



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

JUL 11 1995

8-2

*Karen E. Duff*  
EXECUTIVE SECRETARY

June 27, 1995

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

**From:** General Manager

**Subject:** Appropriation No. 713 For \$3,000,000 to Expend Budgeted Funds to Finance  
Capital Projects Costing Less Than \$250,000 During Fiscal Year 1995/96

**RECOMMENDATION:**

That the General Manager be authorized to approve and undertake all work for the design, purchase of equipment, and construction of capital projects costing less than \$250,000 during Fiscal Year 1995/96.

Authorize Appropriation No. 713, in the amount of \$3,000,000 from the Pay-As-You-Go Fund, to expend budgeted funds to finance all estimated costs for design, purchase of equipment, and construction of capital projects costing less than \$250,000 during Fiscal Year 1995/96.

John R. Wodraska  
General Manager

Submitted by:

*Gary M. Snyder*  
\_\_\_\_\_  
Gary M. Snyder  
Chief Engineer

Concur:

*John R. Wodraska*  
\_\_\_\_\_  
John R. Wodraska  
General Manager

<b>CAPITAL FUNDING REQUEST</b>
--------------------------------

<b>PROJECT NAME:</b> CAPITAL PROJECTS COSTING LESS THAN \$250,000 FOR FISCAL YEAR 1995/96
---

<b>APPROPRIATION No.:</b> 713	<b>FUNDING REQUEST No.</b> NEW	<b>AMOUNT:</b> \$3,000,000
-------------------------------	--------------------------------	----------------------------

<b>SOURCE OF FUNDS:</b> PAY-AS-YOU-GO-FUND
--

<b>FY 95/96 BUDGET:</b> No <input type="checkbox"/> *YES <input checked="" type="checkbox"/> @ \$1,159,400 *See Attachment A	<b>CAPITAL PROGRAM:</b> 5-0500-61 <b>PAGE NO. REFERENCE:</b> 67
---	--

**PROJECT JUSTIFICATION AND TYPE:**

- |   |                                       |                                      |
|---|---------------------------------------|--------------------------------------|
| <input type="checkbox"/> MEET WATER DEMANDS                 | <input 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 checked="" type="checkbox"/> OTHER VARIES BY PROJECT |                                       |                                      |

**PROJECT DESCRIPTION:**

It is proposed to design, procure equipment, and construct small capital projects identified during the ensuing fiscal year, and authorize the General Manager to award such projects without specific Board authorization, provided that the General Manager reports quarterly to the Engineering and Operations Committee on such projects.

**Class: One**—Program directly related to delivery of water which, if delayed, will adversely impact reliability of service or water quality.

**BENEFIT:**

This program saves time and reduces administrative costs. These projects are necessary to increase operating reliability and efficiency and to decrease maintenance costs.

<b>PROJECT PLAN:</b>						
PHASE	COST	% COMPLETE	COST THRU 5/95	1995	1996	1997
PRE. DESIGN	\$ 100,000	5%	\$ 5,000 SPENT			
FINAL DESIGN	\$ 800,000	0	0			
PROCUREMENT	\$ 560,000	0	0			
CONSTRUCTION	\$ 1,322,500	0	0			
ACCEPTANCE TESTING	\$ 40,000	0	0			
CONTINGENCY	\$ 177,500		0			
<b>TOTAL</b>	<b>\$ 3,000,000</b>	<b>0.2%</b>	<b>\$ 5,000</b>			

**ALTERNATIVES TO PROPOSED ACTION:**

None

**CEQA COMPLIANCE / ENVIRONMENTAL DOCUMENTATION:**

This proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) because it will have no significant effect on the environment. However, prior to initiating any further action on these projects, the required environmental documentation will be completed pursuant to the provision of the CEQA.

**FINANCIAL ANALYSIS:**

EVALUATION PERIOD: 4 YEARS

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

	<b>FY 95/96</b>	<b>FY 96/97</b>	<b>FY 97/98</b>	<b>OUT YEARS</b>	<b>TOTAL</b>
<b>LABOR/ADDITIVES</b>	\$417,100	\$311,100	\$234,200	\$183,300	\$1,145,700
<b>PROFESSIONAL SERVICES</b>	1,500	500	0	0	2,000
<b>OTHER</b>	796,400	397,100	327,600	153,700	1,674,800
<b>CONTINGENCY</b>	92,800	37,700	29,400	17,600	177,500
<b>TOTAL</b>	\$1,307,800	\$746,400	\$591,200	\$354,600	\$3,000,000

**B. PROJECTED SAVINGS:**

	<b>FY 94/95</b>	<b>FY 95/96</b>	<b>FY 96/97</b>	<b>OUT YEARS</b>	<b>TOTAL</b>
<b>LABOR/ADDITIVES</b>	\$0	\$0	\$0	\$0	\$0
<b>PROFESSIONAL SERVICES</b>					
<b>OTHER</b>	\$0	\$0	0	0	0
<b>TOTAL</b>	\$0	\$0	\$0	\$0	\$0

<b>C. DIFFERENCE (B-A)</b>	(\$1,307,800)	(\$746,400)	\$(591,200)	\$(354,600)	(\$3,000,000)
----------------------------	---------------	-------------	-------------	-------------	---------------

<b>D. CUMULATIVE DIFFERENCE</b>	(\$1,307,800)	(\$2,054,200)	\$(2,645,400)	(\$3,000,000)	(\$3,000,000)
---------------------------------	---------------	---------------	---------------	---------------	---------------

PAYBACK PERIOD: N/A	YEARS	ESTIMATED LIFE OF PROJECT:	30 YEARS
---------------------	-------	----------------------------	----------

**ASSUMPTIONS:**

No significant net savings are projected. The subject projects are required to improve reliability and efficiency, and to meet the needs of the treatment and distribution system. Costs would be depreciated over the expected life of the improvements.

FINANCIAL STATEMENT

(Program No. 5-0500-61)

The breakdown of the total estimated cost for design, purchase of equipment, and construction of capital projects costing less than \$250,000 during Fiscal Year 1995/96 is shown below:

	<u>Cost Estimate</u>
Labor:	
Preliminary Design	\$ 64,400
Final Design	515,600
Environmental Documentation	20,000
District Forces Construction	505,700
Post Design	40,000
Subtotal Labor	<u>\$ 1,145,700</u>
Materials and Supplies	558,000
Incidental Expenses	101,200
Professional/Technical Services	2,000
Operating Equipment	11,000
Administrative Overhead	632,100
Contracts	372,500
Contingencies	177,500
Total	<u>\$ 3,000,000</u>

Source of Funds: Pay-as-you-go Fund

Class: One - Program directly related to delivery of water which, if delayed, will adversely impact reliability of service or water quality.

## Projected Expenditures of Funds:

Thru Fiscal Year 1994/95	\$ 10,000
Fiscal Year 1995/96	1,307,800
Fiscal Year 1996/97	746,400
Fiscal Year 1997/98	591,200
Fiscal Year 1998/99	344,600
Total	<u>\$ 3,000,000</u>

Project Benefit: This program saves time and reduces administrative costs. These projects are necessary to increase operating reliability and efficiency and to decrease maintenance costs.

Capital Program for Fiscal Year 1995/96:

Estimated Program Cost	\$	3,000,000
Program Estimate Fiscal Year 1995/96		1,159,400