

AGENDA
PROPERTY MANAGEMENT COMMITTEE MEETING
WITH BOARD OF DIRECTORS *
ORANGE COUNTY WATER DISTRICT
18700 Ward Street, Fountain Valley CA 92708
Friday, September 25, 2020, 12:00 p.m.

*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 the **October 7, 2020** Board meeting Agenda for approval.

Due to the spread of COVID-19 and as authorized by the Governor's Executive Order, OCWD will hold its September 25 Property Management Committee meeting by Zoom Webinar and will be available by either computer or telephone audio as follows:

Computer Audio: You can join the Zoom meeting by clicking on the following link:
<https://ocwd.zoom.us/j/93644283587>

Meeting ID: 936 4428 3587

Telephone Audio: (669) 900 9128

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 AUGUST 28, 2020

RECOMMENDATION: Approve minutes as presented

INFORMATIONAL ITEMS

2. FLOATING SOLAR PANELS CONCEPT AT SANTIAGO BASIN
3. PRADO SHOOTING RANGE LEASES OVERVIEW

CHAIR DIRECTION AS TO ITEMS TO AGENDIZE AS MATTERS FOR CONSIDERATION AT THE OCTOBER 7 BOARD MEETING

DIRECTORS' COMMENTS/REPORTS

GENERAL MANAGER'S COMMENTS/REPORTS

ADJOURNMENT

PROPERTY MANAGEMENT COMMITTEE

Committee Members

Steve Sheldon - Chair
Denis Bilodeau - Vice Chair
Kelly Rowe
Dina Nguyen
Jordan Brandman

Alternates

Ahmad Zahra - Alternate 1
Cathy Green - Alternate 2
Tri Ta - Alternate 3
Roger Yoh - Alternate 4
Vicente Sarmiento - 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) 378-3233, by email at jdurant@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
August 28, 2020 @ 12:00 p.m.

Due to the Governor's Executive Order N-25-20, Director Sheldon called the Property Management Committee meeting to order telephonically. Members of the Board and the public participated via Zoom. The Secretary called the roll and reported a quorum as follows:

Committee

Steve Sheldon
Denis Bilodeau
Kelly Rowe
Dina Nguyen (absent)
Jordan Brandman

OCWD Staff

Mike Markus, General Manager
Janice Durant, District Secretary
Bruce Dosier, Director IS/Property
Daniel Park, Property Manager
Leticia Villarreal, Administrative Asst.

Alternates

Ahmad Zahra
Cathy Green
Tri Ta
Roger Yoh (absent)
Vicente Sarmiento

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Brandman, seconded by Director Bilodeau, and carried [4-0].

Ayes: Sheldon, Bilodeau, Rowe, Brandman

1. Minutes of the Meeting

The Minutes of the Property Management Committee meeting held July 24, 2020 were approved as presented.

2. Amendment to Pheasant Lease to Elaine Raahauge D.B.A. Mike Raahauge's Shooting Enterprises at Prado Basin

Recommended for approval at September 16 Board meeting: Approve and authorize execution of Amendment Fifteen to Pheasant Lease to Elaine Raahauge DBA Mike Raahauge's Shooting Enterprises that provides for a one-year extension of the lease through September 30, 2021, with all other terms and conditions remaining the same.

MATTERS FOR CONSIDERATION

3. North Orange County Community College District License Agreement for Drone Use

Director of IS/Property Management Bruce Dosier recalled that at the February 28 Property Management Committee meeting, Professor Jay Seidal of Fullerton College presented an overview of the drone technology program at Fullerton College (Drone Lab) and inquired about work and training opportunities for his students at OCWD. He stated that staff has developed a collaborative partnership to provide students an opportunity to train on OCWD land, and in return, OCWD will receive data gathered from field training and other related drone services as requested. Mr. Dosier presented staff's recommendation for a two-year License Agreement allowing Drone Lab students and staff to access OCWD properties for the purpose of field training, noting that the information

obtained will become the property of OCWD. The Board requested that the Drone Lab participants sign a general release, assumption of risk and covenant not to sue waiver, and agree not to retain copies of data obtained from the drone activities.

Upon motion by Director Rowe, seconded by Director Brandman and carried [5-0], the Committee recommended that the Board at its September 16 Board meeting: Approve and authorize execution of a License Agreement with North Orange County Community College District to allow Fullerton College Drone Lab students and staff access to District properties for the purpose of drone field training and education, with the standard fee of \$1,148 waived; and content and data from approved Licensed Activity provided to OCWD, with all rights to any content or data obtained transferred to OCWD.

Ayes: Sheldon, Bilodeau, Rowe, Brandman, Zahra

4. Consent to Improvements for Kitchen Facilities – NSM Golf, LLC at The Islands Golf Center

Mr. Dosier stated the District currently leases property at Burriss Basin to NSM Golf, LLC operating as The Islands Golf for a golf driving range (Property), with the lease expiring September 30, 2022. He stated that NSM has requested the District's consent to perform improvement work on their leased premises which consists of construction of kitchen facilities for food sales in an existing building on the Property. Lessee Ben Carotta explained the nature of the improvements, after which the following action was taken.

