

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

8-1

September 22, 1998

To: Board of Directors (Engineering and Operations Committee--Action)**From:** *gm* General Manager**Submitted by:** Gary M. Snyder
Chief Engineer

Edward J. McNeill III

Gary M. Snyder

Subject: Authorization to Enter into an Agreement with the Alameda Corridor Transportation Authority, the State of California Department of Transportation, and member agencies of Alameda Corridor Utility Coordination Committee, to receive and distribute funds from the Transportation Equity Act for the 21st Century (TEA 21 - P.L. 105-178), Section 1602**Reference:** Appropriation No. 15313**RECOMMENDATION(S)**

To receive and disburse funds authorized by the Transportation Equity Act for the 21st Century, it is recommended that your Board:

1. Authorize the General Manager to execute an agreement with the Alameda Corridor Transportation Authority and, if necessary, State of California Department of Transportation, in a form approved by the General Counsel, for receipt of up to \$6,650,000 in federal funds; and
2. Authorize the General Manager to execute agreements with member agencies of the Alameda Corridor Utility Coordination Committee, in a form approved by the General Counsel, for disbursement of federal funds.

EXECUTIVE SUMMARY

At the December 1997 Board meeting, the costs associated with the relocation and protection of Metropolitan's facilities to accommodate the proposed Alameda Corridor project were estimated at \$17 million. In February 1998, the Board authorized the execution of a Memorandum of Understanding between Metropolitan and the Alameda Corridor Transportation Authority (ACTA), which reduced Metropolitan's costs to \$8,875,000. To coordinate our relocation efforts, minimize mutual financial exposure and operational impacts, and to explore opportunities for additional reimbursement funding from available sources, Metropolitan joined with local cities and impacted member agencies. This coordinating body is known as the Alameda Corridor Utility Coordination Committee (ACUCC). All members of the ACUCC are

Metropolitan member agencies or sub-agencies. ACUCC succeeded in obtaining \$6.65 million in federal funding through a federal transportation bill known as the Transportation Equity Act for the 21st Century (TEA 21). These funds will be disbursed through the California Department of Transportation and ACTA, and will be made available to Metropolitan and impacted member agencies over a six year period. On behalf of the ACUCC, Metropolitan will invoice for these funds as costs are incurred by Metropolitan, its member agencies, and sub-agencies. These funds are anticipated to offset a substantial portion of our mutual relocation costs.

JUSTIFICATION

These funds can be used to offset costs associated with impacts of the proposed Alameda Corridor Project on the pipeline distribution systems of Metropolitan and member agencies. For Metropolitan, these funds will be used to offset a considerable portion of the funds appropriated in the December 1997 and February 1998 Board Actions.

ALTERNATIVE(S) TO PROPOSED ACTION

Do Not Authorize Execution of an Agreement

An alternative is to not authorize Metropolitan to execute an agreement with ACTA and/or Caltrans and member agencies of ACUCC; however this would exclude Metropolitan from receiving federal reimbursement funds and negate a significant source of revenue.

ACTIONS AND MILESTONES

- Negotiate and complete an agreement with ACTA and/or Caltrans by December 1998
- Negotiate and complete agreements with member agencies of ACUCC by January 1999

DETAILED REPORT

The Alameda Corridor Project (Corridor) is a proposed 20-mile railroad corridor, primarily along Alameda Street, that will connect the ports of Los Angeles and Long Beach to the transcontinental rail network main lines near downtown Los Angeles. The project will consolidate 90 miles of existing rail lines in several corridors into a single high-speed, high-capacity railroad corridor. A major portion of the project involves construction of a trench along a portion of Alameda Street to accommodate the rail lines. This segment, otherwise known as the Mid-Corridor trench, will be approximately 50 feet wide, 33 feet deep, and 10 miles long. The overall project involves road improvements and realignments in the vicinity of the corridor which will enhance traffic flow and public safety by eliminating congestion at 200 street-level crossings. Construction of the Mid-Corridor trench will require the relocation of

portions of four of Metropolitan's pipelines at six locations. In addition, the encasement of pipelines impacted by other segments of the proposed Corridor will be necessary in order to support structural loading.

In October and December 1997, the Board was presented with information which detailed the potential costs and proposed plan of negotiation for the protection of our existing pipeline facilities. The cost associated with impacts to Metropolitan's facilities was estimated to be approximately \$17 million. Efforts to protect pipeline facilities were complicated by the fact that the railroad companies hold prior and superior property rights through the impacted areas. In December 1997, the Board appropriated funds to finance Metropolitan's engineering design. In February 1998, the Board authorized the General Manager to enter into a Memorandum of Understanding (MOU) with ACTA and appropriate funds for design and construction. This action reduced Metropolitan's potential financial exposure by almost 50 percent to \$8,875,000.

The MOU obligated Metropolitan to complete 90 percent design plans for all pipeline relocations by September 1, 1998. This deadline has been achieved. The MOU also dictated that the construction of the pipeline relocations would be undertaken by the successful design-build contractor, or their subcontractor, and be financed by ACTA. Metropolitan would retain responsibilities for inspection and cost of pipeline fabrication.

To facilitate the coordination effort, a committee of representatives of impacted agencies and cities was established. The Alameda Corridor Utility Coordination Committee (ACUCC), meets every month to discuss and coordinate the impacts to our respective agencies. In coordinating these efforts, consideration was given to the potential that committee member agencies would be required to appropriate significant funds to accommodate the transportation project. On a federal level, the existing Intermodal Surface Transportation Equity Act (ISTEA) has been under review by various Congressional transportation committees for reauthorization. Research revealed that the Alameda Corridor Project had been included in a 1995 amendment to the ISTEA bill and therefore was a possible candidate for federal funding. Consultations with ACTA indicated that they had significant concerns with receiving federal funds on the Mid-Corridor segment of the project; however, they pointed out that they would cooperate with our efforts where possible.

After many months of coordination with various parties on a local, state and federal level, Representative Juanita Millender McDonald was successful in authoring an amendment to the proposed legislation which authorizes and appropriates funds for utility relocation costs reimbursement. These funds were transferred to the State of California Department of Transportation (Caltrans) and are available to the ACUCC through ACTA. The authorization allows for an appropriation of up to \$6.65 million over a six year period.

Since Metropolitan has considerable experience in seeking reimbursement from Caltrans for pipeline relocation projects, it is proposed that Metropolitan be the principal point of contact for disbursement of these federal funds from Caltrans. In order to receive these funds, separate agreements will be developed with ACTA and affected Metropolitan member agencies and sub-agencies to establish mechanisms for the submittal of invoices and the disbursement of funds.

This letter requests that your Board authorize the General Manager to enter into agreements to receive up to \$6,650,000 in federal funds and make necessary reimbursements to member agencies for costs incurred, in amounts not to exceed \$500,000 per individual agency agreement. It is anticipated that the overall direct benefit to Metropolitan from the use of these funds will be

between \$4,000,000 and \$5,000,000. This would represent a further 50 percent reduction in the current estimate of Metropolitan's costs and a 75 percent reduction from the initial estimate of \$17 million. Metropolitan's share of this federal appropriation, coupled with the previously negotiation MOU with ACTA should realize a cost saving of up to \$13 million from the original \$17 million negotiated estimate.

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(Alameda Corridor)