

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

December 11, 2001 Board Meeting

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**10-1**

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**Subject**

Status report for the Inland Feeder Program for the month ending October 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)]

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**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. Due to the complexity of the work, the bid opening has been extended from October 2001 to January 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 as information becomes available.

**Arrowhead East Tunnel – City Creek Heading – Reach 2**

The contractor has installed, and is in the process of encasing, the section of pipe from Highway 330 up to the City Creek Portal. Preliminary work has begun to construct the City Creek Portal structure.

**Highland Pipeline – Reach 3**

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

**Mentone Pipeline – Reach 4**

The contractor continues to demobilize and perform site restoration. These activities will be completed by early November 2001.

**Riverside Badlands Tunnel – Reaches 5 & 6**

The contractor has transported 18 pieces of 60-foot sections of pipe in the tunnel (approximately 1,080 feet). The pipe is being brought into the tunnel two at a time on the special carriers. The almost 8-mile round trip requires approximately 4 hours. Welding operations are being performed simultaneously and, as of late October, is being performed on 3 shifts.

A grout plant is being mobilized at the Opal Portal to provide material for backfill grouting of the final steel liner pipe.

**Budget and Schedule**

The projected total cost for the Inland Feeder Program is \$980 million. Claims associated with the deletion of work for the original Arrowhead Tunnels contracts are pending and excluded from the estimated total project cost. Claims pending for the Arrowhead West Tunnel are \$14.8 million. In October, the contractor filed a \$3.23 million claim for the Arrowhead East Tunnel. Staff is reviewing this claim. Total expenditures through October 2001 are \$551.4 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. The projected completion date for the program remains at early 2007.

**Policy**

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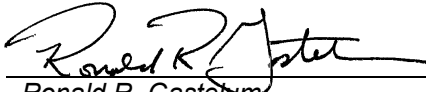
Board Request.

**Fiscal Impact**

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Refer to the attachments.

