

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

February 16, 1994

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

From: General Manager

Subject: Authorization of Additional Expenditures Under Agreement No. 4330 with CH2M Hill in the Amount of \$400,000 to Finance Engineering Field Investigations and Related Analyses; and Revision No. 4 to Appropriation No. 399 to a Total of \$4,790,000, an Increase of \$1,000,000, to Finance the Chino Basin Groundwater Storage Program Studies

Report

Your Board previously authorized the General Manager to study development of a proposed Chino Basin Groundwater Storage Program. As the studies have progressed, it has become apparent that an increase in the appropriations is necessary as explained in the following paragraphs:

Memorandum of Understanding (MOU)

An MOU between Metropolitan, and Chino Basin water management agencies was executed in August 1993 establishing the framework for a project that could store up to 50,000 acre-feet of imported water on a continuing basis for delivery to Metropolitan's distribution system subject to future Board approval of required agreements. Negotiation of the MOU was more protracted than initially expected, with a resultant increase in staff costs.

Short-Term Conjunctive-Use Project

In August of 1992, your Board authorized the General Manager to implement a one-time pilot conjunctive-use project in the Chino Basin. Because this effort was crafted within a very short time-frame, it was deemed to be appropriate to pursue it using available funds under Appropriation No. 399. Compliance with the California Environmental Quality Act (CEQA) was accomplished by issuance of a Notice of Exemption. As part of that project, Metropolitan constructed a transfer pump facility to deliver about 4,800 acre-feet of stored water to Metropolitan's distribution system at a cost of about \$500,000. These pilot-project costs were not contemplated in the original program estimate.

Consultant Contract

In June 1993, your Board authorized the General Manager to enter into a contract with CH2M Hill for field investigations and facility planning services for the project at an estimated cost of \$750,000. Subsequent field investigations under that contract revealed unanticipated low-permeability geologic conditions, requiring additional field work to further evaluate recharge potential and minimize costs. The increased work would include:

- construction and testing of an additional shallow injection well;
- full-scale deep well injection test;
- construction of a 1000-foot-deep monitoring well; and
- more detailed studies of water quality treatment costs related to use of deep injection wells.

Costs for this additional work by the Consultant are estimated to be about \$400,000. There will be no change to the Consultant's fee schedule.

Appropriation No. 399

An increase of \$1 million in Appropriation No. 399 (see Attachment A) is therefore necessary to provide for: the costs of the pilot conjunctive-use project; increased staff costs resulting from protracted MOU negotiations and increased staff cost for more complex planning of replenishment facilities; and increased Consultant costs for additional field investigations and related analyses needed for facility planning in support of the CEQA process. This funding should provide for substantial completion of facility planning; EIR preparation; and project agreements. These activities are exempt from CEQA as they consist of feasibility and planning studies for possible future actions and information collection activities which will not result in a serious or major disturbance to an environmental resource.

Metropolitan is committed to Minority Business Enterprise and Women Business Enterprise goals and will continue to encourage participation in the Affirmative Action Plan as the project moves forward.

Board Committee Assignments

This letter is referred for action to:

The Engineering and Operations Committee pursuant to Section 2431(h) of Metropolitan's Administrative Code, granting it authority regarding determination of the scope of engineering consultant assignments.

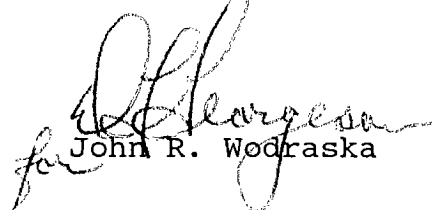
The Finance and Insurance Committee pursuant to Section 2441(d) of Metropolitan's Administrative Code, granting it authority regarding appropriations.

The Organization and Personnel Committee pursuant to Section 2470(g) of Metropolitan's Administrative Code, granting it authority regarding terms and conditions of employment of consultants.

Recommendation**ENGINEERING AND OPERATIONS, FINANCE AND INSURANCE, AND ORGANIZATION AND PERSONNEL COMMITTEES FOR ACTION.**

It is recommended that the General Manager be authorized to amend Agreement No. 4330 with CH2M Hill to increase the amount under the contract from \$750,000 to \$1,050,000 to provide for additional field investigation services and related facility planning analyses in a form approved by the General Counsel.

It is recommended that your Board approve an increase of \$1,000,000 in Appropriation No. 399 to a total of \$4,790,000 to finance Chino Basin Groundwater Storage Program studies from the 1991 Revenue Bond Construction Fund.


John R. Wodraska

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ATTACHMENT AChino Basin Groundwater Storage Program
Fiscal StatementAppropriations:

Initial Funds	July 1979	\$ 500,000
Revision No. 1	July 1983	1,000,000
Revision No. 2	June 1986	720,000
Revision No. 3	March 1992	1,570,000
Revision No. 4	March 1994	<u>1,000,000</u>
Total:		\$4,790,000

Cost Breakdown (Approximate):

	<u>Previously Authorized Funds</u>	<u>Revision No. 4</u>
Labor	\$ 513,000	\$1,010,000
Materials	1,000	90,000
Incidental	217,000	120,000
Professional and Technical Services	1,955,000	2,870,000
ROW	0	0
Equipment	0	10,000
Administrative Overhead	289,000	550,000
Contracts	500,000	0
Contingencies	<u>315,000</u>	<u>140,000</u>
Total:	\$3,790,000	\$4,790,000

Expenditure of Funds by Fiscal Year:

Through FY 1991-92	
Previously Authorized Funds	\$2,120,000
FY 1992-93	
Previously Authorized Funds	\$ 240,000
FY 1993-94	
Previously Authorized Funds	\$1,430,000
Revision No. 4	\$470,000
FY 1994-95	
Revision No. 4	<u>\$530,000</u>
Total:	\$4,790,000