

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

October 16, 2001 Board Meeting

10-1

Subject

Status report for the Inland Feeder Project for the month ending August 2001 [Any discussion of potential litigation to be heard in closed session. Conference with legal counsel – significant exposure to litigation (two matters); to be heard in closed session pursuant to Gov. Code § 54956.9(b)]

Description

Arrowhead Tunnels

In late July, the construction bid package for the Arrowhead Tunnels was mailed to six pre-qualified contractors. A pre-bid conference was held August 9-10 at the La Verne and Diamond Valley Lake facilities. Bids are scheduled to be opened in mid-October 2001 and a Notice-to-Proceed is expected to be issued in mid-2002.

Arrowhead West Tunnel – Reach 1

Metropolitan has received the contractor's submittal of claimed costs regarding delay and deletion of mining. Staff has requested to audit the financial records of the contractor and a subcontractor to substantiate these costs. Negotiations can be initiated with the contractor following the audit. The Board will be updated concerning progress/schedule as information becomes available.

Arrowhead East Tunnel – City Creek Heading – Reach 2

The contractor continued installation of a pipeline section which connects the City Creek Portal to a pipe that connects to the Highland pipeline previously installed under Highway 330. A pressure bulkhead that seals the tunnel at the heading was installed during the reporting period.

Highland Pipeline – Reach 3

Design activities have been initiated to complete the bid package by November 2001.

Mentone Pipeline – Reach 4

The contractor has completed installation of the mortar lining inside the pipe. Site restoration activities continue and the contractor has begun to demobilize.

Riverside Badlands Tunnel – Reaches 5 & 6

The contractor continues operations necessary to prepare for the installation of the steel liner inside the tunnel. Lining is expected to begin in September 2001.

Budget and Schedule

Based on proceeding with the existing project, which includes the construction of the Arrowhead Tunnels, the projected total cost for the Inland Feeder Program is \$980 million with a completion date of late 2007. The projected total program cost (\$980 million) does not include potential costs associated with the deletion of work on the Arrowhead East and West Tunnels. Total expenditures through August 2001 are \$545.7 million (see [Attachment 1](#) for a financial summary/project cash flow and [Attachment 2](#) for a budget comparison and schedule summary/remaining budget). The Board-approved budget remains unchanged at \$1.1865 billion.


Policy

Board Request.

Fiscal Impact

Refer to the attachments.

