

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

March 12, 2002 Board Meeting

10-1

Subject

Status report for the Inland Feeder Program for January 2002 [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

Contractor bids were opened for construction of the Arrowhead Tunnels in early January. J.F. Shea Construction Inc. and Kenny Construction Company, A Joint Venture, was the low bidder at \$242.3 million. A request to award a contract is scheduled for the February Board meeting.

Arrowhead West Tunnel – Reach 1

Metropolitan has received the contractor's submittal of claimed costs regarding delay and deletion of mining. Staff has requested an audit of the contractor's financial records to substantiate these costs. The Board will be updated as information becomes available.

Arrowhead East Tunnel – City Creek Heading – Reach 2

The contractor continues construction of the City Creek Portal structure and has begun restoration of the surrounding site.

Highland Pipeline – Reach 3

The specifications were advertised for bid on January 8, 2002. Bid opening is scheduled for mid-March.

Riverside Badlands Tunnel – Reaches 5 & 6

The contractor continues to install the 60-foot sections of steel pipe in the tunnel. Through January, 35,107 feet have been installed. Grouting to fill the void between the primary concrete segmented liner and the steel pipe is being performed as the pipe is installed. All work is expected to be completed by November 2002.

Budget and Schedule

At the January 2002 meeting, the Board approved a pipeline connection between the proposed Inland Feeder Highland Pipeline and San Bernardino Valley Municipal Water District's Foothill Pipeline costing \$7.9 million. The connection will be funded through the program's Remaining Budget category. Accordingly, the projected total cost for the Inland Feeder Program has increased to \$988 million.

Claims associated with the deletion of work for the original Arrowhead Tunnels contracts are pending and excluded from the estimated total program cost. Staff is reviewing those claims.

Total expenditures through January 2002 are \$560 million (see [Attachment 1](#) for a financial summary/program cash flow and [Attachment 2](#) for a budget comparison and schedule summary/remaining budget). The board-approved budget remains unchanged at \$1.186 billion. The projected completion date for the program remains at early 2007.

Recent Development

On February 15, 2002, the last section of steel pipe for the RBT was installed.

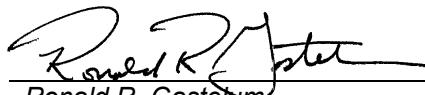
Policy

Board Request.

Fiscal Impact

Refer to [Attachment 1](#) and [Attachment 2](#).

