

April 21, 1999

To: Board of Directors (Subcommittee on Real Property and Asset Management--
Action)
(Executive Committee--Action)

From: General Manager _____

Submitted by: Jay W. Malinowski _____
Chief of Operations

Mark D. Beuhler _____
Director of Water Quality

Subject: Appropriate \$3,000,000 for Implementation of the Lake Skinner Water Quality
Protection Plan

RECOMMENDATION(S)

1. Approve an appropriation in the sum of three million dollars (\$3,000,000) for the acquisition of real property and interests in real property (conservation easements) within the Lake Skinner watershed for purposes of protecting against land uses which would contribute pollutants to the reservoir;
2. Authorize the Manager of Real Estate Services to expend the appropriated funds for the acquisition of real property and interests in real property identified by the Chief of Operations and the Director of Water Quality within the Lake Skinner watershed. The Board shall approve all individual purchases exceeding the General Manager’s authority (\$250,000). All property purchases shall be voluntary, and no acquisition shall be made under threat of exercise of eminent domain; and
3. Authorize the Manager of Real Estate Services, with approval of the General Counsel, to enter into appropriate agreements with the Reserve Management Committee of the Southwestern Riverside County Multi-Species Reserve and others to implement this plan.

EXECUTIVE SUMMARY

Increasing development pressures within the Lake Skinner watershed create a potential problem with water quality due to pollutants and nutrients which will be generated by the resulting land uses. Riverside County planning and zoning regulations allow the area to be developed with residential and equestrian uses. The Lake Skinner watershed encompasses about 21,000 acres of privately-owned land (approximately 64 percent of the total watershed) which is subject to such development. Residential and equestrian development in this area would add significant levels of

organic pollutants and nutrients into Lake Skinner through runoff into the streams which enter the reservoir.

One of the most cost-effective means of controlling this pollution problem is to control the use of the property within the watershed which poses the greatest concern for contributing pollution. This can be done through acquisition of the property, or interests in the property which limit the allowable uses and/or provide sites for construction of facilities to capture pollutants before they reach the reservoir. Metropolitan's Operations Division, Water Quality Division, and Real Estate Services Branch have identified and recommend to acquire property interests to provide protection against the potential pollution danger. The Reserve Management Committee of the Southwestern Riverside County Multi-Species Reserve has been acquiring property in the same general area for ecological reserve purposes which often accomplish watershed protection as well. This plan will be implemented co-operatively with the Reserve Management Committee's program. Acquisitions will be limited to voluntary agreements with willing sellers of lands found to be appropriate for the plan.

A long-term watershed management plan will be developed in the future with other stakeholders in the watershed to address additional source water protection issues such as land use, zoning, riparian restoration, and public education. The urgency associated with the increasing development pressures requires that the property purchases precede the development of the formal watershed management plan. An appropriation of \$3,000,000 will facilitate the purchase of the most critical properties in the Lake Skinner watershed.

JUSTIFICATION

The development of residential and equestrian uses on property within the Lake Skinner watershed will cause water quality problems through the introduction of pollutants and nutrients. The cost of treating the water to deal with these pollutants will be significant. It will be more cost-effective to prevent the pollutants from reaching the reservoir through control of land use by the acquisition of properties, or interests in properties, to control development and allow installation of facilities to capture pollutants prior to entering the reservoir.

ALTERNATIVE(S) TO PROPOSED ACTION

The alternative to acquisition of sensitive properties within the Lake Skinner watershed at this time would be to allow development to continue on such properties. This would result in higher costs to be incurred in the future through increased treatment to deal with pollution levels, or increased costs in acquiring developed lands to reduce pollution inflows.

FUNDING REQUEST

Program Name: Lake Skinner Water Quality Protection Plan			
Source of Funds: Pay-As-You-Go			
Appropriation No.: 15-347	Board Action No.: Initial	FY 98/99 Budget: Out of Budget	
Requested Amount:	\$3,000,000	Capital Program No.:	N/A
Total Appropriated Amount:	\$3,000,000	Capital Program Page No.:	N/A
Total Program Estimate:	\$3,000,000	Program Category:	N/A

ACTIONS AND MILESTONES

- Operations and Water Quality Divisions prioritize the sensitive properties which pose a significant potential problem or opportunity for construction of pollution capturing facilities.
- Real Estate Services proceed with voluntary acquisition of sensitive properties utilizing staff real estate representatives and/or the services of a real estate broker when deemed prudent.

CEQA COMPLIANCE / ENVIRONMENTAL DOCUMENTATION

This proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) because it will have no significant effect on the environment. No facilities are planned to be constructed on the properties being acquired, and any future facilities would be subject to CEQA review.

DETAILED REPORT

The Lake Skinner watershed encompasses approximately 51-square miles of land. One-third of this land is protected as part of the Southwestern Riverside Multi-Species Reserve, which includes Metropolitan's Shipley and Skinner Reserves, set aside as mitigation for the Eastside Reservoir and other Metropolitan projects. However, there are about 1,500 privately-owned parcels covering 21,000 acres within the watershed. This area in western Riverside County is becoming increasingly subject to development as the real estate market within the Inland Empire recovers. The Riverside County General Plan and zoning regulations allow for residential and equestrian development within the watershed. These uses would significantly increase the pollutants which flow into Lake Skinner from the watershed.

