



- **Board of Directors**
Engineering, Operations, and Technology Committee

6/11/2024 Board Meeting

7-3

Subject

Award a \$897,469 contract to Exaro Technologies Corporation to construct a cathodic protection system along the Santa Monica Feeder; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The Santa Monica Feeder serves the cities of Santa Monica, Beverly Hills, Burbank, and Glendale. The 49-inch diameter mortar-coated steel portion of the pipeline within the City of Glendale is experiencing corrosion deterioration due to corrosive soils along this portion of the pipeline alignment. Staff recommends installation of a cathodic protection system as a proactive and cost-effective measure to reduce the risk of shutdowns and costly urgent repairs.

This action awards a \$897,469 contract to Exaro Technologies Corporation for the construction of a cathodic protection system on the Santa Monica Feeder. See **Attachment 1** for the Allocation of Funds, **Attachment 2** for the Abstract of Bids, **Attachment 3** for the List of Subcontractors, and **Attachment 4** for the Location Map.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Award an \$897,469 contract to Exaro Technologies Corporation for the construction of a cathodic protection system on the Santa Monica Feeder.

Fiscal Impact: Expenditure of \$1.25 million in capital funds. All costs will be incurred in the Fiscal Years 2024/2025 and 2025/2026 and have been previously authorized.

Business Analysis: This option will protect Metropolitan's assets, enhance delivery reliability to member agencies, and reduce the risk of costly urgent repairs.

Option #2

Do not proceed with the project at this time.

Fiscal Impact: None

Business Analysis: Under this option, staff would continue to monitor levels of stray current and corrosion in the Santa Monica Feeder. This option would forego an opportunity to enhance reliability and extend the service life of the Santa Monica Feeder and could lead to more extensive repairs, higher repair costs, and unplanned shutdowns.

Alternatives Considered

Staff considered using several shallow anode wells less than 50 feet deep instead of the two proposed 400-foot-deep anode wells. Shallower wells would not require a Los Angeles County well permit application. However, this option was deemed unacceptable because additional anode wells, beyond those required for the recommended

alternative, would be needed to compensate for the lack of depth. This would, in turn, increase the space needed for construction, require traffic control, increase the risk of utility interferences, and the amount of repaving.

The selected option will rehabilitate the feeder by installing the deep-well cathodic protection system. This alternative, which reduces the construction footprint, is a more cost-effective approach.

Applicable Policy

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

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action(s)/Future Action(s)

By Minute Item 52778, dated April 12, 2022, the Board appropriated a total of \$600 million for projects identified in the Capital Investment Plan for Fiscal Years 2022/2023 and 2023/2024.

By Minute Item 51159, dated April 10, 2018, the Board authorized final design phase activities for installation of a cathodic protection system on the Santa Monica Feeder.

Summary of Outreach Completed

Metropolitan staff has completed the initial outreach with the City of Glendale regarding the upcoming cathodic protection project.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because the action consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. In addition, the proposed action consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure. Finally, the proposed action consists of minor public or private alterations in the condition of land, water, and/or vegetation, which do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes. (State CEQA Guidelines Sections 15301, 15303, and 15304)

CEQA determination for Option #2:

None required

Details and Background

Background

The Santa Monica Feeder was installed in 1941 and conveys treated water from the Eagle Rock Control Facility to its terminus at service connection SMN-1 in Santa Monica. The 23-mile-long feeder includes reaches of mortar-coated welded steel, precast concrete pipe, and cast-iron pipe.

Mortar coating typically provides long-term corrosion protection for welded steel pipe. However, these exterior coatings may lose their protective properties over time, making the steel increasingly susceptible to corrosion. Buried metallic pipelines may also be protected from corrosive soils with cathodic protection systems. These systems are installed to extend the life of the pipelines and reduce the potential for emergency repairs and have demonstrated successful past performance on numerous Metropolitan projects. Impressed current cathodic systems use an external power source to apply a protective current to the line. This protective current is then discharged through anodes, which are electrically connected to the pipe's metal. Since the anodes are composed

of metals that are more easily oxidized than the materials in welded steel pipelines, they corrode before the pipeline metal and continue to corrode until depleted.

Recent corrosion surveys of the pipeline indicate that a portion of the line within the City of Glendale is experiencing corrosion deterioration associated with the age of the line and its corrosive buried environment. Staff recommends the installation of an impressed current cathodic protection system to significantly arrest the rate of corrosion to the pipe in this area of the pipeline alignment. Final design of a cathodic protection system has been completed, and staff recommends proceeding with construction.

