



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

4/8/2025 Board Meeting

7-5

Subject

Authorize an amendment to a reimbursable agreement with BH Luxury Residences LLC for the relocation of the Santa Monica Feeder within the city of Beverly Hills; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This action authorizes the General Manager to amend an agreement with BH Luxury Residences LLC, substantially on the terms outlined in this letter, to relocate about 1,500 feet of the Santa Monica Feeder. In August 2023, a reimbursable agreement with BH Luxury Residences LLC was executed to relocate Metropolitan's Santa Monica Feeder pipeline. Since that time, Metropolitan's costs to support the project have increased beyond those that were originally envisioned. This agreement amendment will enable all costs incurred by Metropolitan for this relocation to be reimbursed by BH Luxury Residences LLC.

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

Staff Recommendation: Option #1

Option #1

Authorize an amendment to a reimbursable agreement with BH Luxury Residences LLC to provide design review and inspection-related activities for the relocation of the Santa Monica Feeder.

Fiscal Impact: None. All project costs will be fully reimbursable by BH Luxury Residences LLC.

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

Option #2

Do not authorize an amendment to a reimbursable agreement with BH Luxury Residences LLC.

Fiscal Impact: Unknown

Business Analysis: Without the amendment, Metropolitan may not be fully reimbursed for the cost of the relocation.

Alternatives Considered

None

Applicable Policy

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

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

None

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action to provide design and inspection-related activities, including a review of the design drawings and specifications for the relocation of the Santa Monica Feeder, is not defined as a project under CEQA because it involves organizational, or administrative activities; and/or general policy and procedure making that will not result in direct or indirect physical changes in the environment. (Public Resources Code Section 21065; State CEQA Guidelines Section 15378(b)(2) and (5).) Also, the proposed action is exempt from CEQA because it consists of activities limited entirely to inspections, to check for performance of an operation, or quality, health, or safety of a project. (Section 15309 of the State CEQA Guidelines.)

CEQA determination for Option #2:

None required

Details and Background

Background

The Santa Monica Feeder was originally 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, starting at the Eagle Rock Control Tower and terminates at the SMN-1 service connection in the city of Santa Monica. It varies in size from 28 inches to 84 inches in diameter.

In January 2020, BH Luxury Residences LLC notified Metropolitan of its intentions to develop a project site for mixed-use residential condominiums and retail as part of the One Beverly Hills Project. 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 to the west. At that time, Metropolitan's Santa Monica Feeder traversed the property along Merv Griffin Way for 800 feet, adjacent to the existing Beverly Hilton Hotel and parking structure within the footprint of the proposed development. BH Luxury Residences LLC proposed to relocate this portion of the Santa Monica Feeder and provide Metropolitan with a new permanent easement.

In August 2023, a reimbursable agreement with BH Luxury Residences LLC was executed to relocate Metropolitan's Santa Monica Feeder pipeline. Metropolitan's scope included a technical review of the construction drawings and specifications for the relocation; preparation of easement documentation; performing submittal reviews and field inspections; conducting the pipeline shutdown; and preparation of the record drawings upon completion of construction. BH Luxury Residences LLC's scope included retaining a consultant to prepare the construction drawings and specifications for the relocation and a contractor to perform the construction activities for the relocation. The total reimbursable cost for Metropolitan's work was estimated to be \$490,000, which is within the General Manager's contracting authority.

In November 2024, a pipeline shutdown for the Santa Monica Feeder was performed to allow BH Luxury Residences LLC's contractor to complete the relocation by constructing the connections between the new pipeline and the existing pipeline. However, the work could not be completed due to an elevation discrepancy between the new and existing pipelines which was discovered during the construction process. The discrepancy was the result of the contractor laying the pipeline at a higher elevation than shown in the design drawings. New fabricated fittings were needed to bridge the distance between the new and existing pipelines. As a result, additional work by Metropolitan staff was incurred, including review of additional design drawings, submittals, and documentation for the revised construction plan; survey to verify the dimensions of the new fittings; conducting a second shutdown of the pipeline; furnishing equipment for new air release vacuum valve assemblies including two 8-inch plug valves. It also includes the installation and replacement of nuts, bolts, and gaskets at four accessways, as the contractor had installed nuts and bolts that did not meet Metropolitan specifications. The construction work has been completed, and the pipeline was placed into service on March 14, 2025.

Per Metropolitan’s Admin. Code 8122(c)(3), board authorization is required to execute any agreement involving an amount that exceeds \$500,000 “for the relocation or protection, or both, of District-owned facilities to accommodate the improvements of facilities owned by others.” The total reimbursable cost for Metropolitan’s work under the agreement will be increased by \$410,000 for a total of approximately \$900,000. Therefore, a board-authorized agreement amendment is required for full reimbursement of expenses.

Santa Monica Feeder Relocation - Reimbursable Agreement (No funds required)

Metropolitan’s 29.5-inch diameter welded steel Santa Monica Feeder pipeline is located within a 10-foot easement that crosses BH Luxury Residences LLC’s project site. Metropolitan and BH Luxury Residences LLC have mutually agreed to relocate a portion of the line to an alternate alignment using a 31.5-inch diameter steel pipe. The increased diameter will offset hydraulic losses associated with the extended length of 260 feet and additional horizontal bends, thereby maintaining the feeder’s existing hydraulic capacity. A majority of the new alignment will be located within a fire lane along the west side of BH Luxury Residences LLC’s property adjacent to the Los Angeles Country Club. Metropolitan will obtain a new 15-foot-wide permanent easement for this portion within the private property. The remaining portions of the new alignment will be located within public right-of-way along Wilshire Boulevard and Santa Monica Boulevard. BH Luxury Residences LLC requested that the relocation be expedited to prevent delays to its development project.

Following board authorization, staff plans to execute an agreement amendment with BH Luxury Residences LLC for design and inspection-related activities, including a review of the design drawings and specifications for the relocation. BH Luxury Residences LLC retained a consultant to prepare the design drawings and specifications and retained a contractor to relocate the Santa Monica Feeder using the construction documents reviewed by Metropolitan. Staff has reviewed the design, inspected pipe fabrication and installation, reviewed submittals, performed construction inspection, and conducted all shutdown-related activities. Metropolitan’s costs for the relocation are estimated to range from approximately \$750,000 to \$900,000. No funds are required to be appropriated, as all costs incurred by Metropolitan will be fully reimbursed by BH Luxury Residences LLC.

This action authorizes the General Manager to execute an agreement amendment with BH Luxury Residences 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.

See **Attachment 1** for the Location Map.

Project Milestone

March 2025 – Relocated Santa Monica Feeder pipeline returned to service



Mai Hattar
Interim Chief Engineer
Engineering Services
3/24/2025
Date



Deven Upadhyay
General Manager
3/24/2025
Date

Attachment 1 – Location Map

Ref# es12705682

Distribution System

