



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

June 16, 1998

To: Board of Directors (Budget and Finance Committee--Action)
(Engineering and Operations Committee--Action)
(Legal and Claims Committee--Action)

From: General Manager

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Submitted by: Gary M. Snyder
Chief Engineer

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Subject: Authorization to Enter Into a Memorandum of Understanding; and Appropriate \$12,306,000 to Acquire Right-of-Way Within Bedford Canyon Necessary for the Future Central Pool Augmentation and Water Quality Program

Reference: Appropriation No. 15119

RECOMMENDATION(S)

To acquire critical properties associated with the future Central Pool Augmentation Program - Bedford Canyon Segment alignment, it is recommended that your Board:

1. Authorize the General Manager to enter into a Memorandum of Understanding with the Corona Country Club Estates, LLC., and the Eagle Glen Country Club, LLC., in a form approved by the General Counsel, to acquire certain properties and minimize future impacts to a housing and championship golf course development;
2. Approve Addendum No. 1 to the Final Environmental Impact Report (FEIR) (to be delivered under separate cover); and
3. Appropriate \$12,306,000 from the Pay-As-You-Go Fund to finance associated costs.

EXECUTIVE SUMMARY

It is proposed to enter into a Memorandum of Understanding (MOU) with the developers of the proposed Corona Country Club Estates Championship Golf Course to acquire certain property rights including a five acre portal site in Bedford Canyon critical to the future alignment of the Central Pool Augmentation and Water Quality (CPA) project. The MOU would also permit the installation of a 3,000 foot corrugated-metal pipe sleeve through the soon to be completed golf course. The sleeve will allow for the future installation of a portion of the CPA pipeline within the sleeve without interfering with the operation of the golf course and provide for access to the east portal of the proposed CPA tunnel to be constructed under the Santa Ana Mountains. Execution of this MOU, acquisition of necessary property rights, and installation of the sleeve under the golf course, is expected to save Metropolitan significant future right-of-way and

mitigation costs. This proposal was detailed in a May 1998, Informational Board Letter, and is in conformance with the intent of your Board actions of December 1993 and November 1995, authorizing the acquisitions of critical alignment sites.

JUSTIFICATION

Bedford Canyon offers perhaps the only feasible alignment for the future CPA pipeline and tunnel due to the location of the Elsinore Fault lines as well as the project hydraulics. Acquisition of these critical properties before the golf course becomes fully operational, and before the sale of executive homes overlooking the golf course, will result in significant cost and time savings. The installation of a pipeline sleeve will significantly reduce future impacts to the business operations of a championship golf course associated with construction of Metropolitan's pipeline and tunnel. Furthermore, the sleeve can significantly facilitate and reduce costs associated with tunneling activities. Additionally, acquisition of the five acre portal site is essential in order to accommodate construction as well as future operation and maintenance of the pipeline and tunnel system.

ALTERNATIVE(S) TO PROPOSED ACTION

Future condemnation of property

An alternative is to not proceed with acquisition of right-of-way within Bedford Canyon and proceed with condemnation of property in the future. This alternative would most likely force the closure of an established championship golf course and ancillary tournament events over a number of years associated with Metropolitan's pipe laying and tunneling activities. It is also anticipated that the golf course operations would not be fully re-established for some years after the conclusion of Metropolitan's construction activities. This alternative must also consider the potential costs associated with impacts to the established homes surrounding the golf course and the impacts to a golf course clubhouse, used as a meeting facility for the City of Corona. A significant portion of the future CPA project facilities, including the proposed treatment plant, currently reside in, or are proposed to reside within, the limits of the City of Corona.

FUNDING REQUEST

Program Name: Central Pool Augmentation and Water Quality Project			
Source of Funds: PAY-AS-YOU-GO FUND			
Appropriation No.: 15119	Board Action No.: 7	FY 97/98 Budget: \$150,312	
Requested Amount:	\$12,306,000	Capital Program No.:	15119-S
Total Appropriated Amount:	\$35,357,000	Capital Program Page No.:	E-20
Total Program Estimate:	\$49,000,000	Program Category:	SUPPLY & DELIVERY RELIABILITY

CEQA COMPLIANCE / ENVIRONMENTAL DOCUMENTATION

On August 22, 1995, your Board certified the Final Environmental Impact Report (FEIR) and approved the Central Pool Augmentation Project. The California Environmental Quality Act (CEQA) requires the preparation of an addendum to a previously certified FEIR for minor modifications to the project scope that involve no new significant adverse impacts or new substantial changes. Addendum No. 1 documents the proposed minor modifications described herein as required by CEQA. A copy of Addendum No. 1 is transmitted to your Board under separate cover. Your Board is required to review and consider Addendum No. 1 along with the FEIR prior to approving the proposed action a copy of the FEIR is available for review in the Office of the Executive Secretary.