Upon motion by Director Rowe, second by Director Bilodeau and carried [5-0] the Committee recommended that the Board at its September 16 Board meeting: Approve and authorize execution of Consent to Improvements with NSM, LLC at The Island Golf Center, to allow NSM to construct kitchen facilities for food sales

Ayes: Sheldon, Bilodeau, Rowe, Brandman, Zahra

5. License Agreement with MWDOC Consenting to Improvements at 18700 Ward Street, Fountain Valley and Allowing Portions of Common Areas to be Fenced Off to Facilitate Construction

At its June 26 Property Committee meeting, Mr. Dosier recalled that staff presented the Municipal Water District of Orange County's (MWDOC) intention to improve its administration building beginning in September 2020. He stated MWDOC has requested a License Agreement to allow portions of the common areas, comprising a portion of the courtyard and handicap parking facilities, to be modified and temporarily fenced off to facilitate construction, and to provide for OCWD consent to the Americans with Disabilities Act (ADA) parking improvements. He pointed out that MWDOC is proposing to construct a new storage room extending from the south building wall from the MWDOC 101 Conference Room onto the MWDOC walkway (adjacent to the courtyard shared by MWDOC and OCWD); along with the necessary mechanical, electrical, plumbing, and restroom upgrades. The Committee expressed concern that the new storage facility would extend onto the campus solely owned by OCWD which might be needed in the future and suggested that staff and MWDOC look into alternative areas for the storage area.

Upon motion by Director Sheldon, seconded by Director Green and carried [4-1], with Director Rowe voting "No," the Committee recommended that the Board at its September 2 Board meeting: Approve the License Agreement with the Municipal Water District of Orange County (MWDOC) consenting to improvements at 18700 Ward Street, Fountain Valley and allowing portions of the common areas to be fenced off to facilitate construction, with the proposed outside storage facility to be excluded from the License Agreement and with the parking lot Americans with Disabilities (ADA) updates to be completed as soon as possible

Ayes: Sheldon, Bilodeau, Green, Sarmiento

Noes: Rowe

ADJOURNMENT

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

Director Steve Sheldon, Chair

AGENDA ITEM SUBMITTAL

Meeting Date: September 25, 2020

Budgeted: N/A

Budgeted Amount: N/A

To: Property Management Committee/
Board of Directors

Estimated Revenue: N/A

Funding Source: N/A

From: Mike Markus

Program/Line Item No.: N/A

General Counsel Approval: N/A

Staff Contact: B. Dosier/D. Park

Engineers/Feasibility Report: N/A

CEQA Compliance: N/A

SUBJECT: FLOATING SOLAR PANELS CONCEPT AT SANTIAGO BASIN

SUMMARY

Staff was recently contacted by Noria Energy about leasing the District's Santiago Basin in Orange and/or Burris Basin in Anaheim for the potential installation of a floating solar panel system on the water surface to sell renewable energy to the local utility system. Santiago Basin's infrastructure appears to be suitable for this proposed use. Noria Energy has requested a due diligence period to conduct a formal site investigation to further evaluate the suitability of Santiago Basin to host the floating solar panels. Staff is seeking direction from the Committee.

Attachment(s): Noria Energy Floating Solar Presentation

RECOMMENDATION

Informational.

DISCUSSION/ANALYSIS

Staff was recently contacted by Noria Energy about leasing a District recharge basin for a potential floating solar panel system (Project) on the surface of Santiago and/or Burris Basin to sell renewable energy to the local utility system. Staff reviewed Noria Energy's request and advised that Santiago Basin could potentially be suitable for the proposed use, although further review would be required. After a preliminary site evaluation of Santiago Basin and a meeting with District staff, Noria Energy expressed an interest in pursuing use of the Santiago Basin for the Project.

The Santiago Basin infrastructure appears to be suitable for the proposed use. However, further site diligence is required to fully evaluate the suitability of Santiago Basin to host the Project. The formal site investigation will include, but is not limited to, an inspection of the basin; an interconnection evaluation with the local utility to determine the available capacity for the solar Project; ingress and egress from the facility for site visits; review of existing site documentation, including environmental, electrical, structural, real estate, and title documentation; and desktop analysis of the site to determine its suitability for solar. Before undertaking this effort, Noria Energy would like the District to consider an exclusive due diligence agreement (EDDA).

Should the District be interested in pursuing the Project, staff would return to the Committee with an EDDA allowing Noria Energy to further evaluate the suitability of the Santiago Basin for the proposed use.

PRIOR RELEVANT BOARD ACTION(S) N/A

LOCATION MAP
Santiago Basin
showing Floating Solar Panel mockup





ORANGE COUNTY WATER DISTRICT FLOATING SOLAR LEASE OPPORTUNITY

AUGUST 19, 2020



FLOATING SOLAR LEASE

After our initial site evaluation of the land and water area at The Santiago Creek Recharge Basin (33.8066667, -117.8063889) and the Burris Basin (33.8305996, -117.8687757) we see a promising opportunity for a surface lease for a solar project to interconnect and sell renewable energy to the local utility system. We are seeking to enter into a non-binding letter of intent to explore the feasibility of the proposed site.

