



● **Board of Directors**

Real Property and Asset Management Committee

3/8/2022 Board Meeting

7-8

Subject

Authorize an agreement with Kennedy Jenks Consultants in an amount not to exceed \$1.5 million for design of on-site utility systems to serve the Diamond Valley Lake East Marina; the General Manager has determined that this proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This action authorizes the design of internal, on-site water and sewer utility systems at the Diamond Valley Lake (DVL) East Marina through an agreement with Kennedy Jenks Consultants. The design and eventual construction of permanent on-site utility systems are needed to encourage the development and expansion of financially self-sustaining recreation amenities available to the public at the DVL East Marina.

Metropolitan's recreation planning efforts at DVL envision the influx of private investment to develop and expand recreation offerings, while Metropolitan's role would be to provide basic on-site water and sewer systems to support private development served by the local retail water and sewer provider, Eastern Municipal Water District. Opportunities that may attract private investment for development are hindered by the lack of permanent potable water and sewer facilities at the DVL East Marina site. Previous discussions with the marina industry have highlighted additional revenue-generating amenities that could be constructed by the private sector if the necessary utility infrastructure was in place. Such amenities may include camping with utility connections for recreational vehicles, hot food and beverage services, event hosting, retail and recreational lodging. Additionally, the existing marina concessionaire has proposed developments which may enhance their business, such as fish cleaning stations, waterfront camping, cabins, and shower facilities.

In 2004, the Metropolitan Board directed staff to consolidate all costs for DVL recreation into one appropriation (15334). The Board also determined that all costs to develop recreation at DVL would be funded from DVL capital construction budgeted funds remaining unspent, and from the proceeds derived from the future sales of DVL surplus properties. In 2021, staff finalized the disposition of 12 parcels, and sales proceeds in the amount of \$4,461,421 were added to the DVL Recreation Appropriation 15334, which now has \$21,174,122 remaining in appropriated funds.

Details

Background

In 1997, Metropolitan's Board adopted the Draft Eastside Reservoir Recreation Plan (Recreation Plan), which included the Recreation Guiding Principles and the Business Planning Framework that envisioned private sector funding in the development and operation of the recreation complex. The intent of the Business Planning Framework was to seek private sector capital investments that would enable recreation to become financially independent after Metropolitan completed construction of the core recreational infrastructure. The Recreation Plan was developed with input from a Recreation Working Group (RWG) Metropolitan formed in 1992. The RWG consisted of community groups, landowners, recreation groups, governmental agencies, and others. The adopted Recreation Plan included the development of the DVL East Marina, which opened in October 2003 following the completion of the reservoir.

To date, Metropolitan constructed the DVL East Marina access road, boat launch ramps, floating restrooms, floating boarding dock facilities, electric utilities, restrooms, and the first part of a floating wave attenuator

system; with the second part now in the final design phase. Currently, potable water is brought up to the DVL East Marina by trucks and is stored in two, 3,000-gallon water storage tanks that serve the restrooms and provides standby water for fire protection purposes. Sewage is collected in a containment tank and is removed from the site by a private sewage service.

In 2019, staff worked with Kennedy Jenks Consultants to update and finalize an engineering study to bring potable water and sewer utilities to the DVL East Marina by building on-site utility systems that would connect to master potable water and sewer meters at connection points with the local service provider, Eastern Municipal Water District. This study identified basic criteria such as system capacity, fire protection for a fully developed site, route alignments, water conservation practices, and operational and maintenance requirements.

Diamond Valley Lake East Marina Utility Improvements – Preliminary and Final Design

The planned work includes installation of 6,000 linear feet of potable water lines, a 10-inch cement mortar lined and coated (CML&C) combined operational and fire flow line; 8-inch CML&C potable water line; 400,000-gallon capacity storage for fire protection; connection to the sprinkler system and fire hydrant; 8-inch gravity sewer line; 8-inch forced sewer line; sewer lift station; and construction of a new access road to the water storage area. The proposed work will meet the utility demands from a fully developed DVL East Marina and meet current local jurisdictional agency requirements.

A total of \$3,400,000 is required for this work. Allocated funds include a total of \$1,500,000 for design activities (includes \$500,000 for preliminary design and \$1,000,000 for final design activities) by Kennedy Jenks Consultants, as described below; and a total of \$300,000 for value engineer and constructability workshop and geotechnical investigations. The workshops and geotechnical investigations will be performed by specialty firms under contracts planned to be executed under the General Manager's Administrative Code authority to award contracts of \$250,000 or less. Other allocated funds for Metropolitan staff activities include; \$576,000 for technical review; \$534,000 for project management, project controls and bidding, preparation of environmental documentation, survey and mapping; and \$490,000 for remaining budget.

As described above, final design will be performed by Kennedy Jenks Consultants. Engineering Services' performance metric target range for final design with construction more than \$3 million is 9 to 12 percent. For this project, the performance metric goal for final design is 11 percent of the total construction cost. The estimated cost of design is \$1.33 million, which includes \$1,000,000 for Kennedy Jenks Consultants and \$330,000 for Metropolitan staff. The estimated cost of construction for this project is anticipated to range from \$12 million to \$14 million.

Agreement for Engineering Design Services (Kennedy Jenks Consultants)

The design for the DVL East Marina on-site utility improvements is recommended to be performed by Kennedy Jenks Consultants. This consultant was prequalified to provide design services through a competitive process via Request for Qualifications No. 1131. Subsequently, Kennedy Jenks was selected based on its previous experience with utility design work at DVL, their preparation of the 2019 Utility Study Report, and their experience with the specialized nature of this work.

The planned activities for Kennedy Jenks include: (1) site reconnaissance; (2) finalizing alignment alternatives for the sewer, water, and electrical lines to utility system equipment; (3) geotechnical exploration; (4) preparation of preliminary design report; (5) conducting a surge analysis; and (6) preparation of plans and specifications for final design and development of cost estimates.

