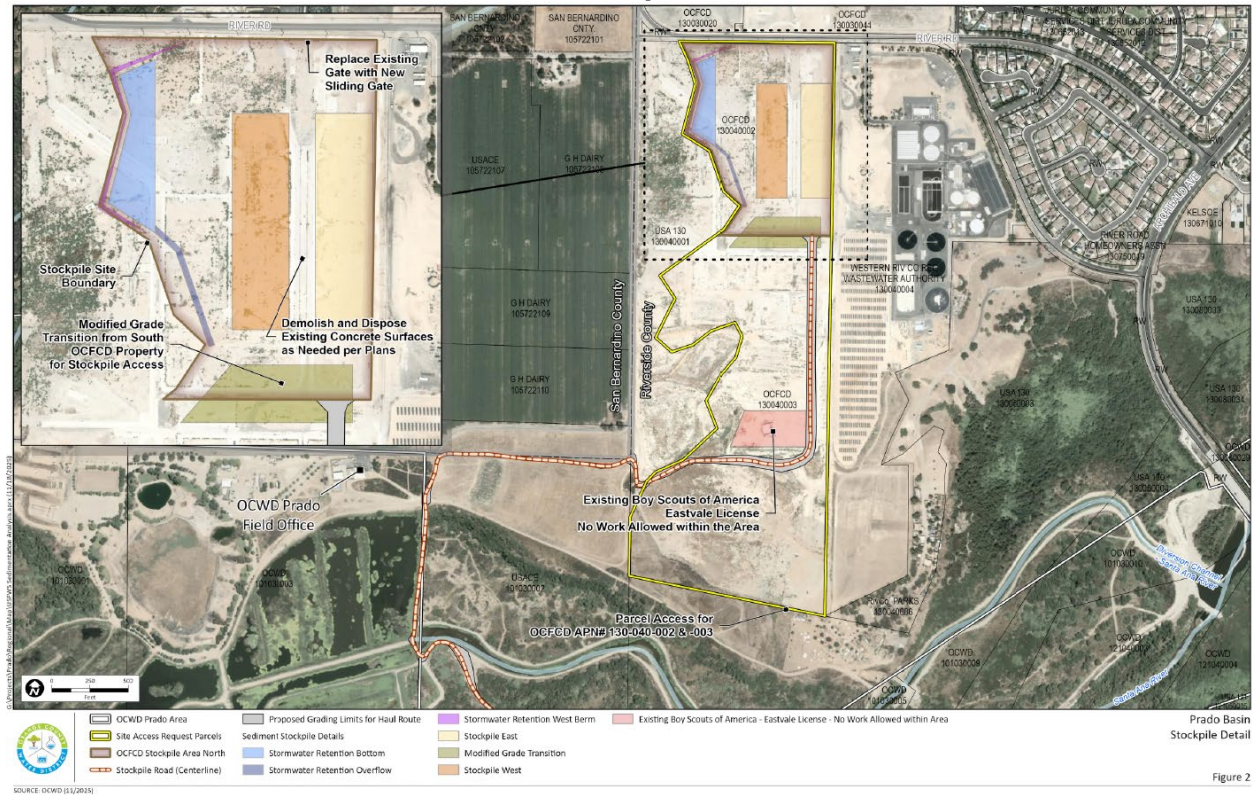
DISCUSSION/ANALYSIS

The Prado Basin Short-Term Sediment Removal Compliance Project (Project) represents the first phase in meeting the District's obligation to the United States Fish and Wildlife Service to remove 250,000 cubic yards of sediment from within Prado Basin. The goal of the project is to remove the sediment from the Santa Ana River alignment over a five-year period and stockpile the material so that it is available to beneficial users, such as Orange County Transit Authority, year-round.

The first phase of the Project includes improvements to an existing haul road that partially traverses US Army Corps of Engineers (Corps) property in Prado Basin, development of a haul road on property owned by the Orange County Flood Control District (OCFCD), preparation of a stockpile site on property owned by OCFCD, excavation of 100,000 cubic yards of sediment from the existing sand trap constructed in 2020 and stockpiling the material on OCFCD in an accessible area. A figure of the

short-term sediment removal project approach indicating the haul road and stockpile locations are shown in Figure 1.

Figure 1: Prado Basin Short-Term Sediment Removal Compliance Project: Access Road and Stockpile Locations



The proposed stockpile location is located on OCFCD property, Parcel No. 130040002, and sediment will be hauled through an OCFCD property south of the stockpile location, Parcel No. 130040003. A temporary dirt access road would be established between the two parcels terminating at River Road. Both properties are located in Riverside County. The existing properties are former dairies, and both properties are relatively undeveloped with minor structural improvements.

A license agreement is required between OCFCD and the District before the District can utilize these properties for the Project. Staff have negotiated a 10-year license agreement with OCFCD for a lump sum license fee of \$30,000. As part of the terms of the agreement, the District would be responsible for maintaining both properties year-round for site access, security, dust control, and other maintenance requirements as agreed to by the District and OCFCD. Once the District meets the 250,000 cubic yard sediment removal obligation and the sediment stockpile has been depleted by others, the District would restore the properties to existing conditions, as approved by OCFCD. Staff recommends authorizing a 10-year license agreement with OCFCD for \$30,000 for temporary sediment stockpiling and haul road access on OCFCD properties within Prado Basin.

PRIOR RELEVANT BOARD ACTIONS

9/17/25, R25-9-158: Reject Bids for Contract No. PB-2025-1 Prado Basin Short Term Sediment Removal Compliance Project – Phase I.

6/18/25, R25-6-105: Authorize publication of Notice Inviting Bids for Contract No. PB-2025-1, Prado Basin Short-Term Compliance Sediment Removal Project – Phase I; authorize issuance of a Request for Proposals for Construction Management Services for the Prado Basin Short-Term Compliance Sediment Removal Project – Phase I; and approve Amendment to Agreement with Scheevel Engineering to implement a sediment removal monitoring program.

2/19/25, R25-2-23: Approve Amendment to Agreement with Scheevel Engineering to Assist in the Sediment Management Plan Development and Long-Term Planning Needs for Sediment Removal within the Prado Basin

7/3/24, R24-7-77: Approve Agreement with Scheevel Engineering to assist in the sediment management plan development and long-term planning needs for sediment removal within the Prado Basin.

3/15/23, R23-32: Approve Master Sediment Removal Agreement that can be executed by the General Manager with individual contractors for sediment removal at no cost to the District, subject to review as to form and content by the District's General Counsel.

3/17/21, R21-3-41: Accepting Completion of Contract No. PB-2020-1, Prado Basin SMDP excavation and dredging (CJW Construction, Inc) and authorizing Issuance of Agreement to Endemic Environmental Services, Inc.



Project Name: OCWD - Prado Basin Sediment Removal Project
Location: Prado Basin Near River Road
Licensee: Orange County Water District

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (“**License**”) is made and entered into on _____, 2026 (“**Effective Date**”), by and between ORANGE COUNTY WATER DISTRICT, a political subdivision of the State of California organized under Chapter 924 of the Statutes of 1933 as amended, (hereinafter referred to as “**Licensee**”) and the ORANGE COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic (hereinafter referred to as the “**District**” or “**Licensors**”). District and Licensee may sometimes hereinafter be referred to individually as “**Party**” or jointly as “**Parties**.”

1. DEFINITIONS (SRLic-1.0 S)

The following words in this License shall have the significance attached to them in this Clause 1 (DEFINITIONS), unless otherwise apparent from context:

“**Auditor-Controller**” means the Auditor-Controller, County of Orange, or designee, or upon written notice to Licensee, such other person or entity as shall be designated by the Board of Supervisors.

“**Board of Supervisors**” means the Board of Supervisors of the Orange County Flood Control District.

“**CEO/Office of Risk Management**” means the Risk Manager, County Executive Office, Risk Management, County of Orange, or designee, or upon written notice to Licensee, such other person or entity as shall be designated by the County Executive Officer or the Board of Supervisors.

“**Channel Facility**” means District’s flood control facility commonly referred to as the Prado Basin.

“**Chief Real Estate Officer**” means the Chief Real Estate Officer, County Executive Office, Real Estate Section, County of Orange, or upon written notice to Licensee, such other person as shall be designated by the County Executive Officer.

“**County**” means the County of Orange, a political subdivision of the State of California.

“**County Executive Officer**” means the County Executive Officer, County Executive Office, County of Orange, or designee, or upon written notice to Licensee, such other person or entity as shall be designated by the Board of Supervisors.

“**CPP**” means the County Permit Process either online (<https://myocservices.ocgov.com>) or through Orange County Public Works Property Permit Department located at 601 N. Ross Street, Santa Ana, CA 92701.

“**Director**” means Orange County’s Director, OC Public Works, or designee.