Project: Up to 10MW of solar photovoltaic power plant and associated facilities.

LOI Purpose: Evaluate the feasibility of the subject Property for its ability to host the proposed Project.

LOI Term: Initial term of 90 days, one extension term of 90 days.

Scope: Site diligence of the body of water including, but not limited to, inspection of the pond; interconnection evaluation with the local utility to determine the available capacity for a solar project; ingress and egress from the facility for site visits; review of existing site documentation, including environmental, electrical, structural, real estate, and title documentation; and desktop analysis of the site to determine its suitability for solar.

Exclusivity: Exclusivity for solar site suitability assessment only. Owner is free to pursue any other development opportunities available during the term.

Result: Binding proposal for a long-term, solar surface lease at the end of term, for Owner to review.

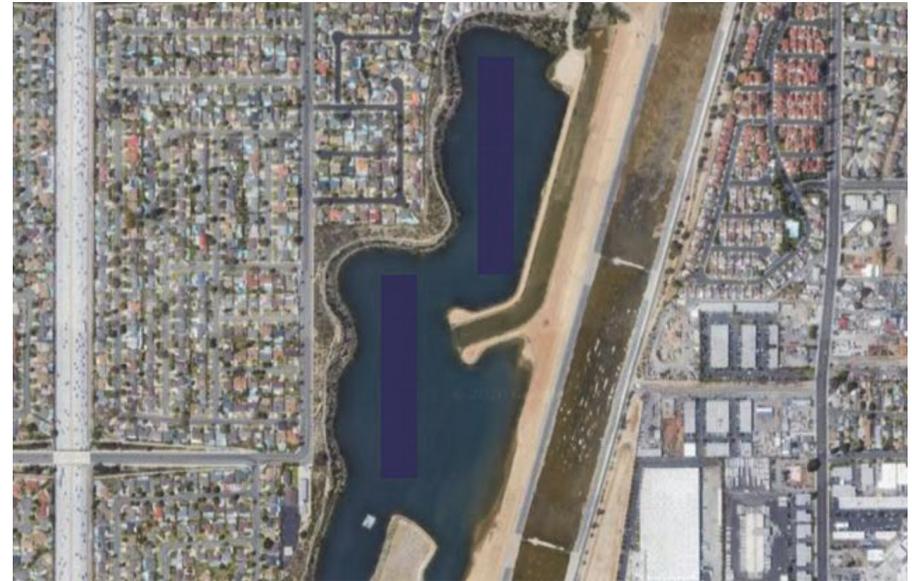
**Please see LOI attachment for additional details*

SANTIAGO CREEK BASIN



Site Address:	33.8066667, -117.8063889
Estimated System Design:	14.3 MW dc
Estimated Year-1 Production	22,980 MWh
Proposed Lease Rate:	To be determined during LOI Term
Proposed Lease Term:	20-year initial term Four 5-year extension terms

BURRIS BASIN



Site Address:	33.830570, -117.867807
Estimated System Design:	6.89 MW dc
Estimated Year-1 Production	10,990 MWh
Proposed Lease Rate:	To be determined during LOI Term
Proposed Lease Term:	20-year initial term Four 5-year extension terms



EXPERIENCE

Noria Energy and White Pine Renewables design, construct and operate floating solar systems on your water's surface, offering affordable long-term power that will help your business transition to renewable energy.

FLOATING INDUSTRY LEADERS

Noria Energy and White Pine are renewable energy developers focused on combining traditional flotation structures with traditional solar power plants. We are currently developing 50+ MW of Floating Solar in the United States and our team members have 40+ years of combined experience successfully constructing, owning, and operating over 1GW of solar projects.

STRONG FINANCING PARTNER

Noria and White Pine have a long-term financing partnership with West Town Bank, a leading solar project lender with ~\$500mm of capital deployed. By partnering with West Town, White Pine and Noria are able to bring best-in-class financing and resources from the 100 MW+ utility-scale solar industry to the 1-10MW commercial and industrial sector.



FLOATING SOLAR BENEFITS

A floating solar system is a solar power installation mounted on a structure that floats on a body of water, typically an artificial basin or lake, providing multiple benefits:

EFFICIENT LAND USE

Floating projects utilize unused water surfaces allowing valuable land to be used for other purposes. The systems are efficiently designed to use minimal area and are safely anchored.

ECONOMIC BENEFITS

Floating solar is cost effective, offering significant savings and locking in low energy costs for the long-term. Projects create local jobs for construction and maintenance of the systems.

ECO-FRIENDLY

Floating solar materials are compliant with fresh and natural water standards. The coverings provide shading that decreases water temperature, reduces evaporation to save water, and slows harmful algae growth. The pontoons are created from recyclable materials and easily removed at the end of the project.

