

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

OCT 10 1995

7-1

*Harold E. Dwyer*  
EXECUTIVE SECRETARY

September 19, 1995

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

**From:** General Manager

**Subject:** Appropriation No. 715 for \$140,000 to Finance all Estimated Costs in Advance of Award of a Construction Contract for the La Verne Facility Materials Testing Laboratory Renovation

**RECOMMENDATION:**

That the General Manager be authorized to have all work performed in advance of award of a contract for construction of renovations at the Materials Testing Laboratory.

Authorize Appropriation No. 715, in the amount of \$140,000 from the Pay-As-You-Go Fund to finance all estimated costs in advance of award of a construction contract for renovations at the Materials Testing Laboratory.

John R. Wodraska  
General Manager

Submitted by:

*Wayne Lee Fenske*  
for Gary M. Snyder  
Chief Engineer

Concur:

*John R. Wodraska*  
John R. Wodraska  
General Manager

JIM:cj  
(715-apr)  
Attachment

<b>CAPITAL FUNDING REQUEST</b>		
<b>PROJECT NAME:</b> MATERIALS TESTING LABORATORY RENOVATION		
<b>APPROPRIATION No.:</b> 715	<b>FUNDING REQUEST No.</b> NEW	<b>AMOUNT:</b> \$ 140,000
<b>SOURCE OF FUNDS: PAY-As-YOU-GO FUND</b>		
<b>FY 95/96 BUDGET:</b> NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> *SEE ATTACHMENT A		<b>CAPITAL PROGRAM PAGE NO. REFERENCE:</b>
<b><u>PROJECT JUSTIFICATION AND TYPE:</u></b>		
<input type="checkbox"/> MEET WATER DEMANDS	<input type="checkbox"/> NEW FACILITY	<input type="checkbox"/> REPLACEMENT
<input checked="" type="checkbox"/> MANDATED BY LAW	<input checked="" type="checkbox"/> IMPROVEMENT	<input type="checkbox"/> EXPANSION
<input type="checkbox"/> ASSET PROTECTION/RISK MGT.		
<input type="checkbox"/> COST AVOIDANCE		
<input type="checkbox"/> OTHER _____		

<p><b><u>PROJECT DESCRIPTION:</u></b></p> <p>Metropolitan's Materials Testing Laboratory, located at the Weymouth plant in La Verne, was inspected by the La Verne Fire Department; and the District was warned of code violations for inadequate fire suppression, electrical and ventilation systems; and improper storage and handling of flammable materials. As a result of this warning, the testing laboratory has had to greatly curtail testing of protective coatings and materials.</p> <p>The curtailment of testing has seriously impaired the laboratory's ability to complete scheduled tests to meet design needs for the Oxidation Retrofit Program, Seawater Desalination Demonstration Project, and other Capital Improvement Program (CIP) projects and to meet the South Coast Air Quality Management District's requirements for reformulation of existing coatings. Since Metropolitan's Materials Testing Laboratory is recognized as a leader in providing information on protective coatings and materials for potable water systems, It is imperative that the laboratory be renovated to correct the code violations so the testing program can resume as soon as possible.</p> <p>The renovations required to correct the code violations include interior remodeling of the laboratory, the addition of a regulatory compliant paint booth and ventilation hoods, the relocation of electrical equipment, and other improvements required by the La Verne Fire Department. In addition, the existing sewer system that services the laboratory must be upgraded to meet projected demands.</p> <p>It is proposed that the interior renovations be designed with the assistance of a consultant to expedite completion of the renovations. Metropolitan staff will design the sewer improvements. Construction will be performed by an outside contractor.</p>
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Class: One--Projects directly related to delivery of water, required for health and safety, or mandated by governmental requirements.

**BENEFIT:**

The testing of protective coatings and materials is critical to providing reliable, cost-effective water treatment and distribution facilities. The proposed renovation would allow the Materials Testing Laboratory to resume testing of protective coatings and materials for existing and proposed facilities.

