



● Real Estate Activities - Quarterly Report Ending September 30, 2011

Summary & Accomplishments

This report provides an update on real estate activities for the period July through September 2011.

Twenty transactions were executed during this reporting period, including several compatible secondary land uses by others; permits to assist in construction projects; and, parking and filming permits.

Real Property Development and Management (RPDM) staff continues to assist Metropolitan's Bay-Delta Initiatives Program. Activities included research, mapping, and appraisals of properties in Suisun March and Cache Slough restoration areas. A Delta Geographical Information System is being developed that will allow RPDM staff to track ownerships, sales, and land use data necessary for current land discussions.

Staff received a letter from a major university interested in taking a leadership role in developing educational programs at the Diamond Valley Lake campus.

Attachments

- | | |
|--------------|---|
| Attachment 1 | Deeds and grants accepted by Metropolitan to use others' privately-owned or publicly-owned real property |
| Attachment 2 | Leases and permits issued to others to use Metropolitan-owned land |
| Attachment 3 | Deeds granted to others that provide for compatible uses of Metropolitan-owned land or disposal of surplus property |

Detailed Report

Completed Transactions

Deeds and Grants Accepted by Metropolitan

Attachment 1 is a listing of deeds and grants accepted. An existing right of entry agreement was amended to extend the time in conjunction with construction activities associated with the Perris Valley Pipeline. An easement was obtained from Red Mountain, LLC as part of a negotiated settlement. Metropolitan, Land to Sea Conservancy & Fallbrook Land Conservancy, and Red Mountain, LLC are exchanging access easements across each other's property using three separate easement deeds and one quitclaim deed (additional details to the transaction are listed in **Attachment 3**).

Leases and Permits Granted

Eighteen transactions were executed and issued during this reporting period (see **Attachment 2**). These instruments allow others a compatible secondary use of Metropolitan-owned land. The agreements include two lease amendments, one license, one license amendment, seven entry permits, six entry permit amendments and one facility use permit, 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 train terminal.

Two amendments were issued to Blythe Energy, LLC to extend the term to allow access to construct the Blythe Energy 230kV Gen-Tie Line, including construction of power poles and overhead 230kV power lines for the purpose of interconnecting with Southern California Edison's switchyard facilities located at the Julian Hinds Pumping Plant.

Board Report (Real Estate Activities – Quarterly Report Ending September 30, 2011)

An entry permit to California Department of Fish and Game was amended to extend the term to allow for entry onto portion of the Lake Mathews Multiple Species Reserve to observe and study wildlife and habitat.

A long-term license was granted to Desert Sunlight 250, LLC and Desert Sunlight 300, LLC to allow for non-exclusive right of access and the ability to construct, operate and maintain an electrical distribution line and an emergency vehicle access road..

Los Angeles & San Gabriel Watershed Council (LA&SGWC) was granted a short-term facility use permit to allow for use of two cubicles of office space on the 4th floor wing at the Metropolitan Headquarters Building. LA&SGWC and Metropolitan collaborated to host two scientist researchers from the Beijing Hydrologic Institute.

An entry permit to Los Angeles Department of Water and Power was amended to extend the term to allow for access to perform survey and invasive investigations for the LA-30 Service Connection Project at Metropolitan's Venice Pressure Control Structure.

A license with Orange County Water District was amended to allow additional time to perform grading of segments of the Santiago Creek to assist in the increase of groundwater recharge within the creek.

The term of an entry permit with the City of Riverside was extended allowing for vehicle access and a construction staging area over a portion of Metropolitan's Colorado River Aqueduct Upper Feeder right of way in conjunction with the City's Santa Ana River Trunk Sewer Replacement Project.

County of Riverside was issued an entry permit to allow for access for road construction for the Highway 79 widening project near Diamond Valley Lake.

An entry permit was issued to San Dimas Rodeo, Inc. to allow parking of vehicles and trailers, including a site for a Los Angeles County Sheriff's Department satellite command center.

Two entry permits were issued to Tikaboo Productions, Inc. to allow for filming of scenes for a horror drama movie entitled Area 51. One permit allowed filming in the stairwell at Metropolitan Headquarters Building and the other permit allowed filming in specific areas at the Joseph Jensen Water Treatment Plant.