EXISTING TECHNOLOGY

Our systems combine traditional solar equipment with pontoons - no new technology is utilized. Over 2000 acres of floating solar projects have been installed worldwide, and these systems now make economic sense for utilities and commercial customers in countries across the globe.



BEHIND THE METER SOLAR

FINANCIAL SAVINGS

Our renewable systems offer financial savings on your electricity bills and provide low, fixed energy costs for the long-term.

RESILIENCY

Noria is experienced in Microgrid and other closed energy systems, offering solutions to protect your business from disruptions in energy service so you can continue being productive even in challenging times.

RENEWABLE POLICY BENEFITS

Many States offer net metering, feed-in-tariffs, and other incentives, allowing Noria to pass along additional savings to customers. In addition, our systems will help you reach State energy requirements, generating Renewable Energy Certificates (RECs) or help meet other sustainability goals of your business.



RECENT PROJECTS

WATER TREATMENT PLANT

HEALDSBURG, CA

5 MWdc Floating Solar Project. Water levels vary with pond empty part of the year. FPV blocks in the system will be moved annually for pond liner inspections



BATTLE MOUNTAIN SOLAR

BATTLE MOUNTAIN, NV

152MWdc/101MWac Single Axis Tracker Design, utilizing 25MW/100MWh of Battery Storage. The White Pine team contracted with NV Energy (Berkshire Hathaway) in 2018 for construction in 2020



HYDROELECTRIC POWER PLANT

LATIN AMERICA

2.1 MWdc/1.5 MWac Floating Solar Project on hydroelectric dam. Project will save water and demonstrate the ability to balance solar with uncertain hydro production



HUNTER SOLAR

BENNETT, CO

75MWdc Single Axis Tracker System Design with two rural electric cooperatives. Hunter was contracted by White Pine/Noria team members in 2019 for construction in 2022



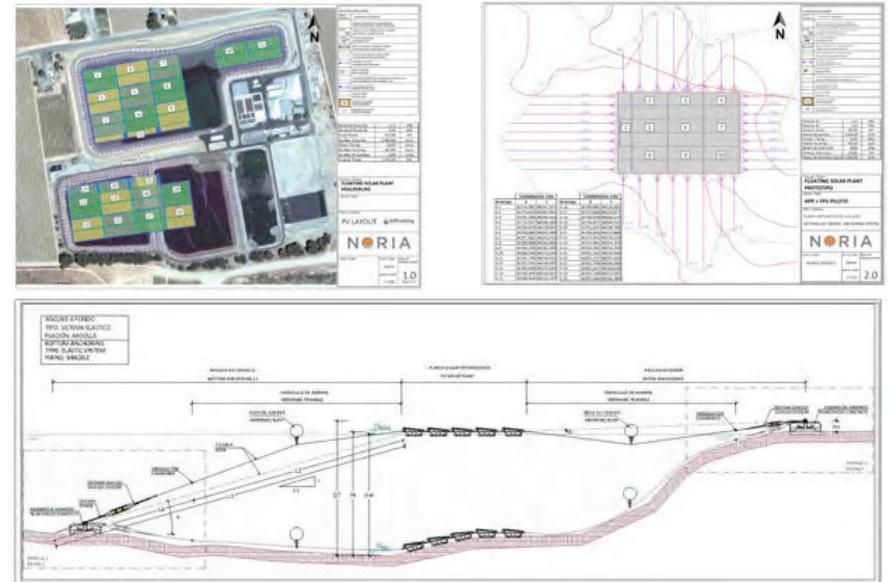
CASE STUDY: HEALDSBURG, CA

CHALLENGE

The City of Healdsburg wanted to generate its own energy but does not have adequate land to build a solar system. The Water Reclamation Facility contains two large ponds that are required to be inspected annually when the ponds are completely drained.

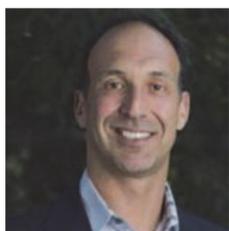
SOLUTION

Noria Energy designed and contracted a 5 MW dc solar system that will save the City several hundred thousand dollars on their energy and compliance costs. The floating system is designed in 'blocks' that can be moved before the pond is emptied so various areas of the liner can be inspected. In addition, the system will reduce evaporation and algae growth, allowing Healdsburg to offer a higher volume of water that requires less treatment.



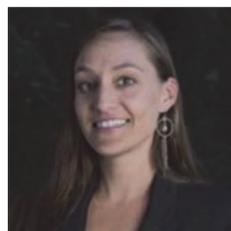


LEADERSHIP TEAM



Jon Wank, CEO

- Entrepreneur with proven track-record of creating new ventures, raising funds, and scaling companies.
- Founding member and first employee of The Solutions Project, a 501c3 organization with a goal of accelerating the transition of the United States to 100% renewable energy.



Katie Retz, Director of Finance

- Managed the acquisition of over 350 MW, and 16 projects, over \$800M total investment.
- Executed tax equity investments over \$143M.
- Executed project financing of over \$334M.



