

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

August 19, 2003 Board Meeting

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10-1

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**Subject**

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Status report for the Inland Feeder Program for activities through June 2003 [**Any discussion of litigation to be heard in closed session. Conference with legal counsel--existing litigation (Shank/Balfour Beatty, a Joint Venture vs. Metropolitan Water District of Southern California, LASC Case Nos. BC283438 and BC283439); to be heard in closed session pursuant to Gov. Code § 54956.9(a)**]

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**Description**

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**Arrowhead Tunnels (new contract)**

The tunnel boring machines (TBM) arrived from Germany at the port of Long Beach on June 25. The machines have been off-loaded and transported to the project site in San Bernardino. It will require approximately 29 truckloads to complete the delivery. Conventional mining continues on the 150-foot starter tunnel for the Arrowhead West Tunnel. It will be completed in time to support the beginning of TBM mining scheduled for August 2003. The contractor continues to mobilize facilities and equipment at the Waterman Canyon and Strawberry Canyon portal sites.

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

It has been reported for several months that Metropolitan is seeking to verify Shank/Balfour Beatty's claimed costs regarding delay and deletion of mining. Metropolitan's attempts to settle the claims have been unsuccessful. Shank/Balfour Beatty filed litigation in Superior Court in Los Angeles County (two cases). The discovery phase has begun. It is likely that Metropolitan will need to seek additional information in motions to compel discovery. If the information is made available, it may provide the basis for resolution of some or all of the pending claims.

**Highland Pipeline – Reach 3**

The contractor has completed installation of approximately 24,000 feet of this 28,000-foot pipeline (86 percent). The estimated completion date for the project is May 2004.

**Budget and Schedule**

The projected total cost for the Inland Feeder Program is \$978.5 million. Claims associated with the deletion of work for the original Arrowhead East and West Tunnels' 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 June 2003 are \$664.3 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 on-line date for the Inland Feeder is scheduled for 2007 depending upon the level of grouting that will be required on the Arrowhead Tunnels. Upon completion of construction, environmental mitigation measures will continue along the Arrowhead Tunnels' alignment for up to two years in accordance with the Environmental Impact Report.

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**Policy**

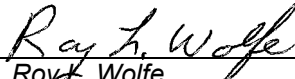
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Board request

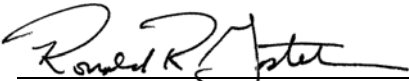
**Fiscal Impact**

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

  
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Roy L. Wolfe  
Manager, Corporate Resources

7/16/2003  
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Date

  
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Ronald R. Gastelum  
Chief Executive Officer