 Roy L. Wolfe Manager, Corporate Resources	11/16/2001 Date
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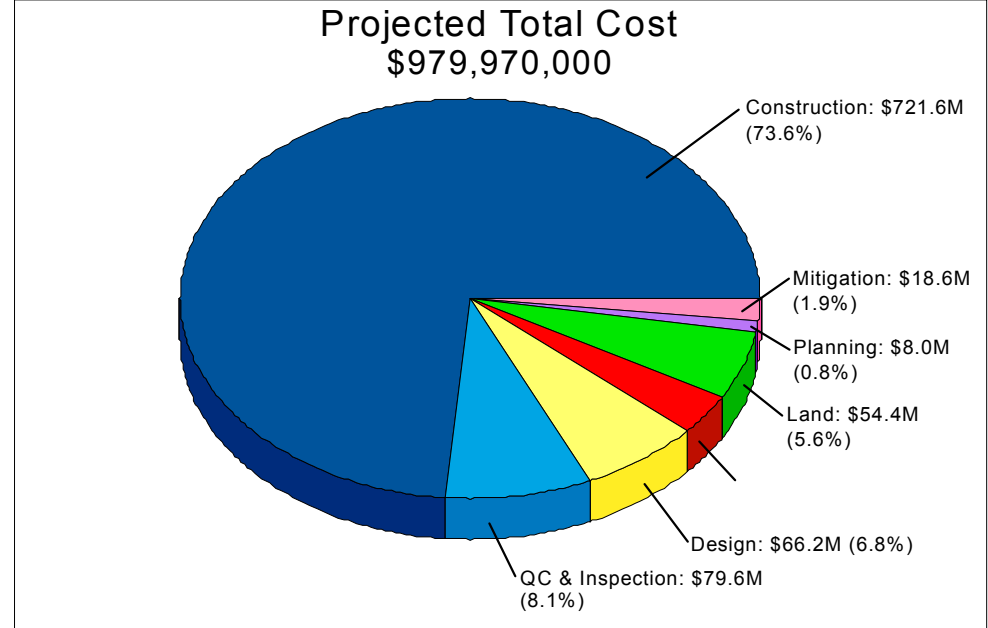
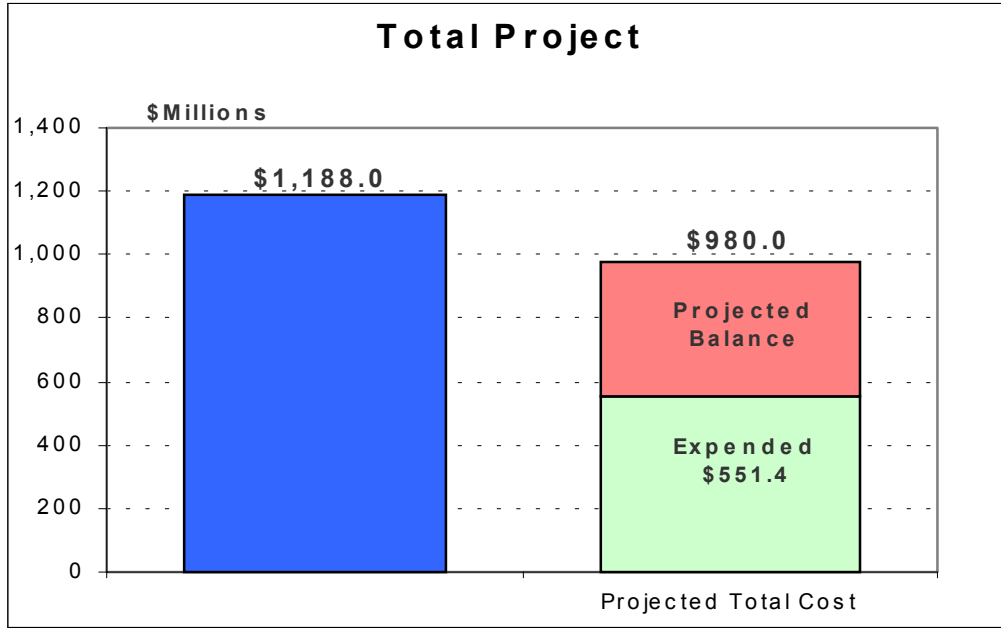
 Ronald R. Gastelum Chief Executive Officer	11/19/2001 Date
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**Attachment 1 – Financial Summary/Project Cash Flow**

