



• **Board of Directors**

Finance, Audit, Insurance, and Real Property Committee

1/10/2023 Board Meeting

7-9

Subject

Authorize the General Manager to grant a permanent easement to Southern California Edison for the purpose of installing, operating and maintaining electrical equipment on Metropolitan property in Riverside County; 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 a permanent easement to Southern California Edison (SCE) for electrical equipment within Metropolitan's fee-owned property leased by Western Municipal Water District (WMWD) at its Cajalco Intake Plant. This easement will encumber a small portion of Metropolitan's property (**Attachment 1**) located east of Lake Mathews near the intersection of Cajalco Road and El Sobrante Road in Riverside County. Board authorization to grant this permanent easement is required since the real property interest to be conveyed exceeds five years.

Details

Background

The WMWD Cajalco Intake Plant (Intake Plant) has a ground lease term of 55 years with Metropolitan ending in 2061. The Intake Plant is undergoing improvements that require electrical upgrades from SCE. WMWD requested that Metropolitan facilitate the required improvements by granting the proposed easement. SCE has existing power poles with associated overhead electrical lines (equipment) on Metropolitan fee-owned property that serve the Intake Plant. SCE proposes to remove this existing equipment and install new equipment on the 1,262-square-foot easement area. Staff has determined that the easement will not interfere with Metropolitan's operations. SCE's use will not impact the Colorado River Aqueduct or Lake Mathews. Any improvements proposed within the easement area are subject to Metropolitan's prior review and written approval.

The permanent easement will have the following key provisions:

- Shall be of compatible use with paramount rights provisions for Metropolitan.
- Allows construction, operation, and maintenance of overhead and underground electrical equipment.
- SCE is responsible for operating and maintaining the electrical equipment and for indemnifying Metropolitan.
- SCE is responsible for weed and trash abatement.
- All plans for the initial construction and significant repair, maintenance, and replacement must be reviewed and approved by Metropolitan before any work begins.
- The permanent easement will be terminated in the event of non-use and/or abandonment for three consecutive years.

The payment amount for the proposed easement area is consistent with our appraisal process and nominal value determination of \$2,500. Metropolitan will also receive a one-time processing fee of \$7,500.

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

By Minute Item 48766, dated August 16, 2011, the Board adopted fair market value policies for managing Metropolitan's real property assets.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action involves operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. The proposed action also includes the rehabilitation and replacement of existing equipment where older components are replaced by new components with the same purpose and capacity. Accordingly, the proposed action qualifies under Class 1 and Class 2 Categorical Exemptions (Sections 15301 and 15302 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize granting a permanent easement to Southern California Edison to house electrical equipment on Metropolitan property.

Fiscal Impact: Metropolitan will receive \$2,500 as the nominal value for the easement area and a one-time processing of \$7,500.

Business Analysis: By granting easements and other rights of entry, cooperation with other agencies and utility companies furthers the public interest and facilitates Metropolitan's ability to obtain easements and other property rights critical for its operations. Metropolitan will also receive positive revenue and avoid trash and weed abatement costs.

Option #2

Do not authorize the permanent easement.


Fiscal Impact: Metropolitan will forego revenue of \$10,000 (\$2,500 easement area and \$7,500 processing fee).

Business Analysis: Southern California Edison may be delayed or prevented from implementing its electrical upgrade project. Western Municipal Water District's operations may be impaired. Either organization may use eminent domain action to obtain the necessary easement. This option could hinder opportunities to obtain rights or permits for Metropolitan projects from Southern California Edison in the future and impact our member agency's operations.

Staff Recommendation

Option # 1

 12/29/2022
Shane O. Chapman Date
Manager

 12/29/2022
for Adel Hagekhalil Date
General Manager

Attachment 1 – Map

Ref# rpdn 12685175

Location Map

