

- **Board of Directors**
Engineering, Operations and Real Property Committee

May 15, 2001 Board Meeting

REVISED 10-1

Subject

Status report for the Diamond Valley Lake Project for the month ending March 2001

Description

All major facilities at Diamond Valley Lake (DVL) are complete. As of March 19, 2001, the reservoir contained approximately 555,000 acre feet of water and the water surface elevation was approximately 1,694 feet. The reservoir is approximately 65 percent filled.

Water System Operations staff has taken over the majority of day-to-day operations at the Hiram W. Wadsworth Pumping Plant. In order to comply with the Reservoir Filling Plan, which was approved by the State of California Division of Safety of Dams (DSOD), a 10-day hold period was scheduled from March 19-29, 2001 where pumping into the reservoir was suspended. During this period, both Metropolitan and DSOD staff conducted inspections of the facility. Minor pumping resumed following the hold period.

Performance testing of the pumps has been temporarily halted due to unanticipated deterioration/corrosion of the protective coating on some components of the pump units (see Issues and Concerns).

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 is complete. The second phase, which will provide security fencing around the north and west ends of the project area (including the north hills and west recreation area) is scheduled for award of construction contract by the Board in April.

Restoration of areas disturbed during construction of the reservoir is required by the project Final Environmental Impact Report. The seed application contract will provide erosion and dust control by hydroseeding the Multi-Species Reserve corridors and both recreation areas. The contract is approximately 90 percent complete.

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. The notice to proceed was issued in early January 2001 and the contract is approximately 30 percent complete.

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 was advertised for bids in March 2001 and bids are due on April 12, 2001. The award of this contract is included under a separate letter to the Board in May.

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 \$0.9 million, from \$2.0026 billion to \$2.0035 billion. The revised projected total cost includes all items needed to complete the work associated with the reservoir project. It reflects the transfer of \$5.6 million to the Recreation appropriation for recreation planning activities incurred by DVL prior to July 1999. Total expenditures to date are \$1.976 billion, including \$38.0 million for settlement of the West Dam claim and \$9.4 million for settlement of the East Dam and West Dam Foundation Excavation claims. The remaining budget is currently \$83.6 million.

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 disposition of these surplus properties will be credited to the project budget, thereby decreasing the projected total cost of the reservoir 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 (March 31, 2001) reviewed by the Office of the Chief Financial Officer and the DVL Evaluation Team Manager.

EXPENDITURES (March 2001)	\$1,976.6 million
WORK IN PROGRESS includes Pump Procurement Contract; Seed Application Contract; North Rim High Water Road Contract; Environmental Documentation; Labor for DVL Management, Design Staff, Construction Management, & Environmental Support, Project Labor Agreement	\$17.6 million
REMAINING WORK	
South Rim High Water Road Construction Contract	\$ 7.0 million
Miscellaneous Completion Contracts	\$ 1.5 million
Miscellaneous Environmental Activities	\$ 0.8 million
SUBTOTAL	\$9.3 million
TOTAL PROJECTED COSTS	\$2,003.5 million
REMAINING BUDGET	\$83.6 million
TOTAL PROJECT BUDGET	\$2,087.1 million

ISSUES AND CONCERNS

The supplier of the pumps at the Wadsworth Pumping Plant, Nissho Iwai of America (NIAC), continues to evaluate the cause of the protective coating deterioration and the best way to repair the corroded areas. Although NIAC has not yet accepted responsibility for the problem, they recently sent an expert in the field of corrosion protection to the site. It is anticipated the repair will take several months. Because corrosion on the pump bowls influences the efficiency of the pumps, performance testing will be temporarily halted until the protective coating is repaired.

Policy

Board Request.

Fiscal Impact

Refer to table and attachments.



