

- **Board of Directors**
Asset, Real Estate and Infrastructure Policy Committee

October 14, 2003 Board Meeting

9-4

Subject

Appropriate \$22.815 million and award contracts to perform land surveys for the Colorado River Aqueduct – Real Property Recordation Program (Approp. 15413)

Description

When real property was purchased from the federal government in the 1930s for the Colorado River Aqueduct (CRA) facilities, Metropolitan did not receive a “deed” for the property that could be recorded in California. Under California law, Metropolitan is potentially at risk of losing its property rights if the federal government makes an error by selling overlapping property rights to another entity and that entity records the deed in California. Moreover, most of this property has not been surveyed in over 70 years and few visible boundary markers exist that delimit our properties from adjacent federal, tribal, and private lands.

In September 2003, the Board approved the CEQA determination and \$1.85 million to proceed immediately with the recordation of “official maps” to solidify Metropolitan’s property rights. In addition, the Board requested that staff return with a comprehensive longer-term (e.g., 7 to 8 years) plan to perform the field survey work to accurately locate properties, establish visible boundary markers, and identify encroachments. The Board also requested that staff prioritize the work to address the more critical areas (e.g., where encroachments may exist) early in the project schedule.

Extensive field surveys would be performed on all the CRA properties as part of this program. Metropolitan would enter into professional services agreements to perform up-to-date field surveys of the CRA properties, set visible boundary markers, identify property encroachments, and record precise boundary mapping with the local county agencies. Metropolitan would contract with multiple firms to perform the necessary field survey work encompassing 575 square miles of rough desert terrain to complete the work within eight years, obtain more competitive pricing, and enhance small business opportunities.

The field survey work will be spread over an eight-year period to reduce up-front costs and will be prioritized to address critical areas, as follows:

- Areas with encroachments or recurring problems (e.g., illegal dumping, trespassing etc.),
- Areas where pumping plants and other facilities are adjacent to private lands,
- Areas where access road locations are poorly defined,
- Areas where diversion dikes have small buffers to federal or tribal lands,
- Easement areas for the electrical transmissions lines, and
- Areas for waste ways and other drainage.

The more accurate mapping derived from the extensive field surveys will be incorporated into the enterprise Geographic Information System to improve the real property and facility data layers.

Metropolitan would perform project management, contract administration, environmental monitoring, internal document research, and some minor field surveys in selected areas. The consulting services would include such tasks as title research, federal field note research, county map research, site reconnaissance, electronic field measurements, survey adjustments and analysis, computer-aided-mapping, map recordation processing, accurately locating facilities, identifying encroachments and installing permanent property markers.

A Request for Proposal (RFP 622) for real property recordation services was issued in June 2003. Thirteen firms submitted proposals and ten of these firms have been selected to support this program. This action will authorize the Chief Executive Officer to enter into four-year agreements with RBF Consulting, Johnson-Frank and Associates Inc., Psomas, The Keith Companies, Rick Engineering Company, Hunsaker and Associates Irvine Inc., David Evans and Associates Inc., Towill Inc., Huitt-Zollars Inc. and Coast Surveying Inc., in amounts not to exceed \$1.2 million each to provide surveying and mapping services. No work is guaranteed to the consultants under these agreements and Metropolitan will only authorize tasks as needed. Metropolitan will issue another request for proposals in June 2007 to select firms for the final four years of the project. Moreover, Metropolitan is currently reviewing its long-term staffing needs and may augment in-house surveying/mapping staff through the budget process, which would reduce the overall need for consulting services.

The program was evaluated and recommended by the Capital Investment Plan (CIP) Evaluation Team, and is included in the fiscal year 2003/04 capital budget under the CRA – Real Property Recordation Program. See [Attachment 1](#) for the detailed report and [Attachment 2](#) for the financial statement.

Policy

Metropolitan Water District Administrative Code § 5108: Capital Project Appropriation

Metropolitan Water District Administrative Code § 8117: Professional and Technical Consultants

Metropolitan Water District Administrative Code § 8115(a): Requires board action for contract amounts that may exceed \$250,000 over the contract term

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The overall activities involve funding, surveying, and recording of desert properties in support of the proposed action. These activities consist of basic data collection and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource. This may be strictly for information gathering purposes, or as part of a study leading to an action, which a public agency has not yet approved, adopted, or funded. In addition, the activities may involve minor modifications in the condition of land, water, and/or vegetation, which do not involve removal of healthy, mature, scenic trees. Accordingly, the proposed action qualifies for both Class 6 and Class 4 Categorical Exemptions (Sections 15306 and 15304 of the State CEQA Guidelines).