 _____ Roy L. Wolfe Manager, Corporate Resources	2/20/2002 _____ Date
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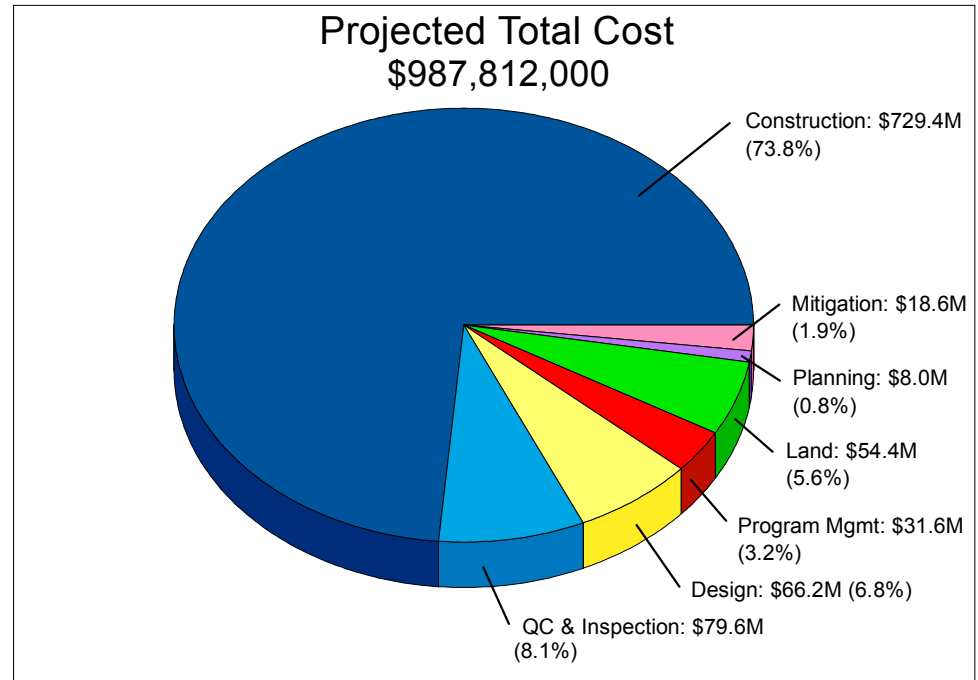
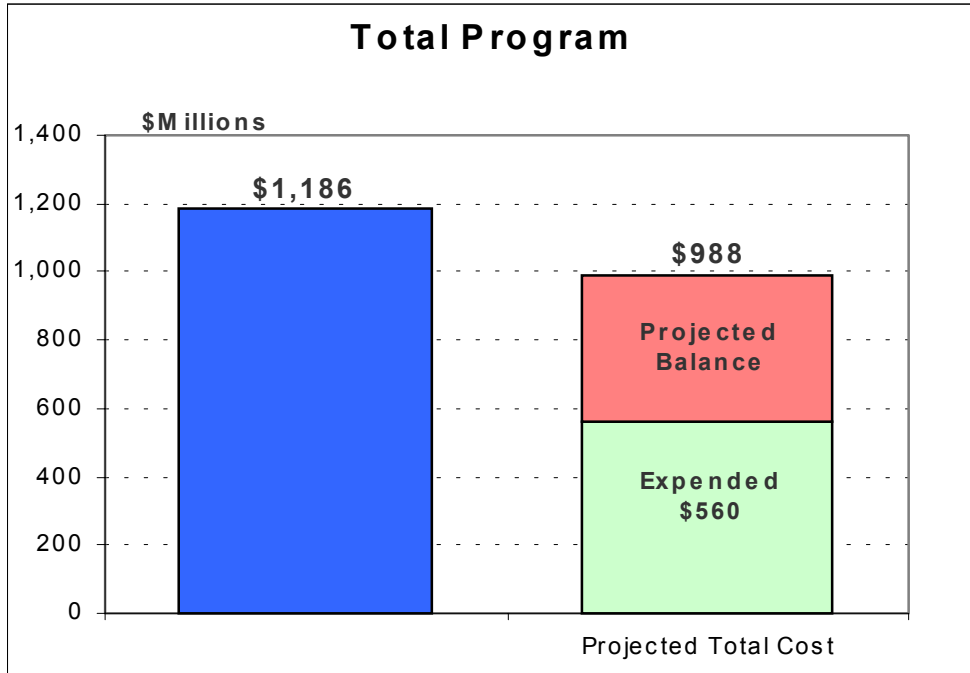
 _____ Ronald R. Gastelum Chief Executive Officer	2/21/2002 _____ Date
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[Attachment 1 – Financial Summary/Program Cash Flow](#)

[Attachment 2 – Budget Comparison and Schedule Summary/Remaining Budget](#)