Santa Monica Feeder Cathodic Protection – Construction (Appropriation-15480, Project Number-104964)

The scope of the contract includes: (1) installation of traffic control during construction; (2) drilling of vertical wells to install graphite anodes; (3) installation of rectifiers and electrical service cabinets; (4) installation of electrical conduits; (5) street surface restoration; and (6) start-up testing.

A total of \$1.25 million is required for this work. In addition to the amount of the contract described below, other allocated funds include: \$105,000 for construction management and inspection; \$32,000 for submittals review, technical support, responding to manufacturer requests for information, and preparation of record drawings; \$122,000 for project management, environmental monitoring, survey, and contract administration; and \$93,531 for the remaining budget. **Attachment 1** provides the allocation of the required funds.

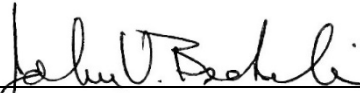
Award of Construction Contract (Exaro Technologies Corporation)

Specifications No. 1963A to install an impressed current cathodic protection system on the Santa Monica Feeder was advertised for bids on March 5, 2024. As shown in **Attachment 2**, three bids were received and opened on April 9, 2024. The low bid from Exaro Technologies Corporation, in the amount of \$897,469, complies with the requirements of the specifications. The other bids were \$900,000 and \$1,433,970, while the engineer's estimate for this project was \$950,000. For this contract, Metropolitan established a Small Business Enterprise participation level of at least 25 percent of the bid amount. Exaro Technologies Corporation has committed to meet this level of participation. The subcontractors for this contract are listed in **Attachment 3**.

This action awards a \$897,469 contract to Exaro Technologies Corporation for the construction of a cathodic protection system on a portion of the Santa Monica Feeder. As described above, Metropolitan staff will perform construction management and inspection. Engineering Services' performance metric target range for construction management and inspection of projects with construction less than \$3 million is 12 to 15 percent. For this project, the performance metric goal for inspection is 11.7 percent of the total construction cost (\$897,469).

Project Milestone

March 2025 – Completion of construction



John V. Bednarski
Manager/Chief Engineer
Engineering Services

5/20/2024
Date



Adel Hagekhalil
General Manager

5/28/2024
Date

Attachment 1 – Allocation of Funds

Attachment 2 – Abstract of Bids

Attachment 3 – List of Subcontractors for Low Bidder

Attachment 4 – Location Map

Ref# es12696044

Allocation of Funds for Santa Monica Feeder Cathodic Protection

	Current Board Action (Jun. 2024)
Labor	
Studies & Investigations	\$ -
Final Design	-
Owner Costs (Program mgmt., envir. monitoring)	122,000
Submittals Review & Record Drwgs.	32,000
Construction Inspection & Support	105,000
Metropolitan Force Construction	-
Materials & Supplies	-
Incidental Expenses	-
Professional/Technical Services	-
Right-of-Way	-
Contracts	
Exaro Technologies Corporation	897,469
Remaining Budget	93,531
Total	\$ 1,250,000

The total amount expended for the Santa Monica Feeder Cathodic Protection is approximately \$650,000. The total cost to complete this project, including funds spent to date and funds allocated for the work described in this action, is \$1.9 million.

The Metropolitan Water District of Southern California

Abstract of Bids Received on April 9, 2024 at 2:00 P.M.

**Specifications No. 1963A
Santa Monica Feeder Cathodic Protection**

This work consists of installing impressed cathodic protection systems, including two 400-foot-deep ground-bed anode wells, electric service cabinets, rectifiers, site restoration, and preparing, obtaining approval of, and implementing traffic control plans.

Engineer's estimate: \$950,000

Bidder and Location	Total	SBE \$	SBE %	Met SBE¹
Exaro Technologies Corporation Burlingame, CA	\$897,469	\$288,500	32%	Yes
National Corrosion Stanton, CA	\$900,00	-	-	-
Farwest Corrosion Control Company Downey, CA	\$1,433,970	-	-	-

¹ Small Business Enterprise (SBE) participation level established at 25 percent for this contract.

The Metropolitan Water District of Southern California

Subcontractors for Low Bidder

**Specifications No. 1963A
Santa Monica Feeder Cathodic Protection**

Low bidder: Exaro Technologies Corporation

Subcontractor and Location	Service Category, Specialty
ABC Liovin Drilling Inc. Signal Hill, CA	Drilling
GEC2 Inc. Gardena, CA	Electrical
City Service Paving Placentia, CA	Paving

Distribution System