An entry permit amendment was issued to United States of America, Department of the Navy extending the temporary access at Morris Reservoir for subsurface soil testing and supporting work.

Valley-Wide Recreation & Park District was issued an entry permit to allow for the use of property located adjacent to its current leasehold near Diamond Valley Lake in conjunction with Valley-Wide's activities associated with its Diamond Valley Lake Adventure Series program.

The term of a lease with Western Center Community Foundation was extended for the use of four classrooms in the Diamond Valley Lake Visitor Center for public charter school classroom purposes.

Western Municipal Water District (WMWD) was issued an amendment to the lease for its operations center located near Lake Mathews. This amendment combines the entire leased area into one agreement and allows WMWD to sublease a portion of the area to a solar operator for the purpose of generating electricity for on-site use.

Deeds Granted to Others

Attachment 3 lists three permanent easements and two quitclaims to others by Metropolitan during this reporting period. Metropolitan quitclaimed an easement located in the City of Desert Hot Springs to Angel View Crippled Children's Foundation, Inc. Two easements were granted to Land to Sea Conservancy & Fallbrook Land Conservancy and Red Mountain, LLC and one quitclaim was issued to Owner of Record as part of a negotiated settlement. Metropolitan, Land to Sea Conservancy & Fallbrook Land Conservancy, and Red Mountain, LLC are exchanging access easements across each other's property near the San Diego Pipeline Nos. 4 and 5 in the County of San Diego using three separate easement deeds and one quitclaim deed. An easement was granted to Western Municipal Water District to allow for the operation and maintenance of a water pipeline in the Box Springs Feeder right of way in the County of Riverside.

Board Report (Real Estate Activities – Quarterly Report Ending September 30, 2011)

Right-of-Way Protection

Staff is continuing 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.

Upcoming Board Items

- Authorize entering into a lease with successful respondent to the Palo Verde property Request for Proposal.
- Authorize entering into an option agreement for the leasing of 10 acres of Metropolitan's Potrero property for a renewable energy project, subject to property approvals.
- Adopt final resolution for annexation and impose water standby charge for Peaceful Valley Annexation to San Diego County Water Authority and Metropolitan
- Grant conditional approval for Annexation No. 96 to Calleguas Municipal Water District and to Metropolitan; adopt resolution of intention to impose water standby charge

**Deeds, Grants and Leases Accepted
During 1st Quarter of FY 2011/12
July 1, 2011 through September 30, 2011**

GRANTOR	ACREAGE	TYPE	TERM	USE	RECORDING DATE	COSTS
March Joint Powers Authority	92.316 acres	Amendment No. 2 to Right of Entry Agreement	2 months	Construction of Perris Valley Pipeline	n/a ⁽¹⁾	\$0 ⁽²⁾
Red Mountain, LLC (RL 3036)	0.482 acre	Easement	Permanent	Provides Metropolitan access to wireless communications facilities located on contiguous Federal fee-owned property over an existing unimproved road on land owned by Red Mountain, LLC	8/11/2011	\$0 ⁽³⁾

n/a = Not Applicable

⁽¹⁾ This agreement is not recorded

⁽²⁾ Fees were negotiated in the initial Right of Entry Agreement; this amendment allows for extension of time while final costs are calculated

⁽³⁾ This easement is part of a negotiated settlement by Metropolitan's Legal Department
Metropolitan, Land to Sea Conservancy & Fallbrook Land Conservancy, and Red Mountain LLC are exchanging access easements across each other's property using three separate easement deeds and one quitclaim deed