DETAILED REPORT

The CPA project is a proposed system of raw and treated water conveyance and water treatment facilities that will augment Metropolitan's existing facilities that provide drinking water to the Central Pool, which consists of the major urban areas of Los Angeles, Orange, southern Ventura, and southwestern San Bernardino counties. The project will originate in western Riverside County at Metropolitan's Lake Mathews reservoir which will provide source water to the project. This future project consists of a water treatment plant, pipelines, and tunnels which will convey up to 400 cubic feet per second (cfs) of treated water to western Riverside County, and up to 800 cfs of treated water to existing water distribution facilities in south Orange County.

The conveyance facility will take water from Lake Mathews through a new outlet structure and deliver it to a new water treatment plant located in nearby Eagle Valley. After being treated, the water will be transported through a buried pipeline across Temescal Valley, westerly along Bedford Canyon, to a tunnel portal adjacent to the Cleveland National Forest and through a tunnel under the Santa Ana Mountains. The impacted properties along the proposed alignment in Bedford Canyon were originally identified as citrus groves. However, the accelerated

development of the south Corona region has led developers to begin construction of an 18-hole championship golf course on the same property proposed for Metropolitan's project.

In order to construct the project at a future date, it is proposed that Metropolitan secure a long-term property interest over a portion of the golf course property and install 3000 feet of 20-foot diameter corrugated-metal pipe sleeve. Once installed, the golf course can be completed and operated with only minimal impacts from future tunneling operations and pipeline construction. Future construction without the pipe sleeve would severely disrupt golf course operations. The cost of acquiring the property interest and compensating for golf course disruption in the future would be significantly higher than if Metropolitan were to act now.

Metropolitan has completed the negotiations on a MOU with Corona Country Club Estates LLC, and Eagle Glen Country Club LLC., the owners and developers of the planned golf course in Bedford Canyon. This MOU allows for Metropolitan's acquisition of a 5 acre fee property interest at the proposed tunnel portal site; a fee property interest along the tunnel alignment in the hills overlooking the portal site; a 100-foot wide permanent easement along the proposed pipeline alignment; a permanent access easement for future maintenance needs; and temporary construction and access easements necessary for sleeve installation and future tunneling activities. The MOU affords coordination with the Corona Country Club Estate developers which will delay the opening of the championship golf course for approximately 8 to 12 months. The MOU also includes provisions for notification to all future home buyers of Metropolitan's proposed construction activities.

Staff recommends that your Board authorize the General Manager to enter in a MOU with the Corona Country Club Estates, LLC, and the Eagle Glen Country Club, LLC, in order to acquire the properties critical to the CPA pipeline and tunnel alignment, and to complete the sleeve installation while minimizing the impacts to home sales activities and golf course business operations.