Jairo Criollo, Business Development

- Strategic, results-driven professional with over 17 years of experience in sales, marketing and new business development in technology industries.
- 15 years building and managing cross cultural teams and selling at C-level across Europe, Asia, Africa and the Americas.



Daniel Kammen, Sustainability Partner

- Founding director of the Renewable and Appropriate Energy Laboratory (RAEL) at UC Berkeley.
- Co-Director of the Berkeley Institute of the Environment, & Director of the Transportation Sustainability Research Center.
- Author of +300 journal publications, 4 books, 30 technical reports, and has testified in front of state and the US House and Senate over 30 times.



Alex Mayer, Director of Technology

- 16+ years solar industry experience with an emphasis on module and inverter technology development, manufacturing, system design, and product qualification
- Led module and inverter strategy for SolarCity (TESLA) through a cost savings of over \$50m.
- Expert in product compliance and grid interconnection.



David Williams, Chairman

- 15 years solar experience in 24 countries.
- 1,500+ MW Solar Diligence, \$300m Project Financed.
- Senior Fellow Renewable Appropriate Energy Lab (RAEL) University of CA Berkeley.
- Selected as Time Magazine Innovator of the Year for refrigeration in emerging markets.

LEADERSHIP TEAM



Evan Riley
Founder and Partner

Former Vice President of Development at Cypress Creek Renewables.

Evan was responsible for overseeing project development at Cypress. During Evan's tenure from 2015 to 2019 his team was responsible for over 2,000 MW of installed solar capacity across 150 projects nationwide.

Former Engineering Manager at Black and Veatch where he supported over \$10bn of project-level transactions in solar and \$1bn of venture capital and government investments into solar tech companies.

MS in Solar Engineering from Dalarna University, European Solar Engineering School. BS in Physics and Math from Indiana University



Dylan Dupree
Founder and Partner

Dylan is an executive with experience in sales, operations, and development across solar and battery storage projects.

Formerly, as the President & CEO of CalCom Energy he built them into one of the fastest growing companies in the U.S. for three consecutive years, named by Inc. 500. In 24 months, they scaled from \$3M in sales to over \$60M

He has over 16 years of solar PV experience and has originated, developed, and financed over 200 MW of behind the meter projects across the United States.

Dylan holds a BA from the University of California, Berkeley.



Michael Kremer
Founder and Partner

Michael leads corporate and project finance at White Pine, raising capital for the full project lifecycle spanning development, tax equity, debt, and M&A.

Former Director of the Project Finance team at Cypress Creek Renewables.

Created \$1+ billion of capital raises across the corporate and project finance spectrum and led other key strategic initiatives on the development and operations sides of the business.

Michael has a BA in International Relations from Tufts University.



White Pine Renewables is a full-service solar and storage development company, serving agricultural, municipal, commercial and industrial customers with on-site energy solutions.

Founded in California in 2017, White Pine develops, finances, and constructs solar and energy storage projects. Our team brings over 30 years of combined experience in solar industry, having successfully contracted and delivered over 2GW of solar and storage projects.

Results

- Operational Portfolio – 31 projects, totaling 55MW across 7 states
- Under Development – 22 projects, totaling 25MW (as of 3Q20)
- Savings – Over \$1,500,000 in energy savings against utility rates



ON-SITE SOLAR CUSTOMERS



Customer	System Size	State
Olam Farming	16 MWdc Portfolio	CA
Corcoran Irrigation District	6 MWdc	CA
TeaPot Dome Water District	500 kWdc	CA
City of Healdsburg	5 MWdc	CA
City of Eloy	100 kWdc	AZ
Addison and Madison Schools Districts	550 kWdc	MI
La Grange School District	850 kWdc	IL
Northern Indiana Public Service Company	3 MWdc	IN

Customers and Partners

Utilities



Government



Towns



Construction



DEVELOPMENT STRUCTURE

Our development team is structured to maximize efficiency to carry projects from concept to completion, including design, permitting, procurement, construction, operation & maintenance, and finance.





COMMITTED FINANCING



Development Financing



Construction Financing



Permanent Debt



Long-Term Partnership

DEVELOPMENT CAPITAL

White Pine and Noria utilize a development-stage financing facility with West Town Bank & Trust (WTBT) to fund all project development costs, including permitting, engineering and design work, and all other pre-construction preparation work

CONSTRUCTION & PERMANENT FINANCING

White Pine and Noria have a standing commitment from WTBT to finance solar project construction, providing for efficient progression from the completion of development through to construction. Upon project completion, WTBT's construction loan converts to a permanent loan that is repaid from cash flows over the project's operating life.

LONG-TERM PARTNERSHIP

The White Pine and Noria teams have worked with West Town for 5+ years and closed more than a dozen financings together. Transaction teams from each party draw upon their extensive solar experience and collective track record together to facilitate smooth and timely financing.