**Leases and Permits Issued
During 1st Quarter of FY 2011/12
July 1, 2011 through September 30, 2011**

LESSEE	ENTITY TYPE	ACREAGE	TYPE	TERM	USE	FEE/RENT	FREQUENCY
AltaMed Health Services (RL 3169)	Non-Profit ⁽¹⁾	n/a ⁽²⁾	Entry Permit	2 days	Allows use of parking areas at 700 N. Alameda Avenue for an event at Union Station's south patio and Metropolitan Headquarters Building courtyard patio area	\$4,432 ⁽³⁾	One Time
Blythe Energy, LLC (RL 2954)	Private	TBD ⁽⁴⁾	Amendment No. 2 to Entry Permit	1 year	Extension of term to allow access to construct the Blythe Energy 230kV Gen-Tie Line, including construction of power poles and overhead 230kV power lines for the purpose of interconnecting with Southern California Edison's switchyard facilities located at the Julian Hinds Pumping Plant	\$0 ⁽⁵⁾	n/a
Blythe Energy, LLC (RL 2954)	Private	TBD ⁽⁴⁾	Amendment No. 3 to Entry Permit	3 months	Extension of term to allow access to construct the Blythe Energy 230kV Gen-Tie Line, including construction of power poles and overhead 230kV power lines for the purpose of interconnecting with Southern California Edison's switchyard facilities located at the Julian Hinds Pumping Plant	\$0 ⁽⁵⁾	n/a
California Department of Fish and Game (RL 2922)	Public	5,263 acres	Amendment No. 3 to Entry Permit	1 year	Extension of term to allow for entry onto portions of the Lake Mathews Multiple Species Reserve to observe and study wildlife and habitat	\$0 ⁽⁶⁾	One Time
Desert Sunlight 250, LLC and Desert Sunlight 300, LLC (RL 3046)	Private	14.33 acres	License	50 years ⁽⁷⁾	Allows for non-exclusive right to access, and the ability to construct, operate, replace, repair and maintain an electrical distribution line and an emergency vehicle access road	\$3,181.22	Annual
Lauer, Brent (RL 3189)	Private	n/a ⁽⁸⁾	Entry Permit	2 days	Allows use of parking areas at 700 N. Alameda Avenue for an event at Union Station train terminal	\$876 ⁽⁹⁾	One Time
Los Angeles & San Gabriel Watershed Council (RL 3190)	Public	311 RSF ⁽¹⁰⁾	Facility Use Permit	2 months	Allows for the temporary use of two cubicles of office space on the 4th floor wing at the Metropolitan Headquarters Building	\$1 ⁽¹¹⁾	One Time
Los Angeles Department of Water and Power (RL 2865)	Public	0.04 acre	Amendment No. 2 to Entry Permit	1 year	Extension of term to allow for access to perform survey and invasive investigations for the LA-30 Service Connection Project at Metropolitan's Venice Pressure Control Structure	\$1,500	One Time
Orange County Water District (RL 2832)	Public	0.73	Amendment No. 1 to License	Year-to-Year	Extends the term for access to perform grading of segments of the Santiago Creek to assist in the increase of groundwater recharge within the creek	\$1,320	Annual
Riverside, City of (RL 3077)	Public	1.25 acres	Amendment No. 1 to Entry Permit	Year-to-Year	Extends the term to allow vehicle access and construction staging area over a portion of Metropolitan's Colorado River Aqueduct Upper Feeder right of way in conjunction with the City's Santa Ana River Trunk Sewer Replacement Project	\$1,200	Annual
Riverside, County of (RL 3192)	Public	0.92 acre	Entry Permit	One year	Allows for access for road construction for Highway 79 project near Diamond Valley Lake	\$1,500	One Time
San Dimas Rodeo, Inc. (RL 3042)	Private	1.56 acres	Entry Permit	3 days	Allows for parking of vehicles and trailers and Los Angeles Sheriff Department Command Center for the annual Western Days Rodeo event held in the City of San Dimas and located near the F. E. Weymouth Water Treatment Plant	\$500 ⁽¹²⁾	One Time
Tikaboo Productions, Inc. (RL 3196)	Private	n/a ⁽¹³⁾	Entry Permit	1 day	Allows use of a portion of one stairwell at Metropolitan Headquarters Building for filming scenes for a horror drama movie entitled Area 51	\$3,675 ⁽¹⁴⁾	One Time
Tikaboo Productions, Inc. (RL 3199)	Private	n/a ⁽¹⁵⁾	Entry Permit	1 day	Allows use of a portion of areas at Joseph Jensen Water Treatment Plant for filming scenes for a horror drama movie entitled Area 51	\$8,464 ⁽¹⁶⁾	One Time