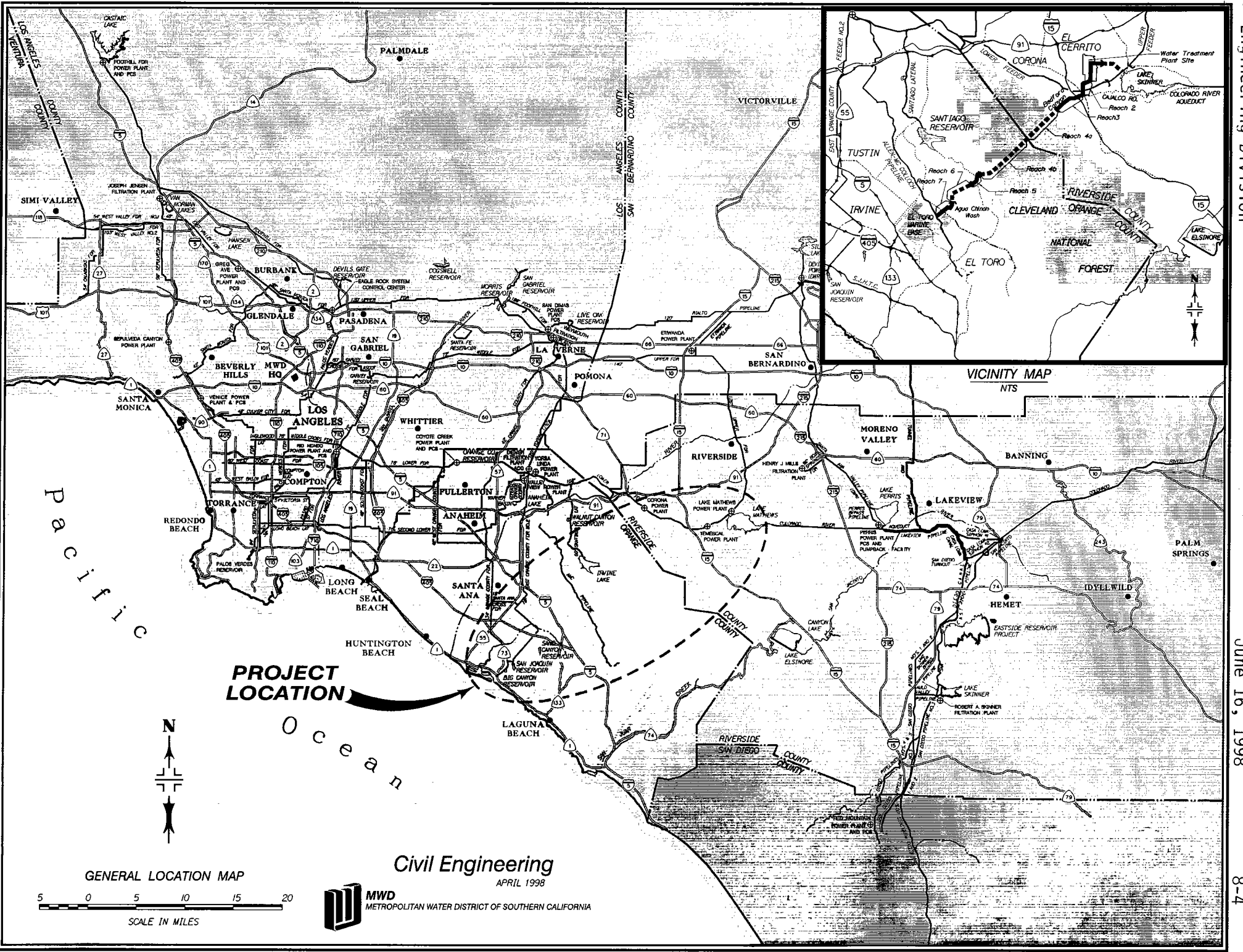
The original Environmental Impact Report (EIR), certified by your Board in August 1995, anticipated the development of home sites through Bedford Canyon. The change in development from home sites to a golf course allows for a more direct and preferable alignment. The alignment distance has been shortened and removed from Bedford Canyon Wash resulting in significant cost savings associated with pipeline installation and future flood protection requirements. The proposed MOU also repositions the future tunnel portal site from an area which would have encompassed a significant portion of the golf course. Although these variances only impact a small portion of the proposed CPA project, it has been determined that an addendum to the EIR will be required.

TF/bm:rev3
(CPA3)
Attachment(s)

Attachment A
FINANCIAL STATEMENT
 (Capital Program No. 15119-S)

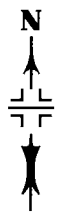
The breakdown of the total estimated cost for design and construction of the Central Pool Augmentation and Water Quality Program is as follows:

	BOARD ACTION <u>NO. 7</u>
Labor:	
Engineering	
Preliminary Design	\$ 80,000
Design	165,000
Survey	75,000
Right-of-Way	35,000
Environmental	25,000
Planning	20,000
Legal	<u>50,000</u>
Subtotal Labor	\$450,000
Materials	\$50,000
Incidental Expenses	250,000
Professional & Technical	250,000
Right-of-Way	7,000,000
Operating Equipment	6,000
Admin. Overhead	250,000
Construction Contracts	3,300,000
Contingency	<u>750,000</u>
Total	\$12,306,000
Projected Expenditures of Funds:	
Through Fiscal Year 1997/98	\$21,686,400
Fiscal Year 1998/99	14,506,000
Fiscal Year 1999/00	5,623,400
Fiscal Year 2000/01	2,592,000
Contingencies	<u>4,592,200</u>
Total	<u>\$49,000,000</u>
Source of Funds: Pay-As-You-Go Fund	
Capital Program for Fiscal Year 1998/99	
Total Program Estimate	\$49,000,000
Program Estimate for Fiscal Year 1998/99	\$9,189,500



PROJECT LOCATION

VICINITY MAP
NTS



GENERAL LOCATION MAP



SCALE IN MILES



MWD
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Civil Engineering

APRIL 1998