

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

October 17, 2000 Board Meeting

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**10-1**

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**Subject**

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

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**Description**

All major facilities at the Diamond Valley Lake are complete. As of August 28, the reservoir contains approximately 258,000 AF of water and the water surface is at approximate elevation 1625, ahead of the planned fill schedule.

By August 31, 11 of the 12 pumps at the Hiram W. Wadsworth Pumping Plant were operable. Commissioning and start-up activities are scheduled to be completed by November. Performance testing of the pumps is anticipated to be completed by January 2001. Water System Operations (WSO) staff has taken over the majority of day-to-day operations at the Hiram W. Wadsworth Pumping Plant.

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 General Manager awarded the contract on July 26, 2000, and the Notice to Proceed is anticipated by the end of September. 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, and will be coordinated with DVL's Master Development Plan for Recreation.

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 is included under a separate letter to the Board for action in October.

The high water roads will provide continuous access around the perimeter of the reservoir. Criteria used to design these roads are based on operational needs. 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, transporting chemical supplies, fire management, and emergency response. Award of the North Rim High Water Road contract is included under a separate letter to the Board for action in October.

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 in December.

**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 \$12.9 million, from \$2,002.6 million to \$2,015.5 million. The latter projected cost includes resolution of the Kiewit East Dam and West Dam Foundation Excavation claims in the amount of \$9.4 million. Total expenditures to date are \$1,959.9 million, including \$38 million for settlement of the West Dam claim and \$5.6 million recreation actuals that will be transferred to the Recreation appropriation 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 the remaining budget). Financial information presented in this Board letter is consistent with financial data (July 31, 2000) reviewed by the Office of the Chief Financial Officer and David Gledhill (DVLP Evaluation Team Manager).

|  |                |                          |
|--|----------------|--------------------------|
| <b>EXPENDITURES (August 2000)</b> include West Dam Claims Settlement & Recreation Actuals  |                | <b>\$1,959.9 million</b> |
| <b>WORK IN PROGRESS</b> includes Dam Deformation Monitoring; Pump Procurement Contract; Phase 1 Perimeter Fencing Contract; North Rim High Water Road Contract, Seed Application; Environmental Documentation; Labor for DVLP Management, Design Staff, Construction Management, & Environmental Support |                | <b>\$26.8million</b>     |
| <b>East Dam Claims Settlement</b>  |                | <b>\$9.4 million</b>     |
| <b>REMAINING WORK</b>  |                |                          |
| Perimeter Fencing (Phase 2) Construction Contract  | \$1.5 million  |                          |
| South Rim High Water Road Construction Contract  | \$11.0 million |                          |
| Miscellaneous Completion Contracts   | \$3.5 million  |                          |
| Miscellaneous Environmental Activities   | \$0.8 million  |                          |
| Labor – Design & Construction Management   | \$2.3 million  |                          |
| Project Labor Agreement  | \$0.3 million  |                          |
| <b>SUBTOTAL</b>  |                | <b>\$19.4 million</b>    |
| <b>TOTAL PROJECTED COSTS</b>   |                | <b>\$2,015.5 million</b> |
| <b>REMAINING BUDGET</b>  |                | <b>\$71.6 million</b>    |
| <b>TOTAL PROJECT BUDGET</b>  |                | <b>\$2,087.1 million</b> |

**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. This settlement was approved at the August 2000 Board meeting.

**Policy**


Board Request.

**Fiscal Impact**

Refer to Table and Attachments.

  
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 Roy L. Wolfe  
 Manager, Corporate Resources

9/28/2000  
 \_\_\_\_\_  
 Date

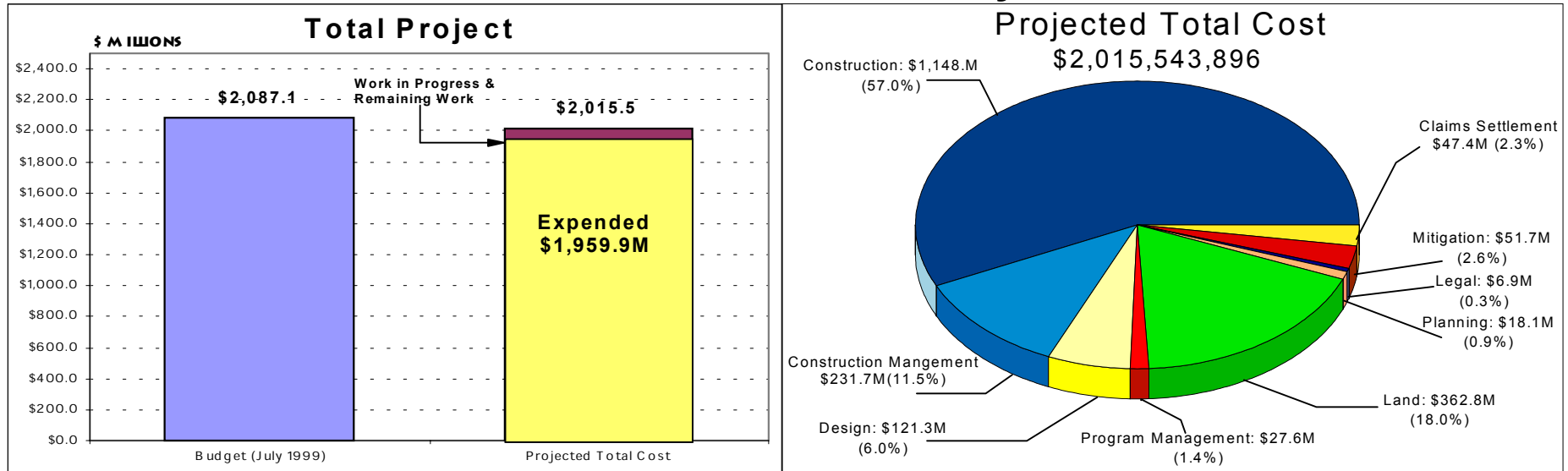
  
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 Ronald R. Foster  
 General Manager

