

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

January 9, 2001 Board Meeting

10-1

Subject

Status report for the Diamond Valley Lake Project for the month ending November 2000

Description

All major facilities at Diamond Valley Lake (DVL) are complete. As of November 20, the reservoir contained approximately 355,600 acre-feet of water and the water surface elevation is approximately 1,644 feet, ahead of the planned initial fill schedule.

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 and is being coordinated with DVL's Master Development Plan for Recreation. The initial phase will provide security fencing around the east end of the project area. The Notice to Proceed was issued in October 2000. The project is approximately 40 percent complete and is anticipated to be completed by the end of 2000. The second phase, providing security fencing around the north and west ends of the project area (including the north hills and west recreation area), was advertised for bids in November 2000 with bid opening scheduled for early January 2001.

Restoration of areas disturbed during 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 was approved by the Board in October 2000 and the Notice to Proceed was issued in November 2000.

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 was approved by the Board in October 2000 and issuance of the Notice to Proceed is anticipated in early December 2000.

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. This contract will be advertised for bids in December 2000 with bid opening scheduled for mid-January 2001.

PROJECTED TOTAL COSTS

The revised total DVL budget of \$2.0871 billion was established at the July 1999 Board meeting. Since that time, projected total costs have increased by \$10.3 million, from \$2.0026 billion to \$2.0129 billion, but are still below the \$2.0871 billion revised budget. Total expenditures to date are \$1.9719 billion, including \$38.0 million for settlement of the West Dam claim, \$9.4 million for settlement of the East Dam and West Dam Foundation Excavation claims, 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, including any recreation components recommended by the Board, thereby decreasing the projected total cost of the project. (See **Attachment 1** for a financial summary and project cash flow, and **Attachment 2** for the remaining budget). Financial information presented in this Board letter is consistent with financial data (November 30, 2000) reviewed by the Office of the Chief Financial Officer and the DVL Evaluation Team Manager.

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| EXPENDITURES (November 2000) include West Dam, East Dam and West Dam Foundation Excavation Claims Settlement & Recreation Actuals | \$1,971.9 million |
| WORK IN PROGRESS 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 | \$21.7 million |
| REMAINING WORK | |
| 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 |
| SUBTOTAL | \$19.4 million |
| TOTAL PROJECTED COSTS | \$2,013.0 million |
| REMAINING BUDGET | \$74.1 million |
| TOTAL PROJECT BUDGET | \$2,087.1 million |

ISSUES AND CONCERNS

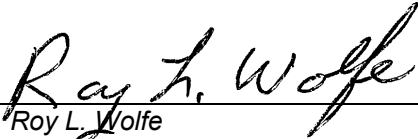

There are currently no issues or concerns.

Policy

Board Request

Fiscal Impact

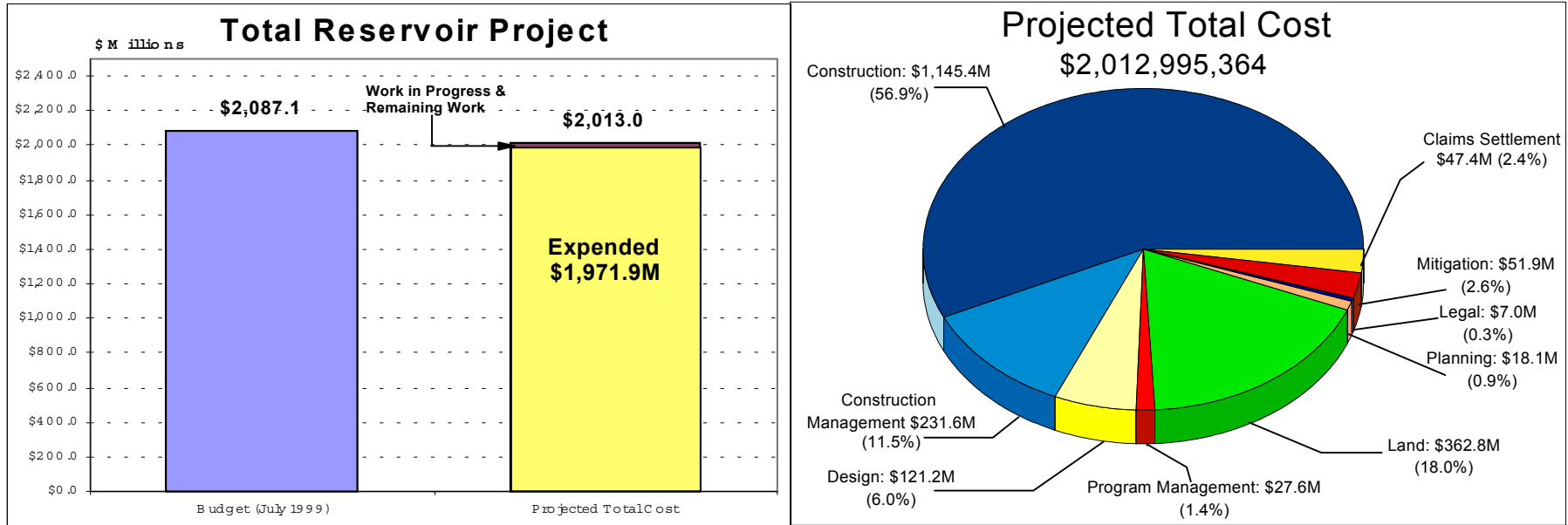
Refer to Table and Attachments.