2. LICENSE AREA (SRLic-1.1 S)

District grants to Licensee the non-exclusive rights to use the stockpile road and the stockpile area surface of that certain property hereinafter referred to as “**License Areas**,” shown on Exhibit A, which exhibit is attached hereto and by reference made a part hereof. This right also includes reasonable and non-exclusive rights to access the License Area.

3. USE (SRLic-1.2 S)

Licensee's use of the License Area shall be limited to access to the License Areas and the stockpiling of sediment as needed to complete sediment removal within the Prado Basin. Licensee will make certain improvements (“**Licensee Improvements**”) to the License area as identified in Exhibit C which exhibit is attached hereto and by reference made a part hereof. Licensee will store certain equipment and vehicles on the site (“**Licensee Facilities**”) as identified in Exhibit D which exhibit is attached hereto and by reference made a part hereof are permitted under this license solely within those areas depicted on Exhibit A, compiled from the CPP-issued Permit No. FE25-0179.

Licensee agrees not to use the License Area for any other purpose nor to engage in or permit any other activity within or from the License Area. Licensee further agrees not to conduct or permit to be conducted any public or private nuisance in, on, or from the License Area, not to commit or permit to be committed waste on the License Area, and to comply with all governmental laws and regulations in connection with its use of the License Area.

Licensee agrees to ensure that any and all conditions in the above-mentioned permit are met and followed at all times.

Licensee agrees not to use the License Area for any purpose, nor to engage in or permit any other activity within or from the License Area, other than those uses set forth herein.

Licensee shall restrict vehicular speeds on and over District access roads to a maximum speed of **ten (10) miles per hour**. Licensee shall not impede, cause to be impeded, or allow to be impeded, the License Area or District's access including but not limited to the parking of vehicles or the depositing of any personal property, unless explicitly granted permission by giving at least twenty-four (24) hours advance notice to County's OC Public Works/OC Operation and Maintenance department at 714-955-0200. Any vehicles and/or equipment parked or placed on the License Area in violation of the terms hereof, may be towed or removed at Licensee's expense, at the sole discretion of the Director, and without prior notice to Licensee. Licensee acknowledges that vehicular access over the License Area is prohibited during heavy rainstorm conditions, when inundated or surface soils are wet enough to result in damage to the License Area. When surface soils are wet enough to result in damage to the License Area with vehicular access, Licensee's access will be limited to pedestrian access only. In cases when the License Area surface soil becomes wet enough to result in damage with vehicular access, authorized vehicular access shall not resume until the License Area is sufficiently dry to permit vehicular access without damage to the License Area.

Licensee shall take due care to prevent unauthorized parties from accessing the District property, including but not limited to, immediately locking any gated entry upon entering or exiting the License Area. To the extent within the reasonable control of Licensee, Licensee further agrees not to conduct or permit to be conducted any public or private nuisance, or permit to be committed any waste in, on or from the License Area.

Licensee shall, at its own cost and expense, promptly and at all times observe, comply with and carry out all present and future orders, regulations, directions, rules, laws, ordinances, permits and requirements of all governmental authorities, including but not limited to the Santa Ana Regional Water Quality Control Board and other environmental regulatory authorities, with jurisdiction in, on, over and about the License Area, which arise from Licensee's use of or performance of any activities permitted to be conducted in, on, over, or across the License Area. In addition, Licensee agrees its compliance with all governmental laws and regulations in connection with Licensee's use of the License Area shall be subject to all terms and conditions set forth in this License. Licensee acknowledges that District has no duty whatsoever with respect to any regulatory water quality obligation that Licensee Facilities may satisfy, and any noticing, clearances, or approvals that may be required by any regulatory authority, including but not limited to the Santa Ana Regional Water Quality Control Board with respect to the provisional nature of this License, or any removal or modification or relocation of Licensee Facilities shall be Licensee's sole responsibility.

NO ALCOHOL, TOBACCO, OR MARIJUANA PRODUCTS SHALL BE SOLD FROM OR CONSUMED WITHIN THE LICENSE AREA. DRINKING ALCOHOLIC BEVERAGES AND SMOKING OF ANY KIND IS PROHIBITED INSIDE ANY BUILDING WITHIN THE LICENSE AREA.

4. DISTRICT'S USE RESERVATIONS AND RIGHT OF ENTRY (1.3 S)

Licensee acknowledges and understands that the License Area lies within an area required for improvements and operation related to a flood control area which are an integral part of a flood control and water conservation system that District operates to fulfill its primary function of protecting life and property. District reserves the right for itself, from time to time, without unreasonable interference, to access, enter and use the License Area. All rights reserved to the District in this Lease shall be exercised by District at its sole and absolute discretion. Use of the License Area by Licensee shall be at all times subordinate to use by the District for activities related to flood control or water conservation, including potential flooding of License Area. Licensee shall cooperate with District and or any of the person or entity acting for, on behalf of or cooperating with the District, during scheduled operations or unanticipated events that require access to the License Area. District shall make best efforts to plan and notify Licensee in advance of its intent to access the License Area. No action by District in exercise of its flood control and water conservation purposes shall be a basis for claim by Licensee of damage, expense, loss, or liability of any kind or nature. Licensee waives all claims and recourse against District, including the right of contribution for loss or damage of persons or property arising from growing out of or in any way connected with this Lease, including each and every type of damage caused by flooding, erosion, closures, or otherwise to the License Area that may result from the District's flood control facilities, work in, on or near the License Area, except claims arising from the concurrent active or sole negligence of the District.

5. PARKING (SRLic-1.4 S) – *Intentionally Omitted*

6. TERMINATION OF PRIOR AGREEMENTS (SRLic-1.5 S) – *Intentionally Omitted*

7. TERM (SRLic-1.6 S)

This License shall become effective on the first day of the first full calendar month following the Effective Date first written above ("Commencement Date") and shall continue in effect for ten (10) years, ("**Term**") unless sooner terminated in accordance with Clause 8 (TERMINATION) of this License.

8. TERMINATION (SRLic-1.7 S)

This License shall be revocable by either District or Licensee at any time with ninety (90) days' written notice to the non-terminating Party prior to the termination date.

9. USE FEE (LC2.1N)

Licensee agrees to make a one-time lump sum payment of thirty thousand dollars (\$30,000) for the entire term of this License ("License Fee"). To the extent this License is terminated prior to the expiration of the License, the License, District shall prorate and refund any unused portion of the Use Fee.

10. PAYMENT PROCEDURE (SRLic-1.9 S)

The Use Fee shall be paid within 15 business days of the full execution of this document ("Due Date") and delivered to the Orange County Treasurer- c/o CEO Real Estate, 400 West Civic Center Drive, 5th Floor, Santa Ana CA, 92701. The designated place of payment may be changed at any time by the Director upon (10) ten days' written notice to LICENSEE. Use Fees may be made by check payable to Orange County Flood Control District.

Please add the following to the Memo Line of the check: **OCWD – Prado Basin Sediment Removal Project.**

All sums due under this License shall be paid in lawful money of the United States of America, without offset or deduction or prior notice or demand. No payment by Licensee or receipt by District of a lesser amount than the payment due shall be deemed to be other than on account of the payment due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and District shall accept such check or payment without prejudice to District's right to recover the balance of said payment or pursue any other remedy in this License.

11. CHARGE FOR LATE PAYMENT (SRLic-2.0 S)

Licensee hereby acknowledges that late payment of sums due hereunder will cause District to incur costs not contemplated by this License, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, costs such as administrative processing of delinquent notices, increased accounting costs, etc.

Accordingly, if any payment pursuant to this License is not received by District by the due date, a late charge of 1.5% of the payment due and unpaid plus one hundred dollars (\$100) shall be added to the payment, and the total sum shall become immediately due and payable to District. An additional charge of 1.5% of said payment, excluding late charges, shall be added for each additional month that said payment remains unpaid.

Licensee and District hereby agree that such late charges represent a fair and reasonable estimate of the costs that District will incur because of Licensee's late payment.

Acceptance of such late charges (and/or any portion of the overdue payment) by District shall in no event constitute a waiver of Licensee's default with respect to such overdue payment, nor act as a legal bar or otherwise prevent District from exercising any of the other rights and remedies granted hereunder.

12. LICENSE ADMINISTRATIVE COST AND SECURITY DEPOSIT (SRLic-2.1 S) – *Intentionally Omitted*

13. MAINTENANCE OBLIGATIONS OF LICENSEE - CONDITIONS AND CARE OF LICENSE AREA (SRLic-2.2 S)

Licensee shall, to the satisfaction of District, and at no cost to District, keep and maintain the License Area and all existing improvements, Licensee Improvements and Licensee Facilities of any kind in good and safe condition and in substantial repair, and shall at all times conduct all operations thereon in a safe and responsible manner. It shall be Licensee's responsibility to take all steps necessary or appropriate to maintain such standard of condition, repair and operation, including repairing any damages, erosion, washouts, caused or significantly contributed to by Licensee Facilities. District may send the Licensee a notice to cure that will provide the Licensee sixty (60) days to correct any issues described in the notice to cure. Nothing in this section shall affect either Party's ability to terminate this License as set forth in Section 8, above.

