

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

September 12, 2000 Board Meeting

10-1

Subject

Diamond Valley Lake Project (DVLP) Status Report for July 2000

Description

All major facilities at the Diamond Valley Lake are complete. As of August 21, the reservoir contains approximately 253,000 AF of water and the water surface is at approximate elevation 1623, ahead of the planned fill schedule.

By July 31, 11 of the 12 pumps at the Hiram W. Wadsworth Pumping Plant were operable. The pump contractor, Nissho Iwai America Corporation, is now on schedule to complete installation of all 12 pumps by mid-August. Performance testing of the pumps continues.

The status of the remaining contracts required to satisfy reservoir project commitments is as follows: Security fencing around the project perimeter will be completed in two phases. The initial phase will provide security fencing around the east end of the project area, including the East Recreation Area. The contract was advertised in early May and bids were opened on June 21. The contract was awarded by the General Manager on July 26 to All Cities Fence and Construction, Ontario, California, a certified Minority-Owned Business Enterprise, for \$153,550. The second phase, providing security fencing around the north and west ends of the project area, including the north hills and West Recreation Area, will be advertised in September.

Restoration of areas disturbed during the construction of the reservoir is required by the Project Final Environmental Impact Report (FEIR). The Seed Application contract will provide erosion and dust control by hydroseeding the Multi-Species Reserve corridors and both recreation areas. Award of the Seed Application contract will be included under a separate letter to the Board for action next month.

The high water roads will provide continuous access around the perimeter of the reservoir. The North Rim High Water Road will provide operational access from the Saddle Dam to the north abutment of the East Dam. The roadway will be constructed to accommodate maintenance vehicles used for reservoir clearing, for transporting chemical supplies, and for fire management and emergency response. Award of the North Rim High Water Road contract will be included under a separate letter to the Board for action next month.

The South Rim High Water Road will provide operational access from the south abutment of the West Dam to the south abutment of the East Dam. Since the south segment requires a significant amount of design effort and regulatory coordination, this contract will be advertised later this summer. Criteria used to design these roads are based on operational needs. Recreational needs will be addressed at a later date as recreation plans are developed.

PROJECTED TOTAL COSTS

The revised total DVLP budget of \$2,087.1 million was established at the July 1999 Board meeting. Since that time, projected total costs have increased by \$14.9 million, from \$2,002.6 million to \$2,017.5 million. The latter projected cost includes resolution of the East Dam claims in the amount of \$9.4 million. Total expenditures to date are \$1,957.6 million, including \$38 million for settlement of the West Dam claim and \$5.6 million recreation actuals that will be transferred to Recreation at a future date.

Expenditures also include the purchase of properties surrounding the reservoir operating area and the Multi-Species Reserve. Property usage is being evaluated with the possibility that several areas will be designated as

surplus in the future. Any proceeds realized by Metropolitan by the sale or turnover of these properties will be credited to the project budget, thereby decreasing the projected total cost of the project. (See [Attachment 1](#) for a financial summary, [Attachment 2](#) for a schedule summary). Financial information presented in this Board letter is consistent with financial data (July 31, 2000) reviewed by Antoinette Christovale (Assistant Chief Financial Officer) and David Gledhill (DVLP Evaluation Team manager).

EXPENDITURES (July 2000) include West Dam Claims Settlement & Recreation Actuals		\$1,957.6 million
WORK IN PROGRESS includes Dam Deformation Monitoring; Pump Procurement Contract; Phase 1 Perimeter Fencing Contract; Seed Purchase Contract; Environmental Documentation; Labor for DVLP Management, Design Staff, Construction Management, & Environmental Support		\$22.7million
East Dam Claims Settlement		\$9.4 million
REMAINING WORK		
Perimeter Fencing (Phase 2) Construction Contract	\$1.5 million	
High Water Road (North & South) Construction Contracts	\$14.3 million	
Disturbed Area Seeding Contract	\$3.6 million	
Miscellaneous Completion Contracts	\$3.5 million	
Miscellaneous Environmental Activities	\$0.8 million	
Labor – Design & Construction Management	\$3.8 million	
Project Labor Agreement	\$0.3 million	
SUBTOTAL		\$27.8 million
TOTAL PROJECTED COSTS		\$2,017.5 million
REMAINING BUDGET		\$69.6 million
TOTAL PROJECT BUDGET		\$2,087.1 million

RECENT DEVELOPMENTS

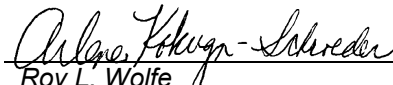

Mediation of the East Dam claims was conducted by a professional construction claims mediator on May 11 and 12 and a third day on August 11, 2000. On August 11, the parties agreed that all East Dam and West Dam Foundation Excavation claims would be resolved and the pending litigation will be dismissed for payment of \$9.4 million.

