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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

FEB 14 1995

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EXECUTIVE SECRETARY

January 31, 1995

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

From: General Manager

Subject: Revision No. 1 to Appropriation No. 667 to Increase Funding from \$640,000 to \$1,069,000 to Finance All Additional Work for Lake Mathews Service Water System Tie-In and Modifications

RECOMMENDATION:

That the General Manager be authorized to have all additional work performed, other than contracts in an amount of \$250,000 or more for design, purchase of materials, and construction to complete work on the Lake Mathews Service Water System Tie-In and Modifications.

Authorize Revision No. 1 to increase Appropriation No. 667 by \$429,000 from the Pay-As-You-Go Fund to finance all additional costs for design, purchase of materials, and construction on the Lake Mathews Service Water System Tie-In and Modifications.

APPROVAL OF REQUEST

John R. Wodraska
General Manager

Submitted by:

[Signature]
Gary M. Snyder
Chief Engineer

Concur:

[Signature]
John R. Wodraska
General Manager

CAPITAL FUNDING REQUEST		
PROJECT NAME: LAKE MATHEWS—SERVICE WATER SYSTEM TIE-IN AND MODIFICATIONS		
APPROPRIATION NO.: 667	FUNDING REQUEST NO.: REV. NO. 1	AMOUNT: \$1,069,000
SOURCE OF FUNDS: PAY-AS-YOU-GO		
FY 94/95 BUDGET: No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> @ \$179,700		CAPITAL PROGRAM PAGE NO. REFERENCE: 17
PROJECT JUSTIFICATION AND TYPE: <input type="checkbox"/> MEET WATER DEMANDS <input checked="" type="checkbox"/> MANDATED BY LAW <input checked="" type="checkbox"/> ASSET PROTECTION/RISK MGT. <input type="checkbox"/> COST AVOIDANCE <input type="checkbox"/> OTHER _____		
<input type="checkbox"/> NEW FACILITY <input checked="" type="checkbox"/> IMPROVEMENT <input checked="" type="checkbox"/> REPLACEMENT <input type="checkbox"/> EXPANSION		

PROJECT DESCRIPTION:

In June 1993, the Surface Water Treatment Rule (SWTR) went into effect, which rendered obsolete the existing elementary on-site treatment system used to provide potable water to the Lake Mathews Facility. In September 1993, your Board approved Appropriation No. 667 in the amount of \$640,000 to finance all estimated costs for the modification of the Lake Mathews service water system to meet SWTR requirements and fire protection standards.

Metropolitan realized this project would require considerable field work, due to the unknowns of tying into a water distribution system which had evolved over the past fifty years. These circumstances dictated close cooperation between engineering and construction personnel, thus it was decided that construction by district forces was appropriate.

Metropolitan encountered additional unexpected costs for completing modifications to the project which were higher than originally estimated. Specifically, negotiations regarding service connection issues were necessary; additional engineering effort was required to locate existing piping and equipment; during initial construction, additional layers of granite were discovered which significantly increased the difficulty and cost of trenching, shoring and pipe installation. The 50,000 gallon storage tank was retained to enhance reliability by providing a separate buffered source for supplying the reservoir outlet tower valve operators, which increased engineering, equipment and construction costs. Portions of the existing system not scheduled for replacement were replaced due to their poor condition, which added to equipment and construction costs. In addition, deep trenching and shoring was required in areas where existing pipe had to be avoided. Design and construction work has been completed.

Class: One--Projects Directly Related to Delivery of Water, Required for Health and Safety, or Mandated by Governmental Requirements

STRATEGIC PLAN PRINCIPLE: 1.0--Water

BENEFIT (NARRATIVE FOR DIRECT AND OTHER BENEFITS):

The modification of the service water system is required to comply with current and future water treatment and fire protection regulations. The modifications also comply with the agreements established with the County of Riverside to upgrade the present system.

