



## ● Real Estate Activities - 2nd Quarter Report Ending December 31, 2010

### Summary & Accomplishments

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This report provides an update on real estate activities for the period October through December 2010.

Fifteen transactions were executed during this reporting period, including; compatible secondary land use requests from other entities, permits to assist in construction projects, parking and filming permits, telecommunications agreements, and other miscellaneous property procedures.

An option to lease agreement was executed with BrightSource on Metropolitan's 6,640 acres of Palo Verde property. BrightSource intends to construct a 600 to 800 MW solar thermal facility, pending the conclusion of the California Energy Commission permitting process during the option period.

Recommendations for surplus action on Metropolitan's Arrow Highway property in La Verne and a portion of the Box Springs Feeder right of way in Riverside were presented at the Real Property and Asset Management (RP&AM) Committee meeting in October.

At its November meeting, the RPAM Committee directed staff to prepare a Request for Proposal for the HayDay Farms agricultural lease on Metropolitan's Palo Verde property.

An informational presentation on Metropolitan's new telecommunications leasing strategy was given to the RPAM Committee.

The annual lease site inspections were completed and property taxes paid.

Staff continued work on a best practice manual to improve and document Real Property Development and Management (RPDM) Group functions.

### Attachments

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Attachment 1	Requests for long-term leases and licenses by others to use Metropolitan-owned land
Attachment 2	Requests for easements and other rights or administrative proceeding to use Metropolitan-owned land
Attachment 3	Deeds and grants accepted by Metropolitan to use others' privately-owned or publicly-owned real property
Attachment 4	Leases and permits issued to others to use Metropolitan-owned land
Attachment 5	Deeds granted to others that provide for compatible uses of Metropolitan-owned land or disposal of surplus property

### Detailed Report

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#### Diamond Valley Lake Alternative Land Use Scenarios

Metropolitan staff continues to work on the development of a proposed Diamond Valley Lake (DVL) land use plan to be presented to the RP&AM Committee in early 2011.

Staff met with the successful respondent on Request for Proposal 944 for the development of solar farms on Metropolitan's DVL north and west properties. An option to lease was presented at the RP&AM Committee for consideration at its January 2011 meeting.

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**Diamond Valley Lake Recreation**

During the months of October, November and December, 10,000 lbs. of rainbow trout were planted into DVL by Mt. Lassen Trout, Inc. The bi-weekly plants are fully funded with Fishing Access Permit funds.

Approximately 68,000 anglers have visited Diamond Valley Lake, and 11,500 private boats launched since the reopening of the boat ramp December 20, 2009. Increased launch fees to offset the cost of the ramp extension total \$75,000 through December 2010.

**Diamond Valley Lake Visitor Center**

DVL Visitor Center and Viewpoint statistics during October through December 2010 include:

<b>Program</b>	<b>Number of Visitors October 2010</b>	<b>Number of Visitors November 2010</b>	<b>Number of Visitors December 2010</b>	<b>Total Visitors October through December 2010</b>
Visitor Center	1,727	883	792	3,402
Viewpoint	1,506	1,410	1,104	4,020
Field Trips	44	265	510	819
Tours and Inspection Trips	204	35	33	272
Special Events	221	0	1,422	1,643
<b>TOTAL</b>	<b>3,702</b>	<b>2,593</b>	<b>3,861</b>	<b>10,156</b>

The DVL Visitor Center was closed on Thanksgiving Day, Christmas Eve, Christmas Day, New Year’s Eve and New Year’s Day. During this reporting period, the Clayton A. Record, Jr. Viewpoint was closed for several days due to heavy rain.

The Western Science Center continues to bring field trips to the DVL Visitor Center, while Metropolitan’s Education Program began in November. The Western Center Academy (WCA) students utilize the DVL Visitor Center when working on a specific subject related to an exhibit in the Center. In addition, the WCA students continue to monitor the aquarium/aquatic biology exhibits, and update the information as needed.