CONTACT:

JAIRO CRIOLLO

DIRECTOR - BUSINESS DEVELOPMENT

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e. jairo@noriaenergy.com

AGENDA ITEM SUBMITTAL

Meeting Date: September 25, 2020

To: Property Management Committee/
Board of Directors

From: Mike Markus

Staff Contact: B. Dosier / D. Park

Budgeted: N/A

Budget Amount: N/A

Estimated Revenue: 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: PRADO SHOOTING RANGE LEASES OVERVIEW

SUMMARY

The District currently has a Shooting Range Lease with Mike Raahauge Shooting Enterprises, Inc. at its Prado Basin properties. Staff will provide an overview of the Shooting Range Leases to the Committee.

Attachment(s): None

RECOMMENDATION

Informational.

BACKGROUND/ANALYSIS

The District currently has a Shooting Range Lease (Lease) with Mike Raahauge Shooting Enterprises (MRSE) at its Prado Basin properties. The Lease was executed on April 5, 2017, to conduct sporting clay and trap & skeet shooting range, game managed bird hunting; raising of game birds; dog kennels and training; rental of clubhouse; food and beverage service; shooting range; training classes for hunter safety and related activities; fairs, exhibitions or events; vending machines; sale or rental of hard or soft goods; and farming with no fertilizing on the Lease premises. The Lease provides a 30-year term with two (2) ten-year options.

Original Leases #1 and #2

The District has had shooting range leases on its Prado Basin properties since the early 1970s. Originally there were two leases issued. Lease #1 was issued to Linc Raahauge on June 23, 1971 and Lease II was issued on July 1, 1982 to Linc Raahauge d.b.a. Linc Raahauge Pheasant Hunting Preserve.

Lease #1 uses were game managed pheasant hunting, trap & skeet shooting, dog kennels and training, clubhouse, restaurant cattle grazing, and other compatible uses. Trap & skeet shooting was done on the west end of the South Bluff. Pheasant hunting was done in the basin, north of the Santa Ana River (Pheasant Fields). Trap & skeet shooting ceased on April 1, 1995 due to an agreement that the District entered into with Weyerhaeuser Mortgage Company which resulted in the shooting activity to be relocated to the North Bluff and a payment of \$40,000 by Weyerhaeuser to the District for ceasing the shooting activity and to

pay for relocation and cleanup of the shooting range. The relocation of the shooting activity was due to Weyerhaeuser building houses next to the South Bluff and the residence did not want to hear the shotgun fire from the range.

Lease #2 uses were duck and pheasant hunting, trap & skeet shooting, hunter safety classes, cattle grazing, agricultural activities. Those activities were located on the North Bluff and adjacent wetlands area. Neither Lease #1 nor #2 provided for lead shot cleanup but did require MRSE to keep the leasehold clean and free of debris.

1995 Lease

In 1995, Leases #1 and #2 were replaced with one lease for shooting activities on the North Bluff, and two permits were issued on an annual basis, one for pheasant hunting and one for duck hunting. The lease and permits were issued to Mike Raahauge (Linc Raahauge's son) d.b.a. Mike Raahauge's Shooting Enterprises. The purpose of dividing the uses into three documents was to allow the District to better manage the recreational uses at Prado Basin. The two permits were replaced with two leases in 2005, terms of which have been extended since to the present.

The 1995 lease provided for lead shot removal to be conducted every other year for the shooting range. The method of lead cleanup has been to have a lead removal company come to the range to mine the lead shot and bullets and recycle them for which the company and Shooting Range receive payment from the recycle center. MRSE has had a company remove the lead from the Shooting Range periodically since 1997. Lead shot may not necessarily be removed every two years as there needs to be sufficient quantities of lead to make it profitable for the lead shot company to remove the lead.

2005 Lease

On November 2, 2005, the District executed a new Shooting Range Lease with MRSE to conduct sporting clay and trap & skeet shooting range, game managed bird hunting; raising of game birds; dog kennels and training; rental of clubhouse; food and beverage service; shooting range; training classes for hunter safety and related activities; fairs, exhibitions or events; vending machines; sale or rental of hard or soft goods; and farming with no fertilizing on the premises. The 2005 lease also provided for lead shot removal every other year for the shooting range. The lease was subsequently extended to December 15, 2015, and again to April 30, 2017 to finalize lease negotiations.

AECOM Environmental Studies and 2017 Lease

During lease negotiations in 2016, the District contracted with AECOM to prepare environmental studies at the shooting area properties. The studies mapped the occurrence of lead bullet and other typical shooting area contaminants in the soil and developed preliminary plans and estimated costs for the remediation of the contamination and for the ultimate closure of the facilities expected to occur in the distant future. These studies identified best management practices for the ongoing use of active shooting areas and developed initial estimates of the areas to be cleaned up at various sites. The best management practices were incorporated into the Lease approved by the Board on April 5, 2017, the "Environmental Stewardship Plan" developed by AECOM, with which MRSE must comply.

