

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

June 8, 2004 Board Meeting

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**8-6**

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**Subject**

Appropriate \$1.8255 million; and amend an agreement with Moffatt & Nichol Engineers for a not-to-exceed total of \$2.4633 million for Phase II final design of the Diamond Valley Recreation East Marina Program (Approp. 15401)

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**Description**

In March 2003, Metropolitan's Board authorized construction of Phase I of the Diamond Valley Lake (DVL) East Marina. This construction completed the initial component of a multi-phase effort to develop the East Marina facilities as presented to the Diamond Valley Recreation Special Committee in June 2002. Phase I of this multi-phase approach limited development to those facilities necessary to meet the fall 2003 opening date. This action authorizes final design activities for Phase II of the East Marina.

Phase II of the East Marina will include the following features: (1) marina boat slips and access gangway, (2) marina facility support buildings and fuel facility, (3) concession facilities, (4) additional parking area, (5) permanent gate and restroom facilities, (6) site utilities, (7) boat slip floating wave attenuator, (8) site landscaping, and (9) permanent shoreline fishing areas.

In October 2002, the Board authorized design of Phase I facilities and in response to a Request for Proposals, a professional services agreement was awarded to Moffatt & Nichol Engineers (MNE), a consultant with extensive marina design experience, to assist with the design. In April 2003, MNE was authorized to perform preliminary design of the Phase II Marina facilities; and in December 2003, MNE was authorized to complete a contingency design plan for the marina ramp extension.

In addition to the design of comprehensive marina facilities, Metropolitan entered into an agreement with the state of California – Department of Fish and Game for the development and continued operation of a fishery habitat at DVL under the Diamond Valley Recreation Appropriation No. 15334. Staff recommends that these costs be transferred to the Diamond Valley Recreation East Marina Appropriation No. 15401, which would permit the consolidation of costs directly associated with lake use. In addition, a portion of the remaining budget is being redistributed in support of the East Marina Phase I. Rather than request an increase in the East Marina Program, this use of remaining budget funds, which were previously appropriated, results in no net increase in appropriated funds.

This action authorizes final design of Phase II of the East Marina at DVL and an increase in MNE's agreement of \$1.336 million, for a new not-to-exceed total of \$2.4633 million. Design options and recommendations will be presented to the Asset, Real Estate and Infrastructure Policy Committee through the design period. Alternatively, the Board may choose as an option to limit the design of the East Marina to the minimum facilities necessary to operate. This option would eliminate any consideration of private or public slips, limit access to on-water boat docking areas by boat only and eliminate non-essential utilities and buildings. This option would reduce the budgeted funds for final design by an estimated \$695,000 and is expected to substantially reduce construction costs. However, this option would likely require Metropolitan's continual financial support to a concessionaire contract, and reduce future revenue receipts at the marina. This program has been evaluated and recommended by Metropolitan's Capital Investment Plan Evaluation Team, and funds have been included in the capital budget for fiscal year 2003/04. A detailed financial statement for option #1 is included as **Attachment 1** and the financial statement for option #2 is included in **Attachment 2**. A subsequent authorization and funding request will be required for award of the Phase II construction contract.

## Policy

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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(d): Change Orders

## California Environmental Quality Act (CEQA)

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CEQA determination for Options #1, #2 and #3:

To comply with CEQA and the State CEQA Guidelines, Metropolitan as the Lead Agency prepared a Mitigated Negative Declaration (MND) for the design, construction, and operation of the Diamond Valley East Marina Project (Project) for Phases I and II. The MND was distributed for a 30-day public review period that began on December 24, 2002, and ended on January 22, 2003. The Board later adopted the MND and the mitigation monitoring and reporting program (MMRP) on February 11, 2003. The current board actions, would not result in any new significant environmental impacts nor result in substantial changes to the approved Project. Hence, the previously adopted environmental documentation in conjunction with the current board 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 2003 adopted MND and its MMRP and that no further environmental analysis or documentation is required.

## Board Options/Fiscal Impacts

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### Option #1

Adopt the CEQA determination and

- a. Appropriate \$1.8255 million and authorize final design of Phase II facilities at the Diamond Valley Recreation East Marina;
- b. Authorize amending an agreement with Moffatt & Nichol Engineers for a new not-to-exceed total of \$2.4633 million; and
- c. Authorize transfer of \$777,000 in incurred costs associated with the fishery program charged to Recreation Approp. 15334 to the East Marina Approp. 15401.

**Fiscal Impact:** \$1.8255 million in budgeted funds under Approp. 15401

### Option #2

Adopt the CEQA determination and

- a. Appropriate \$1.1265 million and authorize final design of limited Phase II facilities at the Diamond Valley Recreation East Marina;
- b. Authorize amending an agreement with Moffatt & Nichol Engineers for a new not-to-exceed total of \$1.8323 million; and
- c. Authorize transfer of \$777,000 in incurred costs associated with the fishery program charged to Recreation Approp. 15334 to the East Marina Approp. 15401.