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|--|--------------------|
|  Roy L. Wolfe Manager, Corporate Resources | 12/14/2000 Date |
|  Ronald R. Jester General Manager | 12/19/2000 Date |

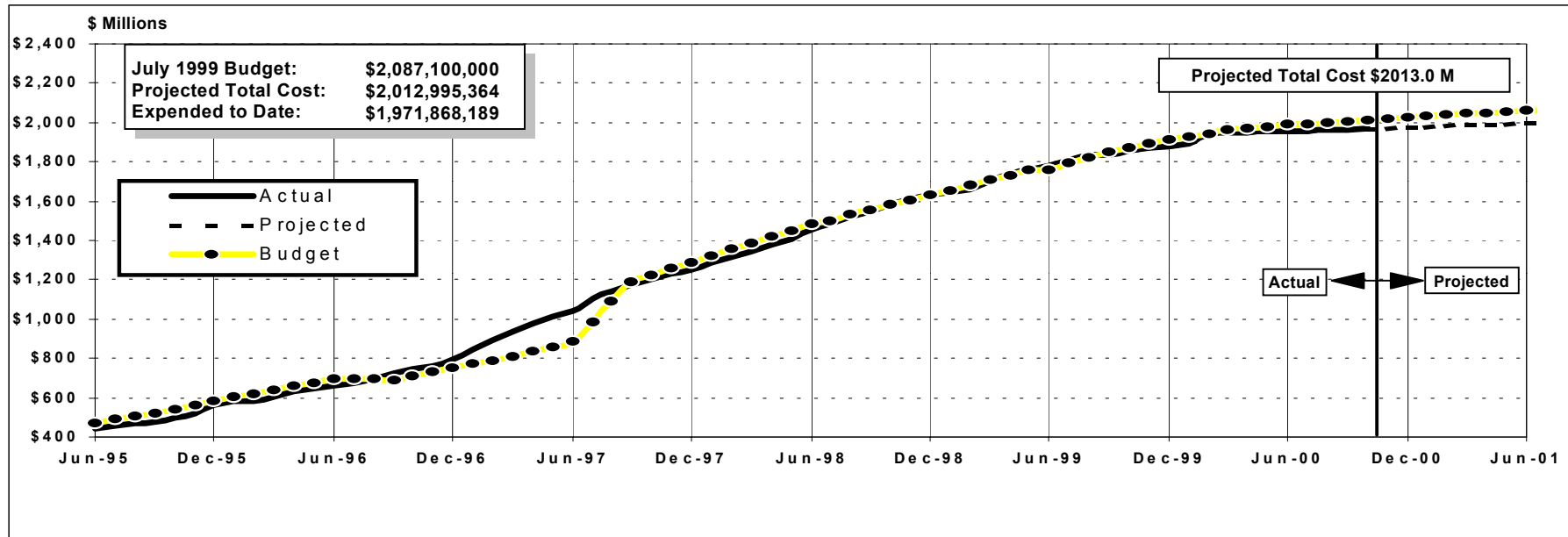
Attachment 1 - Financial Summary/Project Cash Flow

Attachment 2 - Remaining Budget

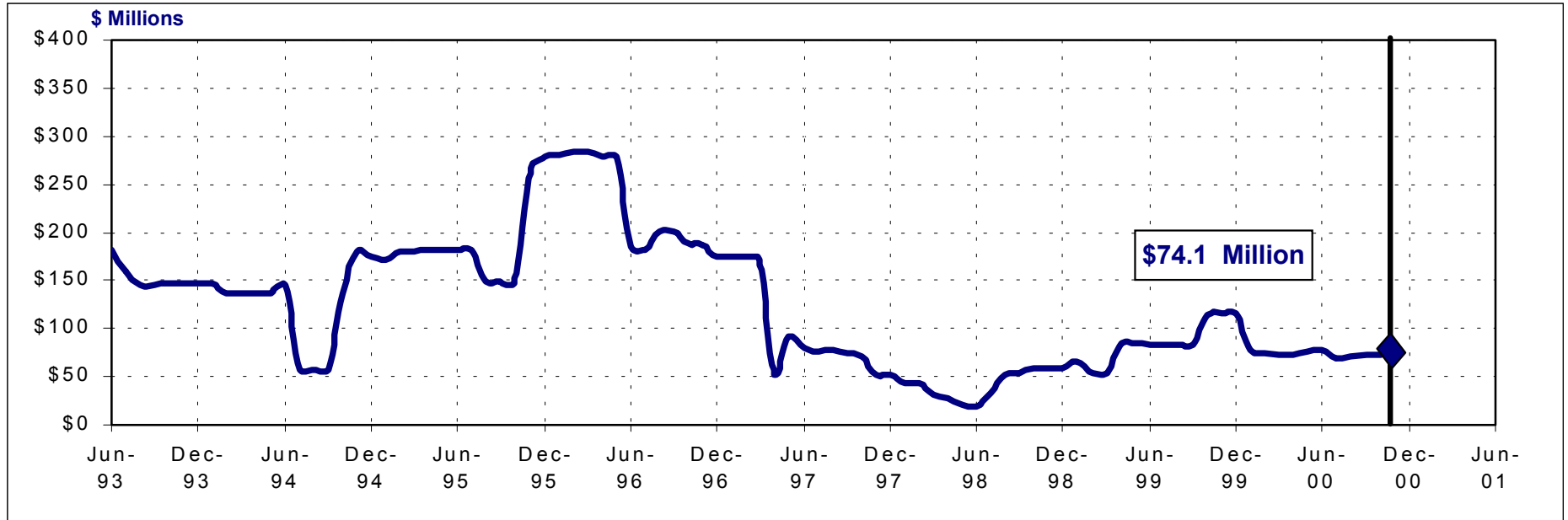
Financial Summary



Project Cash Flow



Remaining Budget



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