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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

AUG 19 1994

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[Signature]
EXECUTIVE SECRETARY

August 3, 1994

(Engineering & Operations Committee--Action)
To: Board of Directors (Finance & Insurance Committee--Action)
From: General Manager
Subject: Revision No. 4 to Appropriation No. 102 to Increase Funding
From \$2,500,000 to a Total of \$15,800,000 to Fund all Costs
Incurred on Reimbursable Projects Until Reimbursement

Report

Metropolitan is required to construct service facilities for member agencies and to relocate, modify, or protect Metropolitan's facilities at the request of member agencies, private enterprises, and Federal and State agencies. The cost of this work is reimbursed by the requestor, as specified in executed agreements. Member agencies and private enterprises make deposits in advance of Metropolitan's construction of service connections or the relocation, modification, or protection of facilities. However, Federal and State agencies do not make such deposits and Metropolitan is either partially reimbursed as the work progresses, or reimbursed after the work is completed. As a result, funding must be available for these projects until reimbursement is made.

In November 1962, your Board approved Appropriation No. 102 to provide funding for costs incurred on reimbursable projects. Subsequently, the appropriation was increased to a total of \$1,000,000 under Revision No. 1 in December 1965; increased to a total of \$1,500,000 under Revision No. 2 in October 1971; and increased to a total of \$2,500,000 under Revision No. 3 in June 1984.

As a result of the recent Northridge earthquake in January 1994, approximately 34 reimbursable repair projects have been identified, with a total estimated cost of \$5,000,000. After the completion of construction of each of these projects, claims will be filed with the Federal Emergency Management Agency (FEMA) for reimbursement. The exact amount that will be reimbursed by FEMA will not be known until after the claims have been filed and considered by FEMA. The costs not reimbursed by FEMA will be charged to the Annual Budget Appropriation (ABA).

In addition, a partial construction cost related to Newport Road Relocation and Salt Creek Channel Improvement contract under the Domenigoni Valley Reservoir (DVR) Project will be reimbursed by various funding sources, as authorized by action of the Board of Directors in September 1993. The total estimated cost to be reimbursed is \$6,725,000. Construction is scheduled to be completed and reimbursement made in accordance with provisions of a Memorandum of Understanding prepared pursuant to the September 1993 Board action. Construction costs which are not reimbursed would be covered under Appropriation No. 560 for the DVR Project and are included in the overall project budget.

Sufficient funds are not presently available under Appropriation No. 102 to accomplish reimbursable work because of the earthquake repairs, improvements to Newport Road and Salt Creek Channel, the increased number and size of relocation/protection projects, and increases due to inflation since 1984. Therefore, it is requested that your Board approve an increase in Appropriation No. 102 of \$13,300,000, to a total of \$15,800,000, from the General Fund to cover the costs incurred for these reimbursable projects. When reimbursements have been received for the earthquake repairs and the DVR construction project, Appropriation No. 102 will be revised downward.

All construction specifications and professional service agreements for the above projects will follow Metropolitan's Business Outreach Program guidelines as established in Metropolitan's Business Outreach Program Policies and Procedures Manual. In addition, all specifications and agreements will contain Affirmative Action requirements regarding submission of affirmative action plans and/or Work Force analyses.

The proposed increase in Appropriation No. 102 is exempt from the provisions of the California Environmental Quality Act (CEQA) because in itself, it will not have an effect on the physical environment. However, appropriate CEQA documentation will be completed for each project to be funded under this appropriation prior to approval of Metropolitan's participation in that project.

Board Committee Assignments

This letter is referred for action to:

The Engineering and Operations Committee because of its jurisdiction over the initiation, scheduling, contracting,

and performance of construction programs, and the equipment or materials to be used, pursuant to Administrative Code Section 2431(b); and

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

Recommendations

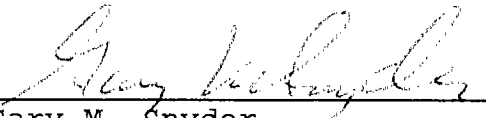
ENGINEERING AND OPERATIONS COMMITTEE FOR ACTION

It is recommended that the General Manager be authorized to have all work performed for reimbursable projects, other than work to be performed under contracts involving an expenditure of \$250,000 or more.

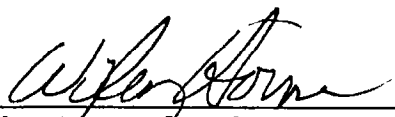
FINANCE AND INSURANCE COMMITTEE FOR ACTION

It is recommended that your Board approve Revision No. 4 to Appropriation No. 102 to increase funding from \$2,500,000 to \$15,800,000 from the General Fund to finance all estimated costs incurred for reimbursable projects.

John R. Wodraska
General Manager

By 
Gary M. Snyder
Chief Engineer

Concur:


John R. Wodraska
General Manager