

- **Board of Directors**  
**Engineering and Operations Committee**

May 16, 2006 Board Meeting

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**8-8**

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**Subject**

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Appropriate \$2.2 million; and authorize (1) entering into Memorandum of Understanding with California Department of Parks and Recreation necessary to proceed with Phase II of the Diemer North Access Road Improvements conditioned on future environmental, regulatory, and project approvals; and (2) an amendment to the existing agreement with Ecosystems Restoration Associates (Approp. 15380)

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**Description**

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The Robert B. Diemer Water Treatment Plant was placed into service in 1963 and since that time has relied on a single entrance gate for primary access to the plant. This main entrance gate, located on Valley View Circle in the city of Yorba Linda, is situated in a residential neighborhood. A second unimproved plant entrance is located on Carbon Canyon Road providing limited access via an easement through Chino Hills State Park. Securing an adequate secondary access road to the Diemer plant is essential to support planned Diemer plant construction activities, provide emergency access to the plant, and provide a higher degree of operational flexibility and safety.

In December 2005, Metropolitan's Board authorized Phase I of the Diemer North Access Road Project in order to secure the required secondary access. In order to proceed with Phase II of the project and complete the proposed road improvements by early 2008, Metropolitan must enter into a memorandum of understanding (MOU) with California Department of Parks and Recreation (State Parks), who owns the property through which Metropolitan's secondary access road must run. Execution of the MOU is part of the preliminary negotiations necessary to allow Metropolitan staff to proceed with initial design and environmental work for the project. Based on the results of this preliminary study, staff will return to the Board to recommend whether to proceed with the project and to request further environmental and project approvals. The MOU and funding thereunder are conditioned on the completion of the necessary environmental studies, regulatory approvals, and the Board's future environmental and project approvals. This action approves the MOU and a contingent agreement to fund the MOU, in the event that the Board proceeds with the project once environmental and other regulatory approvals are obtained.

**Background**

The Diemer plant currently relies on a single access gate on Valley View Circle for the entrance and exit of most plant, construction, staff, and chemical delivery traffic. The plant's second entrance, referred to as the North Access Road, is used mainly by trucks for haul-off of dry residual solids from the plant's lagoons and from temporary leased dewatering equipment. This second entrance is located on Carbon Canyon Road, which is a state highway under the jurisdiction of the California Department of Transportation (Caltrans). The North Access Road begins with a steeply angled intersection with Carbon Canyon Road, and then transitions into "Telegraph Canyon Trail," a narrow unpaved trail that serves as the main public access for vehicles, pedestrians, and cyclists into Chino Hills State Park. Metropolitan holds an easement for use of the trail corridor that it shares with State Parks, which owns the underlying fee property. This shared use significantly limits Metropolitan's operations and makes entry for certain operational vehicles difficult. The existing easement permits access to the northern boundary of the Diemer plant near the solids processing lagoons. South of the lagoons, the existing North Access Road climbs steeply up the plant's north-facing slope to the main plant level. This unpaved route, leading from the lagoons to the plant, is rarely used because it is too steep to use for vehicles to safely access the plant and is unsuitable for regular pedestrian traffic.

State Parks recently proposed to construct a visitor center for Chino Hills State Park with an entrance from Carbon Canyon Road located west of Metropolitan's current entrance. Construction is slated to commence in late 2006. The visitor center project will require modifications to Carbon Canyon Road and will likely increase pedestrian and other recreational use of the current North Access Road, further restricting Metropolitan's safe, operational use of this road. In an effort to preserve existing access rights, Metropolitan requested that State Parks and Caltrans make additional modifications to Carbon Canyon Road to facilitate Metropolitan's use of the North Access Road. Metropolitan's Board authorized these improvements in December 2005. These modifications will be constructed by State Parks and/or Caltrans along with work required for the visitor center's new entrance. The modifications to Carbon Canyon Road are expected to be completed by mid-2008.

