

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

December 10, 2002 Board Meeting

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**10-1**

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**Subject**

Status report for the Inland Feeder Program for activities through October 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)]

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**Description**

**Arrowhead Tunnels (new contract)**

The contractor continues to mobilize equipment required to construct a bridge across Strawberry Creek to the Arrowhead East Tunnel portal site. A notice-to-proceed for construction was issued on August 1, 2002.

**Arrowhead East & West Tunnels – Reaches 1&2 (completed contract)**

It has been reported for several months that Metropolitan had received the contractor's submittal of claimed costs regarding delay and deletion of mining and that staff was seeking verification of the contractor's claim. The contractor has refused to comply with Metropolitan's request for additional information to support the claims and attempts to settle the claims have been unsuccessful. With negotiations at impasse, Shank Balfour Beatty filed litigation in Superior Court in Los Angeles County in order to not violate the statute of limitations. Now that litigation has been filed, Metropolitan will seek the additional information in motions for discovery. It is hoped that if the information is provided, it will provide the basis for resolution of some or all of the pending claims.

**Highland Pipeline – Reach 3**

Pre-excavation continues along Abbey Way. The contractor is preparing to tunnel beneath the intersection at 5<sup>th</sup> and Boulder. Work continues on the installation of the 79-inch pipe that connects the Inland Feeder and San Bernardino Valley Municipal Water District's Foothill Pipeline. This connection is scheduled for completion in December 2002 and will allow Metropolitan to receive delivery of State project water. In early 2003, water will flow south from the SBVMWD connection through the Inland Feeder and the Eastside Pipeline into Diamond Valley Lake.

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

Mortar lining of the pipe inside the tunnel has been completed. Electrical and mechanical work continues on the tunnel access structures at Gilman Springs and Opal Avenue. All work for this reach is expected to be complete in late 2002.

**Budget and Schedule**

The projected total cost for the Inland Feeder Program is \$980.9 million. Claims associated with the deletion of work for the original Arrowhead East and West Tunnel contracts are pending and excluded from the estimated total project cost. Claims pending for the Arrowhead East and Arrowhead West Tunnels are \$5.3 million and \$15.8 million, respectively.

Total expenditures through October 2002 are \$598.8 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.

