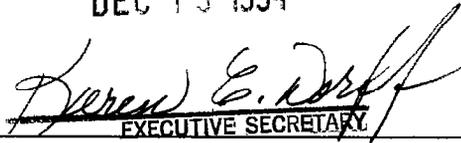


DEC 13 1994

  
EXECUTIVE SECRETARY

8-4

November 29, 1994

**To:** Board of Directors Land Committee - Action  
Engineering and Operations Committee--Action  
Finance and Insurance Committee--Action

**From:** General Manager

**Subject:** Authorization to Revise Appropriation No. 560 (Revision 13) to Increase Funding from \$442,530,000 to \$536,630,000 for the Domenigoni Valley Reservoir Project.

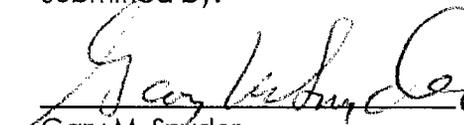
**RECOMMENDATION:**

It is recommended that the General Manager be authorized to increase Appropriation No. 560 from \$442,530,000 to \$536,630,000 to finance estimated costs for property condemnation settlements, remaining mitigation costs, and design changes in advance of construction of the Domenigoni Valley Reservoir Project.

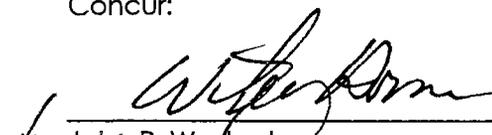
**APPROVAL OF REQUEST**

John R. Wodraska  
General Manager

Submitted by:

  
Gary M. Snyder  
Chief Engineer

Concur:

  
John R. Wodraska  
General Manager

CAPITAL FUNDING REQUEST					
<b>PROJECT NAME:</b> DOMENIGONI VALLEY RESERVOIR PROJECT					
<b>APPROPRIATION No.:</b>	560	<b>FUNDING REQUEST No.:</b>	13	<b>AMOUNT:</b>	\$94.1 MIL.
<b>SOURCE OF FUNDS:</b>	1992 REVENUE BOND CONSTRUCTION FUND				
<b>FY 94/95 BUDGET:</b>	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	AMOUNT = \$169,231,200	CAPITAL PROGRAM	PAGE NO. REFERENCE: 6
<b>PROJECT JUSTIFICATION AND TYPE: (CHECK ALL APPLICABLE)</b>					
<input checked="" type="checkbox"/>	MEET WATER DEMANDS	<input checked="" type="checkbox"/>	NEW FACILITY	<input type="checkbox"/>	REPLACEMENT
<input type="checkbox"/>	MANDATED BY LAW	<input type="checkbox"/>	IMPROVEMENT	<input type="checkbox"/>	EXPANSION
<input type="checkbox"/>	ASSET PROTECTION/RISK MGT.				
<input type="checkbox"/>	COST AVOIDANCE				
<input type="checkbox"/>	OTHER _____				

**PROJECT DESCRIPTION (INCLUDE CLASSIFICATION AND PURPOSE):**

The Domenigoni Valley Reservoir Project will be formed by two earth/rockfill dams, 4.5 miles apart, within the Domenigoni and Diamond Valleys, plus a third, earth/rockfill dam at the low point in the north rim, providing storage capacity of 800,000 acre feet, and a surface area of 4,500 acres. Associated hydraulic structures consist of an inlet/outlet tower, pump plant, pressure control facility, connecting tunnels, delivery pipeline, roadway and canal relocations, and forebay. The East Dam will be approximately 185 feet high and 10,500 feet long; the west dam will be approximately 285 feet high and 9,100 feet long; and the Saddle dam will be approximately 130 feet high above the low point in the ridgeline and 2,300 feet long. The total earthwork volume of the East and West Dams is approximately 95,000,000 cubic yards.

Class One: Project directly related to the delivery of water.

STRATEGIC PLAN PRINCIPLE: 1.2 Water - Integrated Resources Plan (IRP)

**BENEFIT (NARRATIVE FOR DIRECT AND OTHER BENEFITS):**

When completed, the new reservoir will nearly double the amount of surface storage available in Metropolitan's service area to provide imported water during emergencies, droughts, and peak summer months. Imported water, delivered to the reservoir during surplus periods, will be used to replenish groundwater basins when local runoff is unavailable. Recreational facilities associated with the reservoir will draw approximately 1.8 million visitors annually. Banked mitigation credits at the Multi-Species Reserve and Santa Rosa Plateau may be used for other Metropolitan or private development projects.

<b>PROJECT PLAN:</b>				SPENDING DURATION						
COST CATEGORY	BUDGETED COST	% COMPLETE	COST THRU 9/94	94	95	96	97	98	99	00
PLANNING	\$15,000,000	100%	\$15,000,000	■						
REAL ESTATE*	334,000,000	95%	275,060,000	■	■	■				
MITIGATION*	32,681,000	46%	14,943,000	■	■	■	■	■	■	■
DESIGN	120,450,000	68%	85,547,000	■	■	■	■	■	■	■
CONSTRUCTION	1,300,936,000	1%	12,350,000	■	■	■	■	■	■	■
RECREATION	33,000,000	0%	0					■	■	■
CONTINGENCY	136,033,000	0%	0							
<b>TOTAL</b>	<b>\$1,972,100,000</b>	<b>TOTAL:</b>	<b>\$402,900,000</b>	SPENT THROUGH SEPTEMBER 30, 1994						

\* Real estate costs include \$28.3 million for land purchases at the Santa Rosa Plateau and Shipley Reserve which when added to non-real estate mitigation costs of \$32.7 million results in a total mitigation value of \$61 million.

