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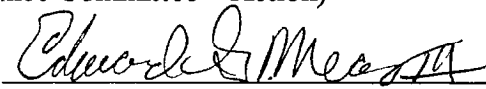
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

REVISED 8-2

April 7, 1997

To: Board of Directors (Engineering and Operations Committee—Action)
(Budget and Finance Committee—Action)

From: General Manager



Submitted by: Debra Man, Chief
Planning and Resources



Subject: Appropriate \$1,000,000 to Expend Budgeted Funds to Finance Previously
Authorized Participation in the Orange County Natural Communities
Conservation Plan

Reference: Appropriation No. 15119/Authorization No. 6

RECOMMENDATION

At the meeting of the Engineering and Operations Committee on April 7, 1997, the recommendation was revised as follows: It is recommended that your Board authorize an increase of \$1,000,000 in Appropriation No. 15119 from the Pay-As-You-Go Fund, to a total of \$23,051,000, to finance Metropolitan's Participation in the Orange County Natural Communities Conservation Plan for Fiscal Year 1996-97.

EXECUTIVE SUMMARY

In July 1996, your Board authorized Metropolitan's participation in the Natural Communities Conservation Plan/Habitat Conservation Plan (NCCP/HCP) for the Central and Coastal Subregion of Orange County. The agreement for Metropolitan's participation in the NCCP/HCP was executed by the General Manager in August 1996. Under this agreement, Metropolitan is provided take permits under the federal and State Endangered Species Acts that provide assurance that existing operations and maintenance activities can continue in areas of sensitive habitat. The agreement also provides needed mitigation for future infrastructure improvements. The executed agreement requires that Metropolitan contribute \$1 million to a fund for reserve management in four annual payments. The previous Board action, however, did not authorize financing of Metropolitan's contribution because payments under the agreement were not due at that time. The action requested by this letter is to appropriate the funds necessary to make each of the four annual \$250,000 payments to the reserve management fund from Appropriation No. 15119 for the CPA Project.

CAPITAL FUNDING REQUEST

Project Name: Central Pool Augmentation and Water Quality Project—Study and Land Acquisition	
Appropriation No.: 15119	Funding Request No.: 6
Amount: \$1,000,000	
Source of Funds: Pay-as-You-Go-Fund	
FY 96-97 Budget: No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> @ \$14,238,900	Capital Program: 15119-S Page No. Reference: 79
Project Justification and Type: (check all applicable)	
<input checked="" type="checkbox"/> Meet Water Demands	<input checked="" type="checkbox"/> New Facility
<input checked="" type="checkbox"/> Mandated By Law	<input type="checkbox"/> Improvement
<input checked="" type="checkbox"/> Asset Protection/Risk Mgt.	<input type="checkbox"/> Replacement
<input checked="" type="checkbox"/> Cost Avoidance	<input type="checkbox"/> Expansion
<input checked="" type="checkbox"/> Other - Required by Contract	

PROJECT DESCRIPTION

In July 1996, your Board authorized Metropolitan to enter into an agreement as a participating landowner in the Natural Communities Conservation Plan/Habitat Conservation Plan (NCCP/HCP) for the Central and Coastal Subregion of Orange County. The agreement was executed by the General Manager in August 1996. Under this agreement, Metropolitan and the other participating landowners and agencies receive permits for impacts to the California gnatcatcher and 6 other species currently listed under the federal and state Endangered Species Acts. The agreement also includes pre-listing authorizations for 36 other sensitive species that occur within the subregion, thereby allowing take of these species if and when they become listed in the future. For Metropolitan, the agreement provides 1) mitigation and take permits for habitat and sensitive species impacts in Orange County resulting from the approved Central Pool Augmentation and Water Quality Project (CPA Project) and from the parallel of the Allen-McColloch Pipeline, 2) assurance that operations and maintenance of existing facilities within the reserve are permitted activities, and 3) assurance that any necessary emergency operations activities can proceed without restriction.

By entering into the participation agreement, Metropolitan has agreed to contribute \$1 million to an endowment fund for long-term management of the reserve. The action requested by this letter is to appropriate the funds necessary to make each of the four annual

\$250,000 payments to the reserve management fund from Appropriation No. 15119 for the CPA Project.

BENEFIT

- Assures that operation and maintenance of Metropolitan's existing facilities are authorized activities within the reserve,
- Authorizes emergency operations within the reserve without restrictions,
- Assures that construction of the CPA Project and the parallel of the Allen McColloch Pipeline are permitted within the reserve, and
- Authorizes take of sensitive species habitat for the CPA Project, the parallel of the Allen-McColloch Pipeline, and/or other projects inside and outside of the reserve.

ALTERNATIVES TO PROPOSED ACTION

Pursuant to your Board's previous authorization, the General Manager executed the NCCP participation agreement in August 1996, which requires the contribution requested by this letter. If the contribution is not made, Metropolitan will be in breach of the agreement.

CEQA COMPLIANCE / ENVIRONMENTAL DOCUMENTATION

In authorizing Metropolitan to enter into the NCCP participation agreement in July 1996, your Board certified that it had reviewed and considered the information contained in the Final Environmental Impact Report/Environmental Impact Statement (EIR/EIS) prepared by the County of Orange and the U.S. Fish and Wildlife Service for the project and adopted the findings made by the County of Orange regarding impacts and mitigation measures. No further documentation is required under the California Environmental Quality Act.

ACK:jpa