



- Board of Directors  
*Engineering and Operations Committee*

10/8/2013 Board Meeting

7-3

## Subject

Authorize reimbursable agreement for relocation of the Santa Monica Feeder within the city of Beverly Hills

## Executive Summary

This action authorizes the General Manager to execute an agreement with BH Wilshire International, LLC (BH Wilshire), substantially on the terms outlined in this letter, to relocate about one-third mile of the Santa Monica Feeder. All costs incurred by Metropolitan for the relocation will be reimbursed by BH Wilshire, including an outstanding balance of \$75,000 owed to Metropolitan from the previous owner/developer.

## Timing and Urgency

Relocation of a portion of the Santa Monica Feeder is needed to protect the pipeline from potential damage during construction of a proposed multistory building in the city of Beverly Hills. A portion of the Santa Monica Feeder currently lies within a permanent easement that crosses private property owned by BH Wilshire. This firm has recently revived plans to develop a residential condominium and retail mixed-use project located at 9900 Wilshire Boulevard. Following review of the proposed project plans, Metropolitan staff determined that the structural integrity of the existing pipeline could not sustain the increased loading, vibration, and movement expected due to the construction. Metropolitan's prior rights at this location render BH Wilshire responsible for the protection or relocation of the affected portion of the feeder. Metropolitan and BH Wilshire have mutually agreed to relocate about one-third mile of the Santa Monica Feeder. This relocation will preserve the integrity of the feeder, allowing Metropolitan to continue the reliable delivery of treated water to member agencies. BH Wilshire has requested that the relocation be expedited to minimize disruption to its project schedule.

## Details

### Background

The Santa Monica Feeder was installed in 1941. The feeder distributes treated water to the cities of Glendale, Burbank, Los Angeles, Beverly Hills, and Santa Monica. The pipeline extends approximately 24 miles in a southwesterly direction from the Eagle Rock Control Tower to the SMN-1 service connection in the city of Santa Monica. It varies in diameter from 84 inches to 28 inches. In December 2006, Metropolitan completed a two-mile-long relocation of the Santa Monica Feeder within the city of Los Angeles as part of a Santa Monica Boulevard street beautification project.

In April 2008, the city of Beverly Hills approved a residential condominium and retail mixed-use project located at 9900 Wilshire Boulevard. The project site is bounded by Wilshire Boulevard to the north, Merv Griffin Way to the east, Santa Monica Boulevard to the south, and the Los Angeles Country Club on the west. The planned construction includes demolition of the existing vacant Robinson-May building and associated parking structure, followed by construction of condominium units, commercial buildings, retail space, and indoor and outdoor dining space. The site is shown in [Attachment 1](#).

In July 2008, Metropolitan's Board authorized the General Manager to execute a reimbursable agreement for relocation of the Santa Monica Feeder with Project Lotus, the property's former owner/developer. Under that

agreement, Metropolitan initiated final design and preparation of drawings until Project Lotus ceased work on the project in October 2008. The design effort was incomplete at that time, and Metropolitan was owed a balance of approximately \$75,000 under the agreement. BH Wilshire recently informed Metropolitan that it is resuming the project, and requested that Metropolitan reinitiate its engineering activities. Metropolitan has requested an initial deposit of \$100,000 to prepare a reimbursable agreement and update the cost estimate. This deposit included the \$75,000 balance owed by the previous developer.

### **Santa Monica Feeder Relocation (No funds required)**

Metropolitan's 28-inch-diameter cast iron Santa Monica Feeder pipeline is located within the western boundary of the 9900 Wilshire project site, within a 10-foot easement. The majority of the new alignment will be located in BH Wilshire's new parkway adjacent to Merv Griffin Way. As a result, Metropolitan will obtain a new easement for that portion of the new alignment. The remaining sections of the relocated line will be sited in public right-of-way along Santa Monica Boulevard, Wilshire Boulevard, and Whittier Drive.

