



- Board of Directors
Engineering and Operations Committee

3/10/2020 Board Meeting

7-2

Subject

Adopt CEQA determination that the proposed project was previously addressed in the approved 2014 Mitigated Negative Declaration and related CEQA actions, and authorize the General Manager to execute an 18-month extension to Metropolitan's existing lease at 2750 Bristol Street in Costa Mesa, CA (Assessor's Parcel No. 418-182-05) in an amount not-to-exceed \$160,000, for use as a construction staging and storage site

Executive Summary

This action authorizes the General Manager to extend Metropolitan's existing lease of a property for continued use as a contractor staging and storage site for the Orange County Feeder Relining project. The extension is for an additional 18 months, starting September 29, 2020, through April 30, 2022, under the same rates and terms as the existing lease. With this extension in place, the total lease agreement amount will be \$364,000.

Internal inspections of the Orange County Feeder have identified significant deterioration of the existing coal-tar enamel lining, which is over 75 years old. While the pipeline's structural integrity remains sound at present, the interior lining displays blistering and disbonding, which expose the pipeline to accelerated rates of corrosion and eventual leakage. The lining needs to be replaced in order to maintain long-term reliability of the pipeline.

The replacement of damaged interior lining on 10 miles of the Orange County Feeder is being completed through three construction contracts over a period of five to seven years. The initial contract to address a portion of the feeder was completed in 2017 (two miles), while the second contract was completed in 2019 (four miles). The authorization of this 18-month lease will support the final construction contract. Staff will return to the Board for award of the final phase construction contract in early summer 2020 to reline the final four miles of the pipeline.

Details

Background

The Orange County Feeder conveys treated water from the F. E. Weymouth Water Treatment Plant (Weymouth plant) in La Verne to six member agencies in Los Angeles and Orange Counties. The feeder was constructed in three stages. The first stage, which commenced operation in 1941, extends 28 miles south from the Weymouth plant to the city of Santa Ana. The second stage, which was completed in 1942 and is known as the Orange County Feeder Extension, follows Bristol Street south for approximately 11 miles through the cities of Santa Ana, Costa Mesa, and Newport Beach. The third stage of the feeder, which was completed in 1953, extends 1.5 miles from the hills overlooking Newport Beach harbor to the Pacific Coast Highway.

The Orange County Feeder Extension has a diameter of 36 to 39 inches and is constructed of welded steel pipe with a coal-tar enamel lining. Due to steel shortages during World War II, Metropolitan purchased used pipe from the city of Pasadena, refurbished it, and reinstalled it for this extension. In 1994, approximately one mile of the Orange County Feeder Extension within the second stage was relocated and replaced with new pipe to avoid interference with transportation improvements in the city of Newport Beach.

Video inspections of the pipeline identified large areas of the Orange County Feeder Extension with degradation of the internal lining, including blistering, disbonding, and rust. If the lining is not replaced, the pipe's steel walls will continue to corrode, leading to an increasing number of leaks. In 2009 and 2016, two leaks occurred in this portion of the feeder that required unscheduled shutdowns to perform urgent repairs.

Metropolitan's Board has awarded two of three construction contracts to reline the Orange County Feeder Extension. The first contract, which was completed in August 2017, relined approximately two miles of the feeder within the city of Santa Ana. The second contract, which was completed in November 2019, relined four miles of the feeder within the cities of Santa Ana and Costa Mesa. Staff will return to the Board for award of the final phase of construction, which will reline four miles of the Orange County Feeder Extension within the cities of Costa Mesa and Newport Beach, in early summer 2020.

In October 2018, the Board appropriated funds and authorized the General Manager to initiate or proceed with work on all capital projects identified in the Capital Investment Plan (CIP), subject to any limits on the General Manager's authority and CEQA requirements. This project has been reviewed with Metropolitan's CIP prioritization criteria and was approved by Metropolitan's CIP Evaluation Team to be included in the Distribution System Reliability Program. No additional allocation of funds is required for this work, as sufficient funds were previously allocated.