**Fiscal Impact:** \$1.1265 million in budgeted funds under Approp. 15401

### Option #3

Adopt the CEQA determination and

- a. Do not authorize an amendment to the agreement with Moffatt & Nichol Engineers. Staff will issue a Request for Proposals for a consultant to perform final design of Phase II of the East Marina Program. Staff will return to the Board to appropriate funds, authorize final design, and award a consulting agreement; and
- b. Authorize transfer of \$777,000 for fishery development from Recreation Approp. 15334 to East Marina Approp. 15401.

**Fiscal Impact:** May increase costs and may not provide continuity with the Phase I construction

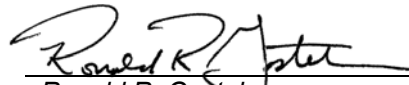
**Staff Recommendation**

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Option #1

  
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Roy L. Wolfe  
Manager, Corporate Resources

5/22/2004  
Date

  
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Ronald R. Gastelum  
Chief Executive Officer

5/22/2004  
Date

**Attachment 1 – Financial Statement for Diamond Valley East Marina Program Option #1**

**Attachment 2 – Financial Statement for Diamond Valley East Marina Program Option #2**

BLA #2688

**Financial Statement for Diamond Valley East Marina Program Option #1**

A breakdown of Board Action No. 7 for Approp. No. 15401 to authorize final design for Phase II of the Diamond Valley East Marina is as follows:

	<b>Previous Board Action No. 6 (Dec. 2003)</b>	<b>Transfer Costs for Fishery Habitat *</b>	<b>Current Board Action No. 7 (June 2004)</b>	<b>New Total Appropriated Amount</b>
Labor				
Owner Costs (Program Management, Specifications & Environmental)	\$ 637,200	\$ 25,000	\$ 241,000	\$ 903,200
Construction Management and Inspection	400,000		0	400,000
Materials and Supplies	475,000		0	475,000
Incidental Expenses	31,300		12,000	43,300
Professional/Technical Services	1,581,650	752,000	1,336,000	3,669,650
Equipment Use	2,000		2,000	4,000
Contracts	5,125,000		0	5,125,000
Remaining Budget (transfer of costs)*	1,077,350	(777,000)	0	300,350
Remaining Budget (current action)	0		234,500	234,500
<b>Total</b>	<b>\$9,329,500</b>	<b>\$0</b>	<b>\$1,825,500</b>	<b>\$11,155,000</b>

\* Transfer of costs to the Marina Appropriation (No. 15401) from the East Recreation Area Program (No. 15334). Permits consolidation of costs associated with lake development. This transfer of costs utilizes remaining budget funds previously appropriated.

**Funding Request**

<b>Program Name:</b>	Diamond Valley Marina		
<b>Source of Funds:</b>	Construction Funds (General Obligation, Revenue Bonds, Pay-As-You-Go)		
<b>Appropriation No.:</b>	15401	<b>Board Action No.:</b>	7
<b>Requested Amount:</b>	\$ 1,825,500	<b>Capital Program No.:</b>	15401-S
<b>Total Appropriated Amount:</b>	\$ 11,155,000	<b>Capital Program Page No.:</b>	N/A
<b>Total Program Estimate:</b>	\$ 40,868,000	<b>Program Goal:</b>	Stewardship

### **Financial Statement for Diamond Valley East Marina Program Option #2**

A breakdown of Board Action No. 7 for Approp. No. 15401 to authorize final design for Phase II of the Diamond Valley East Marina is as follows:

	<b>Previous Board Action No. 6 (Dec. 2003)</b>	<b>Transfer Costs for Fishery Habitat *</b>	<b>Current Board Action No. 7 (June 2004)</b>	<b>New Total Appropriated Amount</b>
Labor				
Owner Costs (Program Management, Specifications & Environmental)	\$ 637,200	\$ 25,000	\$ 208,000	\$ 870,200
Construction Management and Inspection	400,000		0	400,000
Materials and Supplies	475,000		0	475,000
Incidental Expenses	31,300		12,000	43,300
Professional/Technical Services	1,581,650	752,000	705,000	3,038,650
Equipment Use	2,000		2,000	4,000
Contracts	5,125,000		0	5,125,000
Remaining Budget (transfer of costs)*	1,077,350	(777,000)	0	300,350
Remaining Budget (current action)	0		199,500	199,500
<b>Total</b>	<b>\$9,329,500</b>	<b>\$0</b>	<b>\$1,126,500</b>	<b>\$10,456,000</b>

\* Transfer of costs to the Marina Appropriation (No. 15401) from the East Recreation Area Program (No. 15334). Permits consolidation of costs associated with lake development. This transfer of costs utilizes remaining budget funds previously appropriated.

### **Funding Request**

<b>Program Name:</b>	Diamond Valley Marina		
<b>Source of Funds:</b>	Construction Funds (General Obligation, Revenue Bonds, Pay-As-You-Go)		
<b>Appropriation No.:</b>	15401	<b>Board Action No.:</b>	7
<b>Requested Amount:</b>	\$ 1,126,500	<b>Capital Program No.:</b>	15401-S
<b>Total Appropriated Amount:</b>	\$ 10,456,000	<b>Capital Program Page No.:</b>	N/A
<b>Total Program Estimate:</b>	\$ 40,868,000	<b>Program Goal:</b>	Stewardship