



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

12/8/2015 Board Meeting

8-3

Subject

Appropriate \$4.1 million; and authorize agreement with Southern California Edison International, LLC to coordinate relocation of the Middle Feeder within the city of Monterey Park (Approp. 15480)

Executive Summary

This action authorizes the General Manager to execute a cost-sharing agreement with Southern California Edison International, LLC (SCE), substantially on the terms outlined in this letter, to allow SCE to relocate about one-half mile of the Middle Feeder as part of an SCE project to upgrade an existing electrical substation in the city of Monterey Park.

Timing and Urgency

SCE has initiated a project to expand its Mesa Substation in order to comply with California Public Utilities Commission (CPUC) mandates stemming in part from the loss of the San Onofre Nuclear Generating Station and once-through cooling plants. SCE has stated that the Mesa Substation project needs to be operational by December 2020.

Metropolitan's Middle Feeder crosses SCE's property near the footprint of the existing SCE substation within a pipeline easement that was granted to Metropolitan in 1953. Under the terms of the easement document, SCE can revoke this easement in the event that SCE ever needs the area for utility-related purposes. SCE has provided written notice of its intent to revoke the easement and has requested Metropolitan's permission to relocate approximately one-half mile of the Middle Feeder by April 2017 in order to prevent delays to the Mesa Substation Project.

To protect its facilities and minimize potential impacts to traffic, other utilities, and the project schedule, staff recommends that Metropolitan perform final design of the pipeline relocation, provide supplemental field inspection, and other project support. SCE will perform construction of the relocation.

This project has been reviewed with Metropolitan's Capital Investment Plan (CIP) prioritization criteria and is included in the Distribution System Reliability Program. Funds for this action are available within Metropolitan's capital expenditure plan for fiscal year 2015/16.

Details

The Middle Feeder was constructed in 1954. The line extends 38 miles west from the F. E. Weymouth Water Treatment Plant to Garvey Reservoir, and then south to the Victoria Street–223rd Street Cross Feeder. The Middle Feeder augments flow to the Palos Verdes Feeder. It serves the cities of Compton and Long Beach, Central Basin Municipal Water District, Upper San Gabriel Valley Municipal Water District, and Three Valleys Municipal Water District. The Middle Feeder varies in diameter from 37 inches to 72 inches.

SCE intends to rebuild and expand its existing Mesa Substation to meet future regional power demands. The Mesa Substation, which was built in 1950, is bounded by Potrero Grande Drive and State Route 60 in the city of Monterey Park. Metropolitan's Middle Feeder traverses the SCE property for a distance of 2,300 feet, adjacent to

the existing substation and within the footprint of the expansion. This portion of the feeder would be relocated to a new alignment within SCE's property. Upon completion of the relocation, Metropolitan would receive a permanent easement from SCE for the new alignment.

Metropolitan's Board previously authorized an agreement with SCE in April 2015 for the relocation, which was based on the original joint understanding that SCE would cover all of Metropolitan's costs. Subsequently, SCE demonstrated that pursuant to a 1923 General Order issued by the CPUC that is referenced by the easement document, SCE has the power to revoke the easement upon a demonstrated utility need.

SCE has now provided a revocation notice of the easement. Due to the expedited schedule and the SCE-triggered need, SCE has nevertheless offered to undertake all construction and project management responsibilities and has offered to bear much of the project costs, with some Metropolitan support. SCE is the project proponent and the CPUC is the lead agency under the California Environmental Quality Act (CEQA). Pursuant to the provisions of CEQA, SCE will prepare environmental documentation for the proposed pipeline relocation as part of its larger project, working with the CPUC. Metropolitan's obligations are predicated on SCE receiving approval and certification by the CPUC of the Final Environmental Impact Report for the Mesa Substation project, and SCE's provision of indemnification protections.

Upon approval of the subject action, Metropolitan will execute a cost-sharing and coordination agreement with SCE for relocation of the Middle Feeder with the following terms. Metropolitan staff will prepare the design, perform field surveys, inspect pipe fabrication and installation, review submittals, and conduct shutdown activities. SCE will undertake the actual construction as part of its Mesa Substation project and retain a contractor to relocate the Middle Feeder using the construction design documents provided by Metropolitan. SCE will be responsible for all material procurement, site inspection, and all construction contract management. Per the agreement, Metropolitan's cost share for the relocation is estimated to total \$4.1 million. SCE's cost share for the relocation is \$5.6 million. The total cost to relocate the Middle Feeder is estimated to be \$9.7 million.

Upon completion of construction of the relocated pipeline, Metropolitan will perform a final inspection and accept custody of the relocated feeder segment only upon compliance with Metropolitan's technical standards and specifications. All post-acceptance risks and liabilities associated with ongoing operation and maintenance of the feeder segment will belong solely to Metropolitan, with the exception that SCE contract documents will require all contractor and supplier warranties for the feeder segment to be transferred to Metropolitan. Metropolitan's obligation to pay SCE for its cost share is predicated in part on Metropolitan's receipt of a mutually acceptable revised easement for the new pipeline alignment, which shall not have a relocation provision. Metropolitan has received an initial deposit of \$250,000 from SCE to prepare an agreement, review SCE's project plans, develop a detailed scope for the relocation, and prepare a detailed cost estimate for the work.