Director shall have the right to enter upon and inspect the License Area at any time.

Licensee shall designate in writing to Director, a representative who shall be responsible for the day-to-day operation and level of maintenance and general order of the License Area and any Licensee Facilities.

DISTRICT shall have no obligation to maintain or make any repairs or replacements to any area in, on, over, under or about the License Area to accommodate Licensee's use or Licensee Facilities.

If Licensee fails to maintain or make repairs or replacements as required herein, Director may notify Licensee in writing of said failure. Should Licensee fail to correct the situation within a reasonable time thereafter as established by Director, Director may have the necessary correction made and the cost thereof, including but not limited to the cost of labor, materials, and equipment and a fifteen percent (15%) administration fee of such costs, shall be paid by Licensee within ten (10) days following receipt of a statement of said cost from Director. Director may, at Director's option, choose other remedies available herein, or by law.

Licensee shall also promptly, at its sole cost and expense, repair or replace any Licensee Facilities or equipment on District's property located under, over, within or adjacent to the License Area that are damaged or destroyed by Licensee in the exercise of Licensee's rights hereunder. Such repairs or restoration shall be to approximately the same workmanship and condition as existed prior to such damage or destruction. If Licensee shall fail to perform any such repair or restoration within sixty (60) days following written notice from Director to Licensee, or as such repair or restoration period may be extended in writing by Director, District may have the necessary repair or restoration made and the cost hereof, including but not limited to the cost of labor, materials, and equipment and a fifteen percent (15%) administration fee of such costs, shall be paid by Licensee within ten (10) days following receipt of a statement of said cost from Director. Director may, at Director's option, choose other remedies available herein, or by law.

14. LICENSEE UTILITY OBLIGATIONS (SRLic-2.3 S)

Licensee shall be responsible for and pay, prior to the delinquency date, all charges for utilities supplied to the License Area.

15. CONSTRUCTION AND/OR ALTERATION BY LICENSEE (SRLic-2.4 S)

Licensee shall have all construction, including the installation of any systems, facilities or equipment, and/or maintenance plans approved in writing by the Director, through Orange County's Property Permit ("CPP") department with payment of normal processing fees therefor, prior to commencement of any work in, on, over, under, across or about the License Area; and upon completion of any such work, Licensee shall immediately notify Director in writing of such completion.

Director's approval of Licensee's construction and/or maintenance plans shall not be deemed approval from the standpoint of structural safety, suitability for purpose or conformance with building or other codes or other governmental requirements. District is not responsible for permitting of any construction and/or maintenance, design, assumptions or accuracy of Licensee's construction and/or maintenance plans. Director will rely on the professional expertise of the Licensee's engineer of record when approving Licensee's construction and/or maintenance plans.

Should it be necessary for Licensee to conduct any additional, planned construction, inspection or maintenance activities requiring the disturbance of the surface of the License Area or requiring the use of any specialized vehicles or equipment, including but not limited to cranes, within, over, under or about the License Area subsequent to the completion of the initial installation of Licensee's Equipment, Licensee agrees to notify Director in writing sixty (60) days in advance of such planned activities, obtain Director's written approval of all plans, and obtain a permit through CPP with payment of normal processing fees therefor, prior to commencement of any such activities. Said approval shall not be withheld unreasonably, nor shall said approval be necessary in any emergency situation or in conducting routine maintenance activities which do not involve use of District property outside of the License Area. However, Licensee shall notify Director within five (5) days following commencement of any emergency repair work, and if so requested by Director, Licensee shall secure a permit through CPP for the purpose of documenting such emergency work.

16. OWNERSHIP OF IMPROVEMENTS (SRLic-2.5 S)

All Licensee Improvements within the License Area must, upon completion, be free and clear of all liens, claims, or liability for labor or material and at District's option shall be the property of District's at the termination of this License. District retains the right to require Licensee, at Licensee's cost, to remove all of Licensee's Improvements located on the License Area at the expiration or termination hereof. In the event that Licensee fails to remove said Licensee Improvements within fifteen (15) days following receipt of written notice from District to do so, such Licensee Improvements will be deemed abandoned and Licensee shall lose all right, title and interest in and thereto, and District may elect (i) at Licensee's cost, to remove, demolish, or otherwise dispose of some or all of such items or (ii) sell or make use of any or all such items.

17. MECHANICS LIENS OR STOP-NOTICES (SRLic-2.6 S)

Licensee shall at all times indemnify, defend with counsel approved in writing by District and save District harmless from all claims, losses, demands, damages, cost, expenses, or liability costs for labor or materials in connection with construction, repair, alteration, or installation of structures, improvements, equipment, or facilities within the License Area, and from the cost of defending against such claims, including attorneys' fees and costs.

In the event a lien or stop-notice is imposed upon the License Area as a result of such construction, repair, alteration, or installation, Licensee shall either:

A. Record a valid Release of Lien, or

B. Procure and record a bond in accordance with sections 8424 or 9364 of the Civil Code, which frees the License Area from the claim of the lien or stop-notice and from any action brought to foreclose the lien.

Should Licensee fail to accomplish either of the two optional actions above within fifteen (15) days after the filing of such a lien or stop-notice, the License shall be in default and shall be subject to immediate termination.

18. OPERATIONAL REQUIREMENTS OF LICENSEE (SRLic-2.7 S)

Licensee shall, to the satisfaction of District, keep and maintain the License Area and all improvements of any kind in good condition and in substantial repair, normal wear and tear excepted. It shall be Licensee's responsibility to take all steps necessary or appropriate to maintain such standard of condition and repair.

Licensee expressly agrees to maintain the License Area in a safe, clean, wholesome, and sanitary condition, to the complete satisfaction of District and in compliance with all applicable laws. District shall have the right to enter upon and inspect the License Area at any time to verify conformity with any terms and conditions of this License including cleanliness and safety.

If Licensee fails to maintain or make repairs or replacements as required herein, District may notify Licensee in writing of said failure. Should Licensee fail to correct the situation within ten (10) business days thereafter, District may make or cause to be made the necessary correction, and the cost thereof, including, but not limited to, the cost of labor, materials, equipment, and administration, shall be paid by Licensee within thirty (30) days of receipt of a statement of said cost from District. District may, at District's option, choose other remedies available herein, or by law.

Upon expiration or termination of the License, the License Area must be returned to its original condition, unless otherwise specified in writing by District, and the Licensee is solely responsible for any costs or damages.

19. INSURANCE (SRLic-2.8 S)

Licensee agrees to carry all required insurance at Licensee's expense and provide to the District current Certificates of Insurance, including all endorsements required herein, necessary to satisfy the District that the insurance provisions of this License have been complied with. Licensee shall keep such insurance coverage current, provide Certificates of Insurance and endorsements to the District during the entire term of this License. Licensee shall deposit the Certificate of Insurance with CEO Real Estate, consistent with the

Notice clause, through electronic correspondence on or before the Effective Date of this License and annually throughout the Term, as necessary to: insurance.ceore@ocgov.com.

Licensee agrees that Licensee shall not operate on the License Area at any time the required insurance is not in full force and effect as evidenced by a Certificate of Insurance and necessary endorsements or, in the interim, an official binder being in the possession of Director. In no cases shall assurances by Licensee, its employees, agents, including any insurance agent, be construed as adequate evidence of insurance. Director will only accept valid Certificates of Insurance and endorsements, or in the interim, an insurance binder as adequate evidence of insurance. Licensee also agrees that upon cancellation, termination, or expiration of Licensee's insurance, District may take whatever steps are necessary to interrupt any operation from or on the License Area until such time as the Director reinstates the License.

If Licensee fails to provide Director with a valid Certificate of Insurance and endorsements, or binder at any time during the term of the License, District and Licensee agree that this shall constitute a material breach of the License. Whether or not a notice of default has or has not been sent to Licensee, said material breach shall permit District to take whatever steps necessary to interrupt any operation from or on the License Area, and to prevent any persons, including, but not limited to, members of the general public, and Licensee's employees and agents, from entering the License Area until such time as Director is provided with adequate evidence of insurance required herein. Licensee further agrees to hold District harmless for any damages resulting from such interruption of business and possession, including, but not limited to, damages resulting from any loss of income or business resulting from the District's action.

Licensee may occupy the License Area only upon providing to District the required insurance stated herein and carry such insurance for the entire term of this License. District reserves the right to terminate this License at any time Licensee's insurance is canceled or terminated and not reinstated within ten (10) days of said cancellation or termination. Licensee shall pay District a fee of \$5,000.00 for processing the reinstatement of the License. Licensee shall provide to District immediate notice of said insurance cancellation or termination.