**Attachment 2 – Budget Comparison and Schedule Summary/Remaining Budget**

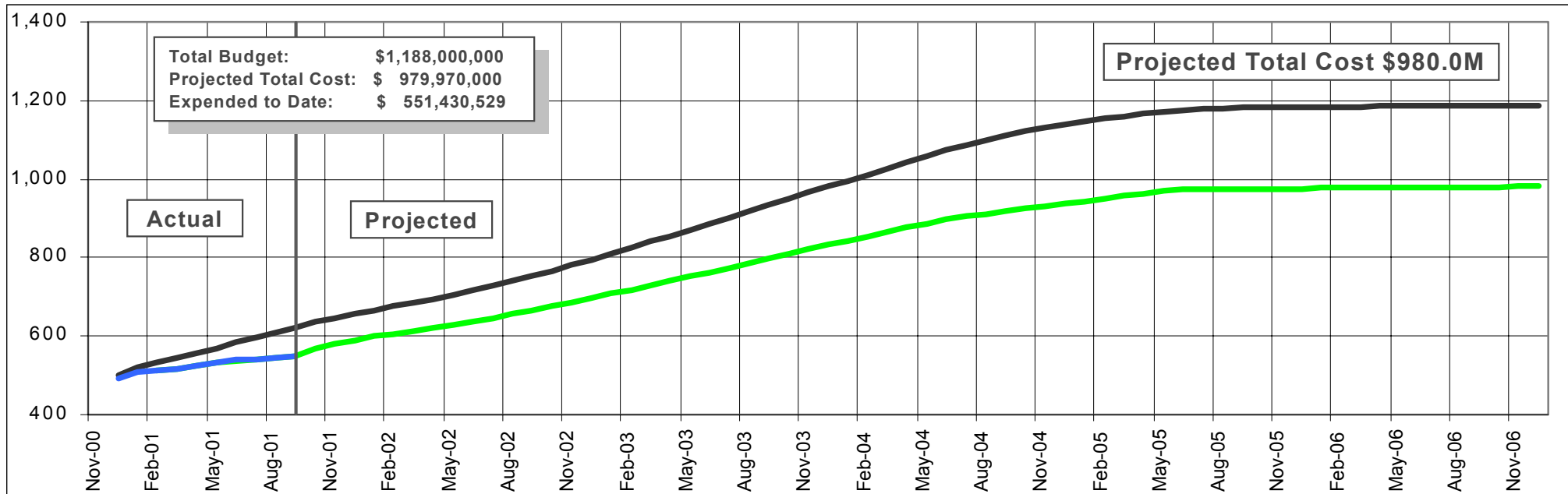
BLA #1386

# Financial Summary



1. Based on knowledge of current field conditions.

# Project Cash Flow



**Budget Comparison and Schedule Summary**

	BUDGET (OCT-01) <sup>(1)</sup>	FORECAST (OCT-01)	ACTUALS THRU (OCT-01) <sup>(2)</sup>	PROGRESS		COMPLETION DATE		COMMENTS
				PLANNED % COMPLETE	ACTUAL % COMPLETE (OCT-01) <sup>(4)</sup>	CONTRACT (5)	FORECAST (OCT-01)	
<b>Construction Reaches</b>								
Arrowhead West Tunnel	\$ 62,243,000	\$ 56,544,000	\$ 56,189,000	100%	100%	Completed	Nov-00	Mining Deleted From Contract
Arrowhead East Tunnel	\$ 141,703,000	\$ 133,721,000	\$ 129,911,000	84%	84%	Jan-03	Nov-01	Mining halted after 8,000 ft
Arrowhead Tunnels	\$ 287,545,000	\$ 306,591,000	\$ 3,846,000	1%	1%	-----	T.B.D.	Out for bid
Highland Pipeline <sup>(3)</sup>	\$ 51,742,000	\$ 52,551,000	\$ 7,670,000	15%	15%	-----	Nov-01	In Design.
Mentone Pipeline	\$ 40,515,000	\$ 40,247,000	\$ 39,401,000	63%	99%	Mar-02	Oct-01	Under construction.
Riverside Badlands Tunnel	\$ 142,535,000	\$ 145,808,000	\$ 114,741,000	75%	81%	Aug-03	Nov-02	Under construction.
Riverside North Pipeline	\$ 58,134,000	\$ 56,252,000	\$ 55,236,000	100%	100%	Completed	Nov-99	Completed Nov. 99
Riverside South Pipeline	\$ 42,508,000	\$ 42,431,000	\$ 42,346,000	100%	100%	Completed	Aug-99	Completed Aug. 99
<b>Construction Support</b>								
Right-of-Way and Land	\$ 54,448,000	\$ 54,448,000	\$ 44,703,000	-----	82%	-----	-----	-----
Environmental Planning/Mitigation	\$ 18,598,000	\$ 18,598,000	\$ 11,602,000	-----	62%	-----	-----	-----
Owner Controlled Insurance Prog.	\$ 38,889,000	\$ 33,188,000	\$ 17,576,000	-----	45%	-----	-----	-----
Study/Initial Planning	\$ 8,024,000	\$ 8,024,000	\$ 8,024,000	-----	100%	-----	-----	-----
Program Management	\$ 33,086,000	\$ 31,650,000	\$ 20,185,000	-----	61%	-----	-----	-----
<b>Projected Total Cost</b>	<b>\$ 979,970,000</b>	<b>\$ 980,053,000</b>	<b>\$ 551,430,000</b>					
<b>Remaining Budget</b>	<b>\$ 206,486,000</b>	<b>\$ 206,407,000</b>						
<b>Total Approved Budget</b>	<b>\$ 1,186,456,000</b>	<b>\$ 1,186,460,000</b>						

- (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 <sup>1</sup>**