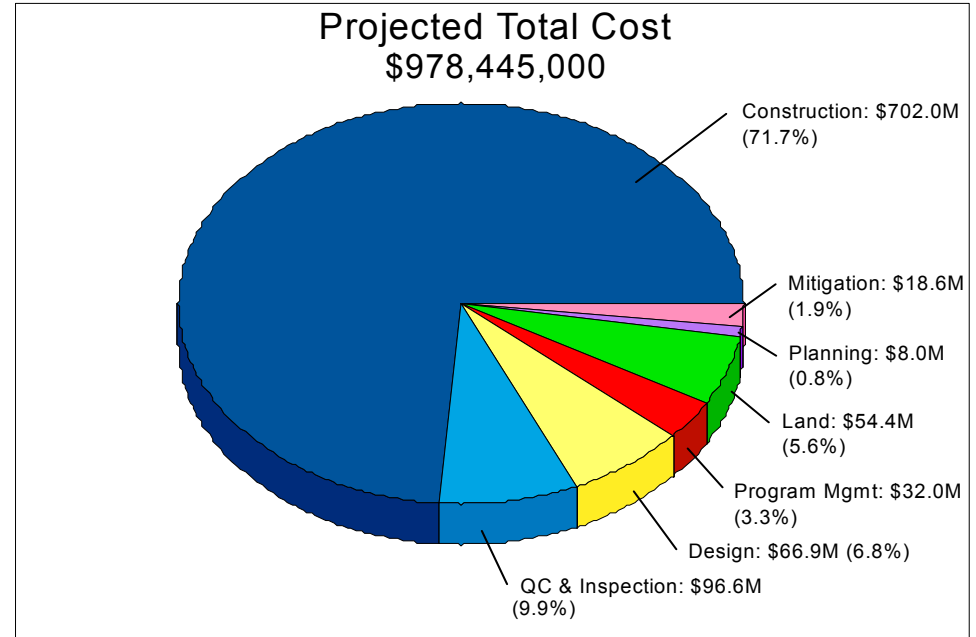
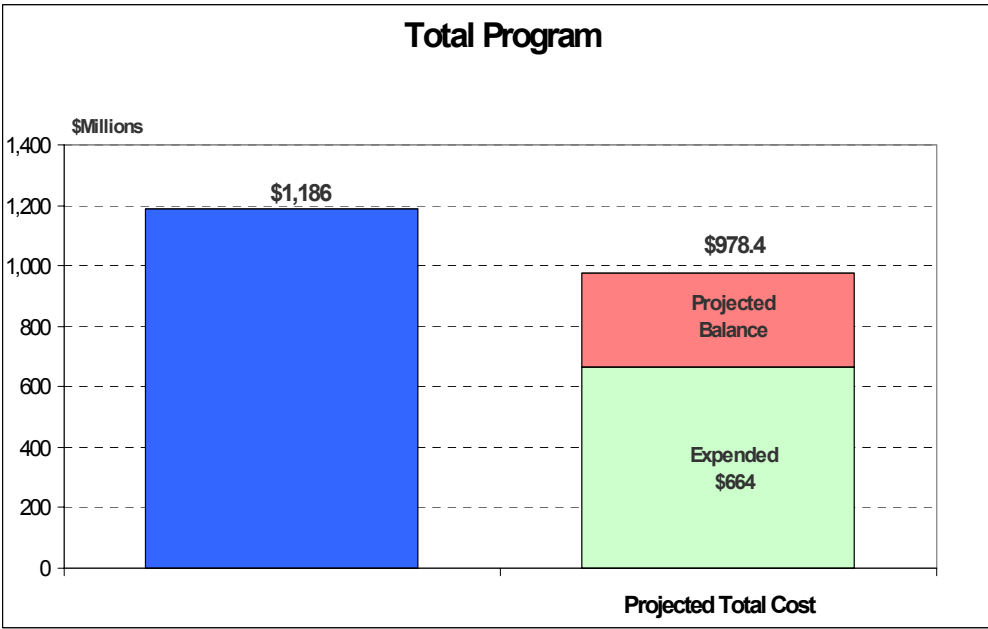
7/24/2003  
\_\_\_\_\_  
Date

