

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

FILED  
by the Board of Directors of  
The Metropolitan Water District  
of Southern California  
at its meeting held

JUN 13 1995

*Darwin E. Duff*  
EXECUTIVE SECRETARY

May 30, 1995

**To:** Board of Directors (Land Committee--Information)  
(Engineering and Operations Committee--Information)  
(Legal and Claims Committee--Information)

**From:** General Manager

**Subject:** Lake Mathews Multiple Species Habitat Conservation Plan/Natural  
Community Conservation Plan

**RECOMMENDATION:**

For information only.

John R. Wodraska  
General Manager

Submitted by:

*Debra C. Man*

Debra C. Man, Chief  
Planning and Resources

Concur:

*John R. Wodraska*

John R. Wodraska  
General Manager

DSD:jpa

Attachments

DDMATHEW/BOARD

**EXECUTIVE SUMMARY:**

As authorized by your Board in July 1992, Metropolitan has prepared the Lake Mathews Multiple Species Habitat Conservation Plan/Natural Community Conservation Plan (Lake Mathews MSHCP/NCCP). An update of this plan was provided to your Board in December 1993. The Lake Mathews MSHCP/NCCP establishes a mitigation bank that will provide compensation for the endangered species impacts of ongoing and future operational projects and activities at Lake Mathews. In addition, the mitigation bank can be used to offset impacts of a number of projects on Metropolitan's Lake Mathews properties: the Central Pool Augmentation project, the Cajalco Dam and Detention Basins, and certain improvements proposed by Western Municipal Water District of Riverside County (Western MWD). Western MWD must compensate Metropolitan in order to use mitigation credits under the plan. Mitigation credits remaining in the bank can be used to mitigate for offsite projects.

The primary benefit of the Lake Mathews MSHCP/NCCP is that it minimizes the potential for disruption of existing and future operational activities at Lake Mathews due to the presence of endangered species. The plan includes permits for the take of threatened and endangered species under the federal and state Endangered Species Acts (ESAs). Two federally and state-listed endangered species (Stephens' kangaroo rat and the bald eagle) and one federally listed threatened species (coastal California gnatcatcher) are present on Metropolitan's properties at Lake Mathews. The plan also includes provisions for the take of two listed species which could potentially occur at Lake Mathews in the future (Least Bell's vireo and Quino checkerspot).

Another key benefit of the Lake Mathews MSHCP/NCCP is that it includes pre-listing agreements with U. S. Fish and Wildlife Service (USFWS) and California Department of Fish and Game (CDFG) for 60 sensitive species that currently occur or potentially could occur at Lake Mathews and could become listed in the future (the ESAs currently require that species be specifically identified). These pre-listing agreements allow for the take of any of these species if and when they become listed. The pre-listing agreements ensure that projects and activities at Lake Mathews will not be delayed or halted by the future listing of one or more of the species covered by the plan.

The Lake Mathews MSHCP/NCCP can be implemented at no additional cost to Metropolitan for two reasons. First, no additional land acquisition is required for mitigation. Biological mitigation under the Lake Mathews MSHCP/NCCP involves establishing a 5,110-acre multiple species reserve at Lake Mathews. The proposed multiple species reserve will be located entirely on Metropolitan's properties at Lake Mathews. Second, funding for the biological management of the multiple species reserve will be provided through a partnership with the Riverside County Habitat Conservation Agency (RCHCA). RCHCA will purchase conservation easements over 1,269 acres of occupied Stephens' kangaroo rat habitat on Metropolitan's properties for \$5 million.

Metropolitan will establish an endowment for reserve management with the \$5 million paid by RCHCA. This money will be invested in accordance with Metropolitan's investment policies. The earnings from the endowment will be used to cover annual reserve management costs. Funding for management will also include management of the Stephens' kangaroo rat on properties RCHCA owns or otherwise controls south of Metropolitan's ownership within RCHCA's proposed Lake Mathews/Estelle Mountain Core Reserve.

Staff has prepared a Mitigated Negative Declaration (MND) pursuant to the California Environmental Quality Act (CEQA) and an Environmental Assessment (EA) pursuant to the National Environmental Policy Act (NEPA) for USFWS. The MND and EA will be distributed for public review and comment during June and July. Staff anticipates returning to your Board in August 1995 for final plan approval.

**DETAILED REPORT:**

As authorized by your Board in July 1992, Metropolitan has prepared the Lake Mathews Multiple Species Habitat Conservation Plan/Natural Community Conservation Plan (Lake Mathews MSHCP/NCCP). An update of this plan was provided to your Board in December 1993. The Lake Mathews MSHCP/NCCP establishes a mitigation bank that will provide compensation for the endangered species impacts of ongoing and future operational projects and activities at Lake Mathews. In addition, the mitigation bank can be used to offset impacts of a number of projects on Metropolitan's Lake Mathews properties: the Central Pool Augmentation project, the Cajalco Dam and Detention Basins, and certain improvements proposed by Western Municipal Water District of Riverside County (Western MWD). Western MWD must compensate Metropolitan in order to use mitigation credits under the plan. Mitigation credits remaining in the bank can be used to mitigate for Metropolitan's offsite projects.