 Roy L. Wolfe
 Manager, Corporate Resources

5/11/2001

Date



 Ronald R. Jester
 General Manager

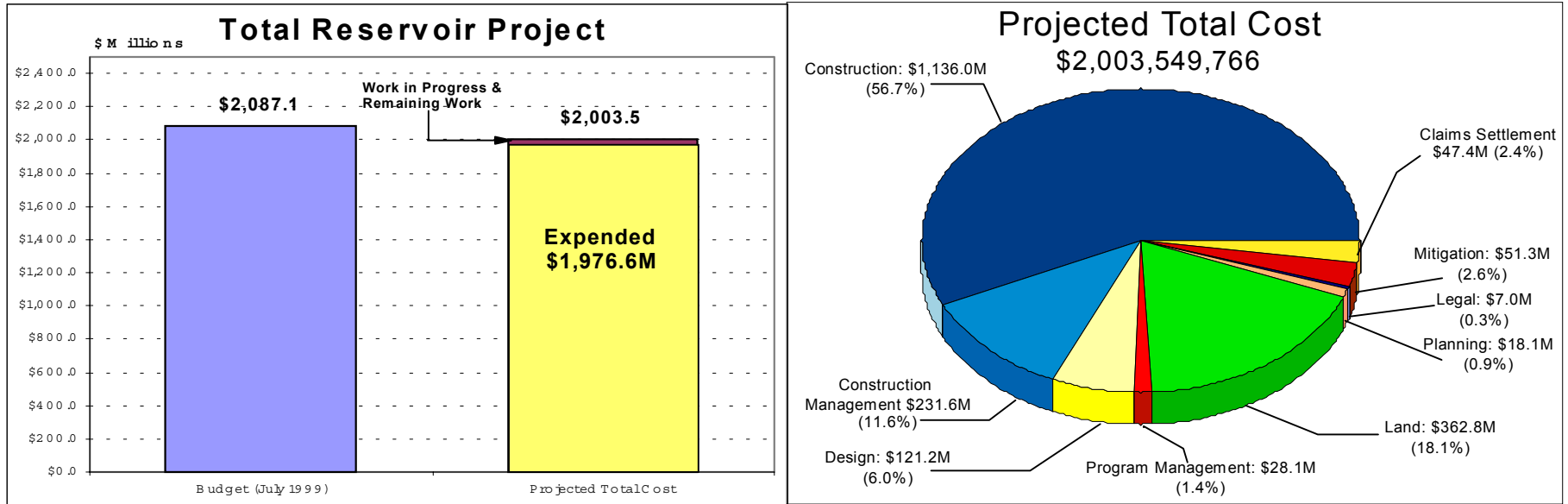
5/14/2001

Date

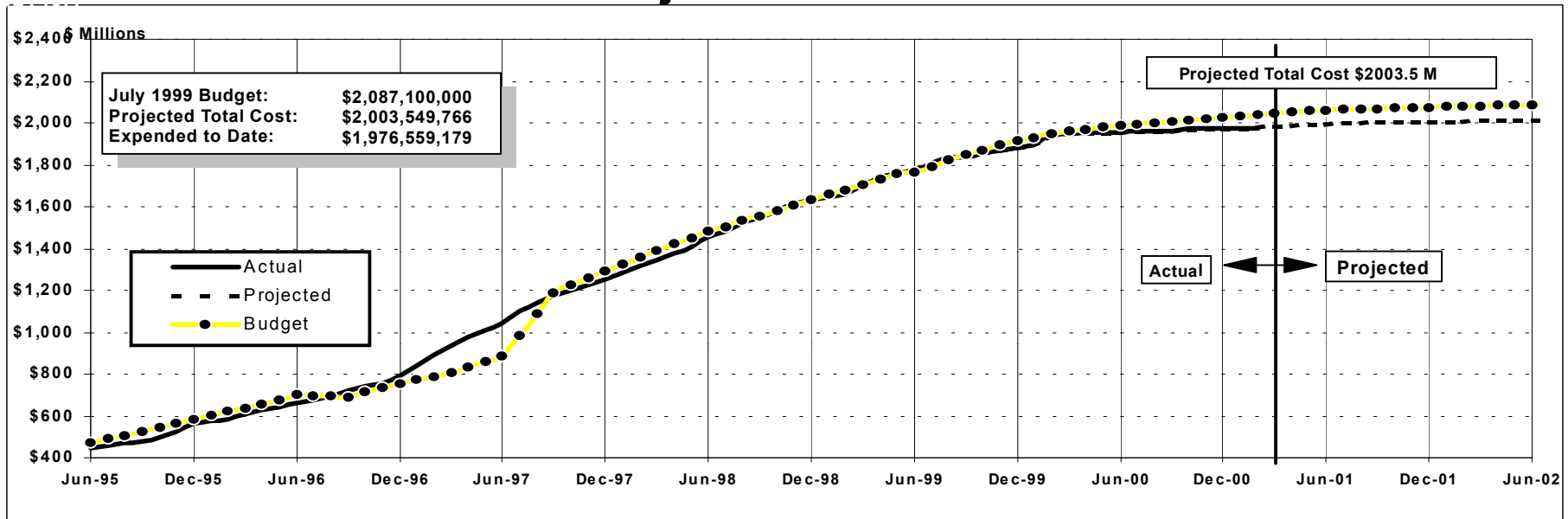
