

June 18, 1999

To: Board of Directors (Budget and Finance Committee—Information)
(Engineering and Operations Committee—Information)

From: General Manager _____

Submitted by: Chief Engineer _____

Assistant Chief Engineer _____

Subject: Monthly Project Status Report for the Eastside Reservoir Project –April 1999
[Any discussion of claims will be heard in closed session - Conference with
Legal Counsel - Significant Exposure to Litigation (two matters) pursuant to
Gov. Code Section 54956.9(b).]

RECOMMENDATION(S)

For information only.

EXECUTIVE SUMMARY

This report summarizes progress and provides highlights for the Eastside Reservoir Project for the month ending May 1999, and for actual costs as of April 1999.

DETAILED REPORT

The Eastside Reservoir Project is forecasting initial filling of the reservoir in December 1999. The project budget is projected to increase from \$1.972 billion to \$2.087 billion, reflecting current estimates to complete remaining work. Current project information is attached, reflecting total budget and schedule summaries.

The West Dam, Saddle Dam, and Forebay contractor, Atkinson-Washington-Zachry (AWZ), continued placing materials in all areas of the West Dam and Saddle Dam embankments. The West Dam embankment is approximately 193 feet above the original ground elevation (91% complete) and is maintaining an embankment placement rate sufficient to meet the forecasted completion date in November 1999.

The East Dam contractor, Kiewit-Granite, is placing embankment material in the south end of the East Dam (57 feet above ground level); the north end of the dam is up to within 9 feet of the dam crest (77% complete overall). At current placement rates and per the revised schedule, work is anticipated to be complete in December 1999.

The P-1 Pumping Plant contractor, Advanco Constructors, continued with foundation and encasement work; installation of electrical and switchyard, HVAC and piping materials; installation of pumps and motors; installation of various architectural components; and continued assembly of the spherical valve. Work is forecasted for completion in January 2000, however, formal turnover of the pumps to the Metropolitan start-up team will begin in September 1999.

AWZ, the Inlet/Outlet Tower contractor, continued with placement of structural concrete and mass concrete in areas of the emergency gate, valve tower, and anchor head. Work is forecasted to complete in January 2000. The Tower is capable of delivering water to the reservoir in December 1999. The Inland Feeder Pressure Control Structure contractor, Advanco Constructors, continues to perform work ahead of schedule and is forecasted to be completed in October 1999.

The Secondary Inlet contractor, J. F. Shea Co., Inc., continued with placement of concrete slabs at the Valve Structure and placement of pipe for the cut and cover pipeline from the south portal area Spool Structure to the Jet Structure. Work is forecasted to complete in October 1999. The North Rim contractor, J. F. Shea Co., Inc., continued work at the portal structure and vent shafts and subcontractor Sudhakar began drilling holes for grout and drain nipple installation. Work is forecasted to be completed in January 2000.

The West Dam Earthwork contractor, Ford Construction Co. Inc. continued with the excavation of the North Retention Basin, began excavation of the South and Central Retention Basins and continued rough grading for the road to the Signal Spillway, Marina, and the High Water Road. Work is forecasted to be completed in December 1999.

Remaining contracts to be awarded in order to complete the reservoir project, are the High Water Road (North and South segments), Signal Spillway, Fencing, Site Completion, Tank Saddle Cut-off Wall and several other smaller contracts.

CONTINGENCY REPORT

Consistent with findings of the recent Vargas, Lopez audit, project staff has conducted an analysis of remaining risk for each of the 57 open line items on the project. This analysis was supported by a risk simulation to confirm the level of required contingency. The contingency of \$81,400,000 provides over a 99% assurance of meeting the project budget. As previously noted, this amount excludes any requirements for disputed claims. This amount is a reduction of \$4.4 million from the previous month. The contingency was able to be reduced as a result of a reduction in scope of some line items and a reassessment of remaining risk.

ISSUES AND CONCERNS

While the project is proceeding towards an initial pump fill date in December and a timely completion of remaining work in the first quarter of 2000, there are several concerns which management is addressing which could potentially impact the schedule or cost of the project.

The Pumping Plant Contractor, Advanco, continues to work a single shift on electrical work and is behind schedule on wiring the pump motors and controls. An agreement is being negotiated to

mitigate all remaining cost, delay, and disruption issues. However, delays have occurred and a detailed schedule to complete all remaining work, which carefully integrates start-up activities, is being prepared.

The West Dam contractor (AWZ) is being directed to supply an additional 1 million tons of 6 inch minus rock to the East Dam, which will increase costs and possibly incur some schedule delay. Metropolitan is working with the contractor to mitigate any impacts. Costs of these changes are included in current budget projections.

Both the dam contractors experienced reduced embankment productivity this period resulting from equipment breakdowns. These delays can be recovered.

The I/O Tower contractor (AWZ) experienced delays in placing the tendon sheaths, which the contractor projects recovering by resequencing activities at the end of the project.

