THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

BOARD ACTION

- **Board of Directors**
  Real Property and Asset Management Committee

8/15/2017 Board Meeting

7-3

Subject

Adopt CEQA determination and authorize granting a permanent easement amendment for gas pipelines to Southern California Gas Company on Metropolitan-owned property located in the county of Los Angeles

Executive Summary

This action authorizes the General Manager to amend one existing permanent easement to the Southern California Gas Company (SCGC) to relocate an existing gas pipeline currently located on Metropolitan's property. The gas line enters the Los Angeles Department of Water and Power property from San Fernando Road in the Granada Hills neighborhood of the city of Los Angeles, crosses the Los Angeles Aqueduct, and then enters into Metropolitan's Joseph Jensen Water Treatment Plant (Jensen Plant) property near the east gate entrance **(Attachment 1)**. SCGC's proposal is to reroute the gas line in the same general area, routing it down Metropolitan's access road and then tying back into SCGC's existing pipe. SCGC will make a one-time payment of $8,400 to Metropolitan for SCGC's acquisition of the permanent easement for the gas line and related equipment. The payment amount includes fair market value for the easement interest as determined by an independent appraisal, and a processing fee.

Timing and Urgency

The SCGC's Pipeline Safety Enhancement Plan (PSEP) is a regional system-wide upgrade of natural gas transmission lines for seismic and safety enhancement. The subject project is part of the PSEP and requires an easement amendment to allow the installation of a replacement regional gas transmission line at the Jensen Plant.

Details

Background

In 2011, the California Public Utilities Commission (CPUC) ordered all natural gas transmission operators in the state to develop an implementation plan to orderly and cost-effectively test or replace all natural gas transmission pipelines in their systems that had not been pressure-tested. This was, in part, a response to the catastrophic explosion of a natural gas pipeline owned by Pacific Gas & Electric in a residential community in San Bruno, California on September 9, 2010. SCGC is addressing the CPUC's mandate with its PSEP, which was established to promote the continued safety and integrity of the Southern California regional natural gas transmission pipelines. The PSEP's objectives are to enhance public safety, comply with the CPUC directives, minimize customer impacts, and maximize cost effectiveness.

There currently are two existing gas lines, 30-inches and 22-inches in diameter, installed at the Jensen Plant along with surface and subsurface valves, and maintenance structures. These pipes were installed under the terms of an easement in 1968 and are part of a regional natural gas distribution system. SCGC has determined that these pipes must be replaced. There have been three amendments made to this easement to allow SCGC to make modifications to their facilities at this location. The proposed easement amendment will remove existing non-standard restrictive language that requires a deed amendment to be recorded whenever a use change is made. This amendment will allow Metropolitan to review and approve future SCGC use changes without requiring a new deed to be recorded each time there are minor changes to the existing facilities. This will reduce Metropolitan's processing costs. The permanent easement amendment requested by SCGC consists of new gas lines and related equipment to be connected with existing SCGC equipment. The proposed easement will encumber a total of 6,819 square feet. The majority of the area is already encumbered by an existing 100-foot wide SCGC pipeline and access easement (6,273 square feet encumbered, 546 square feet unencumbered) that was paid for under the terms of the original easement and its amendments.

The proposed easement will limit the use of a small portion of Metropolitan's property, as the area will be surrounded by a new 7-foot high chain link fence. SCGC will replace vegetation near the east gate entrance with drought tolerant vegetation, install a drip irrigation system, and incorporate curb cuts and swales to capture rain runoff. This new landscaping will enhance the visual aesthetics of Metropolitan's Jensen Plant entrance. SCGC will be responsible for irrigation and maintenance of the vegetation for one year to ensure that the plants are healthy and established. Staff determined that this easement will not interfere with Metropolitan's water operations. The permanent easement is terminable should SCGC discontinue its use of the property for more than three years. In addition, design and construction plans for improvements to be constructed on the easement are subject to Metropolitan's review and written approval. The fair market value of the easement is a one-time payment of $1,900, as determined by an independent appraisal. In addition to the fair market value of the easement, Metropolitan will also receive a $6,500 processing fee. Board authorization to grant this permanent easement amendment is required because the term of the real property interest to be conveyed exceeds five years.

Policy

Metropolitan Water District Administrative Code Section 8230: Grants of Real Property Interests

Metropolitan Water District Administrative Code Section 8231: Appraisals of Real Property Interests

Metropolitan Water District Administrative Code Section 8232: Terms and Conditions of Management Documents

By Minute Item 48766, dated August 16, 2011, the Board adopted the proposed policy principles for managing Metropolitan's real property assets.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed project is statutorily exempt under Section 21080.21 of the Public Resources Code and under sections of the State CEQA Guidelines (Sections 15282(k) and 15284). Section 21080.21 of the Public Resources Code provides that "any project of less than one mile in length within a public street or highway or any other right-of-way for the installation of a new pipeline or the maintenance, repair, restoration, removal, or demolition of an existing pipeline" is exempt from CEQA. The proposed project is also categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed project involves the funding; final design; and minor alterations, reconstruction or replacement of existing public facilities along with the construction of minor appurtenant structures with no expansion of use and no possibility of significantly impacting the physical environment. In addition, the proposed project involves minor modifications in the condition of land, water, and/or vegetation which does not involve removal of healthy, mature, scenic trees. Accordingly, the proposed action qualifies under Class 1, Class 2, Class 3, and Class 4 Categorical Exemptions (Sections 15301, 15302, 15303, and 15304 of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is Statutorily Exempt pursuant to Section 21080.21 of the Public Resources Code and State CEQA Guidelines Sections 15282(k) and 15284, and qualifies under four Categorical Exemptions (Class 1, Section 15301; Class 2, Section 15302; Class 3, Section 15303; and Class 4, Section 15304 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt CEQA determination that the proposed action is statutorily exempt and categorically exempt, and

Authorize the General Manager to grant a permanent easement to the Southern California Gas Company.

Fiscal Impact: Metropolitan will receive a one-time payment of $8,400 that includes both the fair market value payment and processing fee.

Business Analysis: Cooperation with other agencies, by granting easements and other rights of entry, furthers the public interest. It is in mutual interest for both parties to work collaboratively to accommodate their respective improvements. This facilitates Metropolitan's ability to obtain easements and other property rights not related to this transaction that are critical to its operations.

Option #2

Take no action.

Fiscal Impact: Forgo the opportunity to generate a modest amount of revenue. SCGC would likely pursue acquisition of the easement by eminent domain, and Metropolitan would have to defend against this action.

Business Analysis: Cooperation with other agencies, by granting easements and other rights of entry, furthers the public interest. Denying this request could make it difficult for Metropolitan to secure easements it needs for future operational facilities. SCGC has the right to seek condemnation of the property interest from Metropolitan.

Staff Recommendation

Option #1

Lilly L. Shraibati *Group Manager, Real Property*	8/1/2017 *Date*
Jeffrey Kightlinger *General Manager*	8/3/2017 *Date*

Attachment 1 – Location and Site Maps

Ref# rpdm12645517

Location and Site Maps