The CEQA determination is: Determine that pursuant to CEQA, the proposed action qualifies under two Categorical Exemptions (Class 6, Section 15306; and Class 4, Section 15304 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options/Fiscal Impacts

Option #1

Adopt the CEQA determination and

- a. Appropriate \$22.815 million to perform extensive field surveys to better define property boundaries, locate facilities, set visible boundary markers, and identify encroachment problems; and
- b. Authorize the Chief Executive Officer to enter into four-year agreements with Rick Engineering Company, Psomas, The Keith Companies, Coast Surveying Inc., RBF Consulting, Towill Inc., Hunsaker and Associates Irvine Inc., David Evans and Associates Inc., Johnson-Frank and Associates Inc., and Huitt-Zollars Inc., for surveying and mapping services in amounts not to exceed \$1.2 million each.

Fiscal Impact: \$22.815 million of budgeted CIP funds under Approp. No. 15413

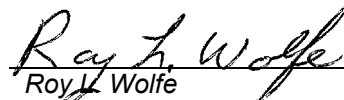
Option #2


Do not authorize funding and award consulting agreements. The lack of well-defined property boundaries is likely to cause operational, environmental, or encroachment problems that will need to be addressed on a case-by-case basis.

Fiscal Impact: Unknown

Staff Recommendation

Option #1

| | |
|--|-----------|
|  | 10/2/2003 |
| Roy L. Wolfe | Date |
| Manager, Corporate Resources | |

| | |
|--|-----------|
|  | 10/2/2003 |
| Ronald R. Gastelum | Date |
| Chief Executive Officer | |

[Attachment 1 – Detailed Report](#)

[Attachment 2 – Financial Statement](#)

Detailed Report

Purpose/Background

Metropolitan operates and maintains pipelines, tunnels, canals, pumping plants, wasteways, transmission lines, reservoirs and groundwater recharge basins that are associated with the Colorado River Aqueduct (CRA) water conveyance system. This system covers about 85,000 acres of property scattered throughout the Mojave Desert; bounded by Lake Havasu to the east; Boulder City, Nevada to the north; Banning to the west; and Interstate 10 Freeway to the south. Most of this property has not been surveyed in over 70 years, leading to poorly defined property boundaries that cause occasional (i.e., four to six per year) title, operational, environmental, and encroachment problems.

When the CRA property was purchased from the federal government through an Act of Congress in 1932, Metropolitan did not receive a "deed" for the property that could be recorded at the county level. The Legal Department recently reviewed the status of Metropolitan's title and concluded that Metropolitan is potentially at risk, under California law, of losing its property rights if the federal government makes an error by selling overlapping property rights to another entity and that entity records the deed with the local county recorder's office.

The Asset, Real Estate and Infrastructure Policy (AREIP) Committee was apprised of the current situation and requested that staff provide options to address this issue. In the September 2003 AREIP Committee meeting, staff presented three options:

- The first option was to continue addressing the occasional title, operational, environmental, and encroachment problems on a case-by-case basis. This option minimizes upfront costs, but has the greatest potential for Metropolitan to incur future costs and legal actions to resolve problems as they occur.
- The second option was to prepare title documents derived from the original federal documents and record them in California. This option resolves the California chain of title problem and has moderate upfront costs (i.e., \$1.85 million) since it would not require extensive field survey work. The primary disadvantage with this option is that property boundaries and facilities would not be accurately located in the field and mapped. Since most of the property and facilities has not been surveyed in over 70 years, their locations are poorly defined. This makes it difficult to identify encroachment problems, stop illegal dumping/trespassing on Metropolitan property, and ensure our operation and maintenance activities do not stray off our property.
- The third option was to perform extensive field surveys in addition to items included in the second option. This option resolves the California chain of title problem, accurately locates Metropolitan's property and facilities through extensive field surveys, identifies existing encroachment problems, and establishes visible survey markers to better define property boundaries. This option has substantial upfront costs (i.e., \$24.665 million) due to the extensive field survey work encompassing 575 square miles of rough desert terrain.

Although staff had recommended Option #2, the AREIP Committee expressed a strong desire to pursue the more comprehensive solution provided by Option #3. A substitute motion was unanimously approved to appropriate \$1.85 million to proceed immediately with the recordation of "official maps" to solidify Metropolitan's property rights, and to request that staff return to the Board with a longer-term (e.g., seven to eight years) plan to perform the field survey work that would accurately locate properties, establish visible boundary markers, and identify encroachments. The Committee also requested that staff prioritize the work to address the more critical areas (e.g., where encroachments may exist) early in the project schedule.

The recommended option is consistent with the AREIP Committee's direction. It requests funding and award of professional services contracts for an eight-year project to perform extensive field surveys, identifies existing encroachment problems, and establishes visible survey markers to better define property boundaries. Approximately 575 square miles of rough desert terrain will also be surveyed and over 5,000 permanent property

markers will be set at Metropolitan boundaries. The property markers will be documented with the appropriate county surveyor's office through the Record of Survey mapping process as required by Section 8700 of the State Business and Professions Code. Existing encroachments and Metropolitan's facilities (e.g., canal, conduits, siphons, electrical transmission lines, telephone lines, boundary fencing, access roads, etc.) will also be accurately located and mapped using up-to-date surveying and mapping techniques.