All contractors performing work on behalf of Licensee pursuant to this License shall obtain insurance subject to the same terms and conditions as set forth herein for Licensee. Licensee shall not allow contractors or subcontractors to work if contractors have less than the level of coverage required by the District from the Licensee under this License. It is the obligation of the Licensee to provide written notice of the insurance requirements to every contractor and to receive proof of insurance prior to allowing any contractor to begin work within the License Area. Such proof of insurance must be maintained by Licensee through the entirety of this License and be available for inspection by a District representative at any reasonable time.

All self-insured retentions (SIR)'s shall be clearly stated on the Certificate of Insurance. Any SIR in excess of Fifty Thousand Dollars (\$50,000.00) shall specifically be approved by the County's Risk Manager, or designee. The District reserves the right to require current audited financial reports from Licensee. If Licensee is self-insured, Licensee will indemnify and defend District for any and all claims resulting or arising from Licensee's use of the premises, services, or other performance in accordance with the indemnity provision stated in this License.

If the Licensee fails to maintain insurance acceptable to the District for the full term of this License, the District may terminate this License.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Licensee shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$3,000,000 per occurrence \$3,000,000 aggregate
Automobile Liability including coverage for owned or scheduled, non-owned, and hired vehicles	\$1,000,000 combined single limit each accident
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per accident or disease
Pollution Liability	\$1,000,000 per claims- made, or occurrence

Increased insurance limits may be satisfied with Excess/Umbrella policies. Excess/Umbrella policies when required must provide Follow Form coverage.

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing liability coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

- 1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange, Orange County Flood Control District, its elected and appointed officials, officers, employees, and agents* as Additional Insureds. Blanket coverage may also be provided which will state- As Required by Written Contract.
- 2) A primary non-contributory endorsement using ISO form CG 20 01 04 13, or a form at least as broad, evidencing that the Licensee's insurance is primary, and any insurance or self-insurance maintained by the County of Orange and Orange County Flood Control District shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of endorsement waiving all rights of subrogation against the *County of Orange, Orange County Flood Control District its elected and appointed officials, officers, employees, and agents*. Blanket coverage may also be provided which will state- As Required by Written Contract.

The Pollution Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

- 1) An Additional Insured endorsement naming the *County of Orange, Orange County Flood Control District, its elected and appointed officials, officers, employees, and agents* as Additional Insureds.
- 2) A primary non-contributing endorsement evidencing that Licensee's insurance is primary, and any insurance or self-insurance maintained by the County of Orange and Orange County Flood Control District shall be excess and non-contributing.

Pollution Liability insurance must include coverage for bodily injury and property damage, including coverage for loss of use and/or diminution in property value, and for clean-up costs arising out of, pertaining to, or in any way related to the actual or alleged discharge, dispersal, seepage, migration, release or escape of contaminants or pollutants resulting from any services or work performed by, or on behalf of, Licensee, including the transportation of hazardous waste, hazardous materials, or contaminants.

If Licensee's Pollution Liability policy is a claims-made policy, Licensee shall agree to the following:

- 1) The retroactive date must be shown and must be before the date of the contract or the beginning of the License.
- 2) Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after expiration or earlier termination of License.
- 3) If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the License, Licensee must purchase an extended reporting period for a minimum of three (3) years after expiration or earlier termination of the License.

All insurance policies required by this license shall waive all rights of subrogation against the *County of Orange, Orange County Flood Control District, its elected and appointed officials, officers, employees, and agents* when acting within the scope of their appointment or employment.

Licensee shall provide thirty (30) days prior written notice of any policy cancellation or non-renewal and ten (10) days prior written notice where cancellation is due to non-payment of premium and provide a copy of the cancellation notice to District. Failure to provide written notice of cancellation may constitute a material breach of the License, upon which the District may suspend or terminate this License.

The Commercial General Liability policy shall contain a severability of interests clause, also known as a “separation of insureds” clause (standard in the ISO CG 001 policy).

Insurance certificates should be forwarded to the District address provided in the Clause (NOTICES) below or to an address provided by Director. Licensee has ten (10) business days to provide adequate evidence of insurance, or this License may be cancelled. Licensee may meet the requirements set forth above through a letter of (i) self-insurance; (ii) coverage through a joint powers insurance authority (JPIA) which is duly formed under the laws of the State of California, or (iii) utilize a combination of self-insurance and JPIA coverage, or (iv) commercial insurance policies. Should Licensee opt to fulfill the insurance requirements above through JPIA coverage, Licensee shall provide District with insurance endorsements and certificates, evidencing the existence, amounts and coverages of the insurance required above.

District expressly retains the right to require Licensee to increase or decrease insurance of any of the above insurance types throughout the term of this License. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect District.

District shall notify Licensee in writing of changes in the insurance requirements. If Licensee does not provide acceptable Certificates of Insurance and endorsements to District incorporating such changes within thirty (30) days of receipt of such notice, this License may be in breach without further notice to Licensee, and District shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Licensee's liability hereunder nor to fulfill the indemnification provisions and requirements of this License, nor in any way to reduce the policy coverage and limits available from the insurer.

20. INDEMNIFICATION (SRLic-2.9 S)

Licensee hereby agrees to indemnify, hold harmless, and defend, District, its elected and appointed officials, officers, agents, employees, and those special districts and agencies which the Board of Supervisors acts as the governing board, with counsel approved by District, against any and all claims, loss, demands, damages, costs, expenses, or liability arising out of the maintenance, or use of the License Area by Licensee, its agents, or invitees, except for liability arising out of the negligence or willful misconduct of District, its elected and appointed officials, officers, agents, or employees, including the cost of defense of any lawsuit arising therefrom.

In the event District is named as co-defendant, Licensee shall notify District of such fact and shall represent District, with counsel approved by District, in such legal action unless District undertakes to represent itself as co-defendant in such legal action, in which event Licensee shall pay the District's reasonable litigation costs, expenses, and attorneys' fees. In the event judgment is entered against District and Licensee because of the concurrent negligence of District and Licensee, their officers, agents, or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither Party shall request a jury apportionment.

21. HAZARDOUS MATERIALS (SRLic-3.0 S)

A. Definition of Hazardous Materials. For purposes of this License, the term “**Hazardous Material**” or “**Hazardous Materials**” shall mean any hazardous or toxic substance, material, product, byproduct, or waste, which is or shall become regulated by any governmental entity, including, without limitation, the District acting in its governmental capacity, the State of California, or the United States government.

B. Use of Hazardous Materials. Licensee or Licensee’s employees, agents, independent contractors, or invitees (collectively “**Licensee Parties**”) shall not cause or knowingly permit any Hazardous Materials to be brought upon, stored, kept, used, generated, released into the environment, or disposed of on, under, from, or about the License Area (which for purposes of this Clause 21 shall include the subsurface soil and ground water). Notwithstanding the foregoing, Licensee may keep on or about the License Area small quantities of Hazardous Materials which are customarily used in connection with any permitted use of the License Area under this License (which Hazardous Materials shall be used and disposed of in compliance with all applicable Laws).

C. Licensee Obligations. If the presence of any Hazardous Materials on, under or about the License Area caused or permitted by Licensee or Licensee Parties results in (i) injury to any person, (ii) injury to or contamination of the License Area (or a portion thereof), or (iii) injury to or contamination of any adjacent real or personal property, Licensee, at its sole cost and expense, shall promptly take all actions necessary or appropriate to return the License Area to the condition existing prior to the introduction of such Hazardous Materials to the License Area and to remedy or repair any such injury or contamination. Without limiting any other rights or remedies of District under this License, Licensee shall pay the cost of any cleanup or remedial work performed on, under, or about the License Area as required by this License or by applicable laws in connection with the removal, disposal, neutralization, or other treatment of such Hazardous Materials caused or permitted by Licensee or Licensee Parties. Notwithstanding the foregoing, Licensee shall not take any remedial action in response to the presence, discharge, or release, of any Hazardous Materials on, under, or about the License Area caused or permitted by Licensee or Licensee Parties, or enter into any settlement agreement, consent decree or other compromise with any governmental or quasi-governmental entity without first obtaining the prior written consent of the Chief Real Estate Officer. All work performed or caused to be performed by Licensee as provided for above shall be done in good and workmanlike manner and in compliance with plans, specifications, and other requirements for such work reasonably approved by District.

22. BEST MANAGEMENT PRACTICES (SRLic-3.1 S)

Licensee and all of its agents, employees and contractors shall conduct operations under this License so as to assure that pollutants do not enter municipal storm drain systems which systems are comprised of, but are not limited to curbs and gutters that are part of the street systems (“**Stormwater Drainage System**”), and to ensure that pollutants do not directly impact “**Receiving Waters**” (as used herein, Receiving Waters include, but are not limited to, rivers, creeks, streams, estuaries, lakes, harbors, bays, and oceans).

