



● **Board of Directors**

***Finance, Audit, Insurance, and Real Property Committee***

6/13/2023 Board Meeting

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**7-6**

**Subject**

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Authorize the General Manager to grant a permanent 40-foot easement to Eastern Municipal Water District for water pipeline purposes northeast of Diamond Valley Lake in the city of Hemet within Assessor Parcel Numbers 464-250-002, 464-250-003, 454-270-020 and 454-270-032; the General Manager has determined that the proposed action is exempt and not subject to CEQA

**Executive Summary**

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This action authorizes the General Manager to grant a permanent easement to Eastern Municipal Water District (EMWD) to allow for future construction, operation, maintenance, repair and replacement of a water pipeline within Metropolitan's fee-owned property. The proposed 4.1-acre easement area is located northeast of Diamond Valley Lake and south of the intersection of Chambers Avenue and Palm Avenue in the City of Hemet (**Attachment 1**). Board authorization to grant this permanent easement is required as the real property interest to be conveyed exceeds five years.

**Details**

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**Background**

In October 2003, Metropolitan granted approximately 1.7 acres to EMWD for a 20-foot-wide utility easement to accommodate a 24-inch potable water pipeline at the subject location. The purpose of the proposed additional 40-foot easement is to accommodate future construction, operation, maintenance, repair and replacement of a pipeline that would run parallel to EMWD's existing pipeline.

Staff has determined that this new easement would not interfere with Metropolitan's water operations as there are no existing or future facilities proposed in this area, and the surrounding land has been declared surplus by the Board. Prior to sale of the fee simple interest in the land, any improvements proposed within the easement area will be subject to Metropolitan's prior review and written approval to again ensure operational compatibility.

The proposed permanent easement will have the following key provisions to again protect Metropolitan for as long as Metropolitan continues to own the underlying fee simple interest:

- Requirements for mutually compatible uses between two public entities with prior rights provisions for Metropolitan.
- Easement owner rights for construction, operation, maintenance, repair and replacement.
- All plans for construction, maintenance, major repair, or replacement work shall be reviewed and approved by Metropolitan prior to the commencement of such work.
- EMWD shall complete and prepare any environmental analysis, review and documentation that may be required under the California Environmental Quality Act (CEQA) prior to approval and commencement of any activities permitted under the easement.
- EMWD shall defend, indemnify and hold harmless Metropolitan.

The fair market value for the proposed easement is \$60,000, as determined by a qualified licensed appraiser. Metropolitan will also receive a one-time processing fee of \$6,000.

## Policy

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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)

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### CEQA determination for Option #1:

EMWD is requesting an additional 40-foot easement to accommodate future construction, operation, maintenance, repair and replacement of a pipeline running parallel to its existing 24-inch potable water pipeline. However, currently, no such pipeline has been proposed, planned or approved.

Accordingly, the proposed action granting this additional easement is not defined as a project because it involves organizational or continuing administrative activities that will not result in direct or indirect physical changes in the environment. (CEQA Public Resources Code §21065, State CEQA Guidelines §15378(b)(2).) In addition, the proposed action is not subject to CEQA because it can be seen with certainty that this additional easement in and of itself will not cause a significant effect on the physical environment (Section 15061(b)(3) of the State CEQA Guidelines).

EMWD, acting as the Lead Agency, will complete and prepare any environmental analysis, review and documentation that may be required under CEQA prior to approval and commencement of any activities permitted under this easement. (State CEQA Guidelines §§15004, 15352.)

### CEQA determination for Option #2:

None required

## Board Options

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### Option #1

Authorize the General Manager to grant a permanent 40-foot easement to Eastern Municipal Water District for water pipeline purposes northeast of Diamond Valley Lake in the city of Hemet within Assessor Parcel Numbers 464-250-002, 464-250-003, 454-270-020 and 454-270-032.

**Fiscal Impact:** Metropolitan will receive positive revenue in the form of a one-time payment of \$6,000 for processing fees and \$60,000 as the fair market value for the easement area.

**Business Analysis:** Cooperation with other agencies, by granting easements and other rights of entry, furthers the public interest and facilitates Metropolitan obtaining easements and other property rights critical for its 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.

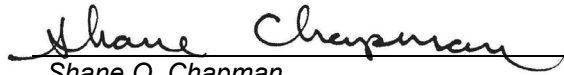
**Fiscal Impact:** Metropolitan will forgo one-time transaction and conveyance fees of \$66,000.

**Business Analysis:** EMWD will not be permitted to construct and maintain a water pipeline within the Metropolitan property which may impact their future water deliveries in the area. This option could hinder water distribution and system resiliency.

## Staff Recommendation

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Option #1

 5/25/2023  
Shane O. Chapman  
Asst. General Manager/Operations  
Date

 5/26/2023  
Adel Hagekhalil  
General Manager  
Date

## Attachment 1 – Site Map

Ref# rpd12695821