### **Memorandum of Understanding**

Improvements to Metropolitan's North Access Road will be implemented in two phases rather than three as originally planned. As noted previously, Metropolitan's Board authorized Phase I improvements in December 2005. Within that December 2005 board action, staff identified that the Phase II improvements would involve site grading along the current alignment, construction of a retaining wall, and potentially the exchange of property or relocation of Metropolitan's easement on state property. All site grading and associated construction along the new easement will now be performed in conjunction with full construction of the new roadway traversing the plant's north slope.

In order to proceed with Phase II improvements, staff recommends that Metropolitan enter into an MOU with State Parks to fund the exchange of access easements on state property and to assist State Parks in funding construction of portions of its visitor center affected by relocation of the North Access Road into its new easement. The total estimated payment by Metropolitan to State Parks under the MOU is \$1,735,000. This funding is contingent on the completion of the necessary environmental studies, regulatory approvals, and the Board's future environmental and project approvals. Following are principal terms of the MOU:

- If environmental, regulatory, and project approvals are obtained, Metropolitan will provide \$1.29 million to State Parks to fund staffing, educational exhibits, and visitor center capital improvements required to accommodate Metropolitan's new access road, in exchange for a new, paved access easement that would separate State Parks and public use from Metropolitan's operational use. The new access easement would allow Metropolitan to construct an improved, paved secondary access road through the park and up to the plant that could be safely used by operational vehicles, plant staff and visitors.
- If environmental, regulatory, and project approvals are obtained, Metropolitan will provide additional monies to State Parks in the amount of \$445,000 for additional visitor center capital improvements, in exchange for State Parks' agreement to allow temporary increased construction traffic along the new access road to accommodate planned Diemer construction projects. This increase would allow Metropolitan to reroute a portion of the traffic associated with construction projects from Valley View Circle to the North Access Road.

The MOU will be structured so that State Parks will receive funding under the previously authorized Phase I improvements upon execution of the MOU. As stated previously, a construction contract administered by State Parks or Caltrans will improve Carbon Canyon Road. Metropolitan's Phase II funding would be paid to State Parks upon approval of all environmental documents, regulatory permits, and other project approvals required for the North Access Road improvements. It is estimated that Metropolitan will complete all environmental processes and obtain regulatory permits by mid-2007. Metropolitan would then return to the Board for the necessary environmental and project approvals. Once obtained, Metropolitan would plan to construct the new North Access Road by early 2008.

This action appropriates \$2.2 million in non-budgeted funds, delegates authority to the General Manager to enter into an MOU with State Parks in an amount not to exceed \$1,735,000, and authorizes the preparation of environmental documentation for the Diemer North Access Road.

**Technical Support – Amendment to Existing Agreement with Ecosystems Restoration Associates**

Environmental documentation must be developed for the exchange of easements and improvements to the roadway. Staff recommends that Ecosystems Restoration Associates (ERA) prepare environmental documentation for this project under an existing professional services agreement. ERA was selected through a competitive process (Request for Proposals No. 732) to prepare California Environmental Quality Act (CEQA) documents, prepare and analyze technical environmental reports, analyze environmental resource issues, assist in permit preparation and agency coordination, and prepare and implement mitigation monitoring plans. A professional services agreement was authorized by the Board in May 2005 under which ERA is tasked with environmental work related to the Diemer Improvements Program. Consistent with ERA's existing scope of work, staff recommends that ERA also prepare the environmental documentation required for improvements to the Diemer North Access Road. Amendment of the ERA agreement is consistent with the agreement's scope of work.

This action authorizes an increase of \$0.365 million to the existing agreement with ERA to provide environmental services for the Diemer North Access Road, for a new not-to-exceed total of \$1.905 million.

This project has been evaluated and recommended by Metropolitan's Capital Investment Plan Evaluation Team and funds are planned to be included in the fiscal year 2006/07 capital budget. Upon approval of this action, the fiscal year 2005/06 capital expenditure plan will be adjusted to reflect the Diemer North Access Road Improvements.

See [Attachment 1](#) for the Financial Statement, [Attachment 2](#) for the Location Map, and [Attachment 3](#) for the Chino Hills State Parks Easement Map.