The Santa Ana and San Diego Regional Water Quality Control Boards have issued National Pollutant Discharge Elimination System permits (“**Stormwater Permits**”) to the County of Orange, and to the Orange County Flood Control District and cities within Orange County, as co-permittees (hereinafter collectively referred to as “**County Parties**”) which regulate the discharge of urban runoff from areas within the County of Orange, including the License Areas and Access Area under this License. The County Parties have enacted water quality ordinances that prohibit conditions and activities that may result in polluted runoff being discharged into the Stormwater Drainage System.

To assure compliance with the Stormwater Permits and water quality ordinances, the County Parties have developed a Drainage Area Management Plan (“**DAMP**”) which includes a Local Implementation Plan (“**LIP**”) for each jurisdiction that contains Best Management Practices (“**BMPs**”) that parties using properties within Orange County must adhere to. As used herein, a BMP is defined as a technique, measure, or structural control that is used for a given set of conditions to manage the quantity and improve the quality of storm water runoff in a cost effective manner. These BMPs are found within the County’s LIP in the form of Model Maintenance Procedures and BMP Fact Sheets (the Model Maintenance Procedures and BMP Fact Sheets contained in the DAMP/LIP shall be referred to hereinafter collectively as “**BMP Fact Sheets**”) and contain pollution prevention and source control techniques to eliminate non-storm water discharges and minimize the impact of pollutants on stormwater runoff.

BMP Fact Sheets that apply to uses authorized under this License include the BMP Fact Sheets that are attached hereto and by reference made a part hereof as Exhibit B, which exhibit is attached hereto and by reference made a part hereof. These BMP Fact Sheets may be modified during the term of the License; and the Director of Orange County Public Works or Licensor shall provide Licensee with any such modified BMP Fact Sheets. Licensee, agents, contractors, representatives, and employees and all persons authorized by Licensee to conduct activities on the License Area shall, throughout the term of this License, comply with the BMP Fact Sheets as they exist now or are modified, and shall comply with all other requirements of the Stormwater Permits, as they exist at the time this License commences or as the Stormwater Permits may be modified. The BMPs applicable to uses authorized under this License must be performed as described within all applicable BMP Fact Sheets.

Licensee may propose alternative BMPs that meet or exceed the pollution prevention performance of the BMP Fact Sheets. Any such alternative BMPs shall be submitted to the Director of Orange County Public Works or Licensor for review and approval prior to implementation.

The Director of Orange County Public Works or authorized representative may enter the License Area and Access Area and/or review Licensee’s records at any time to assure that activities conducted on the License Area and Access Area comply with the requirements of this Clause 22 (BEST MANAGEMENT PRACTICES). Licensee may be required to implement a self-evaluation program to demonstrate compliance with the requirements of this Clause 22.

23. WATER QUALITY MANAGEMENT PLAN (SRLic-3.2 S) – *Intentionally Omitted*

24. LIMITATION OF THE LICENSE (SRLic-3.3 S)

This License and the rights and privileges granted Licensee in and to the License Area are subject to all covenants, conditions, restrictions, and exceptions of record or apparent from a physical inspection of the License Area. Nothing contained in this License or in any document related hereto shall be construed to imply the conveyance to Licensee of rights in the License Area which exceed those owned by District, or any representation or warranty, either express or implied, relating to the nature or condition of the License Area or District’s interest therein. Licensee has accepted the License Area in its “as is”/“where is” condition.

25. UNLAWFUL USE (SRLic-3.4 S)

Licensee agrees no improvements shall be erected, placed upon, operated, nor maintained on the License Area, nor any business conducted or carried on therein or therefrom, in violation of the terms of this License, or of any regulation, order of law, statute, bylaw, or ordinance of a governmental agency having jurisdiction.

Further, all uses of the License Area by Licensee shall be conducted in accordance with all applicable law, ordinance, or regulation, including but not limited to any “**Environmental Laws.**” “Environmental Laws” means any federal, state, or local statute, ordinance, rule, regulation, order, consent decree, judgment, or common-law doctrine, and provisions and conditions of permits, licenses, and other operating authorizations relating to (A) pollution or protection of the environment, including natural resources, (B) exposure of persons, including employees, to Hazardous Materials or other products, raw materials, chemicals, or other substances, (C) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges, or releases of chemical substances from industrial or commercial activities, or (D) regulation of the manufacture, use, or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage, and disposal.

26. NO ASSIGNMENT AND NO SUBAGREEMENTS (SRLic-3.6 S)

The License granted hereby is personal to Licensee and any assignment of said license by Licensee, voluntarily or by operation of law, shall automatically terminate the License granted hereby. Sublicenses or subleases are not authorized under this License and any attempt by Licensee to create any such sublicense or sublease shall be null and void and shall automatically terminate the License.

27. TAXABLE POSSESSORY INTEREST ASSESSMENTS (SRLic-3.7 S)

Should this License create any possessory interest which is subject to the payment of taxes levied on such interest, it is understood and agreed that all assessments associated with said taxable possessory interest shall be the full responsibility of the Licensee, and Licensee shall cause said assessments to be paid promptly.

28. LABOR CODE COMPLIANCE (SRLic-3.8 S)

Licensee acknowledges and agrees that all improvements or modifications required to be performed as a condition precedent to the Commencement Date of the term of this License or any such future improvements or modifications performed by Licensee shall be governed by, and performed in accordance with, the provisions of Article 2 of Chapter 1, Part 7, Division 2 of the Labor Code of the State of California (Sections 1770, et seq.), as applicable. These provisions may be applicable to improvements or modifications costing more than \$1,000, unless an exception applies, including but not limited to the exception to the definition of public works under § 1720.2.

Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, Licensee shall comply with the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality applicable to this License for each craft, classification, or type of workman needed to execute the aforesaid improvements or modifications. The rates are available at the following website: <http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm> from the Director of the State Department of Industrial Relations. Licensee shall post a copy of such wage rates at the job site and shall pay the adopted prevailing wage rates at all times for all improvements or modifications to be completed for District within the License Area. Licensee shall comply with the provisions of Sections 1775 and 1813 of the Labor Code.

As required by applicable law, Licensee shall maintain certified payroll records for all workers that will be assigned to the improvements or modifications. Said payroll records shall contain, but not be limited to, the complete name, address, telephone number, social security number, job classification, and prevailing wage rate for each worker. Upon request Licensee shall provide the District updated certified payroll records for all workers that shall include, but not be limited to, the weekly hours worked, prevailing hourly wage rates, and total wages paid.

If Licensee neglects, fails, or refuses to provide said payroll records to the District, upon request, such occurrence shall constitute an event of default of this License and District may, notwithstanding any other termination provisions contained herein terminate this License upon written notice to Licensee.

29. RIGHT TO WORK AND MINIMUM WAGE LAWS (SRLic-3.9 S)

In accordance with the United States Immigration Reform and Control Act of 1986, Licensee shall require its employees that directly or indirectly service the License Area or terms and conditions of this License, in any manner whatsoever, to verify their identity and eligibility for employment in the United States. Licensee shall also require and verify that its contractors or any other persons servicing the License Area or terms and conditions of this License, in any manner whatsoever, verify the identity of their employees and their eligibility for employment in the United States.

Pursuant to the United States of America Fair Labor Standard Act of 1938, as amended, and State of California Labor Code, Division 2, Parts 4 and 7, Licensee shall pay no less than the greater of the Federal or California Minimum Wage to all its employees that directly or indirectly service the License Area, in any manner whatsoever. Licensee shall require and verify that all its contractors or other persons servicing the License Area on behalf of the Licensee also pay their employees no less than the greater of the Federal or California Minimum Wage.

Licensee shall comply and verify that its contractors comply with all other Federal and State of California laws for minimum wage, overtime pay, record keeping, and child labor standards pursuant to the servicing of the License Area or terms and conditions of this License.

Notwithstanding the minimum wage requirements provided for in this Clause 29, Licensee, where applicable, shall comply with the prevailing wage and related requirements pursuant to the provisions of Section 1773 of the Labor Code of the State of California.

30. SIGNS (SRLic-4.0 S)

Licensee agrees not to construct, maintain, or allow any signs, banners, flags, etc., upon License Area. Licensee further agrees not to allow billboards or outdoor advertising signs upon the License Area.

31. AUTHORITY (SRLic-4.1 S)

The persons executing the License below on behalf of District or Licensee warrant that they have the power and authority to bind District or Licensee to this License.

If Licensee is a corporation, each individual executing this License on behalf of said corporation represents and warrants that he/she is duly authorized to execute and deliver this License on behalf of said corporation, in accordance with the by-laws of said corporation, and that this License is binding upon said corporation.