In particular, the conversion of the natural open space to equestrian uses will increase organic pollutants flowing into the reservoir. Each horse produces approximately 18 tons of manure and urine per year. A significant increase in the number of horses within the watershed will add to the organic nutrients and pathogens that already enter the reservoir. Construction of residences which operate septic tanks may also contribute to this increase.

Equestrian uses have additional impacts through removal of ground cover by grazing. The resulting erosion adds to the sediment flow into the reservoir. Residential use in the area will increase the fire danger as a result of typical activities such as barbecues, use of machinery, and electrical lines. More frequent wildfires will impact the reservoir through increased sedimentation and nutrient inflows. Increased population in the area may also result in an increase in illegal dumping within the watershed.

The effects of this increased development will create water quality problems that will require increased treatment prior to delivery. An alternative to allowing the development and subsequent water quality problems to occur is to take action to acquire the most sensitive properties (those with significant potential for contributing pollutants to the reservoir) prior to development. Other properties which would create buffers between the tributary streams and residential/equestrian uses would also be acquired. The properties have been identified and prioritized by the Operations and Water Quality Divisions.

The Reserve Management Committee of the Southwestern Riverside County Multi-Species Reserve has an ongoing program to acquire property in western Riverside County that provides sensitive habitat for endangered species. As part of this program, the Reserve Management Committee has acquired over 1,000 acres of open space lands within the Lake Skinner watershed. Acquisitions have been limited to situations of willing sellers of lands found appropriate for preservation.

This plan will be implemented co-operatively with the current Reserve Management Committee program. No individual purchase over \$250,000 would be authorized without prior Board approval. All purchases will be made on a voluntary basis, and Metropolitan's eminent domain powers will not be invoked under this program. It is expected that an appropriation of \$3,000,000 will facilitate the purchase of the most critical properties.

Purchasing property and conservation easements in the watershed will become part of a long-term watershed management program. This program is anticipated to be developed as a co-operative effort with other stakeholders in the watershed such as the Southwestern Riverside County Multi-Species Reserve, the Riverside County Flood Control and Water Conservation District, the Riverside County Planning Department, the Riverside County Regional Park and Open Space District, the Riverside County Habitat Conservation District, the Santa Margarita River Watermaster, and the Santa Margarita – San Luis Rey Watershed Planning Agency. The management plan will address land use, zoning, riparian restoration, public education, and other source water protection issues.

MTM/MAM/JMB/NGT/mi

Attachment 9-8A

Attachment 9-8B

Attachment 9-8A

Lake Skinner Water Quality Protection Program

FINANCIAL STATEMENT

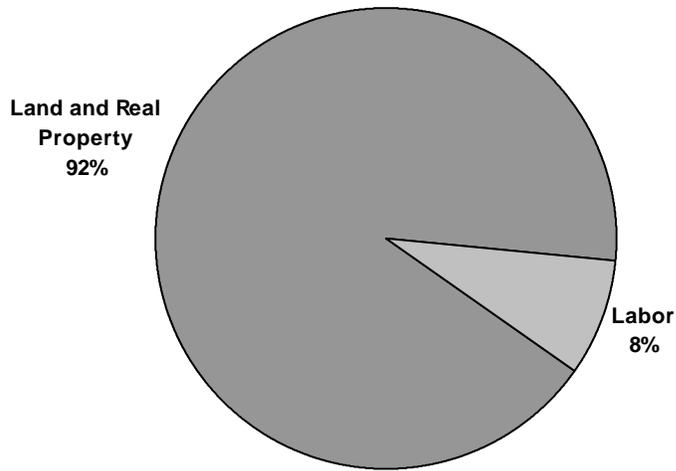
The breakdown of the total estimated cost for the Lake Skinner Water Quality Protection Program is as follows:

	BOARD ACTION NO. 1
Labor:	
Engineering Division (Real Estate Services, Survey Engineering)	
Title Review, Mapping, Legal Description, Escrow	\$84,000
Environmental Review, Value Analysis	\$71,850
Negotiations, Document Preparation	\$59,250
Labor Contingencies (12%)	<u>\$25,812</u>
Subtotal Labor	\$240,912
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Land and Real Property	\$2,759,088
Incidental Expenses	N/A
Operating Equipment	N/A
Administrative Overhead	N/A
Construction Contract	N/A
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Total	<u>\$3,000,000</u>
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Source of Funds: Pay-as-You-Go	
Projected Expenditures of Funds :	
Through Fiscal Year 1998/99	\$250,000
Fiscal Year 1999/00	1,800,000
Fiscal Year 2000/01	950,000
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Total	<u>\$3,000,000</u>
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(Program not previously contemplated)

Attachment 9-8B

Lake Skinner Water Quality Protection Plan



Expense Allocation