[Attachment 1 - Financial Summary/Project Cash Flow](#)

[Attachment 2 - Remaining Budget](#)

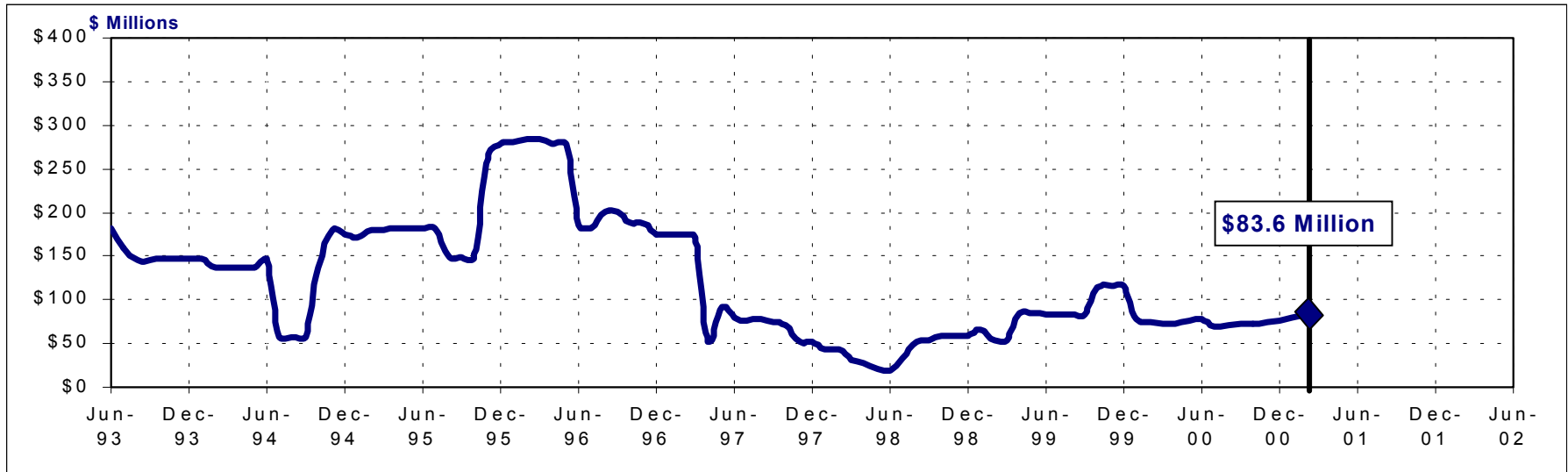
Financial Summary



Project Cash Flow



Remaining Budget



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