32. LICENSE ORGANIZATION (SRLic-4.2 S)

The various headings and numbers herein, the grouping of provisions of this License into separate clauses and paragraphs, and the organization hereof, are for the purpose of convenience only and shall not be considered otherwise.

33. AMENDMENTS (SRLic-4.3 S)

This License is the sole and only agreement between the Parties regarding the subject matter hereof; other agreements, either oral or written, are void. Any changes to this License shall be in writing and shall be properly executed by both Parties.

34. PARTIAL INVALIDITY (SRLic-4.4 S)

If any term, covenant, condition, or provision of this License is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

35. WAIVER OF RIGHTS (SRLic-4.5 S)

The failure of Licensee or District to insist upon strict performance of any of the terms, covenants, or conditions of this License shall not be deemed a waiver of any right or remedy that Licensee or District may have, and shall not be deemed a waiver of the right or act as a legal bar to require strict performance of all the terms, covenants, and conditions of the License thereafter, nor a waiver of any remedy for the subsequent breach or default of any term, covenant, or condition of the License. Any waiver, in order to be effective, must be signed by the Party whose right or remedy is being waived.

36. GOVERNING LAW AND VENUE (SRLic-4.6 S)

This agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure section 394.

37. ATTORNEYS' FEES (SRLic-4.7 S)

In the event of a dispute between District and Licensee concerning claims arising out of this License, or in any action or proceeding brought to enforce or interpret any provision of this License or where any provision hereof is validly asserted as a defense, each Party shall bear its own attorneys' fees and costs.

38. TIME OF ESSENCE (SRLic-4.8 S)

Time is of the essence of this License Agreement. Failure to comply with any time requirements of this License shall constitute a material breach of this License.

39. INSPECTION (SRLic-4.9 S)

District or its authorized representative shall have the right at all reasonable times to inspect the operation to determine if the provisions of this License are being complied with.

40. INSPECTION OF LICENSE AREA BY A CERTIFIED ACCESS SPECIALIST (SRLic-5.0 S) – *Intentionally Omitted*

41. PERMITS AND LICENSES (SRLic-5.1 S)

Licensee shall be required to obtain and maintain throughout the Term of this License any and all permits and/or licenses which may be required in connection with the operation of the License Area as set out herein. No permit, approval, or consent given hereunder by District, in its governmental capacity, shall affect or limit Licensee's obligations hereunder, nor shall any approvals or consents given by District, as a Party to this License, be deemed approval as to compliance or conformance with applicable governmental codes, laws, rules, or regulations.

42. PAYMENT CARD COMPLIANCE (SRLic-5.2 S) – *Intentionally Omitted*

43. NONDISCRIMINATION (SRLic-5.3 S)

Licensee agrees not to discriminate against any person or class of persons by reason of sex, age, race, color, creed, physical handicap, or national origin in employment practices and in the activities conducted pursuant to this License. Licensee shall make its accommodations and services available to the public on fair and reasonable terms.

44. CONDITION OF LICENSE AREA UPON TERMINATION (SRLic-5.4 S)

Except as otherwise agreed to herein or in subsequent approval in writing by District, upon termination of this License, Licensee shall redeliver possession of said License Area to District in substantially the same condition that existed immediately prior to Licensee's entry thereon, reasonable wear and tear, flood, earthquakes, war, and any act of war excepted.

45. DISPOSITION OF ABANDONED PERSONAL PROPERTY (SRLic-5.5 S)

If Licensee abandons the License Area or is dispossessed thereof by process of law or otherwise, title to any personal property belonging to Licensee and left on the License Area ten (10) days after such event shall be deemed, at District's option, to have been transferred to District. District shall have the right to remove and to dispose of such personal property without liability therefor to Licensee or to any person claiming under Licensee and shall have no need to account therefor.

46. PUBLIC RECORDS (SRLic-5.6 S)

Any and all written information submitted to and/or obtained by District from Licensee or any other person or entity having to do with or related to this License and/or the License Area, either pursuant to this License or otherwise, may be treated as a public record open to inspection by the public pursuant to the California Public Records Act (Government Code Section 7920.000, et seq.) as now in force or hereafter amended, or any Act in substitution thereof, or otherwise made available to the public and Licensee hereby waives, for itself, its agents, employees, sublicensees, and any person claiming by, through or under Licensee, any right

or claim that any such information is not a public record or that the same is a trade secret or confidential information and hereby agrees to indemnify and hold District harmless from any and all claims, demands, liabilities, and/or obligations arising out of or resulting from a claim by Licensee or any third party that such information is a trade secret, or confidential, or not subject to inspection by the public, including without limitation reasonable attorneys' fees and costs.

47. RELATIONSHIP OF PARTIES (SRLic-5.7 S)

The relationship of the Parties hereto is that of Licensors and Licensee, and it is expressly understood and agreed that District does not in any way or for any purpose become a partner of or a joint venture with Licensee in the conduct of Licensee's business or otherwise, and any provisions of this License and the agreements relating to money payable hereunder are included solely for the purpose of providing a method by which such payments are to be measured and ascertained.

48. RELOCATION OF LICENSEE IMPROVEMENTS (SRLic-5.8 S)

Licensee agrees that in the event Director determines that Licensee Improvements will interfere with the operation, maintenance, replacement, or improvement of District's Channel flood control facilities or property Licensee shall, within ninety (90) days of receipt of written notice from Director, and at Licensee's sole cost and expense arrange for the removal of Licensee Improvements from the License Area and any reinstallation of Licensee Improvements within the License Area. Under no circumstance shall District be obligated to provide a relocation site for Licensee Improvements and/or equipment during such period of interference.

49. UNAUTHORIZED USE AND DAMAGE FEE (SRLic-5.9 S)

If Licensee continues to use or store personal property in the License Area after the termination of this License or expiration of the Term, without a written agreement between the Parties authorizing such continued use or storage, such use and/or storage shall be an unauthorized use and trespass of the License Area. Licensee agrees the damages owed for such unauthorized use and/or trespass by Licensee shall be two hundred percent (200%) of the monthly License Fee in effect at the expiration or termination of this License ("**Damage Fee**"). The Parties agree that this amount is a reasonable and fair assessment of the District's damages in such a situation. The Damage Fee will be prorated to date of Licensee's last trespass or the date Licensee's property is removed from the License Area, whether removal is performed by Licensee or District pursuant to Clause 45 (DISPOSITION OF ABANDONED PERSONAL PROPERTY), whichever occurs last, and is payable within fifteen (15) days after demand from District.

This Damage Fee shall not address any additional costs or damages incurred by the District if it is compelled to return the License Area to its original condition, which may include the costs of removing property Licensee left in the License Area. These costs shall be borne by the Licensee independent of the Damage Fee and shall be paid to District no later than fifteen (15) days after demand from District.

Nothing contained herein shall grant Licensee any right to remain within the License Area after the License has expired or terminated. The District shall be entitled to enforce this Damage Fee language after termination or expiration of this License; this Clause 49 shall survive the termination or expiration of this License. This Clause is not exclusive of District's rights and remedies if an unauthorized use or trespass occurs, and District reserves all rights and remedies against Licensee according to law.

50. NOTICES (SRLic-6.0 S)

All written notices pursuant to this License shall be addressed as set forth below or as either Party may hereafter designate by written notice and shall be deemed delivered upon personal delivery, delivery by facsimile machine, electronic mail, or seventy-two (72) hours after deposit in the United States Mail.

To: District

Orange County Flood Control District
c/o: CEO Real Estate Services
P.O. Box 4048
Santa Ana, CA 92702-4048
RE:

To: Licensee

Orange County Water District
18700 Ward Street
P. O. Box 8300
Fountain Valley, CA 92728-8300
Facsimile: 714/378-3370
Attn: Property Management

Any and all insurance related mail shall include the License number and project name and Licensee shall mail all insurance certificates and insurance-related correspondence to: insurance.ceore@ocgov.com.

51. COUNTERPARTS (SRLic-6.1 S)

This License may be executed in one or more electronic or original counterparts, each of which will be deemed an original signature but all of which together will constitute one and the same instrument.

52. RECORDING PROHIBITED

This License may not be recorded.

53. ATTACHMENTS TO LICENSE (SRLic-6.2 S)

This License includes the following, which are attached hereto and made a part hereof:

I. EXHIBITS

Exhibit A – License Area Depiction
Exhibit B – Best Management Practices
Exhibit C – Licensee Improvements
Exhibit D – Licensee Facilities

IN WITNESS WHEREOF, the Parties have executed this License the day and year first above written.