 _____ Roy L. Wolfe Manager, Corporate Resources	9/17/2001 _____ Date
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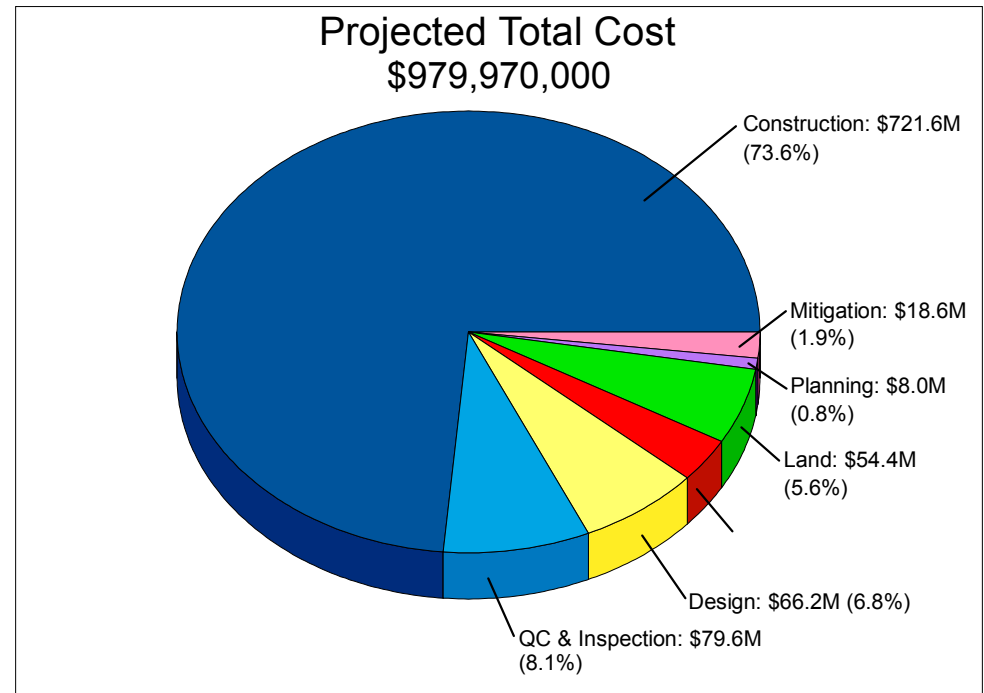
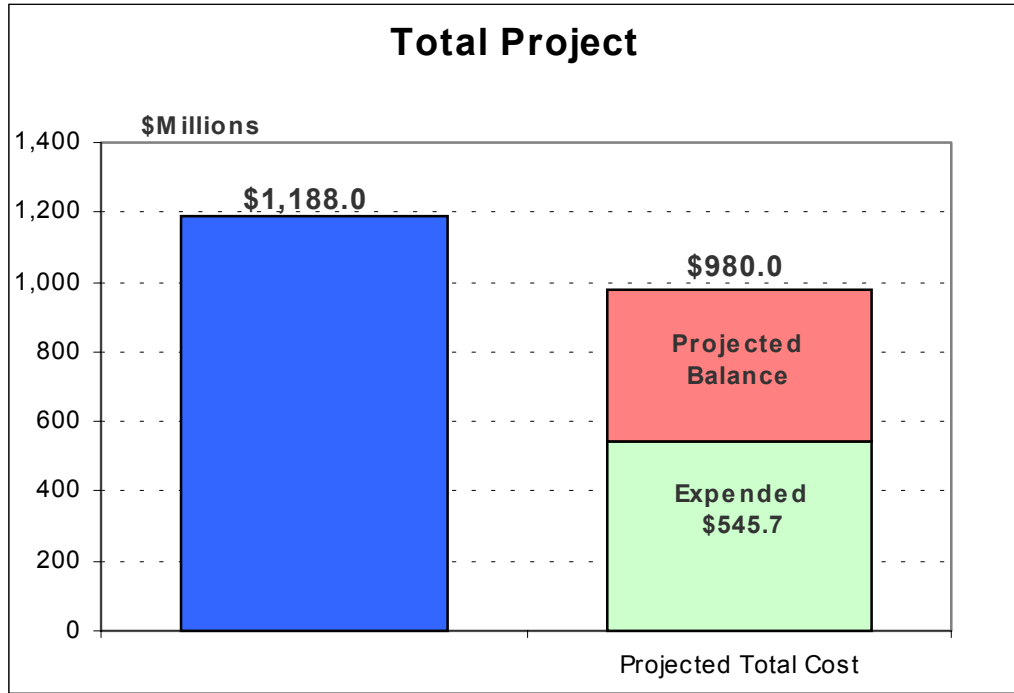
 _____ Ronald R. Gastelum Chief Executive Officer	9/25/2001 _____ Date
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Attachment 1 – Financial Summary/Project Cash Flow