Policy

Board Request.

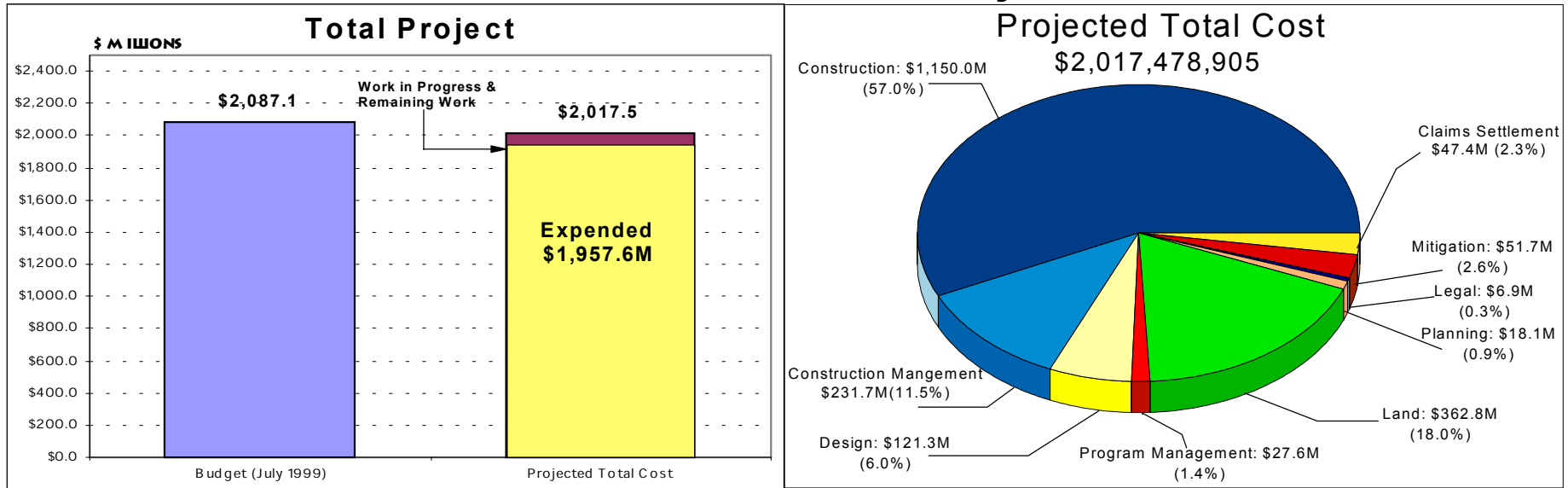
Fiscal Impact

Refer to Table and Attachments.