DGM/kv/hjg

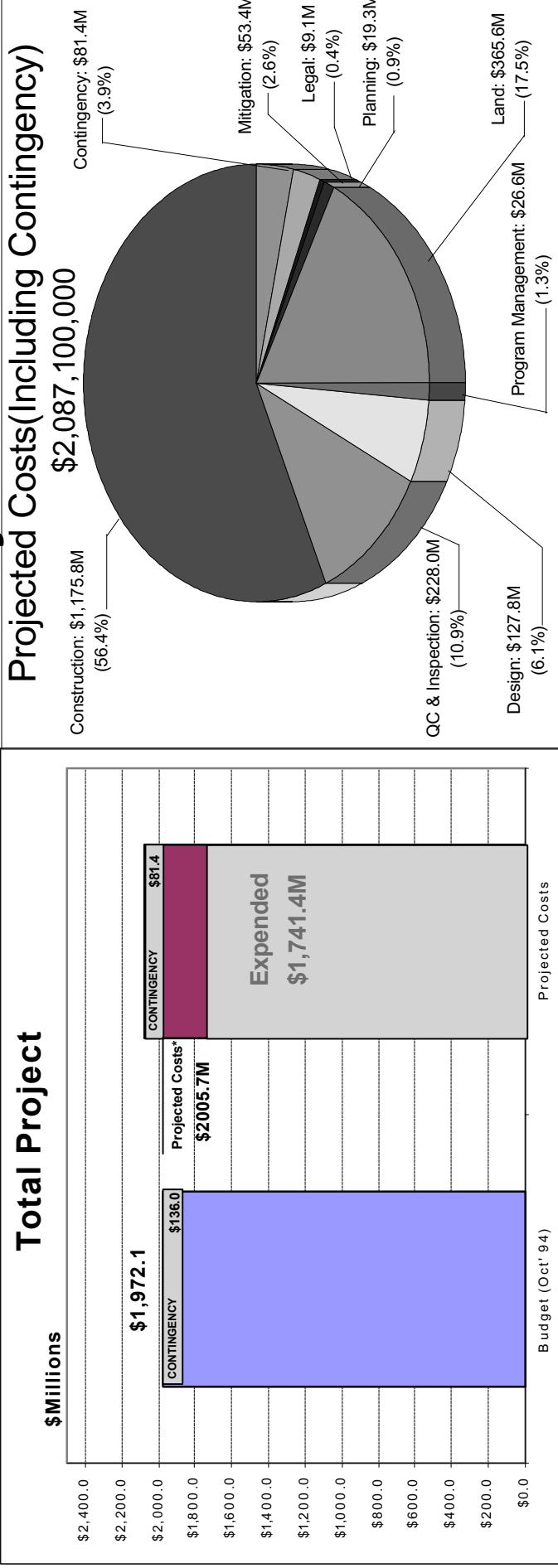
Attachment 10-6A

Attachment for 10-6

Engineering Division

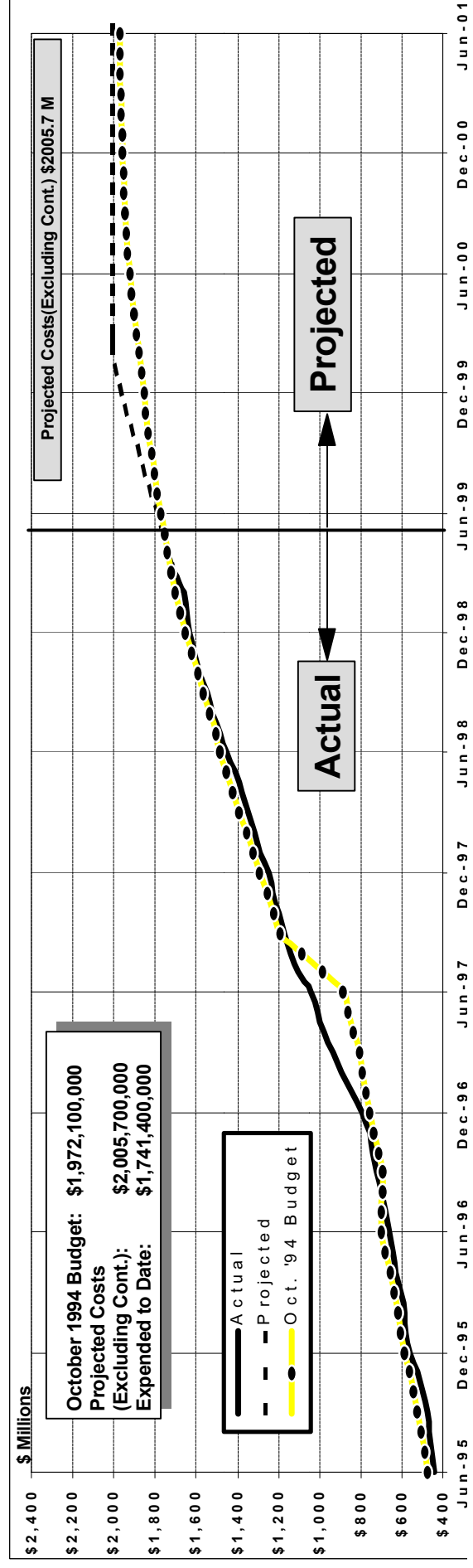
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Financial Summary



*Based on knowledge of current field conditions.

Project Cash Flow



Attachment for 10-6

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Schedule Summary

DESCRIPTION	PROGRESS		COMPLETION DATE		COMMENTS
	PLANNED ¹	ACTUAL	CONTRACT ²	FORECAST	
	P-1 Pumping Plant	81%	76%	Oct-99	
Secondary Inlet	87%	83%	Oct-99	Oct-99	Delays in concrete placement.
East Dam Embankment	80%	77%	Nov-99	Dec-99	Behind schedule due to changes in the sequence of construction (3 dam sequence vs. a 2 dam sequence).
North Rim Remediation	64%	65%	Jan-00	Jan-00	On schedule.
West Dam - Saddle Dam - Forebay	92%	91%	Nov-99	Nov-99	Embankment placement remains on schedule.
Inlet / Outlet Tower	76%	75%	Jan-00	Jan-00	Ahead of schedule. Capable of pumping through the Tower in December.
Inland Feeder Pressure Control Structure	79%	83%	Nov-99	Oct-99	Ahead of schedule.
West Dam Earthwork	30%	40%	Dec-99	Dec-99	Ahead of schedule.

1. Current approved schedule 2. Original contract duration + approved extensions

Available Contingency