The Soroptomist Cub held its annual holiday fundraiser at the DVL Visitor Center again this year. This Holiday Tree Event was more successful than last year and was attended by business leaders within the Hemet/San Jacinto community.

The Western Center Academy joined the DVL Visitor Center, Western Science Center, Valley-Wide Park and Recreation and the DVL Marina in hosting this year’s “Old Fashioned Holiday” community event in December. Just under 1,200 visitors enjoyed the DVL Visitor Center, explored the museum, took pictures with Santa, made holiday crafts and were entertained by choirs and dance groups.

During this reporting period, the street lighting on Searl Parkway was repaired, the machine rooms located on the roof of the DVL Visitor Center were cleaned, and four backflow devices were certified. As part of the preparation for renting the previous DVL Visitor Center located off Newport Road, the lighting was replaced. Routine maintenance at the Center continues to be performed on schedule.

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### **Requests Received for Secondary Uses**

#### **Requests for Long Term Leases and Licenses**

During the second quarter of fiscal year 2010/11, there were no requests for long-term agreements (exceeding one year) as shown on [Attachment 1](#).

#### **Requests for Fee and Easements**

[Attachment 2](#) is a listing of the recent requests for easements and other durable property interests or administrative proceedings (for example, quitclaims or grant deeds). The easement requests are considered on properties that are not categorized as surplus due to underlying Metropolitan pipelines or operational needs. There were no requests for infrastructure improvements including access, roads and utilities during this reporting period.

### **Completed Transactions**

#### **Deeds and Grants Accepted by Metropolitan**

Two transactions were executed and accepted during this reporting period. [Attachment 3](#) is a listing of these transactions.

An entry permit was obtained from Boething Nursery to allow access to facilitate the repairs on the Calabasas Feeder.

An entry permit was acquired from Rain for Rent to allow for a construction staging area while repairs were made to a portion of the Box Springs Feeder in the city of Riverside.

#### **Leases and Permits Granted**

Thirteen transactions were executed and issued during this reporting period (see [Attachment 4](#)). These instruments allow others a compatible secondary use of Metropolitan-owned land. The agreements include two leases, one option to lease, one lease amendment, one license, five entry permits, and three entry permit amendments all of which conform to criteria affirmed by Metropolitan's Board.

Staff executed two short term permits for parking at the Metropolitan Headquarters Building in conjunction with separate events taking place at the Union Station terminal.

As reported above in "Summary and Accomplishments", an option to lease agreement was executed with BrightSource on Metropolitan's 6,640 acres of Palo Verde property. BrightSource proposes to construct a 600 to 800 MW solar thermal facility.

The term of an entry permit to Canyon Crossings Corporate Center was amended to allow for additional time for ingress, egress, parking, street improvements, landscaping and utilities across a portion of the Box Springs Feeder right of way and to provide for compatible construction activities in conjunction with an adjacent development.

Cingular Wireless was granted a lease to allow for construction, installation, operation and maintenance of a telecommunications facility on Black Metal Mountain Site II located near Metropolitan's Gene Pumping Plant. This lease relocated Cingular's telecommunications facility from Black Metal Mountain Site I.

A lease was granted to Elliott and Laura Gilbert to allow landscaping on a portion of Metropolitan's Upper Feeder right of way located adjacent to a residential property in Pasadena.

An entry permit was issued to KB Home Coastal, Inc., to allow temporary access onto a portion of Metropolitan's Casa Loma Canal right of way in the city of San Jacinto to clear the site of brush and weeds and to allow for rough grading in conjunction with the construction of a wall on adjacent property.

A lease with Verizon Wireless was amended to extend the term and increase the rent on an existing telecommunications facility located near Metropolitan's Sepulveda Canyon Control Facility.

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Rancho California Water District was granted a license to allow for temporary access, installation, operation and maintenance of a Fixed Network Automated Meter Reading facility located on a portion of Metropolitan's San Diego Pipeline No. 4 right of way.

An entry permit was issued to the County of Riverside to allow for access to perform visual inspections and non-invasive environmental surveys on portions of Metropolitan's San Diego Pipeline Nos. 3, 4 and 5 right-of-way in conjunction with a proposed road project near Murrieta Hot Springs Road in Murrieta.