Approved as to Form:
Office of the County Counsel
Orange County, California

By: _____
Deputy

Date: _____

DISTRICT

ORANGE COUNTY FLOOD CONTROL
DISTRICT, a body corporate and politic

By: _____
Thomas A. Miller
Chief Real Estate Officer
Pursuant to Minute Order 2/25/2014

Approved as to form:

RUTAN & TUCKER, LLP

By: _____
General Counsel
Orange County Water District

Date: _____

LICENSEE

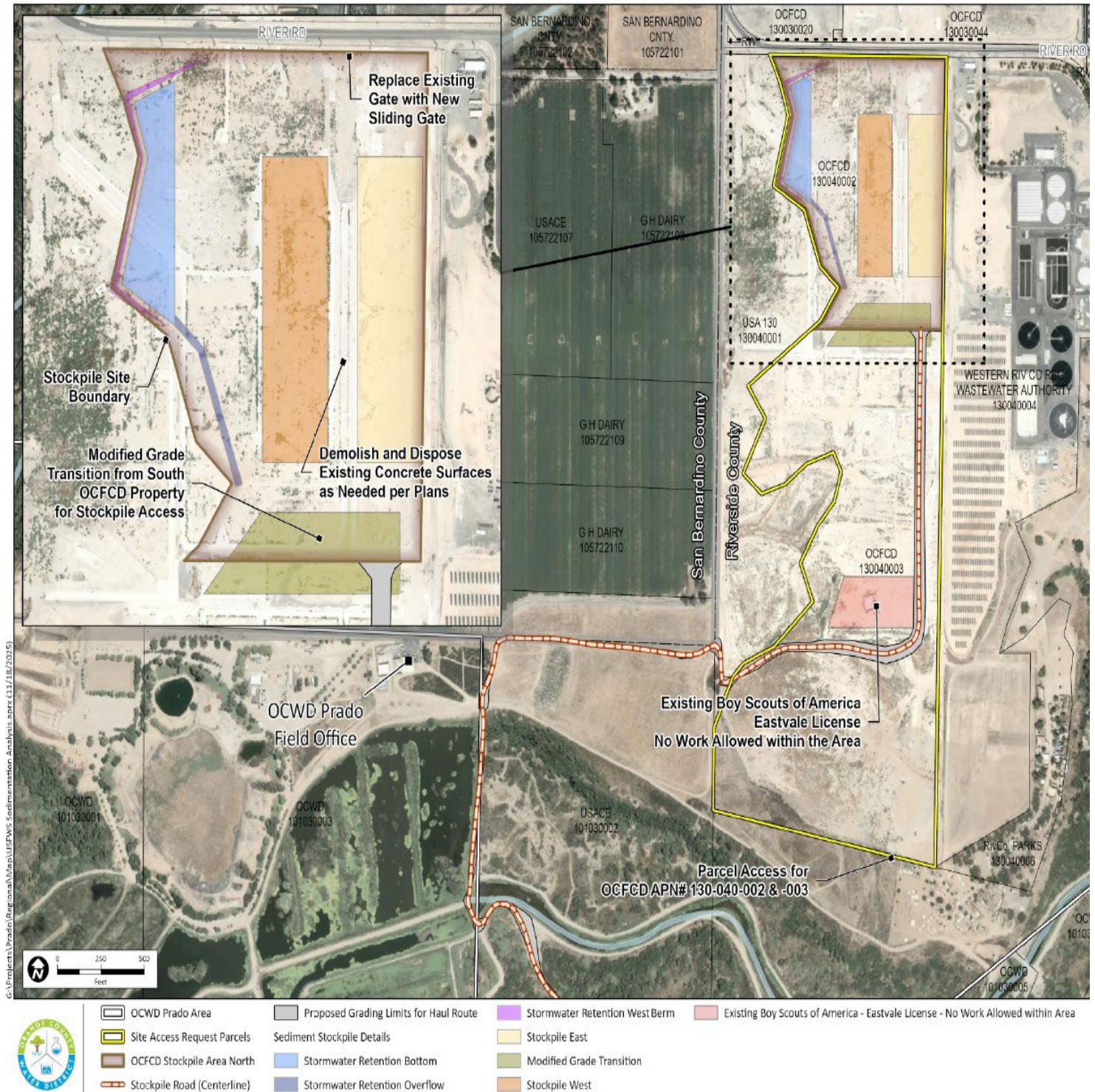
ORANGE COUNTY WATER DISTRICT,
subdivision of the State of California organized under
Chapter 924 of the Statutes of 1933, as amended.

By: _____
Denis Bilodeau, President

By: _____
John Kennedy, General Manager

EXHIBIT A

LICENSE AREA DEPICTION STOCKPILE AREA & STOCKPILE ROAD



SOURCE: OCWD (11/2025)

EXHIBIT B

BEST MANAGEMENT PRACTICES ("BMP" FACT SHEETS)

Licensee shall be responsible for implementing and complying with all BMP Fact Sheet requirements that apply to this Licensee's operations. Licensee is to be aware that the BMP clause within this License, along with all related BMP Exhibits, may be revised, and may incorporate more than what is initially being presented in this License.

Suggested BMPs Fact Sheets may include, but may not be limited to, the following list shown below and can be found at: <http://ocwatersheds.com/documents/bmp> (website may change from time to time):

California Stormwater BMP handbook	
SC42	Building Repair and Construction
SC40	Contaminated or Erodible Surface Areas
SC41	Building and Grounds Maintenance
SC30	Outdoor Loading/ Unloading
SC32	Outdoor Equipment Operations
SC33	Outdoor Storage of Raw Materials
SC43	Parking / Storage Area Maintenance
SC11	Spill Prevention Control and Clean up
SC34	Waste Handling and Disposal
SC10	Non Stormwater Discharges

EXHIBIT C
Licensee Improvements

Parcel No. 130040002 Stockpile Area Improvements:

Two, 15-ft tall sediment stockpiles of approximately 50,000 cubic yards each. Both stockpiles will be hydro-seeded and hydro-mulched. At the toe of each stockpile, sandbags will be installed along impervious surfaces (approximately 2,000 linear feet) and coir logs along soil surfaces (approximately 3,000 linear feet). *Please note, OCWD's expectation is that these stockpiles are removed by others (to be determined) prior to the completion of the license term.*

Approximately 550-ft wide regraded slope between 2 to 7 feet tall along southern boundary of parcel for ease of truck access between parcels.

Approximately 1,900 cubic yards of existing concrete surface removed along west and south boundaries of the parcel.

Regraded west side of parcel including new 4 ft tall hydro-seeded and hydro-mulched berm for stormwater retention pond. Pond is to limit stormwater runoff onto adjacent Federal property USACE Parcel No. 130040001 to the west.

Replacement of existing 6-ft tall double-leaf chain link swing gate with 40' wide, 6-ft tall chain link sliding gate.

Parcel No. 130040003 Stockpile Road Improvements:

Smoothing/minor regrading of approximately 1,900 feet of existing, 40-ft wide access road along eastern edge of property and western edge adjacent to Federal property USACE Parcel No. 130040001.

Approximately 1,100 feet of new 40-ft wide access road south of and around existing Boy Scouts of America lease to minimize construction impacts on lessee.

EXHIBIT D
Licensee Facilities

Parcel No. 130040002 Stockpile Area

Facilities: During construction activities between August and December each year during the term of the agreement, various construction equipment may be staged on the parcel. The estimated equipment includes

(1) scraper, (2) wheel loader, (2) off-highway dump trucks, (2) water trucks, (4) pickup trucks.
A portable restroom and handwashing station will also be maintained on the property during construction activities.

AGENDA ITEM SUBMITTAL

Meeting Date: July 24, 2026

To: Property Management Committee
Board of Directors

From: John Kennedy

Staff Contact: C. Olsen/D. Park

Budgeted: N/A

Budget Amount: N/A

Cost Estimate: N/A

Funding Source: N/A

Program/Line Item No.: N/A

General Counsel Approval: N/A

Engineers/Feasibility Report: N/A

CEQA Compliance: N/A

Subject: QUARTERLY REPORT ON LEASES AND PERMITS/LICENSES FOR THE PERIOD ENDING JUNE 30, 2026

SUMMARY

Attached for Board review is the Quarterly Report on Leases and Permits/Licenses for the period of April 1, 2026 to June 30, 2026.

Attachment: Summary Report of Leases & Permits/Licenses ending June 30, 2026.

RECOMMENDATION

Informational

BACKGROUND/ANALYSIS

The District has approximately 933 acres of land under 16 leases and 18 permits/licenses.