Following board authorization, staff plans to enter into an agreement with BH Wilshire to perform final design and prepare drawings and specifications for the relocation. BH Wilshire will retain a contractor to relocate the Santa Monica Feeder using the construction documents provided by Metropolitan. Construction inspection will be performed by Metropolitan staff. Metropolitan's costs for the relocation project are estimated to range from \$700,000 to \$800,000. No funds are required to be appropriated, as all costs incurred by Metropolitan will be reimbursed by BH Wilshire. The total cost for the relocation is estimated to range from \$2.1 million to \$3 million.

This action authorizes the General Manager to execute an agreement with BH Wilshire International, LLC substantially on the terms outlined in this letter, and in a form approved by the General Counsel, for relocation of a portion of the Santa Monica Feeder.

### **Policy**

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Metropolitan Water District Administrative Code Section 8122 (c): General Manager's Contracting Authority in Specified Circumstances, Relocation Agreements

### **California Environmental Quality Act (CEQA)**

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CEQA determination for Option #1:

Pursuant to the provisions of CEQA and the State CEQA Guidelines, the city of Beverly Hills, acting as Lead Agency, certified a Final Environmental Impact Report (Final EIR) for the 9900 Wilshire Project (State Clearinghouse Number 2006071107) that also evaluated relocation of utilities as part of the new development. The Final EIR was certified and the Findings of Fact (Findings), Statement of Overriding Considerations (SOC), Mitigation Monitoring and Reporting Program (MMRP) (**Attachment 2, Attachment 3, Attachment 4, and Attachment 5**) and the overall development were approved by the Lead Agency on April 9, 2008.

On July 8, 2008, the Board reviewed and considered the Lead Agency's Final EIR and adopted the Findings, SOC, MMRP, and the project itself. Subsequently, on August 29, 2008, Metropolitan, as a Responsible Agency under CEQA, filed a Notice of Determination (**Attachment 6**). The current board action is solely based on executing an agreement for relocation of the Santa Monica Feeder. Hence, the previous environmental documentation acted on by the Board in conjunction with the proposed action fully complies with CEQA and the State CEQA Guidelines. Accordingly, no further CEQA documentation is necessary for the Board to act on the proposed action. Attachments 2, 3, 4, 5, and 6 are available for review in the Board Executive Secretary's Office.

The CEQA determination is: Determine that the proposed action has been previously addressed in the Lead Agency's certified Final EIR, Findings, SOC, and MMRP, and Metropolitan has previously adopted the Findings, SOC, and MMRP 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 that the proposed action has been previously addressed in the Lead Agency's certified Final EIR, Findings, SOC, and MMRP; that Metropolitan has previously adopted the Findings, SOC, and MMRP; and that no further environmental analysis or documentation is required, and authorize the General Manager to execute an agreement with BH Wilshire International, LLC for relocation of the Santa Monica Feeder.

**Fiscal Impact:** None. All project costs are fully reimbursable by BH Wilshire International, LLC.

**Business Analysis:** This option will enhance the reliability of treated water deliveries to member agencies.

### Option #2

Do not authorize the agreement and request the developer to redesign the project, providing necessary protection to Metropolitan's existing pipeline during construction.

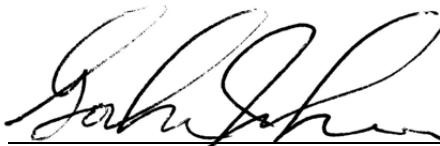
**Fiscal Impact:** None

**Business Analysis:** This option will pose a higher risk of damage to the existing 72-year-old cast iron pipeline during construction.

## Staff Recommendation

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Option #1



9/16/2013  
Gordon Johnson  
Manager/Chief Engineer,  
Engineering Services



9/18/2013  
Jeffrey Kightlinger  
General Manager

**Attachment 1 – Location Maps**

**Attachment 2 – Final EIR**

**Attachment 3 – Findings of Fact**

**Attachment 4 – Statement of Overriding Considerations**

**Attachment 5 – Mitigation Monitoring and Reporting Program**

**Attachment 6 – Notice of Determination**