PROJECT PLAN:						
PHASE	COST	% COMPLETE	COST THRU 12/31/94	1994	1995	1996
PRE. DESIGN	\$50,000	%100	\$50,000	<input type="checkbox"/>		
FINAL DESIGN	\$300,000	%100	\$300,000	<input type="checkbox"/>		
CONSTRUCTION	\$660,000	% 69	\$458,000		<input type="checkbox"/>	
ACCEPTANCE TESTING	\$49,000	% 0	\$ 0		<input type="checkbox"/>	
CONTINGENCY	\$10,000		\$ 0			
TOTAL	\$1,069,000	% 76	\$808,000			

ALTERNATIVES TO PROPOSED ACTION:
N/A

POLICY CONSIDERATIONS:
Modify existing system to be in compliance with Service Water Treatment Rule. No policy issues.

CEQA COMPLIANCE / ENVIRONMENTAL DOCUMENTATION
This project is exempt from provisions of the California Environmental Quality Act because it entails replacement of an existing utility system and/or facilities involving negligible expansion of capacity.

FINANCIAL ANALYSIS: (NEW PROJECTS ONLY)

EVALUATION PERIOD: 2 YEARS

A. PROJECTED COSTS (CAPITAL AND O&M):

	YEAR 1	YEAR 2	YEAR 3	OUT YEARS	TOTAL
LABOR/ADDITIVES	\$ 130,000	\$ 360,000	\$ 0	\$ 0	\$ 490,000
PROFESSIONAL SERVICES	0	0	0	0	0
OTHER	73,500	495,500	0	0	569,000
CONTINGENCY		10,000	0	0	10,000
TOTAL	\$ 203,500	\$ 865,500	\$ 0	\$ 0	\$ 1,069,000

B. PROJECTED SAVINGS:

	YEAR 1	YEAR 2	YEAR 3	OUT YEARS	TOTAL
LABOR/ADDITIVES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PROFESSIONAL SERVICES	0	0	0	0	0
OTHER	0	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

C. DIFFERENCE (B-A)	\$ (203,500)	\$ (865,500)	\$ 0	0	\$ (1,069,000)
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D. CUMULATIVE DIFFERENCE	\$ (203,500)	\$ (1,069,000)	\$ 0	0	\$ (1,069,000)
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PAYBACK PERIOD: N/A

ESTIMATED LIFE OF PROJECT: N/A

ASSUMPTIONS:

Project is to comply with the Surface Water Treatment Rule.

FINANCIAL STATEMENT

(Program No. 5-6670-11)

The total estimated cost breakdown for Lake Mathews Service Water Tie-In and Modification Project is as follows:

Labor	<u>Initial Funding</u>	<u>Revision No. 1</u>
Engineering	\$ 112,000	\$ 240,000
District Forces Construction	<u>120,000</u>	<u>250,000</u>
Total Labor	\$ 232,000	\$ 490,000
Materials & Supplies	160,000	260,000
Incidental Expenses	10,000	20,000
Equipment Use/Rental	26,000	29,000
Administrative Overhead	128,000	260,000
Contingencies	<u>84,000</u>	<u>10,000</u>
TOTAL	\$ <u>640,000</u>	<u>\$1,069,000</u>

Projected Expenditure of Funds:

Through Fiscal Year 1993/94	\$ 203,000
Fiscal Year 1994/95	\$ <u>866,000</u>
TOTAL	<u>\$1,069,000</u>

Estimated Funds Required:

Initial	\$ 640,000
Rev. No. 1	<u>429,000</u>
TOTAL	<u>\$1,069,000</u>

Source of Funds: *Pay As You Go Fund*

Capital Program for Fiscal Year 1994/95
(Program No. 5-6670-11)

Total Program Estimate	\$ 640,000
Program Estimate for Fiscal Year 1994/95	179,700

Class: One--Projects Directly Related to Delivery of Water Required for Health and Safety, or Mandated by Governmental Requirements.

Project Benefit: The modification of the service water system is required to comply with current and future water treatment and fire protection regulations. The modifications comply with the agreements established with the County of Riverside to upgrade the present system.

JF/rs/hk
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