**PROJECT PLAN:**

PHASE	COST	% COMPLETE	COST THRU 7/95	1995	1996
STUDY	\$ 10,000	100%	\$10,000		
FINAL DESIGN	\$ 115,000	0%	0		
CONSTRUCTION	\$ 386,000	0%	0		
ACCEPTANCE TESTING		0%	0		
CONTINGENCY	\$ 74,000		0		
<b>TOTAL</b>	<b>\$ 585,000</b>	<b>2%</b>	<b>\$10,000</b>		

**ALTERNATIVES TO PROPOSED ACTION:**

Other alternatives that have been evaluated include offsite leasing of testing facilities, using contract services, and constructing a new facility. The proposed action is the most cost-effective and is supported by the general findings of the La Verne Area Master Plan.

**CEQA COMPLIANCE / ENVIRONMENTAL DOCUMENTATION:**

The proposed action is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) in that it consists of the minor alteration of existing public facilities involving negligible expansion of use beyond that previously existing and the construction of new, small facilities (CEQA State Guidelines, Sections 15301 and 15303).

<b>FINANCIAL ANALYSIS: (NEW PROJECTS ONLY)</b>					
EVALUATION PERIOD: 1 YEAR					
<b>A. PROJECTED COSTS (CAPITAL AND O&amp;M):</b>					
	THROUGH FY94/95	FY 95-96	FY 96-97	OUT YEARS	TOTAL
LABOR/ADDITIVES	\$ 7,000	\$101,000	\$ 0	\$ 0	\$ 108,000
PROFESSIONAL SERVICES	\$ 0	\$ 70,000	\$ 0	\$ 0	\$ 70,000
OTHER	\$ 3,000	\$330,000	\$ 0	\$ 0	\$ 333,000
CONTINGENCY	\$ 0	\$ 74,000	\$ 0	\$ 0	\$ 74,000
<b>TOTAL</b>	<b>\$ 10,000</b>	<b>\$575,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 585,000</b>
<b>B. PROJECTED SAVINGS:</b>					
	FY 94-95	FY 95-96	FY 96-97	OUT YEARS	TOTAL
LABOR/ADDITIVES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PROFESSIONAL SERVICES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
OTHER	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>C. DIFFERENCE (B-A)</b>	<b>(\$10,000)</b>	<b>(\$575,000)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>(\$585,000)</b>
<b>D. CUMULATIVE DIFFERENCE</b>	<b>(\$10,000)</b>	<b>(\$585,000)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>(\$585,000)</b>
PAYBACK PERIOD: N/A YEARS		ESTIMATED LIFE OF PROJECT:		30 YEARS	

**ASSUMPTIONS:**

No significant net savings are projected. The subject project is required to correct code violations to protect health and safety. Costs would be depreciated over the expected life of the improvements.

**FINANCIAL STATEMENT**

The breakdown of the total estimated cost in advance of award of a contract for construction of renovations at the Materials Testing Laboratory is shown below:

	<u>Cost Estimate</u>
Labor:	
Final Design	\$ 32,000
Environmental Compliance	<u>1,000</u>
Subtotal Labor	\$ 33,000
Materials and Supplies	5,000
Incidental Expenses	5,000
Professional/Technical Services	50,000
Operating Equipment	3,000
Administrative Overhead	18,200
Studies/Investigations	10,000
Contingencies	<u>15,800</u>
Total	<u>\$ 140,000</u>

Source of Funds: Pay-As-You-Go Fund

Class: One - Projects directly related to delivery of water, required for health and safety, or mandated by governmental requirements.

Projected Expenditures of Funds:

Through Fiscal Year 1994/95	\$ 10,000
Fiscal Year 1995/96	<u>575,000</u>
Total	<u>\$ 585,000</u>

Project Benefit: The testing of protective coatings and materials is critical to providing reliable, cost-effective water treatment and distribution facilities. The proposed renovation would allow the Materials Testing Laboratory to resume testing of protective coatings and materials for existing and proposed facilities.

Capital Program for Fiscal Year 1995/96:

This program was not included in the Capital Program for Fiscal Year 1995/96 because information regarding the project was very preliminary. However, funds are available for this project.