This action authorizes an agreement with Kennedy Jenks Consultants for a not-to-exceed amount of \$1,500,000 to provide engineering design services for the DVL East Marina utilities improvements. For this agreement, Metropolitan has established a Small Business Enterprise participation level of 25 percent. Kennedy Jenks has agreed to meet this level of participation. The subconsultants for this agreement are listed in **Attachment 2**.

Alternatives Considered

Alternatives considered for completing design activities for the DVL East Marina utilities improvements included utilizing in-house Metropolitan staff to conduct this work. Metropolitan's staffing strategy for utilizing consultants and in-house Metropolitan staff has been: (1) to assess current work assignments for in-house staff to determine the potential availability of staff to conduct this work; and (2) to use project-specific professional services agreements when resource needs exceed available in-house staffing or require specialized technical expertise in order to provide a concentrated engineering effort over an extended duration.

This strategy relies on the assumption that in-house engineering staff will handle the baseload of work on capital projects, while professional services agreements are selectively utilized to handle projects above this baseload or where specialized needs are required. This strategy allows Metropolitan's staff to be strategically utilized on projects to best maintain key engineering competencies and to address projects with special needs or issues. After assessing the current workload for in-house staff, and the relative priority of this project, staff recommends utilizing a professional services agreement for this work. This approach will allow for completion of not only this project, but also other budgeted capital projects within their current schedules and ensure that the work is conducted in the most efficient manner possible.

Summary

This action authorizes the General Manager to enter into an agreement with Kennedy Jenks Consultants to perform design activities for on-site potable water distribution and wastewater collection systems within Metropolitan's Diamond Valley Lake Reservoir property in order to support the DVL East Marina. This project would enable Metropolitan to attract additional private investment for the development of additional revenue-generating amenities that will reduce reliance on Metropolitan's resources in the future. Moving forward with this project is in alignment with Metropolitan's goal to construct basic recreational infrastructure to seek the development of financially feasible recreation projects.

This project has been evaluated and recommended by Metropolitan's CIP Evaluation Team, and funds are available within the fiscal year 2021/22 capital expenditure plan. See **Attachment 1** for the Allocation of Funds, **Attachment 2** for the List of Subconsultants, and **Attachment 3** for the Location Map.

Project Milestones

October 2022 – Complete preliminary design to improve utilities at the DVL East Marina

June 2023 – Complete final design to improve utilities at the DVL East Marina

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

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves only feasibility or planning studies for possible future actions which the Board has not approved, adopted or funded (Section 15262 of the State CEQA Guidelines). In addition, the proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines because the proposed action involves basic data collection and research activities which do not result in a serious or major disturbance to an environmental resource, which may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded (Class 6, Section 15306 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize an agreement with Kennedy Jenks Consultants in an amount not to exceed \$1.5 million for design of on-site utility systems to serve the Diamond Valley Lake East Marina.

Fiscal Impact: Expenditure of \$3,480,000 in capital funds. Approximately \$300,000 will be incurred in the current biennium. The remaining funds from this action will be accounted for from Appropriation 15334, which was credited in October 2021 with \$4.46 million in net proceeds from the sale of DVL surplus property.

Business Analysis: This option will decrease Metropolitan's long-term financial obligation to the DVL East Marina and induce private capital investment for expanded amenities and development that will generate additional revenue and make the DVL East Marina more financially self-sustaining. Additionally, it will build goodwill with the local residents, community leaders, civic partners, and MOI Committee member agencies.

Option #2

Do not proceed with the project.

Fiscal Impact: None

Business Analysis: This option will continue to make the DVL East Marina dependent on Metropolitan resources, will limit the public's access to the DVL area to the scope of the current amenities, and will communicate a lack of commitment on the part of Metropolitan to provide the necessary infrastructure to the DVL East Marina for private development and expansion of recreation amenities.

Staff Recommendation

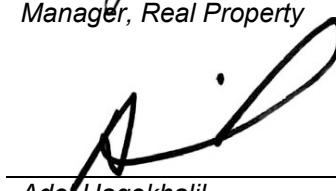
Option #1



2/22/2022

Date

Lilly L. Shraibati
Manager, Real Property



3/2/2022

Date

Adel Hagekhalil
General Manager

Attachment 1 – Allocation of Funds

Attachment 2 – List of Subconsultants

Attachment 3 – Location Map

Ref# RPDM12685429

Allocation of Funds for the Diamond Valley Lake Utilities Improvements

	Current Board Action (Mar. 2022)
Labor	
Studies & Investigations	\$ 246,000
Final Design	330,000
Owner Costs (Program mgmt., envir. monitoring)	534,000
Submittals Review & Record Drwgs.	-
Construction Inspection & Support	-
Metropolitan Force Construction	-
Materials & Supplies	-
Incidental Expenses	-
Professional/Technical Services	-
Right-of-Way	-
Equipment Use	-
Contracts	-
Value Engineering	150,000
Geotechnical	150,000
Kennedy Jenks (Design)	1,500,000
Remaining Budget	490,000
Total	<u>\$ 3,400,000</u>

The total amount expended to date is approximately \$185,000. The total estimated cost to complete this project, including the amount appropriated to date and funds for the work described in this action, is anticipated to range from \$15 million to \$16 million.

The Metropolitan Water District of Southern California**Subconsultants for Consultant****Diamond Valley Lake Marina Utilities Improvements**

Consultant: Kennedy Jenks

Subconsultants and Location
Ninjo Moore Irvine, CA
Saylor Consulting San Francisco, CA
Terrazas Group, Pasadena, CA
Scott Foster La Canada Flintridge, CA

Distribution System