**Policy**

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Board request

**Fiscal Impact**

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

 Roy L. Wolfe Manager, Corporate Resources	11/20/2002 Date
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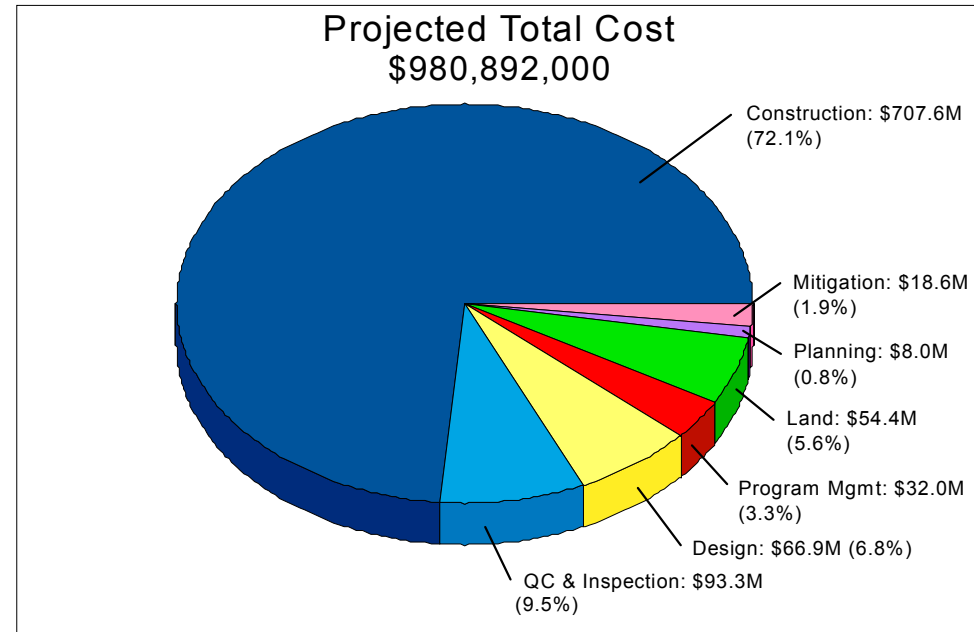
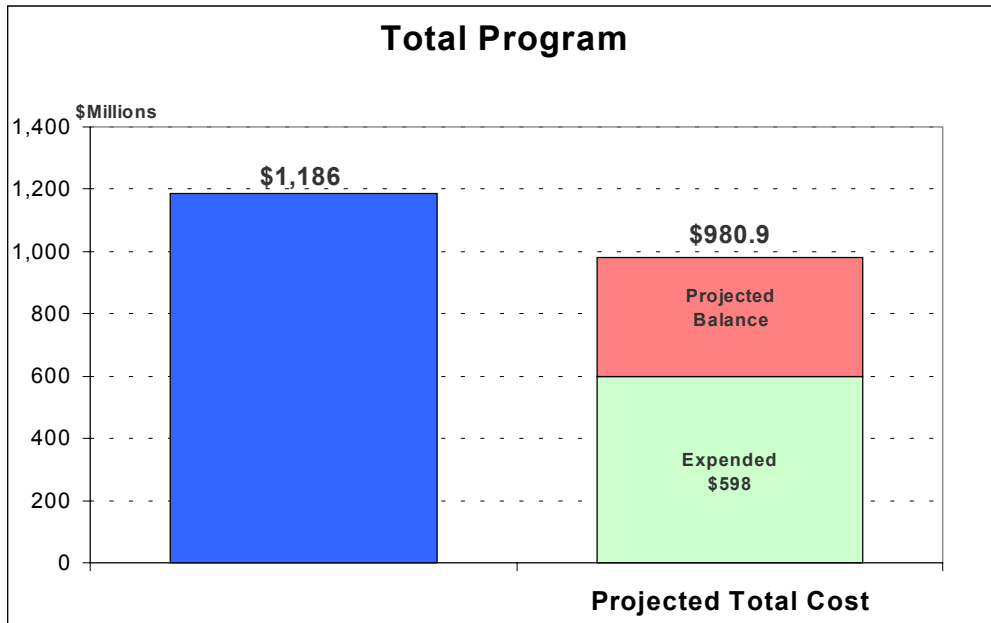
 Ronald R. Gastelum Chief Executive Officer	11/22/2002 Date
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[Attachment 1 – Financial Summary/Program Cash Flow](#)

