

MINUTE ITEM

This Calendar Item No. 31  
was approved as Minute Item  
No. 31 by the State Lands  
Commission by a vote of 2  
to 0 at its 8/26/76  
meeting.

CALENDAR ITEM

8/76  
W 10306  
WMT

31.

PROPOSED EXPENDITURE OF TIDELAND OIL REVENUE  
FOR SUBSIDENCE REMEDIAL WORK  
CITY OF LONG BEACH

SUBSIDENCE REMEDIAL PROJECT:  
Windham Avenue, 20-inch diameter Water Main.

SUBSIDENCE ELEMENTS:

A. City's Analysis: This project contains  
subsidence costs inas-  
much as the work con-  
sists of replacement  
facilities damaged by  
subsidence.

B. Staff Analysis: The staff agrees with  
the City's preliminary  
estimate.

COST OF THE PROJECT:

A. City's Estimate: \$270,000 (2nd Phase).

Subsidence Portion: 50.1% or \$135,270.

B. Staff Comment: Reasonable.

STATUTORY AUTHORITY:

A. City's Reference: Chapter 138/64, 1st E.S.

B. Staff Determination: Agreement.

FISCAL IMPACT: 100% of subsidence cost to be borne by the  
State.

COMPLIANCE WITH CALIFORNIA ENVIRONMENTAL QUALITY ACT OF  
1970, AS AMENDED:

The City of Long Beach Planning Commission  
made determination that this project, to  
construct a 20-inch water main, is categori-  
cally exempt from the requirement for pre-  
paration of an environmental impact report.

OTHER PERTINENT INFORMATION:

Details of the project are set forth in  
letter dated July 15, 1976, from the City  
supplying supportive material and making re-  
quest for prior approval of the Commission.

A 52, 57, 58

S 27, 31

CALENDAR ITEM NO. 31. (CONTD)

EXHIBITS: A. Cost Estimate. B. Vicinity Sketch.  
C. Detail Sketch.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF 14 CAL. ADM. CODE 15100 ET SEQ., AND PRC 21085.
2. APPROVE COSTS PROPOSED TO BE EXPENDED BY THE CITY OF LONG BEACH, INCLUDING SUBSIDENCE REMEDIAL WORK, AS INDICATED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF, FOR THE PERIOD FROM AUGUST 26, 1976, TO TERMINATION DATE; SUBJECT TO THE CONDITIONS THAT THE AMOUNTS, IF ANY, OF EACH OF THE ITEMS TO BE ALLOTTED ULTIMATELY AS SUBSIDENCE COSTS, DEDUCTIBLE UNDER SECTION 4, (D) OF CH. 138/64 1ST. E.S., WILL BE DETERMINED BY THE COMMISSION UPON AN ENGINEERING REVIEW AND FINAL AUDIT SUBSEQUENT TO THE TIME WHEN THE WORK UNDER ANY OF THESE ITEMS IS COMPLETED, AND THAT THE WORK CONFORM IN ESSENTIAL DETAILS TO THE PLANS AND BACK-GROUND MATERIAL HERETOFORE SUBMITTED TO THE COMMISSION. IT IS FURTHER RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTION OF APPROPRIATE WRITTEN INSTRUMENTS REFLECTING THE COMMISSION'S CONDITIONAL APPROVAL.

Attachment: Exhibit "A"

EXHIBIT "A"

<u>ITEM</u>	<u>AFE</u>	<u>WORK PROPOSED</u>	<u>LBHD ESTIMATED PROJECT EXPENDITURES AUGUST 26, 1976 TO TERMINATION</u>	<u>ESTIMATED SUBSIDENCE COSTS</u>
1	1104	Windham Avenue, 20-inch Water Main  (2nd Phase)	\$270,000	\$135,270 (50.1%)

NOTE: The term "2nd Phase" consists of additional costs approved subsequent to review of detail construction plans and/or other data sufficient to guide construction operations.

## EXHIBIT "A"

DEPRECIATION ALLOWANCE

The 20" replaces the 12".

Cost of 12" is estimated to be as follows:

2,660 linear feet of 12" ACP @ \$20/linear foot	\$ 53,200
Laterals, fire hydrants, and services	24,000
Pavement replacement	14,000
Engineering	18,800
TOTAL	<u>\$110,000</u>

The original 12" was constructed in 1945

$$\frac{\text{ENR } 1945 \quad 308}{\text{ENR } 1974^* \quad 2,098} = .1468$$

$$.1468 \times \$110,000 = \text{original cost,} \quad \$ 16,148$$

$$\frac{\text{Actual Life } 1945-1975 \quad 30 \text{ years}}{\text{Expected Life } 50 \text{ years}} = .6$$

$$.6 \times \$16,148 = \text{depreciation allowance,} \quad \$ 9,689$$

ALLOWABLE SUBSIDENCE COSTS

Cost of new 12"	\$110,000
Mudjacking of existing 12" C.I. water main	12,000
Pavement removal	14,000
Force Account	16,000
Contingency	8,000
Total Replacement Cost	\$160,000
Depreciation	( 9,689)
Allowable Subsidence Costs	<u>\$150,311</u>

$$\text{Subsidence \%} = \frac{\$150,311}{\$300,000} \times 100 = 50.1\%$$

\*ENR index for December 1974.

NOTE: The final amount to be allowed as subsidence cost will be subject to verification of data pertinent to the original 12-inch water main and adjustment based on an analysis of the actual construction cost.