

- **Board of Directors**
Engineering and Operations Committee

January 9, 2001 Board Meeting

8-1

Subject

Authorize increasing the General Manager's previously approved authority by \$116,058 to procure rights of way for a portion of San Diego Pipeline No. 6 (Appn. 15121)

Description

In June 2000, the Board authorized the acquisition of a pipeline corridor for the San Diego Pipeline No. 6 (SD6) project through property owned by the County of Riverside (County) known as Johnson Ranch, through property owned by the University of California Riverside (UCR), and execution of environmental mitigation agreements. The estimated fiscal impact was the expenditure of \$700,000 of appropriated funds.

Preliminary negotiations with the property owners at that time had indicated a total purchase price of \$422,156. Based on this information, the Board authorized the expenditure of \$430,000 for acquisition of the required rights of way. Subsequent negotiations have resulted in an increase to this amount. The purpose of this letter is to request an increase to the General Manager's previously approved authority by \$116,058 in order to procure the rights of way.

The June 2000 Board authorization was based on an offer made by Rancho California Water District (RCWD) to the County for a similar pipeline corridor through Johnson Ranch for their EM-20 pipeline project. Although originally expected to be acceptable to the County, subsequent negotiations regarding actual property use, acreage to be acquired, and access rights have resulted in an increase from the original estimate of \$355,500 to an agreed upon sales price of \$397,957. The Riverside County Board of Supervisors approved the sale on December 19, 2000, contingent upon approval by Metropolitan's Board. RCWD's acquisition price has been similarly adjusted.

The estimated price for the UCR property was also based on the RCWD offer to the County. This estimate contemplated the acquisition of easements. However, whereas the County has agreed to sell Metropolitan the permanent and temporary easements, UCR will only sell the pipeline corridor in fee. This has resulted in an increase from the original estimate of \$66,656 to an agreed upon sales price of \$148,101. Acquisition of this property in fee is recommended at this time because UCR is in the process of selling its holdings in this area for environmental mitigation or development. Negotiations have proceeded with the understanding that approval will be required from Metropolitan's Board.

Metropolitan's Real Estate Services staff has reviewed the revised offers for the rights of way and confirmed that they are fair and appropriate. Because of the continuing uncertainty regarding the on-line date for SD6, the County has agreed to allow the temporary easement to remain effective until December 31, 2015, at no additional cost. The property costs and requested authority increase are summarized in [Attachment 1](#).

The June 2000 Board action also authorized the General Manager to perform all activities necessary to establish Metropolitan as a participant in the Assessment District 161 Sub-Regional Habitat Conservation Plan (SHCP), and to negotiate for mitigation credits and take authorization for endangered species. The SHCP has been approved and Metropolitan has received the necessary permits. All other costs associated with this action such as environmental surveys and analyses, document preparation, property surveys, engineering, project management activities, etc. described in the June 2000 Board action remain unchanged.

The directly-impacted member agencies (Eastern Municipal Water District, Western Municipal Water District, and San Diego County Water Authority) and purveyor (Rancho California Water District), that originally submitted letters to Metropolitan supporting the decision to approve the acquisition, have been contacted and are

in support of the revised offers. (See [Attachment 2](#) for the Location Map, and see [Attachment 3](#) for the Detailed Map).

When the Board certified the FEIR and approved the project in May 1993, it authorized the General Manager to “proceed with final design, including all land acquisition and proposed mitigation programs leading to construction of the [San Diego Pipeline No. 6 Project].” No additional environmental documentation is necessary for the Board to approve the recommended action.

Policy

Metropolitan Water District Administrative Code Section 8200: Acquisition of Real Property

Board Options/Fiscal Impacts

Option #1

Authorize increasing the General Manager’s previously approved authority by \$116,058 to procure the rights of way through Johnson Ranch and UCR properties for a portion of San Diego Pipeline No. 6.

Fiscal Impact: \$116,058 of budgeted CIP funds under existing appropriation 15121. These funds were budgeted to be spent in later years, but the current opportunity necessitates an earlier expenditure. If the Board approves this recommendation, the FY 2000/2001 expenditure plan will be adjusted to include the additional funds for this project. Adequate funds are available to cover these additional costs.


Option #2


Do not increase the General Manager’s authority to procure the rights of way by \$116,058. This would defer the costs to procure the right of way, but could significantly increase future costs of acquisition. Also, if Metropolitan does not acquire the property through the Johnson Ranch and UCR properties, our current investment of almost \$200,000 in the SHCP would be lost, our take permits and mitigation credits would be unusable, and future permitting requirements and costs for mitigation of impacts to endangered species would significantly increase.

Fiscal Impact: Right of way costs deferred. Eventual cost of right of way and environmental documentation and mitigation credits would most likely increase substantially.

Staff Recommendation

Option #1


 for Roy L. Wolfe 12/15/2000
 Manager, Corporate Resources Date


General Manager 12/19/2000
 Date

[Attachment 1 - Cost Summary](#)

[Attachment 2 - Location Map](#)

[Attachment 3 - Detailed Map](#)

COST SUMMARY

Property Description	Acreage	Cost
Johnson Ranch - Permanent Easement	19.74 acres	\$245,603
Johnson Ranch - Temporary Easement	34.29 acres	\$152,354
UCR - Fee	8.33 acres	\$148,101
Subtotal		\$546,058

AUTHORITY INCREASE

Original Authority		\$430,000
Requested Increase		\$116,058
TOTAL R/W PURCHASE AUTHORITY		\$546,058



