



RESOLUTION NO. 024 102

**BOARD LETTER APPROVAL**

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**ANSELMO G. COLLINS**  
Senior Assistant General Manager  
Water System

Handwritten signature of Aram Benyamin in blue ink.

Aram Benyamin (Nov 22, 2023 12:15 PST)

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**ARAM BENYAMIN**  
Chief Operating Officer

Handwritten signature of Martin L. Adams in blue ink.

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**MARTIN L. ADAMS**  
General Manager and Chief Engineer

**DATE:** November 12, 2023

**SUBJECT:** Letter Agreement with Union Pacific Railroad Company for Purchase of Real Property Located Adjacent to Tinemaha Reservoir Near Big Pine, Inyo County, California

**SUMMARY**

Water System requests approval to execute the Letter Agreement (Agreement) between the City of Los Angeles (City), acting by and through LADWP, and Union Pacific Railroad Company (UPRC) for the purchase of approximately 167.476 acres of unimproved land located adjacent to the Tinemaha Reservoir operational facility, near Big Pine, Inyo County, California, and further identified as Assessor's Parcel Numbers 018-110-12, 018-190-02, 018-220-02, and 018-230-11 (Property) The total cost of the acquisition will include the purchase price of \$213,531.90, plus escrow fees, closing costs, and related expenses.

While UPRC has agreed to sell the Property to the City, the Agreement contains indemnification language provisions that exceed the authority established by Resolution No. 95-207 and has an indefinite term.

City Council approval is required pursuant to Charter Section 373 and the City Administrative Code Section (L.A.A.C.) 10.5.

### **RECOMMENDATION**

It is requested that the Board of Water and Power Commissioners adopt the attached Resolution recommending City Council's approval of the execution of the Agreement with UPRC, as required in Charter Section 373 and L.A.A.C. 10.5.

### **ALTERNATIVES CONSIDERED**

Not executing the Agreement and not purchasing the land would leave the Property available for purchase and development, which could potentially interfere with the operation of the Tinemaha Reservoir and the dam, and result in pollution around the Owens River and nearby waterways that empty into the reservoir, and would not provide for continuity of City land ownership around Tinemaha Reservoir.

### **FINANCIAL INFORMATION**

The purchase price for the land is \$213,531.90, plus escrow fees, closing costs, and related expenses.

### **BACKGROUND**

The Property is approximately 200 to 300-foot wide and seven miles in length, comprising approximately 167.476 acres and is surrounded by City land. A portion of the Property is directly adjacent to the west side of Tinemaha Reservoir and the dam. Also, portions of the Property cross the Owens River, and intersect three additional waterways which deliver water from the surrounding watershed into the reservoir: Tinemaha Creek; Birch Creek; and Fish Springs Hatchery Ditch.

The Property will be purchased to prevent other parties from purchasing and developing the land near the reservoir and interfering with Water System operations, to minimize the potential for pollution around the Owens River and nearby waterways, which empty into the reservoir, and to provide continuity of City land ownership around the reservoir.

Phases I and II Environmental Site Assessments were performed, which noted the Property's previous use as a railroad and previous installations on the Property. Upon review of the findings and analyses, the Environmental Affairs Site Investigation and Remediation Group was satisfied with the condition of the Property and determined that further investigative measures were not warranted.

LADWP and UPRC have negotiated the Agreement for purchase and sale of the Property. A unit value of \$1,275 per acre was used to determine the sale price, which was based on recent valuations for the sale of UPRC land to the California Department

of Transportation. Agreement contains indemnification provisions that exceed authority established by Resolution No. 95-207 and, therefore, require Board and City Council approval pursuant to Charter Section 373 and L.A.A.C. 10.5.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report (CAO) was approved on September 28, 2023.

### **ENVIRONMENTAL DETERMINATION**

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060 (c)(2). In accordance with this Section, an activity is not subject to CEQA if it will not result in a direct or reasonably foreseeable indirect physical change in the environment. The execution of the Agreement to purchase the Property will not result in any physical change in the environment. Therefore, this activity is not subject to CEQA.

### **CITY ATTORNEY**

The Office of the City Attorney has reviewed and approved the Agreement and Resolution as to form and legality.

### **ATTACHMENTS**

- Resolution
- Agreement
- CAO Report