

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

August 4, 1992

To: Board of Directors (Engineering and Operations Committee--Action)
Board of Directors (Finance and Insurance Committee--Action)

From: General Manager

Subject: Appropriation No. 649 for \$4,300,000 to Finance all Estimated Costs for Refurbishment of Insulating Joints and Installation of Cathodic Protection Systems Along the Lower, Middle, and West Coast Feeders, and Delegation of Authority to Award Contracts

Report

The Lower, Middle, and West Coast Feeders were constructed in 1955, 1957, and 1960, respectively. Electrolysis surveys conducted along the pipelines have shown corrosion activity is increasing as the properties of the protective coating on the pipes have decreased due to aging and electrical current interference. Close inspection of pipes removed from various locations along the pipelines for construction and/or relocation purposes indicates that measurable corrosion is occurring to the steel pipe.

It is proposed to install new insulators or repair existing insulators at service connections, laterals and interconnections to electrically isolate the pipelines, and to install a series of deep-well anode cathodic protection systems along the Lower, Middle, and West Coast Feeders to substantially reduce the rate of corrosion. District personnel will accomplish design and refurbishment of the insulating joints. Installation of the cathodic protection systems will be accomplished by separate contracts. The total estimated costs for the Lower, Middle, and West Coast Feeders are \$2,200,000, \$1,100,000, and \$1,000,000, respectively. The total estimated costs for all work under Appropriation No. 649 is \$4,300,000. A breakdown of the total estimated costs is shown on the attached fiscal statement.

In prior discussions, the Engineering and Operations and Finance and Insurance committees have indicated a desire to streamline contract award procedures. Consistent with this approach, this letter recommends delegation of authority to the General Manager to award contracts once a capital project has been approved. This method departs from previous contract-approval procedure by minimizing the Board's need to approve

in the Administrative Code for the delegation to the General Manager of the authority to award specific classes of contracts.

The proposed projects are exempt from the provisions of the California Environmental Quality Act because they involve minor modifications of existing facilities with no expansion of use.

Board Committee Assignments

This letter is referred for action to:

The Engineering and Operations Committee because of its jurisdiction over the initiation, scheduling, contracting, and performance of construction programs pursuant to Administrative Code Section 2431(b); and

The Finance and Insurance Committee because of its responsibility to study, advise, and make recommendations with regard to authorization of appropriations pursuant to Administrative Code Section 2441(d).

Recommendations

ENGINEERING AND OPERATIONS COMMITTEE FOR ACTION.

It is recommended that your Board, consistent with the provisions of Administrative Code Section 8113, authorize the General Manager to have all work performed for refurbishment of service connection insulating joints and installation of cathodic protection systems along the Lower, Middle, and West Coast Feeders, and delegate to the General Manager the authority to award contracts in form approved by the General Counsel.

FINANCE AND INSURANCE COMMITTEE FOR ACTION.

It is recommended that your Board authorize Appropriation No. 649, in the amount of \$4,300,000 from the 1991 Revenue Bond Construction Fund, to finance all estimated costs for refurbishment of service connection insulation joints and installation of cathodic protection systems along the Lower, Middle, and West Coast Feeders.


Carl Borenkay

CHT:ayb
(apr649-7242)
Attachment

FISCAL STATEMENT

(Program Nos. 5-0205-21, 5-0206-21, 5-0204-21)

A breakdown of the costs for installation of deep-well anode cathodic protection systems along the Lower, Middle, and West Coast Feeders and refurbishment of service connection insulating joints is as follows:

Labor:

Engineering Design	\$	466,000	
Contract Administration		19,000	
Inspection, Survey, Corrosion,		512,000	
Environmental		12,000	
Operations & Maintenance Field Labor		<u>208,000</u>	

Total Labor			\$ 1,217,000
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Materials and Supplies	\$	161,000	
Incidental Expenses		15,000	
Operating Equipment		80,000	
Administrative Overhead		675,000	
Contracts		1,600,000	
Contingencies		<u>552,000</u>	<u>3,083,000</u>

Project Total			<u>\$ 4,300,000</u>
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Source of Funds:

1991 Revenue Bond Construction Fund

Projected Expenditure of Funds:

Through Fiscal Year 1992/93	\$	580,800	
Fiscal Year 1993/94		800,000	
Fiscal Year 1994/95		2,000,000	
Fiscal Year 1995/96		<u>919,200</u>	

Total			<u>\$ 4,300,000</u>
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Fiscal Year 1992/93 Capital Program:

Total Estimated Cost of Programs	\$	4,060,000
Estimated Cost of Programs for Fiscal Year 1992/93	\$	580,800

Class: One--Project directly related to the delivery of water.

Project Benefit: Will provide effective corrosion protection of the steel pipes, thereby reducing maintenance cost and extending the service life of the pipeline.