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A third benefit of the plan is that endangered species habitat remaining in the mitigation bank can be used to compensate for impacts to those same endangered species associated with other Metropolitan projects within Riverside, Orange and parts of Los Angeles counties. The mitigation bank can be used to mitigate for project impacts under the California Environmental Quality Act as well as the federal and state Endangered Species Acts.

The Lake Mathews MSHCP/NCCP can be implemented at no additional cost to Metropolitan for two reasons. First, no additional land acquisition is required for mitigation. Biological mitigation under the Lake Mathews MSHCP/NCCP involves establishing a 5,110-acre multiple species reserve at Lake Mathews. The proposed multiple species reserve will be located entirely on Metropolitan's properties at Lake Mathews. The multiple species reserve consists of a 2,545-acre mitigation bank on Metropolitan's property adjacent to the existing 2,565-acre state ecological reserve (Figure 1). As authorized by your Board in October 1991, this property was withdrawn from the surplus property inventory because of (1) the need to protect the water quality of the reservoir and (2) the presence of Stephens' kangaroo rats on the property. In addition, sale of the property would require preparation of an Environmental Impact Report (EIR), as determined through the court decision in San Bernardino Valley Audubon Society, Inc. vs. The Metropolitan Water District. The environmental sensitivity of the property and the fact that it has been included in the RCHCA's proposed Long-Term Core Reserve for the Stephens' kangaroo rat would make the EIR process and disposal of the property difficult.

Second, funding for the biological management of the multiple species reserve will be provided through a partnership with the Riverside County Habitat Conservation Agency (RCHCA). RCHCA will purchase conservation easements over 1,269 acres of occupied Stephens' kangaroo rat habitat on Metropolitan's properties for \$5 million. RCHCA will receive credit for this purchase in conjunction with its Long-Term Habitat Conservation Plan for the Stephens' kangaroo rat.

Metropolitan will establish an endowment for reserve management with the \$5 million paid by RCHCA. This money will be invested in accordance with Metropolitan's investment policies. The earnings from the endowment will be used to cover annual reserve management costs. Funding for management will also include management of the Stephens' kangaroo rat on properties RCHCA owns or otherwise controls south of Metropolitan's ownership within RCHCA's proposed Lake Mathews/Estelle Mountain Core Reserve (Figure 2). The Lake Mathews MSHCP/NCCP identifies this area as the "combined reserve." The resource agencies have approved the preliminary budgets and no additional funding will be required from Metropolitan.

Metropolitan will also obtain an additional \$500,000 available to it from the Department of Water Resources (DWR) pursuant to an earlier agreement that provides for management of the existing ecological reserve (1979 Memorandum of Agreement Regarding Mitigation of State Water Project Wildlife Losses in Southern California among Metropolitan, CDFG and DWR). This money will be used to cover the costs of setting up the multiple species reserve during the first year, including expenses such as purchasing fencing, and establishing the reserve manager's office and residence. The agreement will be amended to provide for this payment according to the terms of the Lake Mathews MSHCP/NCCP.

The Lake Mathews MSHCP/NCCP establishes a reserve management committee through the execution of a Cooperative Management Agreement. The committee will be composed of Metropolitan, RCHCA, USFWS, and CDFG and will operate by consensus within its scope of authority regarding management of the combined reserve. This approach is the same one successfully used at the Santa Rosa Plateau and at the multi-species reserve established through the Southwestern Riverside County Multi-Species Habitat Conservation Plan/Natural Community Conservation Plan in conjunction with the Domenigoni Valley Reservoir.

In addition, a full-time reserve manager will be hired to implement the management provisions of the Lake Mathews MSHCP/NCCP. The reserve manager will be paid using a portion of the annual earnings from the endowment. Because the endowment will be administered by Metropolitan, it is proposed that Metropolitan also administer the contract for the reserve manager. An informal search for a reserve manager with the capability to manage the extensive acreage in the combined reserve revealed two possibilities: The Nature Conservancy and The Center for Natural Lands Management (CNLM), a nonprofit organization based in Sacramento. The Nature Conservancy declined the opportunity, however, and staff has obtained a preliminary estimate of an annual budget from the CNLM. The estimate assumes the availability of approximately \$250,000 per year for reserve management based on an average 5% capitalization rate on the endowment.

The Lake Mathews MSHCP/NCCP is consistent with other activities at Lake Mathews described to your Board in December 1993. These are (1) the Fire Management Plan that provides guidelines for fire control activities on Metropolitan's properties at Lake Mathews, (2) annual shoreline maintenance activities that involve removal of vegetation below the high water line of the reservoir, and (3) the Drainage Water Quality Management Plan for the Lake Mathews Watershed, that was approved by your Board in January 1993.

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