

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

August 19, 2008 Board Meeting

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**7-3**

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**Subject**

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Appropriate \$880,000; and authorize repair of Service Connection OC-71 (Approp. 15441)

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**Description**

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This action authorizes repair of Service Connection OC-71 by Metropolitan forces. This project is categorized as an Infrastructure Rehabilitation project and is budgeted within Metropolitan's Capital Investment Plan (CIP).

**Service Connection OC-71 Repair and Modifications – Construction (\$880,000)**

Service Connection OC-71, which was constructed in 1980, has a delivery capacity of 12.5 cfs. This service connection is located on the Allen-McColloch Pipeline (AMP) in the Santiago Hills area of Orange County, and provides treated water from the Diemer plant to the Municipal Water District of Orange County (MWDOC). In 1995, Metropolitan gained ownership of OC-71 from MWDOC as part of the agreement that transferred ownership of the AMP.

In October 2007, OC-71 suffered major damage from the Santiago Hills wildfire. The structure's roof, electrical and communications equipment, piping, and air release valves suffered extensive damage. In November 2007, Metropolitan forces performed temporary repairs allowing manual flow control and meter reading. In May 2008, Metropolitan's Board authorized final design of permanent repairs to the facility. Final design has now been completed.

Staff recommends proceeding with the permanent repairs at this time. The work includes construction of a new fire-retardant roof structure; replacement of electrical components, communication equipment, access doors, valves and couplings; and installation of a single delivery line to replace the original bifurcated system. All work will be performed by Metropolitan forces. The area was declared a Federal Disaster Area, and Metropolitan has applied for Federal Emergency Management Agency (FEMA) reimbursement for final design and repair of the structure. Negotiations with FEMA for reimbursement are pending.

This action appropriates \$880,000 and authorizes construction of repairs to Service Connection OC-71. The total estimated cost of construction is \$700,000. In addition to this amount, the requested funds include \$180,000 for project management; environmental monitoring; coordination with FEMA during construction; and preparation of as-built drawings. 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.

This project is consistent with Metropolitan's goals for sustainability by enhancing reliability of the existing conveyance and distribution system in order to maintain reliable water deliveries in the future. See [Attachment 1](#) for the Financial Statement and [Attachment 2](#) for the Location Maps.

**Action and Milestone**

December 2008 – Completion of construction

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**Policy**

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Metropolitan Water District Administrative Code Section 5108: Appropriations

**California Environmental Quality Act (CEQA)**

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CEQA determination for Option #1:

The project was previously determined to be exempt under the provisions of CEQA and the State CEQA Guidelines by the Board on May 13, 2008. The Service Connection OC-71 Repair and Modifications project was found to be exempt under Sections 21060.3 and 21080(b) of the California Public Resources Code, and Sections 15301 (Class 1) and 15269 of the State CEQA Guidelines. With the current board action, there is no substantial change proposed to the project since the original notice of exemption (NOE) was filed. Hence, the previous environmental documentation in conjunction with the project fully complies with CEQA and the State CEQA Guidelines. Accordingly, no further CEQA documentation is necessary for the Board to act with regard to the proposed actions.

The CEQA determination is: Determine that the proposed actions have been previously addressed in the 2008 NOE (Sections 21060.3 and 21080(b) of the California Public Resources Code; and Sections 15269 and 15301 (Class 1) of the State CEQA Guidelines) and that no further environmental analysis or documentation is required.

CEQA determination for Option #2:

None required

**Board Options**

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**Option #1**

Adopt the CEQA determination and

- a. Appropriate \$880,000 in budgeted funds; and
- b. Authorize permanent repairs to Service Connection OC-71.

**Fiscal Impact:** \$880,000 of budgeted funds under Approp. 15441. Metropolitan has submitted an application to FEMA for reimbursement of this work.

**Business Analysis:** This project will protect Metropolitan’s assets, enhance service reliability to customers, and reduce the risk of future fire damage.

**Option #2**

Do not authorize construction of repairs to Service Connection OC-71.

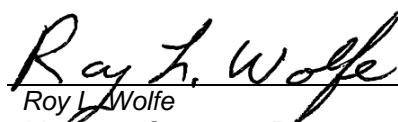
**Fiscal Impact:** Unknown

**Business Analysis:** Under this option, the OC-71 facility would continue to be exposed to the elements, which will diminish long-term reliability and increase maintenance costs. Staff will continue to manually operate OC-71.

**Staff Recommendation**

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Option #1

  
 Roy L. Wolfe  
 Manager, Corporate Resources

7/29/2008  
 Date

  
 Jeffrey Kightlinger  
 General Manager

8/4/2008  
 Date

[Attachment 1 – Financial Statement](#)

[Attachment 2 – Location Maps](#)

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

A breakdown of Board Action No. 9 for Appropriation No. 15441 is as follows:

	<b>Previous Total Appropriated Amount (July 2008)</b>	<b>Current Board Action No. 9 (Aug. 2008)</b>	<b>New Total Appropriated Amount</b>
Labor			
Studies & Investigations	\$ 492,000	\$ -	\$ 492,000
Final Design	916,500	-	916,500
Owner Costs (Program mgmt, FEMA reimb., envir. monitoring)	1,249,500	180,000	1,429,500
Construction Inspection & Support	328,500	-	328,500
Metropolitan Force Construction	2,441,000	400,000	2,841,000
Materials and Supplies	360,500	140,000	500,500
Incidental Expenses	343,500	30,000	373,500
Professional/Technical Services	383,500	-	383,500
Equipment Use	68,000	30,000	98,000
Contracts	2,121,000	100,000	2,221,000
Remaining Budget	1,358,000	-	1,358,000
<b>Total</b>	<b>\$ 10,062,000</b>	<b>\$ 880,000</b>	<b>\$ 10,942,000</b>

**Funding Request**

<b>Program Name:</b>	Conveyance and Distribution System Rehabilitation Program - Phase II		
<b>Source of Funds:</b>	Revenue Bonds, Replacement and Refurbishment or General Funds		
<b>Appropriation No.:</b>	15441	<b>Board Action No.:</b>	9
<b>Requested Amount:</b>	\$ 880,000	<b>Capital Program No.:</b>	15441-I
<b>Total Appropriated Amount:</b>	\$ 10,942,000	<b>Capital Program Page No.:</b>	E-15
<b>Total Program Estimate:</b>	\$ 19,200,000	<b>Program Goal:</b>	R-Reliability

