



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

2/13/2018 Board Meeting

7-5

Subject

Adopt CEQA determination and authorize granting a 30-year access road license extension to the PHWD Affiliate, LLC on Metropolitan-owned property located northeast of an unincorporated portion of Riverside County commonly referred to as Whitewater

Executive Summary

This action authorizes the General Manager to grant an amendment to an existing road license for a term of 30 years to allow PHWD Affiliate, LLC (Painted Hills) to continue using Metropolitan's access road in the county of Riverside. Painted Hills will make annual payments for the licensed use and road maintenance cost that Metropolitan will continue to maintain. The road license crosses a buried portion of Metropolitan's Colorado River Aqueduct (CRA). The payment amount includes fair market value for the license, a road maintenance fee, and a one-time processing fee.

Details

Painted Hills is requesting a 30-year extension to an existing road license over approximately 0.17 acres of Metropolitan land. The underlying property was acquired from the Southern California Telephone Company in 1933. The license area is located on the CRA right of way approximately 1.25 miles northeast of Whitewater, California (Attachment 1). The existing road license was granted to Painted Hills on November 1, 1985, to provide ingress and egress rights to its wind-based electrical generation facilities located on an adjacent property that is not owned by Metropolitan, and to install and maintain underground electrical transmission lines across Metropolitan's property for conveyance of electrical energy generated from Painted Hill's wind turbines. The primary use of this land is an access road that Metropolitan constructed to maintain access along the CRA. Staff evaluations have determined that this license will not interfere with Metropolitan's operations. The proposed license extension for road and transmission activity imposes only an incidental crossing over the CRA right of way which remains dedicated to serve Metropolitan's needs.

The license will have the following key provisions:

- This conveyance is subject to Metropolitan's paramount rights reservation, however it is not terminable at will. The license is terminable for cause should Painted Hills not comply with the terms of use for the property.
- The fair market value of the license is \$5,000 per year based on the value-in-use principle.
- Metropolitan will receive a one-time \$6,500 processing fee and a \$500 annual road maintenance fee.
- The rent and maintenance fees are adjusted annually based on the CPI.
- Metropolitan reserves the right to reappraise the annual license and maintenance fees no less than every five (5) years.

Board authorization to grant this road license 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: Appraisal 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 action is not defined as a project under CEQA because it involves government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed actions may have a significant impact on the environment, those actions are not subject to CEQA pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

The CEQA determination: Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA pursuant to Sections 15378(b)(4), and 15061(b)(3) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required.

Board Options

Option #1

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and

Authorize granting a 30-year road license extension to PHWD Affiliate, LLC.

Fiscal Impact: Metropolitan will receive \$5,500 in road license and maintenance fees annually.

Business Analysis: This option will generate revenue by allowing the use of Metropolitan's patrol road.

Option #2

Do not approve the license.

Fiscal Impact: Metropolitan will forgo \$5,500 in road license and maintenance fees.

Business Analysis: This option would forgo an opportunity to generate revenue by allowing the use of Metropolitan's patrol road.

Staff Recommendation

Option #1



Lilly L. Shraibati
Manager, Real Property

1/25/2018
Date



Jeffrey Kightlinger
General Manager

1/29/2019
Date

Attachment 1 – Location and Site Maps

Ref# rpd12643493

Location and Site Maps



Location and Site Maps

