



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

8-11

March 25, 1993

To: Board of Directors (Water Problems Committee--Action)
(Engineering & Operations Committee--
Action)

From: General Manager

Subject: Authority to Enter Into Agreement For Design and Construction
of Enlargement of Service Connection B5

Report

Currently the design, financing and construction of service connections to the District's distribution system are accomplished pursuant to contracts between the District and the affected public member agency pursuant to authority granted the General Manager by the Board as specified in the Administrative Code (§ 4700, *et. seq.*). In summary, the member public agency pays for the cost of design and construction of the service connection at Metropolitan's actual cost, Metropolitan thereafter will own, operate, and maintain the service connection and provide water service through the connection, while the member public agency will be obligated to pay for any such water delivered at prevailing rates in effect at the time of the delivery.

Recently member public agency, City of Burbank ("City"), and representatives of several private entities which are subject to an Administrative Order issued by the Environmental Protection Agency (EPA Docket Number 92-12), approached the District regarding the need to enlarge Service Connection B5 from 20 to 40 CFS. Those private entities are the Aeroquip Corporation, Antonini Family Trust, Crane Company, Janco Corporation, Ocean Technology, Inc., and Sargent, Inc. (collectively "Companies"). Under the Administrative Order, the Companies have been ordered to design and construct all facilities necessary to transport water from Service Connection B5 to some blending facilities where it would be blended with water from a groundwater basin so as to meet potable water standards and then placed back into the City water supply distribution system.

Because the service connection enlargement is to be paid for by the Companies rather than the City, the City requested that Metropolitan contract directly with the Companies for enlargement of Service Connection B5.

Negotiations between the parties have resulted in an agreement, subject to your Board's approval, which essentially tracks the normal service connection agreement provisions except that the Companies have assumed most of the obligations usually undertaken by the member public agency. Its principal terms are as follows:

■Metropolitan will perform the service connection enlargement work in accordance with its customary standards and practices and generally pursuant to Metropolitan's Administrative Code Sections 4700, et.seq. as amended;

■The Companies jointly and severally will bear the actual cost of Service Connection B5 enlargement work, in accordance with estimates provided by Metropolitan to the Companies with the companies to make staged deposits, all in accordance with MWD's Administrative Code;

■Upon completion, Metropolitan will provide water service through the enlarged Service Connection B5 to the City and City will pay Metropolitan for all water delivered in accordance with the rate and other water service regulation provisions contained in Metropolitan's Administrative Code.

As the Board is aware, and as is routine with service connection agreements, the Companies will make deposits with Metropolitan prior to accomplishment of the major components of the service connection enlargement work. This means that Metropolitan will have the money in hand to cover each increment of the work prior to commencing the work. The total cost is currently estimated at \$465,000. As is also customary, the City has fully complied with the California Environmental Quality Act for the entirety of the blending facilities, including the Service Connection B5 enlargement.

It is recommended that your Board approve execution of the proposed agreement for design and construction of the enlargement of Service Connection B5 because it will aid in the clean-up of a currently tainted water basin and thereby provide an additional water resource within Metropolitan's service area at little if any risk that Metropolitan will not be reimbursed for all actual costs of the service connection enlargement.

Board Committee Assignment

This letter was referred for action to:

The Engineering and Operations Committee pursuant to Administrative Code Section 2431(d) regarding its jurisdiction over the providing of storage and distribution facilities and connections for the delivery of water; and

The Water Problems Committee pursuant to its jurisdiction over policies regarding the sale and delivery of water for various uses under Administrative Code section 2481(d).

Recommendation

WATER PROBLEMS AND ENGINEERING AND OPERATIONS COMMITTEES FOR ACTION.

It is recommended that the General Manager be authorized to enter into an agreement for the enlargement of Service Connection B5 in accordance with the terms of this letter, and in form as approved by the General Counsel.

for 
Carl Boronkay