THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Board Action

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

5/12/2026 Board Meeting

7-8

Subject

Award a $1,072,500 contract to Heed Engineering for storm drainage improvements along Holland Road at Diamond Valley Lake; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Seepage from Diamond Valley Lake (DVL) and surface runoff from the Wadsworth Facility flow by way of storm drain pipes to an earthen drainage channel along Holland Road. Dam seepage is common in all dams and controlled through dam design features and is regularly reported as part of Metropolitan's operating permit for DVL. Discharge from the dam's seepage collection system has led to dense vegetation growth, sediment accumulation, and the creation of riparian habitat in the drainage channel. Collectively, these issues have significantly reduced the effectiveness of the drainage channel to safely discharge periodic storm flows. During periods of heavy rainfall, storm flows in the obstructed drainage channel could result in flooding on Holland Road and adjacent properties. Installing storm drainage improvements will allow seepage and surface runoff to flow uninterrupted to the end of the drainage channel.

This action awards a $1,072,500 contract to Heed Engineering to install storm drainpipe, maintenance holes, and a confluence structure along Holland Road. See **Attachment 1** for the Allocation of Funds, **Attachment 2** for the Abstract of Bids, **Attachment 3** for the Subcontractors for Low Bidder, and **Attachment 4** for the Location Map.

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

Staff Recommendation: Option #1

Option #1

Award a $1,072,500 contract to Heed Engineering for storm drainage improvements along Holland Road at Diamond Valley Lake.

Fiscal Impact: Expenditure of $1.74 million in capital funds. Approximately $50,000 will be incurred in the current biennium and has been previously authorized. The remaining capital expenditures will be funded from the next biennium's Capital Investment Plan budget.
Business Analysis: This option will mitigate flood risks to the road and adjacent properties.

Option #2

Do not proceed with the project at this time.
Fiscal Impact: None
Business Analysis: This option will forego an opportunity to mitigate flood risks to the road and adjacent properties.

Alternatives Considered

Staff initially considered expanding and clearing vegetation in the Holland Road drainage channel. However, the channel is a jurisdictional waterway and regulated by the U.S. Army Corps of Engineers, the California Department of Fish and Wildlife, and the Regional Water Quality Control Board. In its current condition, the drainage channel's riparian habitat supports nesting birds. Removal of vegetation and sediments would require authorization from regulatory agencies and potentially costly permitting and mitigation measures.

The selected option to install a storm drain that will intercept storm runoff from the Wadsworth facilities while allowing the dam seepage discharge to continue flowing through the Holland Road drainage channel will prevent flooding of Holland Road and adjoining properties, expedite construction, and eliminate the need for costly permitting.

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 to the General Manager to perform CEQA functions

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

By Minute Item 53598, dated April 9, 2024, the Board appropriated a total of $636.48 million for projects identified in the Capital Investment Plan (CIP) for Fiscal Years 2024/25 and 2025/26.

By Minute Item 54290, dated October 14, 2025, the Board appropriated an additional $30 million for projects identified in the CIP for Fiscal Years 2024/25 and 2025/26, increasing the biennial CIP appropriation to $666.48 million.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because it involves the maintenance and minor alteration of existing public facilities 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 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 Section 15301 and 15304.)

CEQA determination for Option #2:

None required

Details and Background

Background

Diamond Valley Lake is Southern California's largest surface water reservoir, with a maximum storage capacity of 810,000 acre-feet. Facilities on the western side of the lake include the 284-foot-high, 8,300-foot-long rock-filled west dam and the Hiram W. Wadsworth Pumping and Hydroelectric Facility. The west dam was constructed with filter and drainage zones to safely convey the expected seepage and maintain the structural integrity of the dam. Storm runoff from the Wadsworth Facility and discharge from the west dam's seepage collection system flow into an earthen drainage channel.

The drainage channel is a 2,500-foot-long, 30-foot-wide, and 5-foot-deep unlined channel that runs parallel to Holland Road within Metropolitan property; it is commonly known as the Holland Road drainage channel. The drainage channel ends near Winchester Road (SR-79). Culverts then carry the drainage beneath SR-79 and southwest towards Warm Springs Creek. Continuous discharge from the dam's seepage collection system flowing into the drainage channel has resulted in dense vegetation growth, sediment accumulation, and the creation of 0.7 acres of riparian habitat in the eastern portion of the channel. Furthermore, during periods of heavy rainfall,

flows in the drainage channel, now impeded by vegetation overgrowth, result in overflows that spill onto and across Holland Road and adjacent properties.