An entry permit issued to the Southern California Edison was amended to allow for a term extension to construct related facilities associated with the existing interconnection and switch racks at Julian Hinds Pumping Plant. The work is included with the interconnection of FPL Blythe Energy's 230kV intertie (gen-tie) line.

An entry permit issued to Southern California Edison Company was amended to allow for the extension of the term for access to conduct surface and subsurface geotechnical investigations to facilitate construction of electrical poles, conduits, subsurface conduits and an electrical substation located at Metropolitan's Robert B. Diemer Water Treatment Plant.

A filming entry permit was issued to World Race Productions, Inc. for the use of property at Rock Mine Road near Whitewater to film scenes for a television series.

### **Deeds Granted to Others**

**Attachment 5** lists property rights granted to others by Metropolitan. There were no transactions completed during this reporting period.

### **Right-of-Way Protection**

Staff is continuing efforts to develop strategic right-of-way protection and conservation policies, evaluate changes in right of way conditions, and assess Metropolitan's responses to reduce or remediate existing and potential future risks.

### **Metropolitan Headquarters Building**

During this reporting period, numerous events were held at Metropolitan Headquarters Building, such as the Fall Education Fair, National Association of Women in Construction Seminar, Southern California Leadership Network Seminar, Rideshare Boot Camp Training Class, American Water Work Association California-Nevada Control Conference, annual student art event and Metropolitan's Board of Directors Holiday Event.

Monthly maintenance and preventive scheduled procedures were completed on the Metropolitan Headquarters Building. Examples of preventive maintenance include cleaning, replacing, adjusting and lubricating mechanical equipment and systems and checking pumps for vibration and overheating. Additionally, staff replaced a backflow device in the Courtyard Café kitchen and installed three Variable Frequency Drives (VFDs) on the parking level exhaust fans. VFDs control the speed of large electric motors so they use less electricity and run more efficiently.

### **Annexations**

Calleguas Annexation No. 94 was completed on September 21, 2010. The property is owned by the State of California with a 17.04 acre portion developed as the regional California Conservation Corps Headquarters. Potable water to the development will be supplied by the city of Camarillo and create no added burden to Metropolitan by including this parcel into our service area.

One parcel within the Murietta County Water District Agreement Area paid their annexation fee and charge and is eligible for water service for this reporting period.

The annexation rate for year 2011 is \$4,037 per acre. This represents an increase of 2.8% above the 2010 annexation charge of \$3,926 per acre. The increase is based on Metropolitan's Administrative Code Section 3300(b). Metropolitan's current service area is 5,179 square miles, which is an increase of 76.75 acres from fiscal year 2009/10.

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On October 12, 2004, Metropolitan revised its Administrative Code Section 3107 to add annual reporting to the water use efficiency compliance portion of the annexation process for six years following an annexation. This reporting requirement is applicable to all completed annexations. The annexations within the reporting period have submitted their reports for this year.

**Requests for Long Term Leases and Licenses by Others  
During 2nd Quarter of FY 2010/11  
October 1, 2010 through December 31, 2010**

LESSEE NAME	ENTITY TYPE	ACREAGE	TYPE	TERM (YRS)	FEE	STANDARD CONDITIONS MET (Y/N)	COMMENTS
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**Infrastructure Improvements (office space, fencing, utilities, access)**

None							
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**Parking and Other Compatible Improvements (vegetation, erosion control, groundcover)**

None							
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**Agricultural**

None							
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TBD = To be Determined

n/a = Not Applicable

**Requests for Easements by Others  
During 2nd Quarter of FY 2010/11  
October 1, 2010 through December 31, 2010**

GRANTEE NAME	ENTITY TYPE	ACREAGE	TYPE	TERM	FEE	STANDARD CONDITIONS MET (Y/N)	COMMENTS
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**Infrastructure Improvements (fencing, utilities, access)**