2nd QUARTER RENT COMPARISON

2nd Qtr. 2026	2nd Qtr. 2025	Increase/(Decrease) 2nd Qtr. 2026 vs. 2nd Qtr. 2025	Percentage Increase/(Decrease) 2nd Qtr. 2026 vs. 2nd Qtr. 2025
\$466,341	\$464,908	\$1,433	0.31%

YEAR TO DATE RENT COMPARISON

Year to Date 2026	Year to Date 2025	Increase/(Decrease) YTD 2026 compared to 2025	Percentage Increase/(Decrease) YTD 2026 compared to 2025
\$1,079,389	\$913,888	\$165,501	18%

Note: Year-over-year Q2 rent is understated because Raahauge Shooting Enterprises' early July payment (\$21,009) was recorded in last year's second quarter, inflating the 2025 total.

UPCOMING RENEWALS AND ACTIONS

RENEWALS**2026****3rd Quarter**

- Lease with Raahauge Shooting Enterprises, Pheasant Lease, expires on September 30, 2026
- Lease with NSM Golf LLC, expires on September 30, 2026

4th Quarter

- None

ACTIONS - Staff

All Lessees and Permittees/Licensees are in full compliance with the terms of their lease/permit/license, and all are current with their rent with the following exceptions:

- None

PROPERTY LICENSE AGREEMENT ISSUED BY GENERAL MANAGER IN 2026 YEAR-TO-DATE

- None

**SUMMARY REPORT
STATUS OF LEASES
2nd QUARTER ENDED June 30, 2026**

Leases	Location	Monthly Rent	Annual Increase	2nd Quarter Rent Paid	Year to Date	Status of Rent	Lease Violations	Expiration Date	Acres	Use
Anaheim Adventure Aqua Park	High Season - April-October	\$7,861.16	CPI April	\$ 25,312.03	\$ 41,863.06	Current	None	2-28-30	13.200	Aquapark
Anaheim Adventure Aqua Park	Low Season - November - March	\$2,227.88	CPI April							
Anaheim, City of Well 58	Anaheim Lake	Flat Fee \$1.00	N/A	N/A	N/A	Current	None	3-31-61	0.380	Production Water Well
Anaheim, City of	Burris Basin	\$1.00/Annual	N/A		\$ 1.00	Current	None	1-31-31	14.000	Park
County of Orange, Integrated Waste Mgt.	Smith Basin	Reports	N/A	N/A	N/A	N/A	None	Automatic Annual Renewal	0.010	Monitoring wells for Reeve's Pit (executed 12/12/1996)
Corona Rec. Inc., Doug Elliott	Warner Basin	5% of Gross Receipts or \$8,248.92/mo.	CPI October	\$ 32,741.54	\$ 70,617.53	Current	None	9-30-31	128.150	Fishing concession.
North American Recycling & Crushing, LLC	Huckleberry Pond	\$83,889.32	3% April 1	\$ 251,667.96	\$ 498,449.16	Current	None	3-31-32	5.650	Concrete/Asphalt crushing.
NSM Golf, LLC	Burris Pit	\$11,074.40	CPI October	\$ 33,223.20	\$ 77,520.80	Current	None	9-30-26	15.000	Golf driving range - 5 year option.
Harvest Landscape Enterprises, Inc.	South of Lincoln Ave.	\$2,374.18	CPI April 1	\$ 7,189.45	\$ 14,111.26	Current	None	3-31-27	3.600	Container nursery.
Montoya Enterprises Inc. - Nursery	Santiago Basins	\$1,829.00	Fixed April 1	\$ 5,487.00	\$ 10,868.00	Current	None	3-31-29	2.600	Container nursery.
Newport Beach, City of	Seawater Pipeline	Flat Fee \$1	N/A	\$ -	\$ -	Current	None	9-22-47		
Prado Basin Duck Club (1)	Prado Basin - Lower Ponds	\$19,530/annual	3% July 1		\$ 10,000.00	Current	None	6-30-27	66.000	John Kelly Astor - Duck Hunting Concession
Raahauge Shooting Enterprises - Ducks (1)	Prado	Flat Fee \$90,882.00	5% July 1		\$ 45,441.00	Current	None	6-30-27	450.000	Duck hunting, Oct. to Jan.
Raahauge Shooting Enterprises - Range	Prado	\$21,009.21	CPI May 2021	\$ 42,018.42	\$ 105,046.05	Current	None	4-30-47	135.000	Sporting clays/trap & skeet shooting. No rent increase until May 1, 2019
Raahauge Shooting Enterprises - Pheasant	Prado	\$250/mo.	N/A	\$ 500.00	\$ 1,250.00	Current	None	9-30-26	110.000	Hunter safety classes, dog kennels, raising of game birds.
Sandwood Inc.	Batavia Street	\$14,452.07	CPI April 1	\$ 57,400.98	\$ 113,580.06	Current	None	3-31-29	2.600	Sandbagging/Firewood
Yorba Linda Water District (2)	Warner Basin	\$5,605.39 / year 2026	3% December	\$ -	\$ -	Current	None	12-31-62	0.4224	Production Water Well 21 Original Rent: \$3,817 - 8/22/2012 - w/ 3% annual increase
TOTAL FOR LEASES				\$ 455,540.58	\$ 988,747.92				946.612	

NOTES:

1. Prado Basin Duck Hunting & Raahauge Duck Hunting - (Rent due 50% by October 15 and 50% by December 15).
2. YLWD rent due on Dec. 31 of each year.

**SUMMARY REPORT
STATUS OF PERMITS/LICENSES
2nd QUARTER ENDED June 30, 2026**

Permits/Licenses	Location	Monthly Rent	Annual Increase	2nd Quarter Rent Paid	Year to Date	Status of Rent	Permit/License Violations	Expiration Date	Acres	Use
Anaheim, City of	Burris Basin	N/A			N/A	N/A	None	Year to Year		Pumphouse
Anaheim, City of Well Maintenance	Anaheim Lake	N/A			N/A	N/A	None	Mo. to Mo.	0.230	Maintain wells and pipeline, Comm Svc.
Anaheim, City of	Anaheim Lake	One time Fee			N/A	Current	None	10-15-44		Driveway Access at North Tustin Ave at Anaheim Lake
Anaheim, City of	Anaheim Lake	One time Fee			N/A	Current	None	4-12-42		Pipeline for PFAS facility at Anaheim Lake
Anaheim Real Estate Partners/OCVibe	Anaheim Lake	One time Fee			N/A	Current	None	3-20-26		Burris Basin Water Line
Anaheim Model Airplane Club & Scamps	Foster-Huckleberry Pond	N/A			N/A	N/A	None	Mo. to Mo.	115.820	Model airplane flying area, Comm Svc.
Boy Scouts of America, Troop 850	Santiago Bond Basin	N/A			N/A	N/A	None	Mo. to Mo.		Store 2 container trailers - Clean Premises
CA Dept. of Forestry & Fire Protection	Prado - Highway 71	N/A			N/A	N/A	None	Mo. to Mo.		Cut fire break along fence - Highway 71. - Fire Protection
Inland Empire Utility District	Prado Basin	N/A			N/A	N/A	None	3-31-34		Monitoring well site - WQ Report
Orange, City of	Orange Reservoir No. 10	N/A			N/A	N/A	None	5-31-34		Antenna on Reservoir No. 10
OC Transportation Authority (OCTA)	Tustin Ave SR-91	One time Fee			\$ 72,480.00	Current	None	2-10-31		TCEs for SR91 Bridge Widening over SAR
SCE & (formerly Royal Street Communications)	Riverdale Avenue, Orange	\$1,177.82	CPI Nov. 1st	\$ 3,533.46	\$ 7,066.92	Current	None	11-13-27		Cellular Comm. Relay Site
T-Mobile (ATS) (1)	Anaheim Lake	\$903.15 / Annual	CPI March 1st		\$ 903.15	Current	None	2-28-38		ATS contract renews with T-Mobile's renewal
Southern California Edison Co. (2)										Relocate Power Pole
T.E. Roberts	Huckleberry Basin	\$1,462.00		\$ 7,267.00	\$ 10,191.00	Current	None	1-31-27		Staging area for City of Anaheim Pipeline work
Spectrum Pacific West	Anaheim	N/A			N/A	N/A	None	9-24-35		Fiber line at Tustin Ave Driveway
University of So. Calif.	Fullerton Airport/	N/A			N/A	N/A	None	Mo. to Mo.		Measure seismic activity in monitoring wells.
Western Riverside Co. Regional Wastewater	Other Locations	N/A			N/A	N/A	None	6-30-46		Monitoring wells - 3 - copy of reports
Yorba Linda Water District	Prado Basin	N/A			N/A	Current	None	12-31-60		Discharge from well water 20.
TOTAL FOR PERMITS/LICENSES				\$ 10,800.46	\$ 90,641.07				116.050	
TOTAL FOR LEASES & PERMITS/LICENSES				\$ 466,341.04	\$ 1,079,388.99				1,062.662	

NOTES:

1. Monthly Rent is 70% of \$1,266.77 which is adjusts by the CPI annually
2. SCE License Fee due on March 1 of each year