To improve site drainage, this project will install a 24-inch-diameter storm drain that will intercept storm runoff from the Wadsworth facilities at the head of the Holland Road drainage channel. The new storm drain will run parallel to the existing drainage channel, extending approximately 2,500 feet west and tying into an existing culvert. The construction work will avoid work in the Holland Road drainage channel, which is a jurisdictional waterway, thus eliminating the need to obtain regulatory agency approval to clear the vegetation. The drainage channel will continue to receive west dam seepage flows.

Final design of the drainage improvements has been completed. Staff recommends proceeding with construction.

Holland Road Storm Drainage Improvements – Construction

The work consists of constructing a confluence structure, installing approximately 2,500 linear feet of 24-inch-diameter storm drainpipe, and installing several maintenance holes.

A total of $1.74 million is required to complete the work. In addition to the construction contract described below, allocated funds include $135,000 for an environmental consultant to monitor sensitive species in habitat adjacent to the Holland Road storm drain during construction. Staff will utilize an existing on-call agreement for this environmental monitoring work. Other funds cover Metropolitan staff activities, including $161,000 for construction management and inspection; $121,000 for responding to requests for information, submittals review, and preparation of record drawings; $118,000 for contract administration, environmental monitoring support, community outreach, and project management; $36,000 for field surveying and concrete testing; and $96,500 for remaining budget. **Attachment 1** provides the allocation of required funds.

Award of Construction Contract (Heed Engineering)

Specifications No. 2174 to construct the Holland Road storm drainage improvements was advertised for bids on February 25, 2026. As shown in **Attachment 2**, five bids were received and opened on April 7, 2026. The low bid from Heed Engineering, in the amount of $1,072,500, complies with the requirements of the specifications. The other bids ranged from $1,354,000 to $2,177,700, while the engineer's estimate for this project was $1,450,000. Staff investigated the difference between the low bid and the engineer's estimate and attributed the difference to lower-than-expected costs for demolition, grading, and profit markup, which reflects the contractor's intent to self-perform the majority of the work. For this contract, Metropolitan established a Small Business Enterprise participation level of 25 percent of the bid amount. Heed Engineering is a certified SBE firm and thus achieves 100 percent SBE participation. The subcontractors for this contract are listed in **Attachment 3**.

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 15 percent of the total construction cost. The total cost of construction for this project is $1,072,500.

Project Milestone

February 2027 – Complete installation of storm drainage improvements

4/23/2026
Mai M. Hattar *Date*
Chief Engineer
Engineering Services

4/23/2026
Shivaji Deshmukh *Date*
General Manager

Attachment 1 – Allocation of Funds

Attachment 2 – Abstract of Bids

Attachment 3 – Subcontractors for Low Bidder

Attachment 4 – Location Map

Ref# es12706134

Allocation of Funds for Holland Road Storm Drainage Improvements

	Current Board Action (May 2026)
Labor	
Studies & Investigations	$ -
Final Design	-
Owner Costs (Program mgmt., Contract Admin, Field survey)	154,000
Submittals Review & Record Drwgs.	121,000
Construction Inspection & Support	161,000
Metropolitan Force Construction	-
Materials & Supplies	-
Incidental Expenses	-
Professional/Technical Services	-
Environmental Monitoring	135,000
Right-of-Way	-
Equipment Use	-
Contracts	-
Heed Engineering	1,072,500
Remaining Budget	96,500
Total	**$ 1,740,000**

The total amount expended to date is approximately $550,000. The total estimated cost to complete the installation of the storm drainage improvements, including the amount expended to date and funds allocated for the work described in this action, is $2.29 million.

The Metropolitan Water District of Southern California
April 7, 2026 at 2:00 P.M.

Specifications No. 2174
Holland Road Storm Drainage Improvements

The work consists of construction of a confluence structure, installation of approximately 2,500 linear feet of 24-inch diameter high-density polyethylene pipe, pipeline access, and maintenance structures.

Engineer's estimate: $1,450,000

Bidder and Location	Total	SBE $	SBE %	Met SBE[1]
Heed Engineering **Foothill Ranch, CA**	**$1,072,500**	**$1,072,500**	**100%**	**Yes**
MMC Inc. La Palma, CA	$1,354,000	-	-	-
KEC Engineering Corona, CA	$1,445,185	-	-	-
Bosco Constructors Inc. Chatsworth, CA	$1,613,404	-	-	-
Minako America Corporation Gardena, CA	$2,177,700	-	-	-