None							
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**Parking and Other Compatible Improvements (e.g. slopes, drainage, buffer)**

None							
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TBD = To be Determined

n/a = Not Applicable

**Deeds, Grants and Leases Accepted  
During 2nd Quarter of FY 2010/11  
October 1, 2010 through December 31, 2010**

GRANTOR	ACREAGE	TYPE	TERM	USE	RECORDING DATE	COSTS
Boething Nursery	n/a	Entry Permit	1 month	Construction access for repairs on Calabasas Feeder	n/a <sup>(1)</sup>	\$0
Rain for Rent	2.5 Acres	Entry Permit	5 months	Construction staging for repairs to a portion of the Box Springs Feeder	n/a <sup>(1)</sup>	\$13,380

**TBD = To be Determined**

**n/a = Not Applicable**

<sup>(1)</sup> Agreement is short term and will not be recorded



**Leases and Permits Issued  
During 2nd Quarter of FY 2010/11  
October 1, 2010 through December 31, 2010**

LESSEE	ENTITY TYPE	ACREAGE	TYPE	TERM	USE	FEE/RENT	FREQUENCY
BrightSource Energy, Inc. (RL 3146)	Private	6,640 acres	Lease Option	See below <sup>(1)</sup>	Allows access to a portion of Metropolitan's Palo Verde Property to perform studies for evaluating the site for the construction of a proposed 600 to 800 MW solar thermal facility.	1,000,000 <sup>(2)</sup>	Payments <sup>(2)</sup>
Canyon Crossings Corporate Center (RL 2309)	Private	2.00 acres	Amendment No. 6 to Entry Permit	1 year	Extension to term to allow ingress, egress, parking, street improvements, landscaping and utilities across a portion of the Box Springs Feeder right-of-way and provides for compatible construction activities in conjunction with an adjacent development. Adjacent development project is currently on hold; Canyon Crossings continues to perform site maintenance under terms of entry permit.	\$2,500	One Time
Cingular Wireless, LLC (RL 2906)	Private	0.084 acre	Lease	15 years <sup>(3)</sup>	Allows construction, installation, operation and maintenance of a telecommunications facility on Black Metal Mountain Site II located near Metropolitan's Gene Pumping Plant. This lease relocates Cingular's telecommunications facility from Black Metal Mountain Site I.	\$2,500	Monthly
Gilbert, Elliot and Laura (RL 3147)	Private	0.28 acre	Lease	Year to Year	Allows for landscaping on a residential property adjacent to a portion of Metropolitan's Upper Feeder right of way in Pasadena near the Rose Bowl	\$700	Annual
Giles, Paul (RL 3133)	Private	n/a <sup>(4)</sup>	Entry Permit	1 day	Allows use of parking areas at 700 N. Alameda Street for an event held at Union Station train terminal	\$720 <sup>(5)</sup>	One Time
KB Home Southern California (KB) (RL 3114)	Private	0.710 acre	Entry Permit	1 year	Allows temporary access onto a portion of Metropolitan's Casa Loma Canal right-of-way in the city of San Jacinto to clear the site of brush and weeds and to allow for rough grading in conjunction with the construction of a wall on KB's adjacent property	\$1,500	One Time
Los Angeles SMSA Limited Partnership DBA Verizon Wireless (RL 588)	Private	0.24 acre	Amendment No. 9 to Lease	5 years	Allows for extension of term and an increase in rent including an annual rent escalation for an existing telecommunications facility located near Metropolitan's Sepulveda Canyon Control Facility	\$30,000	Annual
Molo, Joanna and Vasquez, Sergio (RL 3124)	Private	n/a <sup>(6)</sup>	Entry Permit	1 day	Allows use of parking areas at 700 N. Alameda Street for an event held at Union Station train terminal	\$1,440 <sup>(5)</sup>	One Time
Rancho California Water District (RL 3120)	Public	0.002 acre	License	Year to Year	Allows temporary access, operation and maintenance of a Fixed Network Automated Meter Reading facility located on a portion of Metropolitan's San Diego Pipeline No. 4 right-of-way	1,200 <sup>(7)</sup>	Annual
Riverside, County of (RL 3125)	Public	17.87 acres	Entry Permit	1 year	Allows for access to perform visual inspections and non-invasive environmental surveys in conjunctions with a proposed road project near Murrieta Hot Springs Road in Murrieta. The inspections will be conducted on portions of Metropolitan's San Diego Pipeline Nos. 3, 4 and 5 right-of-way.	\$1,500	One Time

