



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

9/10/2024 Board Meeting

7-3

Subject

Award a \$1,285,000 contract to Resource Environmental Incorporated for abatement and roof replacement of houses at four Colorado River Aqueduct Pumping Plant villages; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Metropolitan maintains employee housing, kitchens, and short-term lodging facilities at the Colorado River Aqueduct (CRA) pumping plant villages. These facilities have exceeded their design life, are showing signs of deterioration, and require replacement. Metropolitan has initiated an improvement program for the CRA pumping plant villages. It is currently in the process of completing a community planning effort to identify a recommended approach for long-term employee housing at the pump plant villages. In the interim, and to ensure the current housing provides clean and safe living conditions at the CRA villages, a Desert Housing and Recreation Interim Action Plan (DHRIAP) was initiated that focuses on making various near-term improvements in the four villages in parallel to the ongoing long-term efforts. As part of the DHRIAP, 14 houses have been identified that require roof replacement and hazardous materials abatement.

This action awards a \$1,285,000 construction contract to Resource Environmental Incorporated for abatement, roof replacement of 14 houses located at four CRA pumping plant villages, and demolition of eight houses that are beyond their expected useful life and have been deemed surplus. 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 \$1,285,000 contract to Resource Environmental Incorporated for abatement and roof replacement on houses at four Colorado River Aqueduct Pumping Plant villages.

Fiscal Impact: Expenditure of \$1,105,000 in capital funds and \$615,000 in operations and maintenance (O&M) funds. All costs will be incurred in the current biennium and have been previously authorized.

Business Analysis: This option will preserve Metropolitan assets and maintain an appropriate standard of living for staff stationed at Metropolitan's desert facilities.

Option #2

Do not proceed with the project at this time.

Fiscal Impact: None

Business Analysis: This option would forgo an opportunity to preserve Metropolitan assets at the desert facilities.

Alternatives Considered

Alternatives considered for completing roof replacement and housing demolition included deferring the work until the Desert Housing and Recreation Improvement Project is completed. However, deferring this work will not address the immediate repairs that were identified in the District Housing and Recreation Interim Action Plan Improvements.

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 52179, dated November 10, 2020, the Board authorized preparation of conceptual master plan and to conduct property assessments for District housing.

By Minute Item 52381, dated May 11, 2021, the Board authorized two new agreements for environmental documentation and geotechnical services in support of the District Housing and Property Improvements.

By Minute Item 52448, dated July 13, 2021, the Board authorized an increase to an agreement with Roesling Nakamura Terada Architects for preliminary design and architectural services in support of the District Housing and Property Improvements.

By Minute Item 52790, dated April 12, 2022, the Board appropriated a total of \$600 million for projects identified in the Capital Investment Plan for Fiscal Years 2022/23 and 2023/24.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because it involves the operation, repair, maintenance, or minor alteration of existing public structures, facilities, or mechanical equipment involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. In addition, the proposed action is exempt from CEQA because it consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. (State CEQA Guidelines Sections 15301 and 15302).

CEQA determination for Option #2:

None required

Details and Background

Background

The CRA is a 242-mile-long conveyance system that transports water from the Colorado River to Lake Mathews in Riverside County. The CRA includes five pumping plants that are in remote, isolated areas of the California desert. The aqueduct system was constructed in the late 1930s and was placed into service in 1941. Since the CRA's inception, Metropolitan has provided lodging or housing to employees involved in the construction, operation, and maintenance of the aqueduct system. Due to the remoteness of the pumping plants, the provision of housing ensures that staff can respond to emergency events in a timely manner.

Houses, kitchens, and short-term lodging were initially constructed at the CRA pumping plants in the early 1940s. The expansion of the CRA's capacity in the 1950s led to the construction of additional houses. Metropolitan has performed routine maintenance on each of these facilities since they were built, but following decades of continuous use and exposure to the harsh desert environment, the houses have deteriorated and need replacement.

Replacement of these houses, coupled with the development of multiple enhancement features across Metropolitan's CRA pumping plants villages, will provide for employee retention, create an attraction for future employees, and help create a vibrant, healthy, and sustainable community. In 2023, Metropolitan's Board authorized a community planning effort that focuses on providing the most optimized options suited to achieve long-term retention goals.

In the interim, to ensure the current housing is clean and safe for the residents while the longer-term efforts are underway, a Housing and Recreation Committee was established in September 2022 consisting of representatives from the Office of the General Manager, Facilities Management, Diversity, Equity and Inclusion, and Water System Operations. After meeting with residents and gathering feedback on immediate housing and recreational needs, the committee created DHRIP. This plan focuses on implementing short-term enhancements to improve living conditions at the desert facilities. Improvements include (1) shade structures for parked vehicles and playgrounds; (2) fencing at homes to improve privacy; (3) installation of air conditioning units for garages; (4) stand-alone freezers for houses to store food for the residents and their families; (5) housing improvements such as roof replacement, kitchen, and bathroom remodeling; and (6) housing demolition. To date, the DHRIAP has identified 36 projects, and 60 percent of the projects have been completed. The remaining are anticipated to be completed by May 2025. The total cost of these improvements is estimated to be \$10,000,000.