**Attachment 1 – Financial Summary/Program Cash Flow**

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

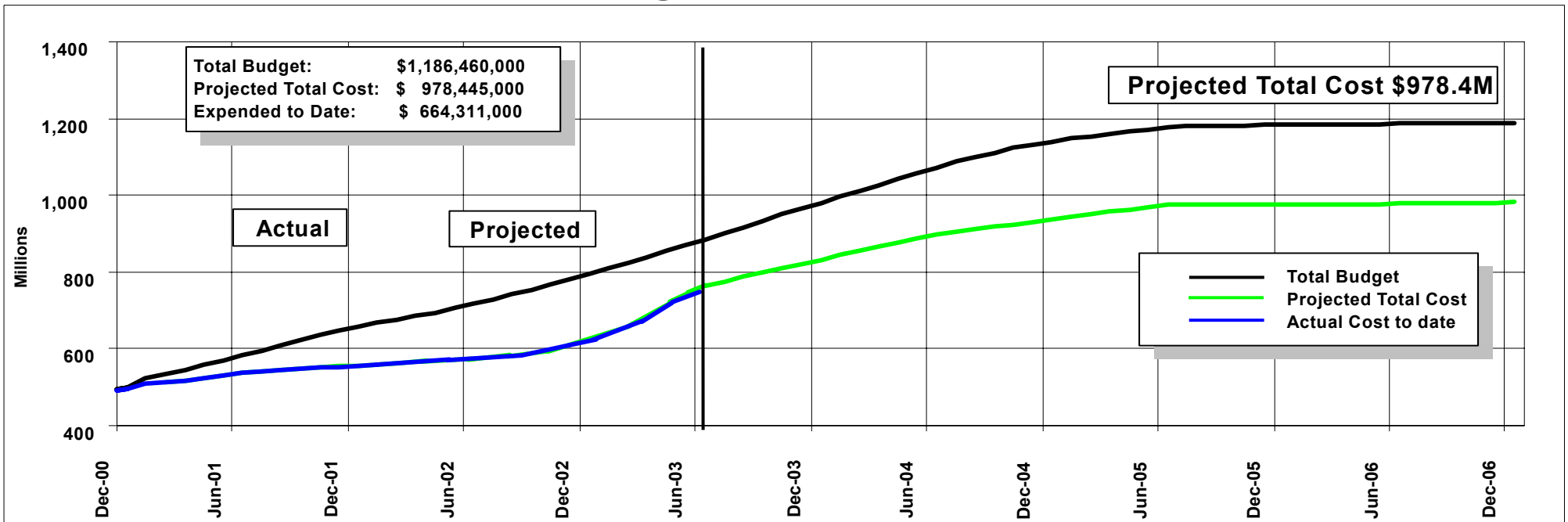
BLA #2248

# Financial Summary



1. Based on knowledge of current field conditions.

## Program Cash Flow



### Budget Comparison and Schedule Summary

	BUDGET (Jun-03)	FORECAST (Jun-03)	ACTUALS THRU (Jun-03) <sup>(1)</sup>	PROGRESS		COMPLETION DATE		COMMENTS
				PLANNED % COMPLETE	ACTUAL % COMPLETE (Jun-03) <sup>(2)</sup>	CONTRACT (3) (4)	FORECAST (Jun-03) <sup>(4)</sup>	
<b>Construction Reaches</b>								
Arrowhead West Tunnel	\$ 56,355,000	\$ 56,338,000	\$ 56,333,000	100%	100%	Completed	Completed	Mining Deleted From Contract
Arrowhead East Tunnel	\$ 135,509,000	\$ 135,509,000	\$ 133,666,000	100%	100%	Completed	Completed	Mining halted after 8,000 ft
Arrowhead Tunnels	\$ 307,137,000	\$ 287,562,000	\$ 32,439,000	11%	8%	Sep-06	Sep-06	Contractor Mobilizing
Highland Pipeline	\$ 61,833,000	\$ 59,942,000	\$ 47,630,000	60%	80%	Sep-04	May-04	Under construction.
Mentone Pipeline	\$ 39,238,000	\$ 39,238,000	\$ 39,001,000	100%	100%	Completed	Completed	Completed Oct. 01
Riverside Badlands Tunnel	\$ 148,473,000	\$ 144,922,000	\$ 144,780,000	100%	100%	Completed	Completed	Completed Mar. 03
Riverside North Pipeline	\$ 55,712,000	\$ 55,712,000	\$ 55,713,000	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	\$ 48,941,000	-----	90%	-----	-----	-----
Environmental Planning/Mitigation	\$ 18,598,000	\$ 18,598,000	\$ 12,821,000	-----	69%	-----	-----	-----
Owner Controlled Insurance Prog.	\$ 18,700,000	\$ 18,700,000	\$ 18,535,000	-----	99%	-----	-----	-----
Study/Initial Planning	\$ 8,024,000	\$ 8,024,000	\$ 8,024,000	-----	100%	-----	-----	-----
Program Management	\$ 32,000,000	\$ 32,000,000	\$ 24,010,000	-----	75%	-----	-----	-----
<b>Projected Total Cost</b>	<b>\$ 978,445,000</b>	<b>\$ 953,411,000</b>	<b>\$ 664,311,000</b>					
<b>Remaining Budget</b>	<b>\$ 208,015,000</b>	<b>\$ 233,049,000</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
- (4) Completion date for Arrowhead Tunnels does not include time for grouting

1. Project budget minus projected total cost.

### Remaining Budget