Attachment 2 – Budget Comparison and Schedule Summary/Remaining Budget

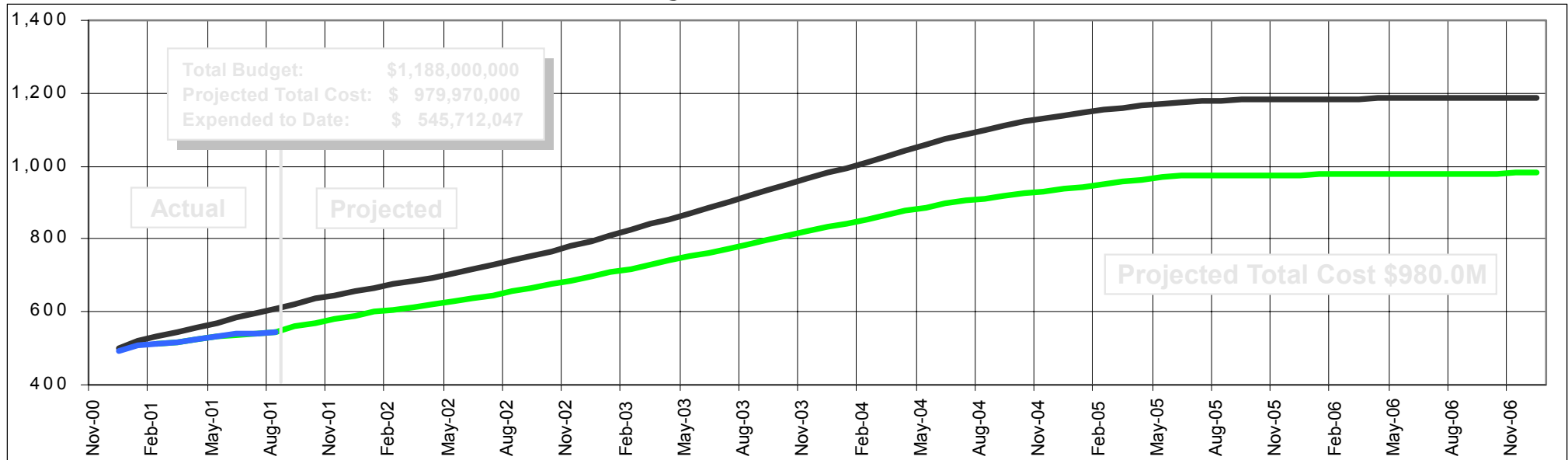
BLA #1084

Financial Summary



1. Based on knowledge of current field conditions.

Project Cash Flow



Budget Comparison and Schedule Summary

	BUDGET (AUG-01) ⁽¹⁾	FORECAST (AUG-01)	ACTUALS THRU (AUG-01) ⁽²⁾	PROGRESS		COMPLETION DATE		COMMENTS
				PLANNED % COMPLETE	ACTUAL % COMPLETE (AUG-01) ⁽⁴⁾	CONTRACT (5)	FORECAST (AUG-01)	
Construction Reaches								
Arrowhead West Tunnel	\$ 62,243,000	\$ 56,544,000	\$ 56,061,000	100%	100%	Completed	Nov-00	Mining Deleted From Contract
Arrowhead East Tunnel	\$ 141,703,000	\$ 133,721,000	\$ 128,553,000	84%	84%	Jan-03	Nov-01	Mining halted after 8,000 ft
Arrowhead Tunnels	\$ 287,545,000	\$ 306,591,000	\$ 3,295,000	1%	1%	-----	T.B.D.	Out for bid
Highland Pipeline ⁽³⁾	\$ 51,742,000	\$ 52,551,000	\$ 7,985,000	15%	15%	-----	Nov-01	In Design.
Mentone Pipeline	\$ 40,515,000	\$ 40,247,000	\$ 38,007,000	63%	99%	Mar-02	Oct-01	Under construction.
Riverside Badlands Tunnel	\$ 142,535,000	\$ 145,808,000	\$ 113,179,000	75%	81%	Aug-03	Nov-02	Under construction.
Riverside North Pipeline	\$ 58,134,000	\$ 56,252,000	\$ 55,303,000	100%	100%	Completed	Nov-99	Completed Nov. 99
Riverside South Pipeline	\$ 42,508,000	\$ 42,431,000	\$ 42,410,000	100%	100%	Completed	Aug-99	Completed Aug. 99
Construction Support								
Right-of-Way and Land	\$ 54,448,000	\$ 54,448,000	\$ 44,423,000	-----	82%	-----	-----	-----
Environmental Planning/Mitigation	\$ 18,598,000	\$ 18,598,000	\$ 11,462,000	-----	62%	-----	-----	-----
Owner Controlled Insurance Prog.	\$ 38,889,000	\$ 33,188,000	\$ 17,198,000	-----	44%	-----	-----	-----
Study/Initial Planning	\$ 8,024,000	\$ 8,024,000	\$ 8,024,000	-----	100%	-----	-----	-----
Program Management	\$ 33,086,000	\$ 31,650,000	\$ 19,812,000	-----	60%	-----	-----	-----
Projected Total Cost	\$ 979,970,000	\$ 980,053,000	\$ 545,712,000					
Remaining Budget	\$ 206,486,000	\$ 206,407,000						
Total Approved Budget	\$ 1,186,456,000	\$ 1,186,460,000						

- (1) Based on 30% design for Arrowhead Tunnels
- (2) Actuals for construction reaches include design costs
- (3) Expenditure for design which is at 90%.
- (4) Based on work complete for construction reaches and \$ expended for construction support
- (5) Based on original contract duration and approved extensions

Remaining Budget ¹

