

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

September 17, 1993

(Finance and Insurance Committee--Action)
 (Engineering and Operations Committee--Action)
 To: Board of Directors (Land Committee--Information)
 (Water Problems Committee--Information)
 From: General Manager
 Subject: Appropriation No. 669 for \$906,900 for Inventory and Inspection
 of the Allen-McColloch Pipeline Prior to Possible Purchase from
 the Municipal Water District of Orange County

Report

In May 1992, your Board approved the Authorization to Prepare and Transmit a Letter Indicating Metropolitan's Principles for Purchasing the Allen-McColloch Pipeline and to Negotiate an Agreement for Payment of Metropolitan's Pro-Rata Share in the Santa Margarita Pipeline. Pursuant to this approval, staff has prepared a budget for Inventory and Inspection of the Allen-McColloch Pipeline (AMP).

Work to be performed under this appropriation by Metropolitan staff includes surface inspection of the AMP Right-of-Way, inspection of the AMP facilities, reviews of Right-of-Way and Engineering documentation, updating title insurance policies, review of the AMP hydraulics and a corrosion survey of the AMP including the effects of adjacent pipeline corrosion control systems on the AMP. An estimate of the costs for a shutdown and walk-through inspection of the AMP is also included.

The total estimated cost for this work is \$906,900. An itemized financial statement of this cost is attached to this letter. The total estimated cost of acquiring the Allen-McColloch Pipeline is currently estimated to be \$107,486,100 with the acquisition to be completed in the year 2016.

The proposed action is exempt from the provisions of the California Environmental Quality Act because there is no possibility that it would have a significant effect on the environment.

Board Committee Assignments

This letter is referred for action to:

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

The Finance and Insurance Committee because of its jurisdiction over appropriations pursuant to Administrative Code Section 2441(d).

This letter is referred for information to:

The Water Problems Committee because of its jurisdiction over the changes in the District's aqueduct system to provide for the changing needs of the District's Member Agencies pursuant to Administrative Code Section 2481(b); and

The Land Committee because of its jurisdiction over the fixing of purchase prices, and the initiation and conduct of condemnation and other proceedings relating to the purchase or sale of land or interests in property and related negotiations pursuant to Administrative Code Section 2451(g).

Recommendations

ENGINEERING AND OPERATIONS COMMITTEE FOR ACTION

It is recommended that your Board approve the inventory and inspection of the Allen-McColloch Pipeline prior to possible purchase from the Municipal Water District of Orange County.

FINANCE AND INSURANCE COMMITTEE FOR ACTION

It is recommended that your Board authorize Appropriation No. 669 for \$906,900 from the 1992 Revenue Bond Construction Fund for inventory and inspection of the Allen-McColloch Pipeline prior to possible purchase from the Municipal Water District of Orange County.


John R. Wodraska

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Attachment

Attachment A

Fiscal Statement
(Program No. 5-0225-21)

The total cost breakdown for Appropriation 669 is shown below:

LABOR:

Engineering Design Review	\$22,600
Right of Way	151,100
Corrosion Survey and Soil Analysis	63,800
Pipeline Shutdown and Walk-Thru	139,600
Negotiation Support	26,000
TOTAL LABOR	<u>403,100</u>

INCIDENTAL EXPENSES: 10,000

PROFESSIONAL SERVICES:

Soil Boring & Chemical Analysis	35,000
Title Report & Policy of Title Insurance	45,000

OPERATING EQUIPMENT USE AND RENTAL: 10,000

ADMINISTRATIVE OVERHEAD: 222,400

CONTINGENCIES: 181,400

TOTAL: \$906,900