**Leases and Permits Issued
During 1st Quarter of FY 2011/12
July 1, 2011 through September 30, 2011**

LESSEE	ENTITY TYPE	ACREAGE	TYPE	TERM	USE	FEE/RENT	FREQUENCY
United States of America, Department of the Navy (RL 2407)	Public	8.204 acres	Amendment No. 3 to Entry Permit	Year-to-Year ⁽¹⁷⁾	Extension of temporary access permit for surface and subsurface soil testing and supporting work at Morris Reservoir ⁽¹⁸⁾	\$0 ⁽¹⁸⁾	n/a
Valley-Wide Recreation & Park District (RL 3195)	Public	106 acres	Entry Permit	1 year	Allows use of additional property located adjacent to Valley-Wide's current leasehold near Diamond Valley Lake for special events associated with Valley-Wide's Diamond Valley Adventure Series program	\$0 ⁽¹⁹⁾	n/a
Western Center Community Foundation (RL 3109)	Private	4,290 sq. ft.	Amendment No. 1 to Lease	1 year	Extends the term and increases the rent for use of four classrooms in the Diamond Valley Lake Visitor Center for public charter school classroom purposes	\$4,080	Monthly
Western Municipal Water District (WMWD) (RL 2348)	Public	32.08 acres	Amendment No. 1 to Lease	70 years ⁽²⁰⁾	Amends an existing lease for WMWD's operations center located near Lake Mathews. The amendment combines all leased areas into one agreement and allows WMWD to sublease a portion of the area to a solar operator for the purpose of generating electricity for on-site use.	\$18,000 ⁽²¹⁾	Annual

n/a = Not Applicable

⁽¹⁾ Non-profit organization pursuant to IRS Code Section 501

⁽²⁾ Temporary use of 75 parking spaces (first day) and 300 parking spaces (second day) at Metropolitan Headquarters Building

⁽³⁾ An additional \$500 refundable security deposit was collected and subsequently returned upon completion

⁽⁴⁾ The acreage will be determined based on requirements for construction and operation of the 230kV transmission line. The California Energy Commission (CEC), Bureau of Land Management (BLM), Metropolitan Water District and other state and federal agencies are providing permits for the components of the 230kV transmission line. The line traverses approximately 67.4 miles in southern California. Other facilities include a new 43-acre substation site, modifications to two existing substations, and an impact assessment for downstream upgrades resulting from an interconnection with the existing transmission system operated by Southern California Edison and others.

⁽⁵⁾ The extension of this permit is for the mutual benefit of Blythe Energy, LLC and Metropolitan. The parties to this permit require additional time to negotiate the terms of a license which will supercede RL 2954.

⁽⁶⁾ Mutual benefits of Metropolitan's receipt of on-site investigative studies and reports

⁽⁷⁾ Initial term is 30 years with two 10-year options to renew; total term is 50 years

⁽⁸⁾ Temporary use of 73 parking spaces at Metropolitan's Headquarters Building

⁽⁹⁾ An additional \$500 refundable security deposit was collected and subsequently returned upon completion

**Leases and Permits Issued
During 1st Quarter of FY 2011/12
July 1, 2011 through September 30, 2011**

⁽¹⁰⁾ RSF = Rentable Square Feet

Rentable Square Feet (RSF) is the area in a building that describes the amount of space that an occupant can expect to utilize, allocating common areas proportionately per tenant. Usable Square Feet (USF) is the actual space occupied. Typically, the RSF is larger than USF because of lessee's use of common areas in the building such as lobbies and restrooms.

