

Supplemental
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APPROVED

By the Board of Directors of
The Metropolitan Water District
of Southern California
at its meeting held**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

JUL 12 1994

July 8, 1994


EXECUTIVE SECRETARY

To: Board of Directors (Finance and Insurance Committee--Action)
(Water Problems Committee-Information)
(Executive Committee--Information)

From: General Manager

Subject: Authorization to Enter into a Consulting Agreement to Review
and Evaluate Water Management Programs

Report

As Metropolitan proceeds into the implementation phase of the Integrated Resources Planning (IRP) process, it is important to establish water management programs to encourage the development of local resources such as groundwater recovery, water reclamation, conservation, and groundwater conjunctive use that are fair and distribute benefits on a regional basis. This phase of the IRP process will require a significant amount of analysis to determine the appropriate rates, fees, charges and incentives necessary to finance the resulting Capital Improvement Program and produce the selected resource mix. The consultant will supply economic, finance, and water resource planning expertise. They will be conducting financial and resource analyses in conjunction with the work of Metropolitan's staff, and will work with Metropolitan's Member Agencies to arrive at consensus on the issues surrounding resource development. Such issues include determination of equity and evaluations of efficient resource mixes.

Last month we presented the scope of work for consulting services to review and evaluate all of Metropolitan's water management programs including the discount for the Interim Agricultural Water Program. Since then, RFP No. 131 was issued to about 50 firms to solicit proposals for these consulting services. Three proposals were received, and two firms were interviewed on July 6. It was the consensus of the interview panel, which consisted of four member agency representatives and three staff members, that Montgomery Watson, as primary contractor, in association with Bookman-Edmonston and its parent company RMI, HYA Consulting Engineers, Inc., and Half City Productions had the stronger technical and management team to perform this assignment.

Montgomery Watson's team will match the subcontracting participation goals of 12 percent Minority-Owned Business Enterprise (MBE) and 3 percent Women-Owned Business Enterprise (WBE) established in RFP No. 131. HYA Consulting Engineers, Inc. (certified MBE firm) will provide program analysis in the area of reuse and groundwater recovery, and Half City Production (certified WBE firm) will provide graphics and presentation support. Montgomery Watson is an equal opportunity employer, and a copy of its current Affirmative Action Plan is on file with Metropolitan.

The proposed schedule for the review and evaluation of Metropolitan's water management programs is aggressive. The goal is to have recommended modifications to the programs prepared in time to set rates for fiscal year 1995-96. Thus, the majority of the work will need to be completed in the next five months.

It is proposed to enter into an agreement with Montgomery Watson to provide consulting services for the review of the water management programs for an amount not to exceed \$400,000. Sufficient funds are available in the annual budget appropriation for this effort.

This study of Metropolitan's water management programs is statutorily exempt from provisions of the California Environmental Quality Act because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Board Committee Assignments

This letter is referred to:

The Finance and Insurance Committee for action pursuant to its authority to authorize appropriations under Administrative Code Section 2441(d);

The Water Problems Committee for information pursuant to its authority to study policies regarding water conservation, reclamation, reuse and underground storage of water and the use thereof under Administrative Code Section 2481(i); and

The Executive Committee for information pursuant to its authority to study, advise, and make recommendations on policies and procedures to be considered by the Board under Administrative Code Section 2417(e).

Recommendation

FINANCE AND INSURANCE COMMITTEE FOR ACTION.

It is recommended that the General Manager be authorized to enter into an agreement with Montgomery Watson, as primary contractor, to perform the review and evaluation of Metropolitan's incentive programs as set forth in this letter, for an amount not to exceed \$400,000, such agreement to be in form approved by the General Counsel.

John R. Wodraska
General Manager

By Debra C. Man
Debra C. Man
Chief of Planning and Resources

Concur:

John R. Wodraska
John R. Wodraska
General Manager

JMB:bvf:gg

Attachment