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

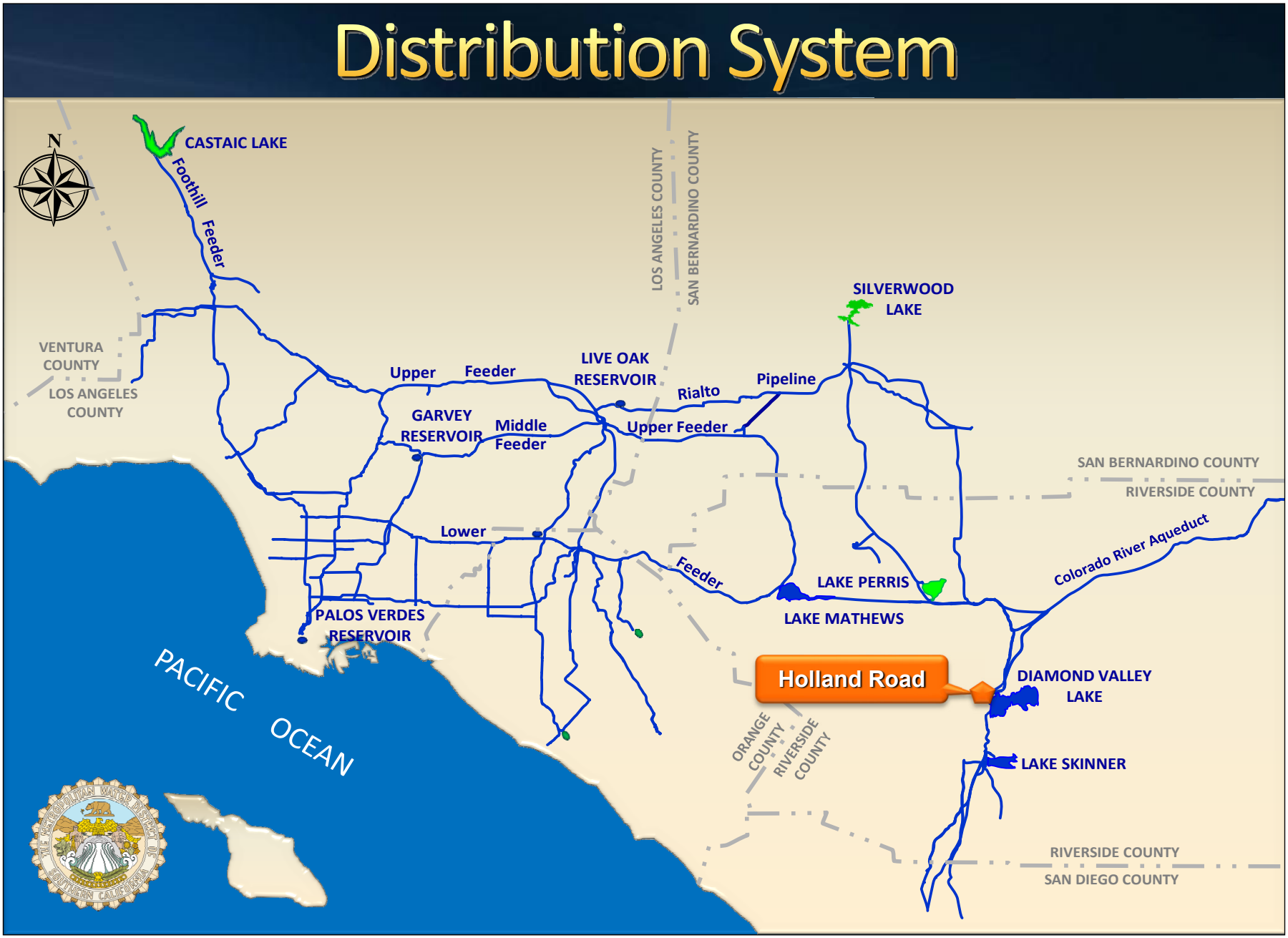
The Metropolitan Water District of Southern California

Subcontractors for Low Bidder

Specifications No. 2174
Holland Road Storm Drainage Improvements

Low bidder: Heed Engineering

Subcontractor	Service Category; Specialty
K-VAC Environmental Services Inc. Rancho Cucamonga, CA	Dewatering


Distribution System
N
CASTAIC LAKE
Foothill Feeder
VENTURA COUNTY
LOS ANGELES COUNTY
LOS ANGELES COUNTY
SAN BERNARDINO COUNTY
SILVERWOOD LAKE
Upper Feeder
LIVE OAK RESERVOIR
Rialto Pipeline
GARVEY RESERVOIR
Middle Feeder
Upper Feeder
SAN BERNARDINO COUNTY
RIVERSIDE COUNTY
Lower Feeder
Colorado River Aqueduct
LAKE PERRIS
LAKE MATHEWS
PALOS VERDES RESERVOIR
PACIFIC OCEAN
Holland Road
DIAMOND VALLEY LAKE
ORANGE COUNTY
RIVERSIDE COUNTY
LAKE SKINNER
RIVERSIDE COUNTY
SAN DIEGO COUNTY