⁽¹¹⁾ The Los Angeles & San Gabriel Watershed Council and Metropolitan Water District collaborated to host two scientist researchers from the Beijing Hydrologic Institute with outcomes to benefit three organizations by creating international partnerships, providing new research on methods for analysis of water supply issues, and highlighting common efforts to regional stakeholders

⁽¹²⁾ One time fee of \$500 was collected in 2009 for five consecutive annual events
Fee reduced for security and weed abatement being provided to Metropolitan facilities during this recurring annual event

⁽¹³⁾ Temporary use of one stairwell on several floors at Metropolitan Headquarters Building

⁽¹⁴⁾ An additional \$1,000 refundable security deposit was collected and subsequently returned upon completion

⁽¹⁵⁾ Temporary use of ozone basement, tunnels, administration building, locker room, gravel parking lot and access roads at Joseph Jensen Water Treatment Plant

⁽¹⁶⁾ An additional \$5,000 security deposit was collected and a portion was returned

⁽¹⁷⁾ Term not to exceed past May 31, 2017

⁽¹⁸⁾ This site was previously leased to United States of America, Department of Defense (U.S. Navy) for naval ordnance propulsion testing. This access permit helps to resolve an outstanding issue as the U.S. Navy completes testing and remediation in order to transfer the property to Los Angeles County Public Works pursuant to a 1977 agreement between Metropolitan and Los Angeles County. Concurrently, the Los Angeles County of Public Works has two working projects at Morris Dam; (8) the Morris Dam Inlet/Outlet Rehabilitation Project for the bulk asbestos, lead metal, lead-based paint, limited hexavalent chromium, and poly-chlorinated biphenyls survey, and (ii) the Finalize of the Initial Study/Mitigated Negative Declaration for the Morris Dam Water Supply Enhancement Project.

⁽¹⁹⁾ Mutual benefits include partnership with Metropolitan on joint activities at Diamond Valley Lake

⁽²⁰⁾ Initial term of lease when executed in 2006 was 55 years plus one 10-year option and one 5-year option (total 70 years)

⁽²¹⁾ Terms include a 3% annual rent escalation

Deeds Granted
During 1st Quarter of FY 2011/12
July 1, 2011 through September 30, 2011

GRANTEE	ACREAGE	TYPE	TERM	USE	DOCUMENT RECORDING DATE	FEE/RENT	FREQUENCY
Angel View Crippled Children's Foundation, Inc. (RL 2873)	8.45 acres	Quitclaim	Permanent	Quitclaim of Metropolitan's easement located in the City of Desert Hot Springs	7/6/2011	\$7,500	One Time
Land To Sea Conservancy and Fallbrook Land Conservancy (RL 2461)	1.311 acres	Easement	Permanent	Non-exclusive easement for ingress and egress over portions of San Diego Pipeline Nos. 4 and 5 right of way located in the County of San Diego ⁽¹⁾	8/11/2011	\$0 ⁽²⁾	n/a
Owner of Record (RL2551) ⁽³⁾	n/a ⁽⁴⁾	Quitclaim	Permenant	Quitclaim of a sanitary easement reservation over land that Metropolitan may have an interest in near San Diego Pipeline Nos. 4 and 5 right of way located in the County of San Diego ⁽⁵⁾	n/a ⁽³⁾	\$0 ⁽²⁾	n/a
Red Mountain, LLC (RL 2611)	1.507 acres	Easement	Permanent	Non-exclusive easement for ingress, egress and public utility purposes over portions of San Diego Pipeline Nos. 4 and 5 right of way located in the County of San Diego ⁽¹⁾	8/11/2011	\$0 ⁽²⁾	n/a
Western Municipal Water District (RL 3141)	1.45 acres	Easement	Permanent	Allows for operation and maintenance of a water pipeline in the Box Springs Feeder right of way in the County of Riverside	7/19/2011	\$13,000	One Time

n/a = Not Applicable

- ⁽¹⁾ This easement formalizes pre-existing access rights on Metropolitan's property
- ⁽²⁾ This easement is part of a negotiated settlement by Metropolitan's Legal Department
Metropolitan, Land to Sea Conservancy & Fallbrook Land Conservancy, and Red Mountain LLC are exchanging access easements across each other's property using three separate easement deeds and one quitclaim deed
- ⁽³⁾ The grantee is "Owner of Record" and was not recorded (San Diego County Recorder will not record a document with specific named party)
- ⁽⁴⁾ Acreage is not specified because the existing recorded title documentation is ambiguous as to the actual location, size, and current ownership of the reserved sanitary easement rights.
- ⁽⁵⁾ This action will remove potential obligations for Metropolitan of patrolling, controlling and maintaining sanitary conditions on property that may have been granted to Metropolitan