**Leases and Permits Issued  
During 2nd Quarter of FY 2010/11  
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LESSEE	ENTITY TYPE	ACREAGE	TYPE	TERM	USE	FEE/RENT	FREQUENCY
Southern California Edison Company (SCE) (RL 2953)	Private	19 acres	Amendment No. 1 to Entry Permit	1 year <sup>(8)</sup>	Allows for extension of term for construction of related facilities associated with the existing interconnection and switch racks at Julian Hinds Pumping Plant. The work is included with the interconnection of FPL Blythe Energy's 230kV intertie (gen-tie) line. SCE will also relocate their control panel from the Julian Hinds Pumping Plant control room to a separate shelter.	\$0 <sup>(9)</sup>	n/a
Southern California Edison Company (SCE) (RL 3054)	Private	0.386 acre	Amendment No. 1 to Entry Permit	1 year	Allows for extension of term for access to conduct surface and subsurface geotechnical investigations to facilitate construction of electrical poles, conduits, subsurface conduits and an electrical substation located at Metropolitan's Robert B. Diemer Water Treatment Plant	\$0 <sup>(10)</sup>	n/a
World Race Productions, Inc. (RL 3145)	Private	1.39 acres	Entry Permit	1 day	Allows for use of property on Rock Mine Road near Whitewater for filming of scenes for an untitled television series	\$3,200 <sup>(11)</sup>	One Time

**TBD = To be Determined**

**n/a = Not Applicable**

<sup>(1)</sup> Initial Site Review Period is 6 months

Entitlement Period is 24 months, with 2 additional 6-month extensions

<sup>(2)</sup> Consideration for the Initial Site Review Period is payable in four installments of \$250,000 each

A 24-month Entitlement Period follows Initial Site Review Period, during which there is \$600,000 owed every 6 months

The Entitlement Period may be extended up 2 additional 6-month periods and \$600,000 will be due for each additional 6-month period

In consideration for the exercise of the Option and execution of a Lease, BrightSource shall pay an additional \$1,000,000

<sup>(3)</sup> Initial term is 5 years with two 5-year options to renew; total term is 15 years

<sup>(4)</sup> Temporary use of 60 parking spaces at Metropolitan's Headquarters Building

<sup>(5)</sup> Fee includes \$500 refundable security deposit which was collected and returned

<sup>(6)</sup> Temporary use of 120 parking spaces at Metropolitan's Headquarters Building

<sup>(7)</sup> A one-time processing fee was collected for execution of this license

<sup>(8)</sup> Renewable in one year increments as necessary until construction of the expansion facilities is complete

<sup>(9)</sup> Processing fee of \$2,500 was collected from SCE upon effective date of permit. This amendment extended the term of the initial

permit to allow both Metropolitan and SCE additional time to fulfill their respective obligations under the initial permit terms and conditions.

The extension of term was to the benefit of both MWD and SCE; no additional fee was required for amendment.

<sup>(10)</sup> This entry permit is necessary to facilitate the construction of the infrastructure which will supply power to the ozone generation plant located at

Robert B. Diemer Water Treatment Plant and is being provided by this agency at the request of Metropolitan

<sup>(11)</sup> Fee includes \$2,000 refundable security deposit which was collected and returned

**Deeds Granted**  
**During 2nd Quarter of FY 2010/11**  
**October 1, 2010 through December 31, 2010**

GRANTEE	ACREAGE	TYPE	TERM	USE	DOCUMENT RECORDING DATE	FEE/RENT	FREQUENCY
None							

**TBD = To be Determined**

**n/a = Not Applicable**