Extension of Property Lease - 2750 Bristol Street in Costa Mesa, CA (Assessor's Parcel No. 418-182-05)

In November 2018, Metropolitan's Board awarded the second of three-planned construction contracts to replace the damaged interior lining in a portion of the Orange County Feeder Extension. At that time, a two-year lease agreement in the amount of \$204,000 (\$8,500 per month) was executed for approximately one acre of vacant property on 2750 Bristol Street in Costa Mesa, CA (see **Attachment 2**) for contractor staging and storage. The original period of the lease extends from October 1, 2018, to September 28, 2020. The original lease was executed under the General Manager's authority. The lease agreement also included an 18-month option to extend the lease. The next contract to reline the Orange County Feeder Extension is in the same general geographical location, and the construction contract will require a storage area to support storage of equipment and the contractor's mobilization activities.

This action authorizes the General Manager to exercise an option to extend Metropolitan's existing lease of a property for continued use as a contractor staging and storage site for an additional 18 months starting September 29, 2020, through April 30, 2022, under generally the same lease rate and terms. The total lease amount will increase by \$160,000, from \$204,000 to \$364,000.

Alternatives Considered

Metropolitan staff evaluated additional vacant sites located near the vicinity of the future construction contract. The majority of the properties were not available for the scheduled construction period. The recommended site within the city of Costa Mesa meets the proximity, size, and access needs for storage of equipment. The readily available site requires minimal modifications to secure and accommodate the construction staging and storage activities since the previous contractor has graded and fenced the site. The lease agreement terms are suitable to Metropolitan and are reasonable and consistent with potential leases of other properties in the area.

Summary

This action authorizes a lease agreement extension for construction staging and storage activities related to the Orange County Feeder Rehabilitation Project. See **Attachment 1** for the Location Map, **Attachment 2** for the Area to be Leased.

Project Milestone

July 2020 – Board award of final construction contract for the Orange County Feeder Relining

Policy

Metropolitan Water District Administrative Code Section 5108: Appropriations

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

Metropolitan Water District Administrative Code Section 8221: Authority to Acquire Real Property; Appraisal

By Board Item 8-2, dated October 9, 2018, the Board appropriated a total of \$290 million for projects identified in the Capital Investment Plan for Fiscal Years 2018/19 and 2019/20.

By Board Item 8-4, dated November 5, 2018, the Board approved the allocation of funds to replace the interior lining of a portion of the Orange County Feeder.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The environmental effects from implementation of the construction project were evaluated in the Orange County Feeder Relining Project Mitigated Negative Declaration (MND), SCH #2014081017. Metropolitan's Board approved the MND on November 18, 2014, and the Mitigation Monitoring and Reporting Program. Additionally, Addendum No. 1 and No. 2 to the MND were prepared to document minor design modifications to the approved project in July 2016 and July 2018. The present board action is based on the extension of an existing lease agreement and not on any changes to the approved project itself. 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 environmental documentation is necessary for the Board to act on with respect to the proposed action.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination that the proposed project was previously addressed in the approved 2014 Mitigated Negative Declaration and related CEQA actions, and

Authorize extension of the existing lease for the property on 2750 Bristol Street in Costa Mesa, CA in an amount not-to-exceed \$160,000 for an 18-month term, for use as a construction staging and storage site.

Fiscal Impact: Expenditure of \$160,000 in capital funds. The funds for this action and future construction costs will be accounted for and appropriated under the next biennial budget.

Business Analysis: This option will help facilitate Metropolitan's plan to rehabilitate portions of the Orange County Feeder. This option will enhance the reliability of the Orange County Feeder and reduce the risk of costly emergency repairs.

Option #2

Do not move forward with the extension of the lease at this time.

Fiscal Impact: Costs are unknown.

Business Analysis: This option would require that staff continue to search for a suitable site near the future construction contract.