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

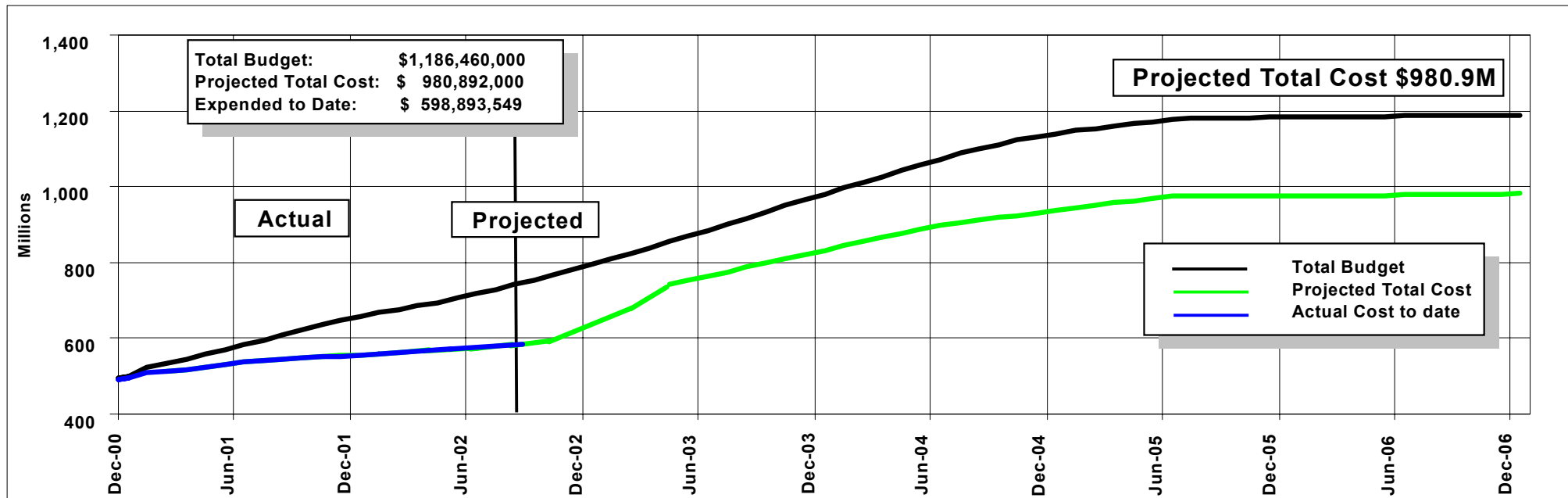
BLA #1931

# Financial Summary



1. Based on knowledge of current field conditions.

# Program Cash Flow



### Budget Comparison and Schedule Summary

	BUDGET (OCT-02)	FORECAST (OCT-02)	ACTUALS THRU (OCT-02) <sup>(1)</sup>	PROGRESS		COMPLETION DATE		COMMENTS
				PLANNED % COMPLETE	ACTUAL % COMPLETE (OCT-02) <sup>(2)</sup>	CONTRACT (3)	FORECAST (OCT-02)	
<b>Construction Reaches</b>								
Arrowhead West Tunnel	\$ 56,355,000	\$ 56,355,000	\$ 56,348,000	100%	100%	Completed	Completed	Mining Deleted From Contract
Arrowhead East Tunnel	\$ 134,559,000	\$ 134,559,000	\$ 133,472,000	100%	99%	- - - -	Completed	Mining halted after 8,000 ft
Arrowhead Tunnels	\$ 307,209,000	\$ 287,394,000	\$ 10,831,000	3%	4%	Dec-06	Dec-06	Contractor Mobilizing
Highland Pipeline	\$ 61,856,000	\$ 59,513,000	\$ 14,038,000	15%	23%	Sep-04	Sep-04	Under construction.
Mentone Pipeline	\$ 39,239,000	\$ 39,239,000	\$ 38,981,000	100%	99%	Completed	Completed	Completed Oct. 01
Riverside Badlands Tunnel	\$ 148,473,000	\$ 144,699,000	\$ 138,060,000	92%	93%	Aug-03	Nov-02	Under construction.
Riverside North Pipeline	\$ 55,713,000	\$ 55,713,000	\$ 55,712,000	100%	100%	Completed	Completed	Completed Nov. 99
Riverside South Pipeline	\$ 42,418,000	\$ 42,418,000	\$ 42,418,000	100%	100%	Completed	Completed	Completed Aug. 99
<b>Construction Support</b>								
Right-of-Way and Land	\$ 54,448,000	\$ 54,448,000	\$ 47,377,000	- - - -	87%	- - - -	- - - -	- - - -
Environmental Planning/Mitigation	\$ 18,598,000	\$ 18,598,000	\$ 12,570,000	- - - -	68%	- - - -	- - - -	- - - -
Owner Controlled Insurance Prog.	\$ 22,000,000	\$ 22,000,000	\$ 18,467,000	- - - -	84%	- - - -	- - - -	- - - -
Study/Initial Planning	\$ 8,024,000	\$ 8,024,000	\$ 8,024,000	- - - -	100%	- - - -	- - - -	- - - -
Program Management	\$ 32,000,000	\$ 32,000,000	\$ 22,596,000	- - - -	71%	- - - -	- - - -	- - - -
<b>Projected Total Cost</b>	<b>\$ 980,892,000</b>	<b>\$ 954,960,000</b>	<b>\$ 598,894,000</b>					
<b>Remaining Budget</b>	<b>\$ 205,568,000</b>	<b>\$ 231,500,000</b>						
<b>Total Approved Budget</b>	<b>\$ 1,186,460,000</b>	<b>\$ 1,186,460,000</b>						

(1) Actuals for construction reaches include design costs

(2) Based on work completed for construction reaches and \$ expended for construction support

(3) Based on original contract duration and approved extensions

### Remaining Budget

1. Project budget minus projected total cost.