9/29/2000  
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 Date

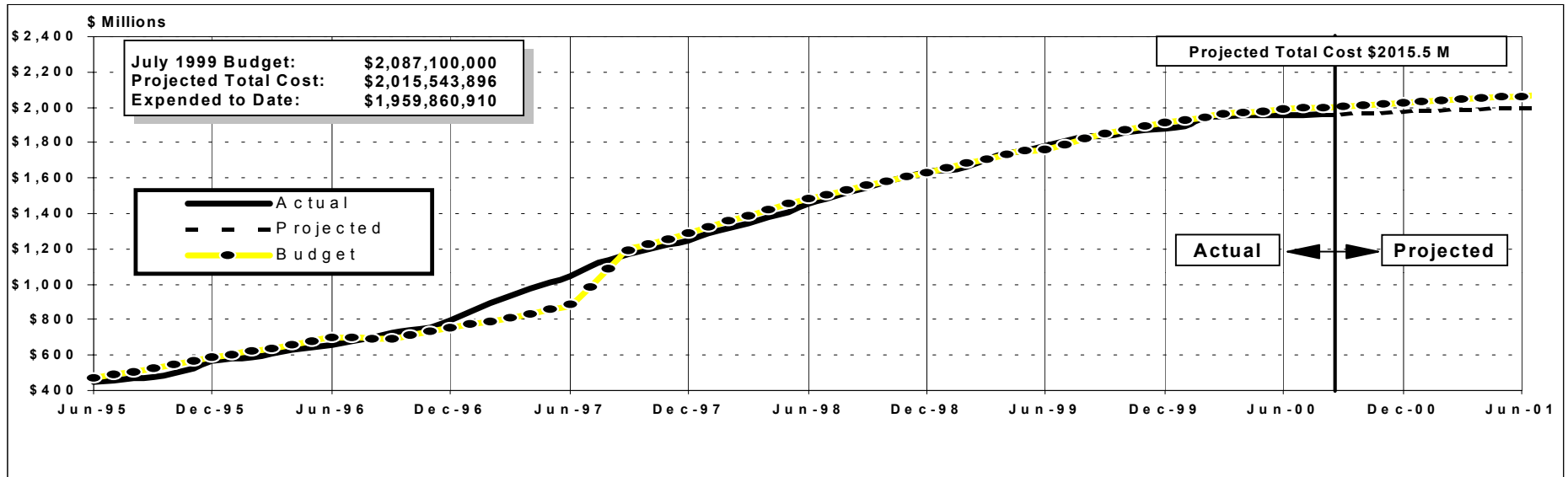
**Attachment 1 - Financial Summary/Project Cash Flow**

**Attachment 2 - Remaining Budget**

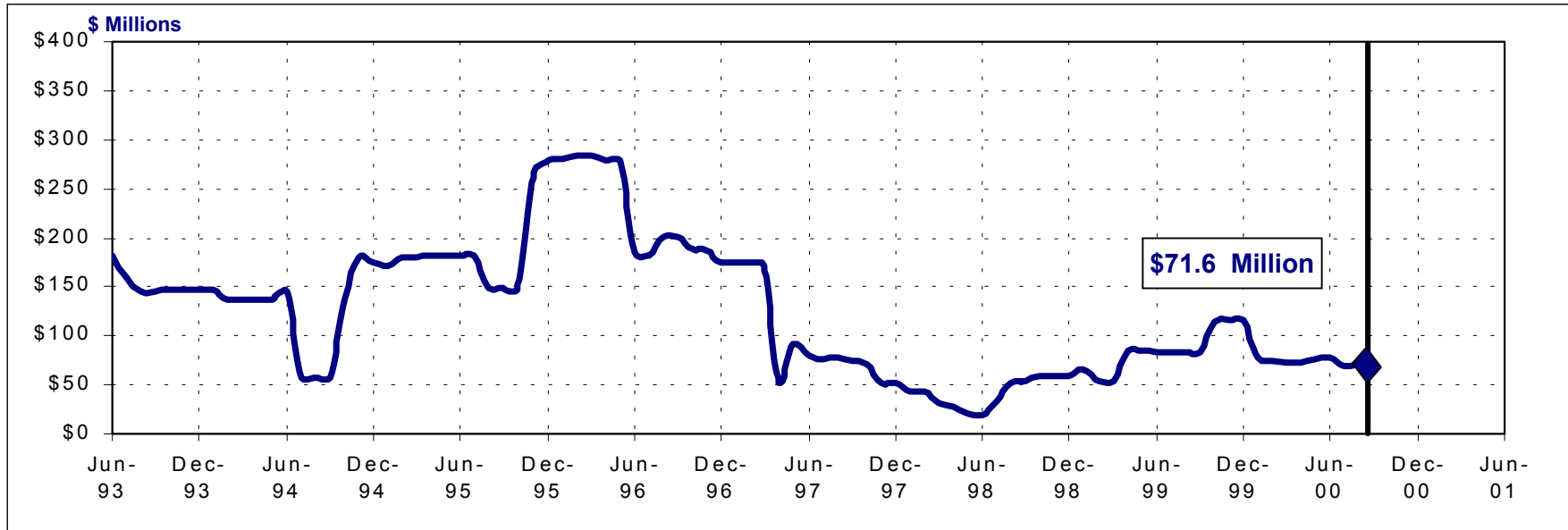
# Financial Summary



# Project Cash Flow



# Remaining Budget



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