



- **Board of Directors**
Finance and Asset Management Committee

7/9/2024 Board Meeting

7-9

Subject

Authorize the General Manager to grant a permanent easement to San Diego Gas & Electric for natural gas pipeline purposes on Metropolitan fee-owned property in the County of San Diego and identified as Assessor Parcel Number 102-650-065; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This action authorizes the General Manager to grant San Diego Gas & Electric (SDGE) a permanent easement for the installation of natural gas lines across Metropolitan property (**Attachment 1**). The purpose is to enhance system operability and maintenance safety. Specifically, the project aims to upgrade and modernize natural gas infrastructure in the unincorporated community of Rainbow in northern San Diego County. Board authorization to grant this permanent easement is required as the real property interest to be conveyed exceeds five years.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to grant a permanent easement to San Diego Gas & Electric for natural gas pipeline purposes on Metropolitan fee-owned property in the County of San Diego and identified as Assessor Parcel Number 102-650-065

Fiscal Impact: Metropolitan will receive a lump sum payment of \$13,100 for the easement area.

Business Analysis: Cooperation with other agencies and public utilities, by granting easements and other rights of entry, furthers the public interest and facilitates Metropolitan obtaining easements and other property rights critical for its own operations. Metropolitan will also receive positive revenue in the form of fees and fair market value for the easement.

Option #2

Do not approve the permanent easement

Fiscal Impact: Metropolitan will forgo the lump sum payment of \$13,100.

Business Analysis: San Diego Gas & Electric will not be permitted to improve their natural gas pipelines within Metropolitan property which may impact their future circulation and safety in the area, and they may use eminent domain action to obtain the necessary easement. This option could hinder opportunities to obtain reciprocal rights or permits from San Diego Gas & Electric right-of-ways for Metropolitan projects in the future.

Alternatives Considered

Not applicable

Applicable Policy

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

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

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

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action(s)/Future Action(s)

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 action is exempt from CEQA because it involves the licensing of existing public structures and facilities, involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. In addition, the proposed action is exempt because it consists of minor alterations in land use limitations in areas with an average slope of less than 20 percent, which do not result in any changes in land use or density. (State CEQA Guidelines Section 15301 and Section 15305.)

CEQA determination for Option #2:

None required

Details and Background

Background

SDGE is requesting a permanent easement on Metropolitan's fee-owned property in San Diego County, identified as Assessor Parcel Number 102-650-065, to facilitate the removal and replacement of gas lines, including the 30-inch pipeline, minor grading, construction of a perimeter wall, a 10-inch blow-off pipeline, a 16-inch pipeline, and a 20-inch pipeline. The new pipelines will incorporate modern safety features, including thicker steel pipes, control valves, and improved visibility under normal operating conditions as part of the upgrade and modernization of the natural gas infrastructure in the unincorporated community of Rainbow in northern San Diego County. The proposed gas lines will not cross or impact any of our existing San Diego Pipelines Nos. 1, 2, and 3, which are in the area.

Staff has determined that the proposed easement would not interfere with Metropolitan's operations. The proposed permanent easement for natural gas line purposes will have the following key provisions:

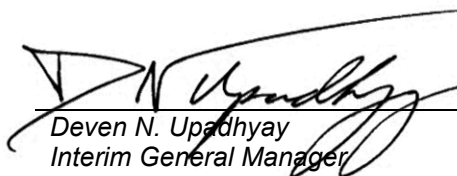
- Subject to Metropolitan's paramount rights provision.
- For operation, maintenance, repair, and replacement of natural gas pipelines and appurtenances.
- SDGE shall provide Metropolitan reasonable access over and across the permanent easement.
- All plans for construction, maintenance, major repair, or replacement work shall be reviewed and approved by Metropolitan before the commencement of work.
- SDGE will keep the easement area free of trespass, noxious weeds, and trash at its sole cost and expense.
- The easement being granted is 1,685 square feet.

The fair market value for the proposed easement is \$5,100, as determined by a qualified licensed appraiser. There is also a one-time processing fee of \$8,000 for granting the permanent easement.



Elizabeth Crosson
Chief Sustainability, Resilience and
Innovation Officer

6/20/2024

Date

Deven N. Upadhyay
Interim General Manager

6/27/2024

Date**Attachment 1 – Location Map**

Ref# sri12698224

Location Map

