

- **Board of Directors**
Engineering and Capital Programs Committee

July 8, 2008 Board Meeting

7-2

Subject

Appropriate \$315,000; and authorize upgrade project for fuel dispensing stations at all Metropolitan facilities (Approp. 15441)

Description

This action authorizes preliminary and final design of upgrades to all gasoline-dispensing stations at Metropolitan facilities to comply with new air quality regulations. This project is categorized as a Stewardship project and is budgeted within Metropolitan's Capital Investment Plan (CIP).

Background

Metropolitan owns and operates 13 fuel-dispensing stations at its five water treatment plants and at other major facilities throughout the conveyance and distribution system. These stations refuel vehicles such as maintenance and construction trucks, and operating equipment such as small portable generators and concrete mixers. All of the fueling stations were designed and constructed in accordance with applicable codes and regulations at the time of their installation. State and local regulatory changes have recently been adopted that require upgrades to the gasoline dispensing stations by April 1, 2009. No grant funding is available to defray the costs of these upgrades. Staff recommends that an upgrade project proceed at this time to comply with the new environmental regulations.

Enhanced Vapor Recovery Upgrades for Gasoline Dispensers – Preliminary and Final Design Phases (\$315,000)

In March 2008, the California Air Resources Board and South Coast Air Quality Management District (SCAQMD) adopted an amendment to Rule 461 – Gasoline Transfer and Dispensing, which requires all owners/operators to upgrade their gasoline dispensing stations with vapor recovery equipment in compliance with Enhanced Vapor Recovery (EVR) Phase II rules. This effort must be completed on or before April 1, 2009. The work includes installation of SCAQMD-approved equipment and compliance testing by a certified contractor. In addition, a compliance plan is required to be submitted by October 1, 2008. Gasoline dispensing stations that are not in compliance with Rule 461 by the April 2009 deadline will be subject to closure and regulatory fines.

This action appropriates \$315,000 and authorizes preliminary and final design phase activities for the EVR upgrades. The scope of work includes preparing of the compliance plan, identifying site-specific issues, equipment selection, coordination with SCAQMD and local fire agencies, preparing of environmental documentation, preparing of plans and specifications, developing of a construction cost estimate, and all activities in advance of award of a construction contract. As part of this effort, the need to maintain dispensing stations at all 13 locations will be reassessed. Metropolitan staff will perform all work. The anticipated cost of final design is approximately 14 percent of the estimated total construction cost. Engineering Services' goal for design of projects with construction cost less than \$3 million is 9 to 15 percent. The total construction cost for this project is anticipated to range from \$900,000 to \$1,000,000. Staff will return to the Board at a later date for award of a construction contract.

This project has been evaluated and recommended by Metropolitan's CIP Evaluation Team, and funds have been included within the fiscal year 2008/09 capital budget. The requested funds are included in the capital program within the CIP. See [Attachment 1](#) for the Financial Statement and [Attachment 2](#) for the Location Maps.

This project is consistent with Metropolitan's goals for sustainability by minimizing vehicle trips for refueling and enhancing staff's capability to respond quickly to emergencies.

Project Milestone

September 2008 – Completion of final design

Policy

Metropolitan Water District Administrative Code Section 5108: Appropriations

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 proposed project involves the funding and minor alterations of existing private or public facilities, along with the construction of minor appurtenant structures, with minor modifications in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees. These activities would result in negligible expansion of use and no possibility of significantly impacting the physical environment. Accordingly, the proposed action qualifies under Class 1, Class 3, and Class 4 Categorical Exemptions (Sections 15301, 15303, and 15304 of the State CEQA Guidelines).

The CEQA determination is: Determine that pursuant to CEQA, the proposed action qualifies under three Categorical Exemptions (Class 1, Section 15301; Class 3, Section 15303; and Class 4, Section 15304 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination and

- a. Appropriate \$315,000; and
- b. Authorize preliminary and final design of Enhanced Vapor Recovery Upgrades for Gasoline Dispensers.

Fiscal Impact: \$315,000 of budgeted funds under Approp. 15441

Business Analysis: This project will bring Metropolitan's fuel dispensing stations into compliance with new environmental regulations.

Option #2

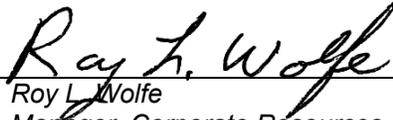
Do not proceed with the project at this time.

Fiscal Impact: Increased costs

Business Analysis: Under this option, Metropolitan would not comply with SCAQMD requirements and may be subject to fines or would need to obtain fuel from commercial retailers.

Staff Recommendation

Option #1



Roy L. Wolfe
Manager, Corporate Resources

6/13/2008
Date



Jeffrey Kightlinger
General Manager

6/19/2008
Date

Attachment 1 – Financial Statement

Attachment 2 – Location Maps

BLA #6107

Financial Statement for Conveyance and Distribution System Rehabilitation Program – Phase II

A breakdown of Board Action No. 7 for Appropriation No. 15441 for the Enhanced Vapor Recovery Upgrades is as follows:

	Previous Total Appropriated Amount (May 2008)	Current Board Action No. 7 (July 2008)	New Total Appropriated Amount
Labor			
Studies & Investigations	\$ 460,000	\$ 32,000	\$ 492,000
Final Design	554,500	128,000	682,500
Owner Costs (Program mgmt, envir. doc.)	771,500	110,000	881,500
Construction Inspection & Support	28,500	-	28,500
Metropolitan Force Construction	1,433,000	-	1,433,000
Materials and Supplies	160,500	-	160,500
Incidental Expenses	88,500	5,000	93,500
Professional/Technical Services	383,500	-	383,500
Equipment Use	68,000	-	68,000
Contracts	491,000	-	491,000
Remaining Budget	618,000	40,000	658,000
Total	\$ 5,057,000	\$ 315,000	\$ 5,372,000

Program Name:	Conveyance and Distribution System Rehabilitation Program - Phase II		
Source of Funds:	Revenue Bonds, Replacement and Refurbishment or General Funds		
Appropriation No.:	15441	Board Action No.:	7
Requested Amount:	\$ 315,000	Capital Program No.:	15441-I
Total Appropriated Amount:	\$ 5,372,000	Capital Program Page No.:	E-15
Total Program Estimate:	\$ 19,200,000	Program Goal:	R-Reliability

