



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-5

June 30, 1993

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

From: General Manager

Subject: Revision No. 6 to Appropriation No. 559 for the Inland Feeder Project to Remove the Contingency with Respect to Execution of the Memorandum of Understanding with Moreno Highlands Development

Report

During the public comment period on the Draft Environmental Impact Report for the Inland Feeder Project, concerns were raised by the developer of a planned community east of the City of Moreno Valley. The proposed pipeline alignment crossed the development called Moreno Highlands and had the potential of impacting the land uses within the development. Metropolitan staff met with the developer to discuss the concerns which they raised.

When your Board certified the Final Environmental Impact Report (FEIR) on February 9, 1993, a 30-day extension on the California Environmental Quality Act (CEQA) statute of limitations was granted to Moreno Highlands to allow the discussions to continue. As a result of these discussions, a revised alignment was developed for the pipeline in the Moreno Highlands area, and an Addendum to the FEIR was prepared. On April 13, 1993, your Board considered the Addendum to the FEIR and found that the changes in the alignment did not raise any important new issues about the significant effects on the environment. The CEQA statute of limitation relative to your Board's consideration of the Addendum to the FEIR expired on May 16, 1993. Also on April 13, your Board authorized a \$102,900,000 increase in Appropriation No. 559 to finance all costs in advance of construction, contingent on the execution of the Memorandum of Understanding (MOU) with Moreno Highlands.

Metropolitan negotiated and subsequently executed the MOU and transmitted it to Moreno Highlands on April 20, 1993. Despite repeated assurances that a counter-signed copy would be returned, and numerous follow-up contacts by Metropolitan staff, Moreno Highlands has failed to return the signed agreement. Since Metropolitan must commence design work and

implementation requirements to meet project schedule requirements, a deadline of July 9, 1993, has now been given for return of the signed agreement. Metropolitan has advised Moreno Highlands that if it fails to meet this deadline, Metropolitan will consider the MOU to be rejected and of no further effect. Subsequent to the July 9 letter, Metropolitan staff has been notified that Moreno Highlands Development Project has been abandoned, and consequently, the developer will not be executing the MOU.

Final design and purchase of property are proceeding, and it is anticipated that additional funds will be required in late July 1993. It is proposed that the Board remove the contingency that a MOU with Moreno Highlands be signed prior to the expenditure of any of the \$102,900,000 appropriated funds.

Board Committee Assignments

This letter is referred for action to:

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

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

Recommendation

ENGINEERING AND OPERATIONS AND FINANCE AND INSURANCE COMMITTEES FOR ACTION.

It is recommended that the Board delete the contingency on the \$102,900,000 increase in Appropriation No. 559 to finance all costs in advance of construction, with respect to execution of the Memorandum of Understanding with Moreno Highlands.


for General Manager