***Project Milestones***

June 2006 – Enter into MOU with State Parks for the Diemer North Access Road access easement

December 2006 – Completion of environmental documentation for the Diemer North Access Road Improvements

**Policy**

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Metropolitan Water District Administrative Code Section 5108: Appropriation

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

**California Environmental Quality Act (CEQA)**

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CEQA determinations for Option #1:

**Technical Support - Amendment to Existing Agreement with Ecosystems Restoration Associates**

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project, which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to the provisions of CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

**MOU for Diemer North Access Road Improvements**

The proposed action of entering into the MOU with State Parks is not defined as a project under Section 15378 of the State CEQA Guidelines and therefore the proposed action is not subject to CEQA. The environmental effects of construction and operation of the Diemer North Access Road will be evaluated in future environmental documentation that the Board will review and consider prior to project approval.

The CEQA determination is: Determine that the proposed action is not subject to CEQA pursuant to Section 15378 of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

**Board Options/Fiscal Impacts**

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**Option #1**

Adopt the CEQA determinations and

- a. Appropriate \$2.2 million;
- b. Authorize entering into an MOU with State Parks in an amount not to exceed \$1,735,000 to support the Diemer North Access Road Improvements project, conditioned on future environmental, regulatory, and project approvals; and
- c. Authorize an increase of \$365,000 to the existing agreement with Ecosystems Restoration Associates for a new not-to-exceed total of \$1.905 million.

**Fiscal Impact:** \$2.2 million of non-budgeted funds under Approp. 15380

**Option #2**

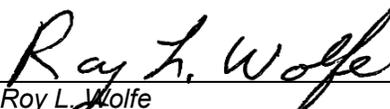
Do not authorize execution of the MOU with State Parks or appropriation of \$2.2 million.

**Fiscal Impact:** None

**Staff Recommendation**

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Option #1

  
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 Roy L. Wolfe  
 Manager, Corporate Resources

4/13/2006  
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 Date

  
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 Jeffrey Kightlinger  
 General Manager

4/21/2006  
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 Date

**Attachment 1 – Financial Statement**

**Attachment 2 – Location Map**

**Attachment 3 – Chino Hills State Park Easement Map**

**Financial Statement for Diemer Water Treatment Plant Improvements Program**

A breakdown of Board Action No. 12 for Appropriation No.15380 is as follows:

	<b>Previous Total Appropriated Amount (May 2006)</b>	<b>Current Board Action No. 12 (May 2006)</b>	<b>New Total Appropriated Amount</b>
Labor			
Studies and Investigations	\$ 1,245,500	\$ -	\$ 1,245,500
Design and Specifications	752,900	-	752,900
Owner Costs (Program management, environmental coordination)	1,549,850	100,000	1,649,850
Construction Inspection and Support	322,250	-	322,250
Metropolitan Force Construction	1,445,000	-	1,445,000
Materials and Supplies	641,000	-	641,000
Incidental Expenses	36,000	-	36,000
Professional/Technical Services	4,560,000	-	4,560,000
Ecosystems Restoration Associates		365,000	365,000
Equipment Use	66,500	-	66,500
Contracts	3,365,000	-	3,365,000
State Parks MOU	-	1,735,000	1,735,000
Remaining Budget	1,912,000	-	1,912,000
<b>Total</b>	<b>\$ 15,896,000</b>	<b>\$ 2,200,000</b>	<b>\$ 18,096,000</b>

**Funding Request**

<b>Program Name:</b>	Diemer Water Treatment Plant Improvements Program		
<b>Source of Funds:</b>	Revenue Bonds, Replacement and Refurbishment or General Funds		
<b>Appropriation No.:</b>	15380	<b>Board Action No.:</b>	12
<b>Requested Amount:</b>	\$ 2,200,000	<b>Capital Program No.:</b>	15380-I
<b>Total Appropriated Amount:</b>	\$ 18,096,000	<b>Capital Program Page No.:</b>	E-28
<b>Total Program Estimate:</b>	\$ 84,220,000	<b>Program Goal:</b>	I-Infrastructure Reliability