As part of the ongoing short-term housing improvements, staff identified 14 houses at the four CRA villages that require roof replacement and associated hazardous materials abatement. These houses are located at Gene Pump Plant (4), Iron Mtn. Pump Plant (3), Eagle Mtn. Pump Plant (6), and Hinds Pump Plant (1). In addition, eight houses that are significantly deteriorated and deemed surplus have been identified for demolition. These houses are located at Gene Pump Plant (7) and Iron Mtn. Pump Plant. Demolition of these houses and abatement of hazardous materials will be paid for with budgeted O&M funds. Staff recommends moving forward with the roof replacements, hazardous materials abatement, and demolition of the houses.

CRA Employee Housing Demolition and Roof Replacement – Construction

The scope of the contract includes: (1) roof replacement for 14 houses at four pump plants and associated hazardous materials abatement containing asbestos and lead; (3) abatement and demolition of eight houses at two pump plants and associated concrete slab removal and abandonment of utilities.

A total of \$1,720,000 is required for this work. In addition to the amount of the contract described below, other allocated funds include: \$159,00 for construction management and inspection; \$186,000 for project management, site support, and contract administration; and \$90,000 for the remaining budget. **Attachment 1** provides the allocation of the required funds.

Award of Construction Contract (Resource Environmental Incorporated)

Specification No. 2086 for CRA Employee Housing Roof Replacement and Abatement was advertised on May 3, 2024. As shown in **Attachment 2**, eight bids were received and opened on July 2, 2024. The low bid from Resource Environmental Incorporated in the amount of \$1,285,000 complies with the requirements of the specifications. The other bid ranged between \$1,782,390 to \$3,999,478, while the engineer's estimate for this project was approximately \$2,880,000. For this contract, Metropolitan established a Small Business Enterprise participation level of at least 25 percent of the bid amount. Resource Environmental Incorporated has agreed to meet this level of participation. The subcontractors for this contract are listed in **Attachment 3**.

This action awards a \$1,285,000 contract to Resource Environmental Incorporated for abatement and roof replacement of 14 houses at four Colorado River Aqueduct Pumping Plant villages. 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 9 to 15 percent. For this project, the performance metric goal for inspection is 12.4 percent of the total construction cost (\$1,285,000).

Project Milestone

May 2025 – Completion of construction



Keith Nobriga
Group Manager
Integrated Operations, Planning, and
Support Services

8/21/2024

Date



Deven Upadhyay
Interim General Manager

8/23/2024

Date

Attachment 1 – Allocation of Funds

Attachment 2 – Abstract of Bids

Attachment 3 – Subcontractors for Low Bidder

Attachment 4 – Location Map

Ref# wso12702099

Allocation of Funds for CRA Housing Demolition and Roof Replacement

	Current Board Action (Sept. 2024)
Labor	
Studies & Investigations	\$ -
Final Design	-
Owner Costs (Program mgmt., envir. monitoring)	186,000
Submittals Review & Record Drwgs.	4,000
Construction Inspection & Support	155,000
Metropolitan Force Construction	
Materials & Supplies	-
Incidental Expenses	-
Professional/Technical Services	-
Right-of-Way	-
Equipment Use	-
Contracts	-
Resource Environmental Incorporated	1,285,000
Remaining Budget	90,000
Total	\$ 1,720,000

The total amount expended to date for the Desert Housing and Recreation Interim Action Plan is approximately \$4.6 million. The total estimated cost to complete the CRA housing roofing and demolition, including the amount appropriated to date, funds allocated for the work described in this action, and future construction costs, is \$10 million.

The Metropolitan Water District of Southern California

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

Specifications No. 2064

Colorado River Aqueduct Employee Housing Demolition and Roof Replacement

The work includes abatement, roof replacement of fourteen houses located at four CRA Pumping Plant Villages, and demolition of eight houses that are beyond their expected useful life and have been deemed surplus.

Engineer's estimate: \$2,880,000

Bidder and Location	Total	SBE \$	SBE %	Met SBE¹
Resource Environmental Incorporated Cerritos, CA	\$1,285,000	\$321,250	25%	Yes
Shipley Construction and Plumbing Yucca Valley, CA	\$1,782,390	-	-	-
Environmental Construction Group Incorporated Signal Hill, CA	\$1,976,400	-	-	-
Wakeco Incorporated Temecula, CA	\$2,196,000	-	-	-
Spectrum Builders and Renovations Incorporated Sacramento, CA	\$2,277,904	-	-	-
AME Builders Incorporated Pomona, CA	\$2,602,500	-	-	-
Knight Commerical Services – CA LLC Addison, TX	\$2,691,458	-	-	-
Rite-Way Roof Corporation Fontana, CA	\$3,999,748	-	-	-

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

The Metropolitan Water District of Southern California**Subcontractors for Low Bidder****Specifications No. 2064****CRA Employee Housing Demolition and Roof Replacement****Low bidder: Resource Environmental Incorporated**

Subcontractor	Service Category; Specialty
Billmans Cool Roofing Company Stockton, CA	Roofing

Location Map