Per the Lease, MRSE is to pay into Environmental Remediation Fund (ERF), initially an

amount of \$4,000 per month and increasing \$400 per month annually throughout the lease. As of September 1, 2020, the amount of the ERF is \$5,200 per month and the balance was \$176,400. The ERF is to be reassessed by both the District and MRSE every 5 years. Prior to the expiration of the Lease, the District is to conduct Interim Environmental Remediation on Pigeon Hill in the North Bluff area, and the Pheasant Fields and Former Clay Target Range in the South Bluff area. District staff has been working with the California Department of Toxic Substances Control (DTSC) and AECOM to complete a revised risk evaluation for the Interim Environmental Remediation areas and indicates that the scale of cleanup needed is smaller than previously estimated. Based on this, the Board approved amending an agreement with AECOM and funding to support a Supplemental Remedial Investigation, Focused Remedial Investigation/Feasibility Study and Remedial Action Plan at its May 6, 2020 meeting.

Upon expiration of the Lease, OCWD is to conduct Final Environmental Remediation on the Shooting Range. The ERF can be applied to either or both the Interim and Final Environmental Remediation and OCWD has right to seek cost recovery in excess of the ERF if necessary.

County of Riverside Conditional Use Permit (CUP)

Prior to the execution of the 2017 Lease and as required by the County of Riverside, MRSE began the process of renewing its Conditional Use Permit (CUP) with the County to continue to conduct the shooting range activities. One of the requirements by the County is that MRSE provide potable water for hand-washing stations. As there is not a pipeline from the local water utility, MRSE has drilled a potable drinking water well and, due to the high concentration of nitrates in the groundwater, must provide treatment of the well water by a reverse osmosis (RO) system. Developing the well, the treatment and complying with regulatory requirements has significantly prolonged MRSE's CUP process and expenses.

Per MRSE, the County's Environmental Health Department (EHD) is reviewing the water supply and wastewater disposal system designs. EHD is reviewing all environmental documents and studies which have been prepared for the project. MRSE has re-submitted a revised site and water plan, responding to the comments made by EHD. The brine from the RO system will be transported by truck to the Santa Ana Watershed Protection Authority (SAWPA) facilities for disposal. The application for the disposal has been submitted by MRSE to SAWPA for approval. The SAWPA acceptance of the brine disposal method is needed before the EHD will approve the system.

More recently, the County has requested that MRSE provide updated studies and information (updated reports for MRSE's Phase 1 environmental study, geology, and cultural resources as well as a Native American consultation), a Water Quality Management Plan (WQMP), and are discussing potentially requiring that MRSE provide a habitat management plan and potential \$275,000 habitat maintenance/restoration fee to the County. Furthermore, the County has added a new condition of the construction of a handicapped path extending to Helman Avenue and County staff indicated to MRSE that the building site and pads needs to be raised 5 to 7 feet because the Prado spillway is being raised.

The CUP process is still pending.

PRIOR RELEVANT BOARD ACTION(S):

5/6/2020, R20-5-55 - Authorize amendment Agreement with AECOM to support a Supplemental Remedial Investigation, Focused Remedial Investigation/Feasibility Study and Remedial Action Plan for the Prado Shooting Areas for an amount not to exceed \$215,937.

9/18/2019, M19-122 - Authorize \$67,068 additional funding for finalization of the risk assessment and waste consolidation plan at the Prado Shooting Range to be paid as follows: DTSC \$42,268 and AECOM \$24,800.

10/7/2015, R15-10-141 - Authorize the General Manager to finalize negotiations and execute an Agreement with AECOM Technical Services Inc. for an amount not to exceed \$222,938 for a focused remedial investigation and feasibility study of the Prado shooting areas

7/1/2015, M15-104 - Authorize issuance of a revised Request for Proposals for a Focused Remedial Investigation & Feasibility Study of the Prado Shooting Areas (to include a 20-year and 30-year study period).

4/5/2017 R17-4-41 Approve Lease Agreement with Mike Raahauge's Shooting Enterprises, for a period of thirty (30) years, with two (2) additional terms of ten (10) years each from the expiration date; pay into Environmental Remediation Fund and comply with Environmental Stewardship Plan.

3/15/17 R17-3-25 Approve Amendment Five to the Lease Agreement to Elaine Raahauge d.b.a. Mike Raahauge's Shooting Enterprises providing for a one-month extension of the shooting range lease through April 30, 2017, with all terms and conditions remaining the same.

2/15/17 R17-2-9 Approve Consent Agreement to Mike Raahauge's Shooting Enterprises, to trench for the installation of a phone line.

1/18/17 R17-1-2 - Approve License Agreement to Mike Raahauge's Shooting Enterprises, Incorporated, for new Well Facilities to allow installation, and maintenance of one (1) potable water well, one (1) water treatment facility, one (1) potable water storage tank, and one (1) brine waste storage tank, and all appurtenances.

12/21/16 R16-12-176 - Approve Amendment Four to the Lease Agreement with Elaine Raahauge d.b.a. Mike Raahauge Shooting Enterprises providing for a three-month extension of the shooting range lease through March 31, 2017, with all terms and conditions remaining the same.