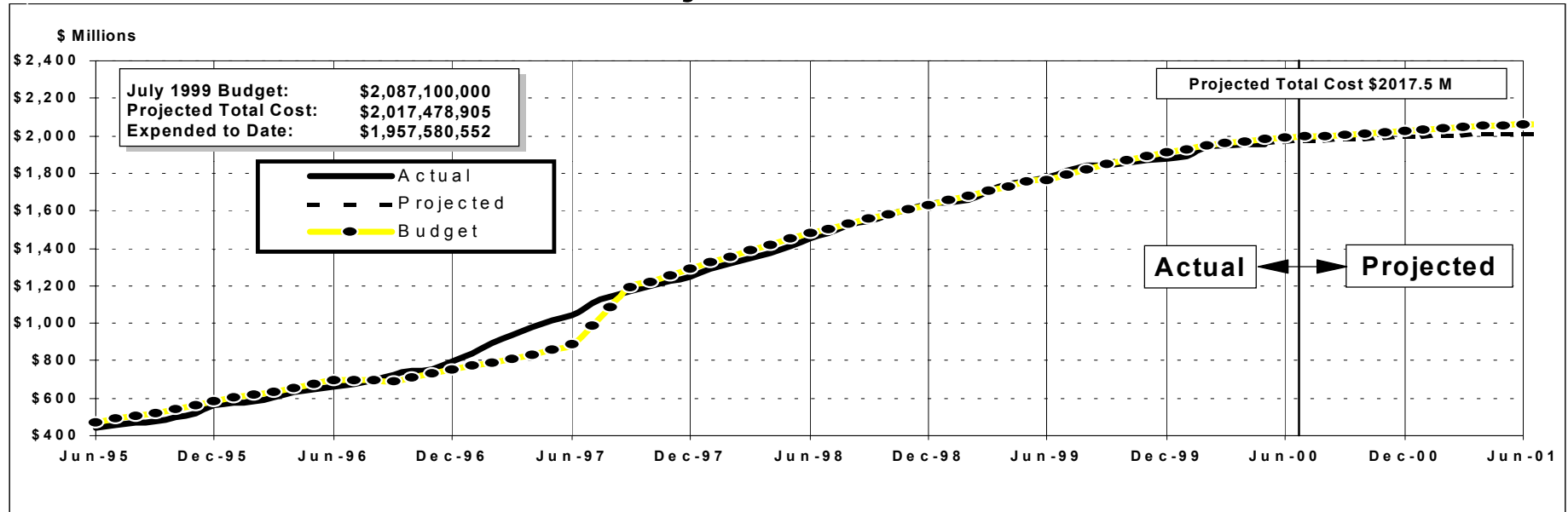
	8/24/2000
for Roy L. Wolfe Manager, Corporate Resources	Date
	8/28/2000
General Manager	Date

[Attachment 1 - Financial Summary/Project Cash Flow](#)
[Attachment 2 - Schedule Summary/Remaining Budget](#)

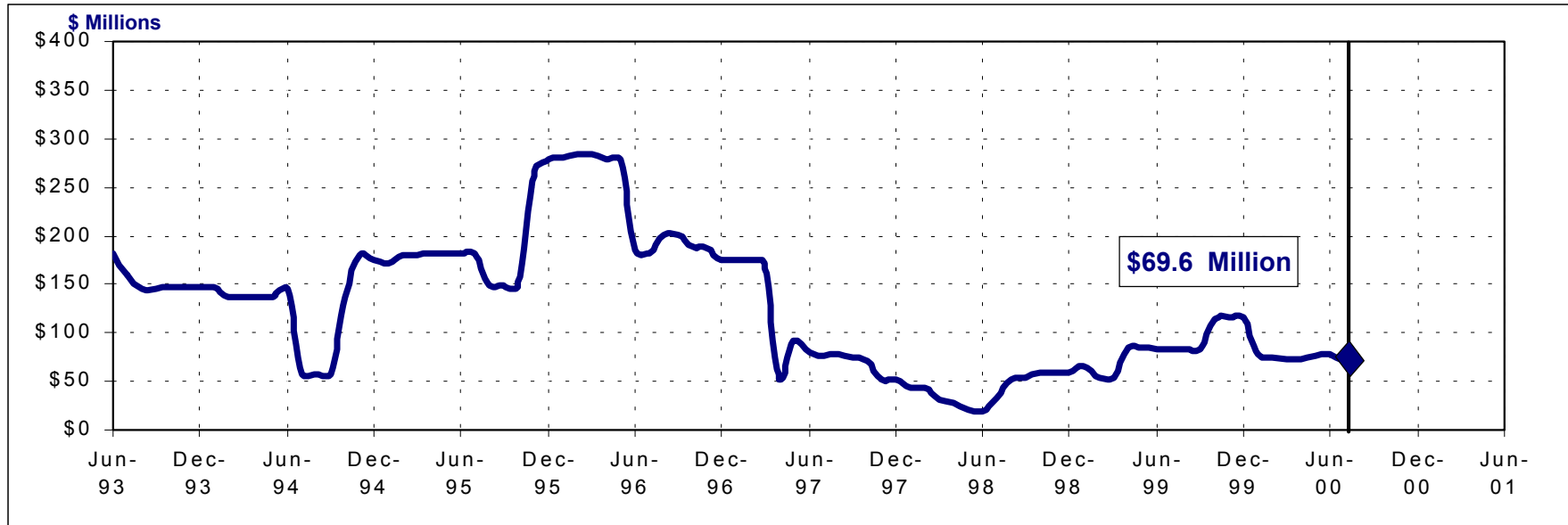
Financial Summary



Project Cash Flow



Remaining Budget



Note: Remaining Budget equals the revised total budget (July 1999) minus the Projected Total Costs.