

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

February 10, 2004 Board Meeting

8-2

Subject

Appropriate \$681,000 and enter into agreement with The Gas Company to provide design and construction services for the installation of a gas distribution line in Domenigoni Parkway for Diamond Valley East Recreation Area (Approp. 15334)

Description

The East Recreation Area (ERA) of Diamond Valley Lake is located on Metropolitan property bounded by Domenigoni Parkway, State Street, Newport Road and reserve lands adjacent to Diamond Valley Lake's East Dam. The recreation amenities currently planned for this area include but are not limited to: (1) The Center for Water Education, (2) the Western Center for Archaeology and Paleontology, (3) the Valley-Wide Community Park and Aquatic Facility, (4) a recreation lake with day-use picnic area, and (5) recreational vehicle campgrounds.

Although the area has been rough-graded as part of the East Dam construction, the site currently remains in an undeveloped state. Additionally, adjacent properties are also largely under-developed, resulting in limited availability of suitable utility infrastructure. As the site developer, Metropolitan is responsible for the installation of utilities necessary to support the planned recreation amenities. A limited number of utility companies, including The Gas Company, require that their own personnel design and contract for utility alignments proposed within public rights-of-way. Presently, there is no gas service to the ERA. The nearest available service with sufficient capacity is on Sanderson Avenue north of Domenigoni Parkway, over one mile to the west.

The Gas Company has provided a proposal letter for its design and installation work. The terms contained in this proposal letter will be incorporated into a detailed agreement establishing capacity rights, schedule and method of payments. Cost estimates necessary to continue the gas line construction into the ERA will be developed upon receipt of the design plans for this off-site phase of construction, and will be the subject of future board actions.

This action appropriates funds and authorizes entering into an agreement with The Gas Company to prepare final design drawings and construction for the installation of a gas line to the intersection of Domenigoni Parkway and Searl Parkway, at the entrance to the ERA. A detailed financial statement is included as [Attachment 1](#).

Future similar funding requests are anticipated for the other off-site utilities such as electricity and telephone.

Policy

Metropolitan Water District Administrative Code § 5108: Capital Project Appropriation

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

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

To comply with CEQA and the State CEQA Guidelines, Metropolitan as the Lead Agency prepared a Mitigated Negative Declaration (MND) for the Diamond Valley Lake Park Specific Plan. The MND was distributed for a 30-day public review period that began on August 13, 2002. The Board later adopted the MND and the Mitigation Monitoring and Reporting Program (MMRP) on October 8, 2002. The present proposed board actions are solely based on appropriating funds and authorizing an agreement with The Gas Company for infrastructure to

support DVR and not on any changes to the approved project itself. Hence, the previously adopted environmental documentation in conjunction with the current proposed actions fully complies with CEQA and the State CEQA Guidelines. Accordingly, no further environmental documentation is necessary for the Board to act on with respect to the proposed actions.

The CEQA determination is: Determine that the proposed actions have been previously addressed in the adopted 2002 MND and its MMRP and that no further environmental analysis or documentation is required.

CEQA determination for Option #2:

None required

Board Options/Fiscal Impacts

Option #1

Adopt the CEQA determination and

- a. Appropriate \$681,000; and
- b. Authorize entering into an agreement with The Gas Company to design and construct a gas distribution line to the East Recreation Area.

Fiscal Impact: \$681,000 of budgeted CIP funds under Appropriation 15334.

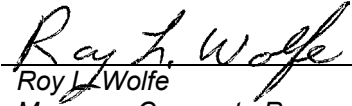
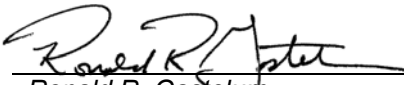
Option #2

Do not authorize funding and an agreement for gas line design and construction at this time. This will impact the schedule to provide necessary gas service to various recreational facilities currently under design within the East Recreation Area.

Fiscal Impact: Unknown

Staff Recommendation

Option #1

| | |
|--|-----------|
|  | 1/20/2004 |
| Roy L. Wolfe Manager, Corporate Resources | Date |
|  | 1/22/2004 |
| Ronald R. Gastelum Chief Executive Officer | Date |

Attachment 1 – Financial Statement for Diamond Valley East Recreation Program

BLA #2687

Financial Statement for Diamond Valley East Recreation Program

A breakdown of Board Action No. 13 for Appropriation 15334 for an agreement with The Gas Company for infrastructure to support the Diamond Valley East Recreation Area is as follows:

| | Previous Appropriated Amount (July 2003) | Reallocation (December 03 January 04) * | Current Board Action No. 13 (February 2004) | New Total Appropriated Amount |
|-------------------------------------|---|--|--|--|
| Labor | | | | |
| Design and Specifications | \$ 164,000 | \$ 0 | \$ 0 | \$ 164,000 |
| Owner Costs (Project management) | 4,278,000 | 130,000 | 29,300 | 4,437,300 |
| Construction Inspection and Support | 53,000 | 0 | 5,000 | 58,000 |
| Materials and Supplies | 15,000 | (5,000) | 0 | 10,000 |
| Incidental Expenses | 181,000 | (5,000) | 2,000 | 178,000 |
| Professional/Technical Services | 11,221,000 | 24,000 | 0 | 11,245,000 |
| Equipment Use | 20,000 | (10,000) | 0 | 10,000 |
| Contracts | 2,794,000 | 23,000 | 585,000 | 3,402,000 |
| Remaining Budget | 536,000 | (157,000) | 59,700 | 438,700 |
| Total | \$ 19,262,000 | \$ 0 | \$ 681,000 | \$ 19,943,000 |

* Reallocation from remaining budget to support increased site preparation activities and storm water pollution and prevention plan for the Western Center and The Center for Water Education

Funding Request

| | | | |
|-----------------------------------|---|----------------------------------|---------|
| Program Name: | Diamond Valley East Recreation | | |
| Source of Funds: | Construction Funds (General Obligation, Revenue Bonds, Pay-as-You-Go) | | |
| Appropriation No.: | 15334 | Board Action No.: | 13 |
| Requested Amount: | \$ 681,000 | Capital Program No.: | 15334-R |
| Total Appropriated Amount: | \$ 19,943,000 | Capital Program Page No.: | E-25 |
| Total Program Estimate: | \$ 58,000,000 | Program Goal: | Other |