SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-B**

FROM: Steve Mack, General Manager

Meeting Date : December 2, 2010

SUBJECT: DISCUSSION/ACTION RE SURPLUS DISTRICT LANDS STRATEGY SUMMARY

RECOMMENDED ACTION: Discuss the Surplus District Lands Strategy Summary, providing direction to the General Manager.

FISCAL IMPACT: No direct impact.

DISCUSSION:

Attached as Exhibit A is the Surplus District Lands Strategy Summary which attempts to include comments from the last meeting. This is identical to the versions (marked up and clean) emailed on November 18. If comments/suggestions are received prior to the meeting, I will distribute a newer version at the meeting.

Exhibit A. Surplus District Lands Strategy
Sweetwater Springs Water District
July 2010

Sweetwater Springs Water District has 42 parcels of mixed sizes and locations (approximately 940 acres) that have no current or foreseeable use to the District for purposes of producing potable water. Over the years interested parties have inquired about the availability of District parcels for purchase and there have been inquiries and interest about forest management on the larger District parcels. The District currently does no management of its lands and a policy or strategy will help guide what to do with these parcels and how to react to public interest in the parcels and what to do with the proceeds from any lands sales.

The District has gone through a surplus lands management evaluation and has come up with the following principles:

The District will consider divesting itself of unneeded property with the purposes of:

- Proper management of lands,
- Maintaining community values of river access and open space,
- Reducing District liability,
- Reducing staff time dealing with property issues,
- Producing income, which is a goal but not a requirement.

Eleven of the surplus parcels are large, totaling approximately 882 acres, and are currently undeveloped open space. 404 acres are in 4 parcels in the Mount Jackson area (northeast of Rio Nido), 94 acres are in 3 parcels west of Old Cazadero Road (north of Guernewood Park), and 384 acres are in 4 parcels south of the Monte Rio Terraces. These parcels are wooded, have some mostly unmaintained trails and roads, and are on steep slopes and at higher elevations. Historically, the parcels were the source watershed for District owned springs, but the District gets no potable supply water from these springs now. Future use of these parcels for potable water supply is very unlikely because:

- Getting regulatory permission would be difficult,
- Use of the small creeks and springs on these parcels would require expensive infrastructure, including transmission lines and treatment facilities,
- Constructing these facilities would be expensive, but used only in unlikely emergencies; the District has more pressing capital improvement needs.

Keeping these parcels in open space by transferring the parcels to a more appropriate open space management agency or organization could improve the management of the parcels, make them more accessible to the public, and maintain or improve their environmental and watershed values. The types of transfers could include:

- fee sale,
- easements, or
- other mechanisms that guarantee continuation of open space and environmental values.

The District strategy for these larger parcels is to keep the revenue producing parcels (Mount Jackson tower sites) and explore trail and open space possibilities with local Recreation and Park (R&P) Districts. If R&P Districts are not interested,

follow up with regional open space agency and non profit organizations may allow other options to meet these goals.

The other 31 parcels are small, and interspersed within the District in various locations. Three of the smaller parcels have river access. The District strategy for these three parcels is to work with the local R&P Districts to maintain/enhance their river access potential.

The remaining smaller parcels may have potential for housing; most do not because they are too small or in very steep, inaccessible locations, and/or have other issues. Occasionally the District receives inquiries from landowners about neighboring parcels – a policy on selling the smaller parcels to interested parties would provide guidance for District staff. The District strategy is to engage a local real estate professional to provide advice/assistance on the remainder of unneeded properties when these occasions arise.