10/07/15 R15-10-142 – Approve Amendment No. 3 to the Lease Agreement with Elaine Raahauge d.b.a. Mike Raahauge's Shooting Enterprises that provides for a one-year extension of the shooting range lease through December 31, 2016, with all terms and conditions remaining the same.

07/01/15 M15-104 - Authorize revised Request for Proposals for focused remedial investigation & feasibility study of the Prado shooting areas.

02/04/15 M15-22 - Authorize Board President to appoint Property ad hoc Committee to review issues related to Elaine Raahauge d.b.a. Mike Raahauge's Shooting Enterprises.

12/17/14 R14-12-00 - Direct staff to enter into negotiations with Elaine Raahauge to renew the shooting range lease with the District, and to return to Board with information for Closed Session discussion.

10/02/13 R13-10-126 - Approve and authorize execution of Assignment of Lease, Consent to Assignment, and Amendment Two to Lease Agreement for Shooting Range to change Lessee name to Elaine Raahauge d.b.a. Mike Raahauge's Shooting Enterprises and revise automobile liability insurance requirement.

12/19/12 R12-12-151- Consent to construction of additional pistol bays and bullet barriers extensions at Mike Raahauge's shooting range at Prado.

12/15/10 R10-12-186 - Approve Amendment One to Lease with Mike Raahauge d.b.a. Mike Raahauge Shooting Enterprises to extend the term of the Lease to December 31, 2015 to operate a sporting clay and trap and skeet shooting range and related activities, with all other terms and conditions of the Lease to remain the same.

11/02/05 R05-11-124 - Approve Lease with Mike Raahauge d.b.a. Mike Raahauge Shooting Enterprises to operate a Sporting Clays and Shooting Range for a five year period, at a monthly rent of \$7,400 beginning on January 1, 2006 with an annual rent increase of 9 percent.

03/02/05 R05-3-21 - Approve Amendment Two to Lease with Mike Raahauge Shooting Enterprises to convert the lease to a month-to-month lease, with all other terms and conditions to remain the same.

04/19/2000 R2000-4-52 - Approve Amendment One to Lease with Mike Raahauge Shooting Enterprises to change the percentage rent for fairs and exhibitions from 15% of flat fee to 10% of Gross Receipts.

2/15/1995 – R95-2-21 – Approve Lease with Mike Raahauge, d.b.a. Mike Raahauge Shooting Enterprises for 135 acres on North Bluff at Prado Basin for a 10-year term commencing on March 1, 1995 for use as a sporting clays and shooting range, bird hunting, clubhouse, food and beverage service, training classes, fairs and exhibitions, sale and rental of hard or soft goods, farming of alfalfa, barley, or beans. NOTE: In 1995 the Prado leaseholds were divided into three lease area to allow the District to better manage activities in the basin. The three lease areas are 1) Shooting Range, 2) Duck Hunting and 3) Pheasant Hunting.

11/16/1994 – M94-368 – Terminate Lease #1 effective April 1, 1995; Terminate Lease #2 effective November 23, 1995.

11/16/1994 – R94-11-121 – Approve Agreement with Weyerhaeuser Mortgage Company to cease shooting activity on South Bluff effective April 1, 1995.

5/21/1986 – R86-5-40 – Approve amendment to Lease #1 extending Lease for 5 years (exercised 2nd option).

12/19/1984 – R84-12-188 – Approve amendment to Lease #1 approving rent change to 8% of gross receipts and eliminates deductions for pheasants from gross receipts.

4/20/1983 – R83-4-35 – Approve Consent to Assignment of Leases #1 and #2 to Mike Raahauge (son of Linc Raahauge) and Betty Raahauge (spouse of Linc Raahauge).

06/16/1982 – R82-6-50 – Approve amendment to Lease #2 adding agricultural and horticultural uses.

5/26/1982 – R82-5-40 – Approve Lease (Lease #2) with Linc Raahauge (600 acres) for a 10 year lease with two 5 year options to extend term, Use: to operate a wildlife management area for duck and pheasant hunting, trap and skeet shooting, hunter safety classes, grazing of cattle, and public recreational uses and group recreational activities. Includes the North Bluff and the upper wetlands area.

6/17/1981 – R81-6-69 – Approve amendment to Lease with Linc Raahauge extending Lease for 5 years (exercising 1st option), increases size of leasehold to include westerly wetland area, and West of Highway 71 land (230 Acres).

7/16/1980 R80-7-72 – Approve amendment to Lease with Linc Raahauge to allow cattle grazing on westerly 216 acres.

6/23/1971, R71-6-38 – Approve Lease (Lease #1) with Linc Raahauge (773 Acres) – 10 years with two 5-year options to extend term. Use: Trap and skeet shooting, pheasant hunting, dog kennels, dog training, clubhouse, restaurant facilities, and other compatible uses. Premises include the South Bluff, Pheasant Hunting Fields, and southerly wetlands area.

Location Map