Consistent with the AREIP Committee's request, the field survey work will be spread over an eight-year period to reduce upfront costs and will be prioritized to address critical areas, as follows:

- Areas with encroachments or recurring problems (e.g., illegal dumping, trespassing etc.),
- Areas where pumping plants and other facilities are adjacent to private lands,
- Areas where access road locations are poorly defined,
- Areas where diversion dikes have small buffers to federal or tribal lands,
- Easement areas for the electrical transmissions lines, and
- Areas for waste ways and other drainage.

The more accurate mapping derived from the extensive field surveys will also be incorporated into the enterprise Geographic Information System to improve the real property and facility data layers.

Staff has conducted a thorough examination of existing and upcoming Capital Investment Plan (CIP) projects, as well as Metropolitan's in-house staffing capabilities. As a result of this study, a staffing strategy has been developed to ensure that CIP projects are implemented as efficiently as possible and meet board-adopted schedules. The resultant staffing strategy relies on a mix of Metropolitan staff and consultants to perform work. Utilization of supplemental consultant support is integral to Metropolitan's staffing plan for accomplishing the budgeted CIP work, while minimizing impacts to other essential projects and core O&M activities. Under this plan, Metropolitan staff will be strategically utilized on projects so as to best maintain key competencies and to address projects with special needs or issues. Consultants will be utilized to supplement staff's capabilities. Under each recommended consulting agreement, work assignments will be issued to firms on a task order basis.

Staff will perform project management, contract administration, environmental monitoring, internal document research, and some minor field surveys in selected areas. The consulting services will include such tasks as title research, federal field note research, county map research, aerial photography, site reconnaissance, electronic field measurements, survey adjustments and analysis, computer-aided-mapping, map recordation processing, accurately locating facilities, identifying encroachments, and installing permanent property markers. Utilization of outside surveying and mapping support is integral to Metropolitan's staffing plan for accomplishing the budgeted CIP work, enhancing Metropolitan's ability to meet board-adopted schedules, and minimizing impacts to higher-priority projects

A Request for Proposals (RFP 622) for real property recordation services was issued in June 2003. Thirteen firms submitted proposals and ten of these firms have been selected to support this program. This action will authorize the Chief Executive Officer to enter into four-year agreements with RBF Consulting, Johnson-Frank and Associates Inc., Psomas, The Keith Companies, Rick Engineering Company, Hunsaker and Associates Irvine Inc., David Evans and Associates Inc., Towill Inc., Huitt-Zollars Inc., and Coast Surveying Inc., in amounts not to exceed \$1.2 million each to provide surveying and mapping services. The recommended approach of contracting with multiple firms will enable Metropolitan to tailor the work based on each firm's unique expertise and will increase competitiveness by enabling staff to solicit quotes from multiple consultants for proposed tasks. No work is guaranteed to the consultant under these agreements and Metropolitan will only authorize tasks as needed. Metropolitan will issue another request for proposals in June 2007 to select firms for the final four years of the project.

Actions and Milestones

October 2003 – Issue Notice to Proceed to consultants

October 2006 – Completion of Official Map recording process and issuance of all title insurance policies

October 2011 – Completion of field surveys and installation of property boundary markers

Financial Statement for Colorado River Aqueduct – Real Property Recordation Program

A breakdown of Board Action No. 2 for Appropriation. No. 15413 for the Colorado River Aqueduct - Real Property Recordation Program is as follows:

| | Previous Board Action No. 1 (Sept. 2003) | Current Board Action No. 2 (Oct. 2003) | New Total Appropriated Amount |
|---|---|---|--|
| Labor | | | |
| Internal research & selected field surveys | \$ 35,000 | 465,000 | \$ 500,000 |
| Program management, environmental monitoring, and contract administration | 190,000 | 1,410,000 | 1,600,000 |
| Water System Operations access and travel assistance to consultants | 0 | 50,000 | 50,000 |
| Materials and Supplies | 5,000 | 45,000 | 50,000 |
| Incidental Expenses (federal & county fees) | 160,000 | 340,000 | 500,000 |
| Professional/Technical Services | 1,350,000 | 20,125,000 | 21,475,000 |
| Equipment Use | 0 | 10,000 | 10,000 |
| Remaining Budget | 110,000 | 370,000 | 480,000 |
| Total | <u>\$ 1,850,000</u> | <u>\$ 22,815,000</u> | <u>\$ 24,665,000</u> |

Funding Request

| | | | |
|-----------------------------------|---|----------------------------------|-------------|
| Program Name: | CRA Real Property recordation Program | | |
| Source of Funds: | Construction Funds (General Obligation, Revenue Bonds, Pay-Go Fund) | | |
| Appropriation No.: | 15413 | Board Action No.: | 2 |
| Requested Amount: | \$ 22,815,000 | Capital Program No.: | 15413-E |
| Total Appropriated Amount: | \$ 24,665,000 | Capital Program Page No.: | E-22 |
| Total Program Estimate: | \$ 24,665,000 | Program Goal: | Stewardship |