Middle Feeder Relocation – Agreement with SCE (\$4,100,000)

Metropolitan's 72-inch-diameter precast concrete Middle Feeder pipeline is located within a 40-foot easement that crosses SCE's project site (See [Attachment 2](#)). The relocated portion of the line will have a diameter of 84 inches. The increased diameter will offset hydraulic losses associated with the extended length of 3,300 feet, thereby maintaining the feeder's existing hydraulic capacity. A majority of the new alignment will be located within SCE's property adjacent to Potrero Grande Drive. The remaining portions of the new alignment will be located within public right-of-way.

This action appropriates \$4.1 million and authorizes the General Manager to execute an agreement with SCE to ensure continued service of the Middle Feeder, substantially on the terms discussed above and in a form approved by the General Counsel, due to SCE's relocation of a portion of the Middle Feeder. SCE shall undertake the relocation as part of its Mesa Substation project. Metropolitan's contribution to the relocation (which is estimated to cost \$4.1 million) is comprised of two components: \$2 million for the Metropolitan design and inspection-related activities described above, and \$2.1 million to be paid to SCE to cover relocation expenses. The total cost of construction, including both Metropolitan's and SCE's cost shares, is currently estimated to total approximately \$9.7 million.

This project has been evaluated and recommended by Metropolitan's CIP Evaluation Team, and funds are available within the fiscal year 2015/16 capital expenditure plan. See [Attachment 1](#) for the Financial Statement and [Attachment 2](#) for the Location Maps.

This project is included within capital Appropriation No. 15480, the Conveyance and Distribution System Rehabilitation Appropriation – FY 2012/13 Through 2017/18. With the present action, the total funding for this appropriation will increase from \$31.01 million to \$35.11 million.

Project Milestones

April 2016 – Completion of design

July 2016 – CPUC's certification of Final Environmental Impact Report for the Mesa Substation project

Policy

Metropolitan Water District Administrative Code Section 5108: Appropriations

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

California Environmental Quality Act (CEQA)

CEQA determination for Option #1

The proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms for the proposed relocation project, but does not involve any commitment to this project at this time (Section 15378(b)(4) of the State CEQA Guidelines). Additionally, the proposed action is exempt under the provisions of CEQA and the State CEQA Guidelines because it consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource (Section 15306 of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not defined as a project under CEQA pursuant to Section 15378(b)(4) of the State CEQA Guidelines and that the action qualifies for a Categorical Exemption pursuant to Section 15306 of the State CEQA Guidelines.

CEQA determination for Option #2

None required

Board Options

Option #1

Adopt the CEQA determination that the proposed action is not defined as a project and is categorically exempt, and

- a. Appropriate \$4.1 million; and
- b. Authorize the General Manager to execute an agreement with SCE for relocation of the Middle Feeder, in accordance with the provisions contained in this letter and in a form approved by the General Counsel.

Fiscal Impact: \$4.1 million of capital funds under Approp. No. 15480

Business Analysis: This option will protect Metropolitan assets and help maintain reliability of treated water deliveries to member agencies.

Option #2

Do not authorize the agreement with SCE and direct staff to pursue an alternative alignment to relocate the Middle Feeder.

Fiscal Impact: Unknown, but greater than Option #1

Business Analysis: This option would not meet SCE's project timeline, and would increase the risk of potential construction interferences and claims.

Staff Recommendation

Option #1



Gordon Johnson
Manager/Chief Engineer
Engineering Services

11/23/2015
Date



Jeffrey Kightlinger
General Manager

11/24/2015
Date

Attachment 1 – Financial Statement

Attachment 2 – Location Maps

Ref# es12640248

Financial Statement for Conveyance and Distribution System Rehabilitation Appropriation – FY 2012/13 Through FY 2017/18

A breakdown of Board Action No. 16 for Appropriation No. 15480 for relocation of the Middle Feeder¹ is as follows:

	Previous Total Appropriated Amount (Dec. 2015)	Current Board Action No. 16 (Dec. 2015)	New Total Appropriated Amount
Labor			
Studies & Investigations	\$ 1,341,000	\$ -	\$ 1,341,000
Final Design	5,266,000	525,000	5,791,000
Owner Costs (Permitting, right-of-way, program mgmt.)	2,331,779	240,000	2,571,779
Submittals Review & Record Drwgs.	469,000	155,000	624,000
Construction Inspection & Support	1,576,000	600,000	2,176,000
Metropolitan Force Construction	2,575,000	440,000	3,015,000
Materials & Supplies	1,288,000	25,000	1,313,000
Incidental Expenses	97,000	10,000	107,000
Professional/Technical Services	2,063,000	-	2,063,000
Right-of-Way	257,000	-	257,000
Equipment Use	-	5,000	5,000
Contracts	10,512,155	-	10,512,155
SCE Agreement	-	2,100,000	2,100,000
Remaining Budget	3,234,066	-	3,234,066
Total	\$ 31,010,000	\$ 4,100,000	\$ 35,110,000

Funding Request

Appropriation Name:	Conveyance and Distribution System Rehabilitation Appropriation – FY 2012/13 Through FY 2017/18		
Source of Funds:	Revenue Bonds, Replacement and Refurbishment or General Funds		
Appropriation No.:	15480	Board Action No.:	16
Requested Amount:	\$4,100,000	Budget Page No.:	274
Total Appropriated Amount:	\$35,110,000	Total Appropriation Estimate:	\$255,000,000

¹ This is the second action for the Middle Feeder relocation project. The total estimated amount of Metropolitan's obligation for the project, based on the subject agreement with SCE, is \$4.1 million.