Staff Recommendation

Option #1



John V. Bednarski
Manager/Chief Engineer
Engineering Services

2/14/2020

Date



Jeffrey Kightlinger
General Manager

2/27/2020

Date

Attachment 1 – Location Map

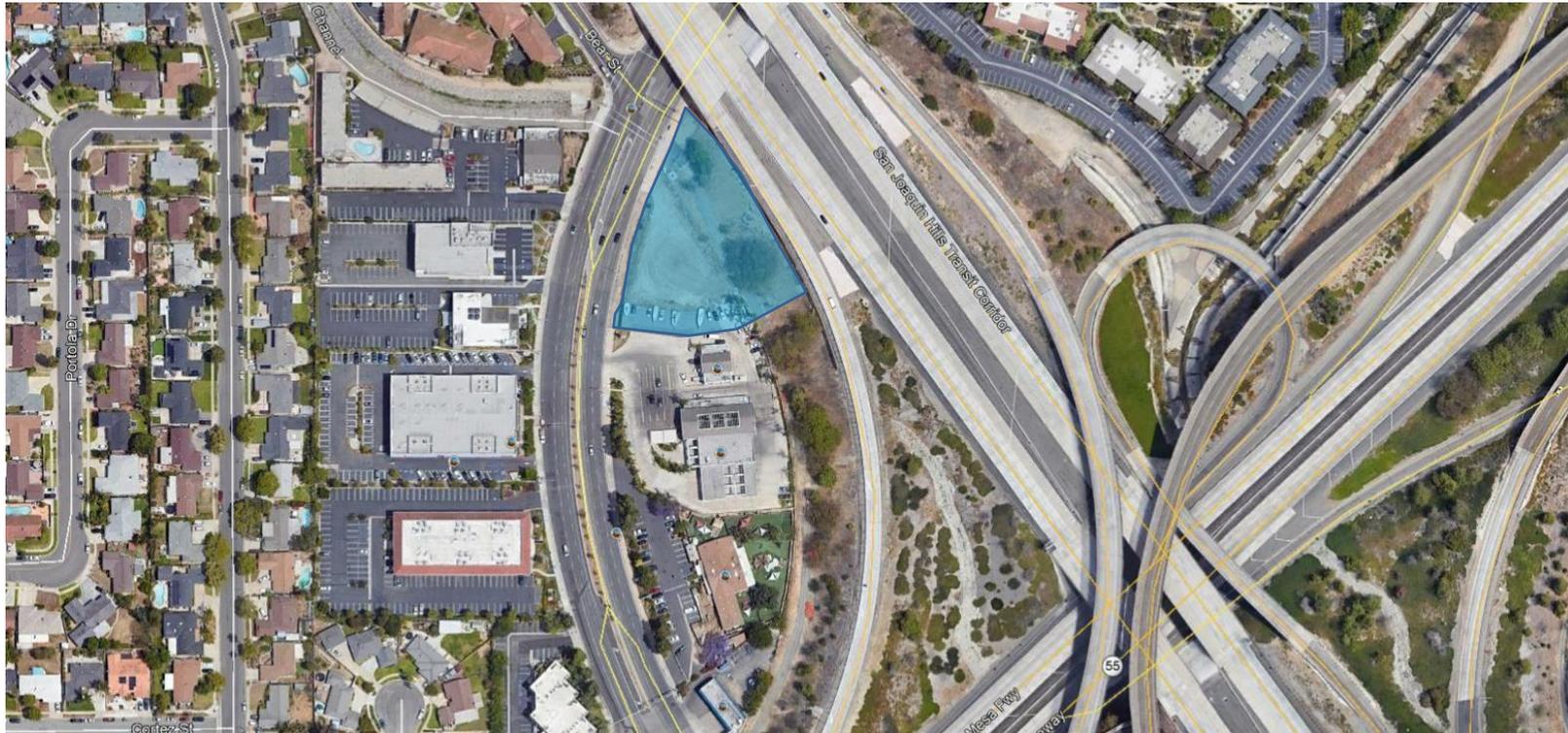
Attachment 2 – Location of Area to be Leased

Ref# rpdm12674006

Distribution System



Location of Area to be Leased



Address: 2750 Bristol St. Costa Mesa, CA 92626

Los Angeles County APN No.: 418-182-05

 Total area to be leased: Approx. one acre