**ALTERNATIVES TO PROPOSED ACTION:**

The alternative to the recommended action is to defer a portion of the recommended appropriation increase for condemnation settlements, design and mitigation, while appropriating the remaining portion of the increase at this time. The following information provides the basis for the recommended action. Trial dates for remaining condemnation cases are scheduled through July 1995, requiring the appropriation of funds for settlement of these cases at this time. Essential design activities to support design completion and value engineering review are required in advance of major contract awards. Executed federal and state mitigation agreements require advance appropriation of funds in support of the Multi-Species Habitat Conservation Plan (MSHCP).

Expenditures through September of this year are \$402.9 million, within a total appropriation of \$442.5 million. At estimated expenditure rates, appropriated funds will be depleted by January 1995.

**POLICY CONSIDERATIONS:**

An appropriation increase of \$94.1 million is recommended under this Board action to meet Project needs as follows: (a) funds for condemnation settlements were anticipated but not appropriated until approximate settlement costs could be estimated; these costs are now estimated at \$67.0 million; (b) value engineering design, to eliminate power generation from Pump Plant P-1 and to investigate more economical sources of rock borrow for the East Dam, has resulted in an estimated increase in design costs of \$8.7 million; (c) increased design review and bid package preparation costs, supporting remaining consultant design work, after the start of major construction, are estimated at \$6.8 million; (d) greater paleontological recovery work, resulting from a higher density of fossil remains in alluvial borrow areas, have resulted in an increased cost of \$0.7 million; and (e) the Multi-Species Habitat Conservation Plan (MSHCP) requires the appropriation of funds to support mitigation commitments of the MSHCP; costs for these commitments are included in the project budget. Various mitigation activities are underway and a final funding increment of \$10.9 million is required to fulfill commitments of the MSHCP.

The overall project budget has increased by \$134.4 million to reflect the above condemnation, design and mitigation costs; an increased construction cost; and a reduction in contingency reflecting a refined project scope. Value engineering design changes have been incorporated to minimize the increased construction cost to the greatest extent possible. Without value engineering changes, the construction costs would have been approximately \$180 million higher than the above value. Value engineering changes will continue to be pursued throughout the design and construction phases.

**CEQA COMPLIANCE / ENVIRONMENTAL DOCUMENTATION**

All California Environmental Quality Act (CEQA) requirements have been satisfied for the proposed action. In October 1991, your board certified the Final Environmental Impact Report for the Domenigoni Valley Reservoir Project. This action satisfied the provisions of CEQA, and no further environmental documentation or reviews are necessary for your Board to take action on this recommendation.

FISCAL STATEMENT  
Domenigoni Valley Reservoir and Related Facilities  
(Program No.5-5600-11)

**Project Summary:**

## Total Project

	Current Budget	Proposed Budget	Total Appropriation
Planning	\$15,000,000	\$15,000,000	\$15,000,000
Land*	\$267,000,000	\$334,000,000	\$334,000,000
Mitigation*	\$32,000,000	\$32,681,000	\$32,681,000
Design	\$105,000,000	\$120,450,000	\$120,450,000
Construction	\$1,229,700,000	\$1,300,936,000	\$32,962,000
Recreation	\$33,000,000	\$33,000,000	
Contingency	\$156,000,000	\$136,033,000	\$1,537,000
<b>TOTAL.....</b>	<b>\$1,837,700,000</b>	<b>\$1,972,100,000</b>	<b>\$536,630,000</b>

\* Real estate costs include \$28.3 million for land purchases at the Santa Rosa Plateau and Shipley Reserve which when added to non-real estate mitigation costs of \$32.7 million results in a total mitigation value of \$61 million.

**Appropriation Summary:**

	Current (as of Revision No. 12)	Proposed (including Revision No.13)
Labor and Additives	\$14,561,500	\$28,121,600
District Furnished Equipment	\$202,000	\$1,260,500
Incidental Expenses	\$2,840,500	\$14,394,600
Professional Services	\$125,902,000	\$140,331,000
Right of Way Acquisition	\$244,000,000	\$303,500,000
Operating Equipment	\$13,905,000	\$1,482,700
Administrative Overhead	\$7,152,000	\$13,040,600
Construction	\$32,430,000	\$32,962,000
Construction Contingency	\$1,537,000	\$1,537,000
<b>TOTAL.....</b>	<b>\$442,530,000</b>	<b>\$536,630,000</b>

Fiscal Statement  
(Program No. 5-5600-11)

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Attachment A

**Estimated Funds Required:**

Initial	\$8,300,000
Revision No.1	\$5,000,000
Revision No.2	\$45,000,000
Revision No.3	\$20,000,000
Revision No.4	\$15,600,000
Revision No.5	\$12,000,000
Revision No.6	\$189,100,000
Revision No.7	\$12,300,000
Revision No.8	\$112,000,000
Revision No.9	\$1,670,000
Revision No.10	\$987,000
Revision No.11	\$952,000
Revision No.12	\$19,621,000
Revision No.13	\$94,100,000
Remaining	\$1,435,470,000
TOTAL.....	<u>\$1,972,100,000</u>

**Source of Funds:**

1992 Revenue Bond Construction Fund

**Class One:**

Projects directly related to delivery of water.

**Projected Expenditures of Funds:**

Through	Fiscal Year 1992/93	\$251,800,000
	Fiscal Year 1993/94	\$109,570,000
	Fiscal Year 1994/95	\$252,310,750
	Fiscal Year 1995/96	\$408,570,750
	Fiscal Year 1996/97	\$400,919,750
	Fiscal Year 1997/98	\$359,827,375
	Fiscal Year 1998/99	\$172,557,375
	Fiscal Year 1999/2000	\$16,544,000
	TOTAL.....	<u>\$1,972,100,000</u>