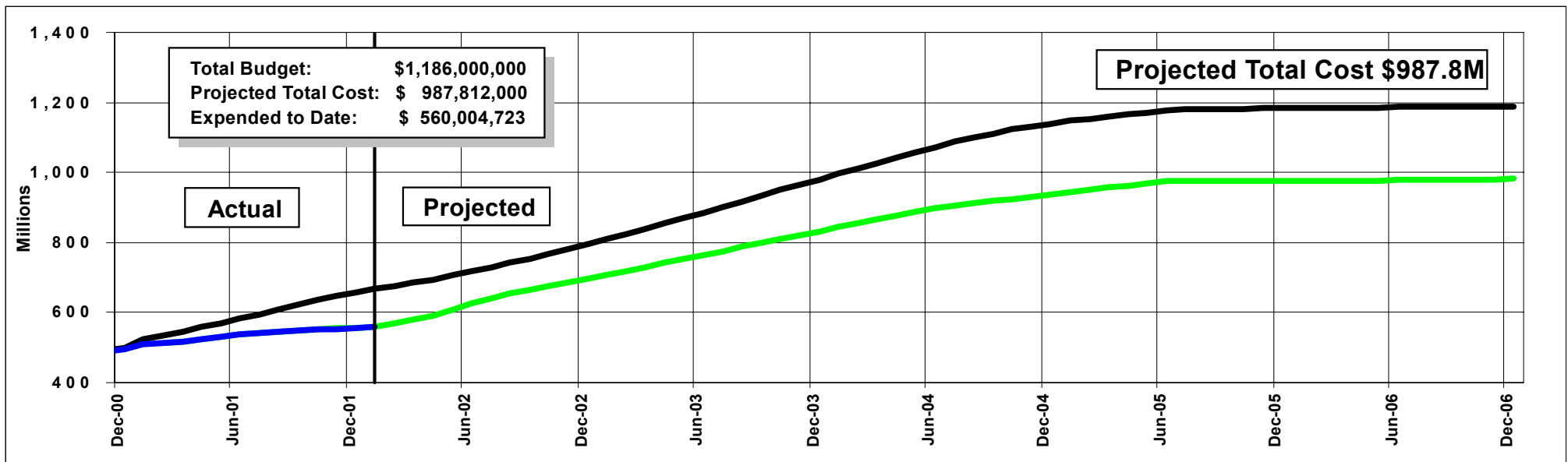
BLA #1294

Financial Summary



1. Based on knowledge of current field conditions.

Program Cash Flow



Budget Comparison and Schedule Summary

	BUDGET (JAN-01) ⁽¹⁾	FORECAST (JAN-01)	ACTUALS THRU (JAN-01) ⁽²⁾	PROGRESS		COMPLETION DATE		COMMENTS
				PLANNED % COMPLETE	ACTUAL % COMPLETE (JAN-01) ⁽⁴⁾	CONTRACT (5)	FORECAST (JAN-01)	
Construction Reaches								
Arrowhead West Tunnel	\$ 62,243,000	\$ 56,230,000	\$ 56,321,000	100%	90%	Completed	Nov-00	Mining Deleted From Contract
Arrowhead East Tunnel	\$ 141,703,000	\$ 134,448,000	\$ 131,069,000	84%	92%	Jan-03	Nov-01	Mining halted after 8,000 ft
Arrowhead Tunnels	\$ 287,549,000	\$ 306,591,000	\$ 4,160,000	1%	1%	-----	T.B.D.	Out for bid
Highland Pipeline ⁽³⁾	\$ 59,586,000	\$ 61,217,000	\$ 7,813,000	15%	13%	-----	Nov-01	In Design.
Mentone Pipeline	\$ 40,571,000	\$ 39,505,000	\$ 39,634,000	63%	96%	Mar-02	Oct-01	Under construction.
Riverside Badlands Tunnel	\$ 148,473,000	\$ 144,145,000	\$ 118,759,000	75%	79%	Aug-03	Nov-02	Under construction.
Riverside North Pipeline	\$ 58,134,000	\$ 56,315,000	\$ 55,237,000	100%	95%	Completed	Nov-99	Completed Nov. 99
Riverside South Pipeline	\$ 42,508,000	\$ 42,496,000	\$ 42,346,000	100%	100%	Completed	Aug-99	Completed Aug. 99
Construction Support								
Right-of-Way and Land	\$ 54,448,000	\$ 54,747,000	\$ 46,357,000	-----	85%	-----	-----	-----
Environmental Planning/Mitigation	\$ 18,598,000	\$ 18,598,000	\$ 11,785,000	-----	63%	-----	-----	-----
Owner Controlled Insurance Prog.	\$ 32,889,000	\$ 27,578,000	\$ 17,652,000	-----	54%	-----	-----	-----
Study/Initial Planning	\$ 8,024,000	\$ 8,024,000	\$ 8,024,000	-----	100%	-----	-----	-----
Program Management	\$ 33,086,000	\$ 31,650,000	\$ 20,848,000	-----	63%	-----	-----	-----
Projected Total Cost	\$ 987,812,000	\$ 981,544,000	\$ 560,005,000					
Remaining Budget	\$ 198,648,000	\$ 204,916,000						
Total Approved Budget	\$ 1,186,460,000	\$ 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 completed for construction reaches and \$ expended for construction support
- (5) Based on original contract duration and approved extensions

Remaining Budget

