

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

June 8, 2004 Board Meeting

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**10-1**

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**Subject**

Status report for the Inland Feeder Program for activities through April 2004 [**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 No. BC283438); to be heard in closed session pursuant to Gov. Code § 54956.9(a). Any discussion of potential litigation relating to the December 2003 Waterman Canyon Floods to be heard in closed session pursuant to Gov. Code § 54956.9(b)**]

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**Description**

**Arrowhead Tunnels (new contract)**

Arrowhead East Tunnel – Tunnel boring machine (TBM) mining began on August 18, 2003. Through April, 5,440 feet (24.2%) have been mined. Minimal groundwater is being encountered, and is being controlled through the grouting program.

Arrowhead West Tunnel – The contractor completed repairs to the portal area and TBM which were damaged in the December 25, 2003 flooding. Mining resumed on April 5. Through April, 620 feet (2.9%) have been mined. Minimal groundwater is being encountered, and is being controlled through the grouting program.

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

At the May 2004 board meeting the Board approved a partial settlement of the pending litigation relating to the completed contracts. All claims of Shank/Balfour Beatty and its subcontractors Coast Geo and IAFD as well as a pending Government Code Claim relating to the Riverside Badlands Tunnel have been settled. The only remaining issues in the pending litigation are the claims by the pipe vendor Ameron in the amount of approximately \$11.5 million. Trial is currently scheduled to begin on May 25, 2004. On May 17, 2004 Metropolitan filed a Cross-Complaint against Ameron alleging the submission of false claims. This may result in a further delay of the trial.

**Highland Pipeline – Reach 3**

The contractor has completed installation of the entire 28,000 linear feet of pipe. Work continues on construction of the valve vault for the pipeline connection between San Bernardino Valley Municipal Water District's Foothill Feeder and the Inland Feeder Program's Highland Pipeline. Work is expected to be complete by July 2004.

**Budget and Schedule**

The projected cost for the Inland Feeder Program is \$951.0 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 West Tunnels are \$5.3 million and \$15.8 million, respectively. A \$429,000 claim for the completed Riverside Badlands Tunnel is also pending.

Total expenditures through April 2004 are \$718.3 million (see [Attachment 1](#) for a budget comparison and schedule summary and [Attachment 2](#) for the Arrowhead Tunnels financial status). 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.

**Policy**

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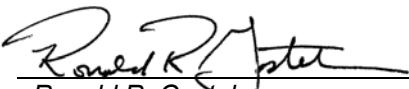
Board request

**Fiscal Impact**

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

 _____ Roy L. Wolfe Manager, Corporate Resources	5/18/2004 Date
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 _____ Ronald R. Gastelum Chief Executive Officer	5/18/2004 Date
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[Attachment 1 – Budget Comparison and Schedule Summary](#)

[Attachment 2 – Arrowhead Tunnels Financial Status](#)

BLA #2457

**Inland Feeder Program  
Budget Comparison and Schedule Summary**

	BUDGET (Apr-04)	PROJECTED COST (Apr-04)	ACTUALS THRU (Apr-04)	PROGRESS		COMPLETION DATE		COMMENTS
				PLANNED % COMPLETE	ACTUAL % COMPLETE (Apr-04) (1)	CONTRACT (2) (3)	FORECAST (Apr-04) (3)	
<b><u>Active Construction</u></b>								
Arrowhead Tunnels	\$ 302,567,000	\$ 281,846,000	\$ 62,711,000	43%	26%	Sep-06	Sep-06	Under construction
Highland Pipeline	\$ 55,137,000	\$ 54,521,000	\$ 53,993,000	80%	99%	Sep-04	Jul-04	Under construction
<b><u>Construction Support</u></b>								
Right-of-Way and Land	\$ 49,072,000	\$ 49,072,000	\$ 48,542,000	-----	99%	-----	-----	-----
Environmental Planning/Mitigation	\$ 18,598,000	\$ 18,598,000	\$ 13,614,000	-----	73%	-----	-----	-----
Program Management	\$ 32,401,000	\$ 32,401,000	\$ 26,219,000	-----	81%	-----	-----	-----
Arrowhead Tunnels Claims Cost	\$ 950,000	\$ 950,000	\$ 234,000	-----	25%	-----	-----	-----
<b><u>Completed Projects</u></b>								
Arrowhead West Tunnel Constr. (4)	\$ 44,563,000	\$ 44,495,000	\$ 44,491,000	-----	100%	-----	-----	-----
Arrowhead East Tunnel Constr. (4)	\$ 121,753,000	\$ 121,753,000	\$ 121,422,000	-----	100%	-----	-----	-----
Arrowhead Tunnels Design	\$ 29,380,000	\$ 29,381,000	\$ 29,381,000	-----	100%	-----	-----	-----
Mentone Pipeline	\$ 32,112,000	\$ 32,112,000	\$ 31,992,000	-----	100%	-----	-----	-----
Highland/Mentone Pipeline Design	\$ 16,122,000	\$ 16,121,000	\$ 16,121,000	-----	100%	-----	-----	-----
Riverside Badlands Tunnel (5)	\$ 144,931,000	\$ 144,931,000	\$ 144,834,000	-----	100%	-----	-----	-----
Riverside North Pipeline	\$ 55,713,000	\$ 55,713,000	\$ 55,713,000	-----	100%	-----	-----	-----
Riverside South Pipeline	\$ 42,418,000	\$ 42,418,000	\$ 42,418,000	-----	100%	-----	-----	-----
Inland Feeder Study / Initial Planning	\$ 8,024,000	\$ 8,024,000	\$ 8,024,000	-----	100%	-----	-----	-----
Owner Controlled Insurance Program	\$ 18,700,000	\$ 18,700,000	\$ 18,554,000	-----	99%	-----	-----	-----
<b>Expended To Date</b>			<b>\$ 718,263,000</b>					
<b>Total Cost To Complete</b>	<b>\$ 972,441,000</b>	<b>\$ 951,036,000</b>						
<b>Remaining Budget</b>	<b>\$ 214,019,000</b>	<b>\$ 235,424,000</b>						
<b>Total Approved Budget</b>	<b>\$ 1,186,460,000</b>	<b>\$ 1,186,460,000</b>						

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

(2) Based on original contract duration and approved extensions.

(3) Completion date for Arrowhead Tunnels does not include time for grouting.

(4) Budget does not include Contractor Claims of \$5.3M and \$15.8M for the Arrowhead East Tunnel and Arrowhead West Tunnel, respectively.

(5) Will reduce budget to equal actuals following resolution of Contractors Claim of \$500K. Unused budget to be transferred to Remaining Budget category.

NOTE: Overall completion = 37 of 44 miles (84%)

**Inland Feeder Program**  
**Arrowhead Tunnels Financial Status**  
(\$ in Millions)

<b>Construction Contract No. 1542</b>	<b>Budget April - 2004</b>	<b>Committed April - 2004</b>	<b>% of Budget Committed</b>
Mobilization	\$ 7.4	\$ 6.7	90.5%
Plant equipment / materials	\$ 62.1	\$ 29.2	47.0%
<u>Arrowhead East</u>			
Portal / pipeline work	\$ 11.0	\$ 6.5	59.1%
Excavation / final lining	\$ 64.1	\$ 11.4	17.8%
Grouting	\$ 11.6	\$ 0.3	2.6%
<u>Arrowhead West</u>			
Portal / pipeline work	\$ 6.7	\$ 1.4	20.9%
Excavation / final lining	\$ 67.9	\$ 1.4	2.1%
Grouting	\$ 11.6	\$ -	
Construction Contract Total	\$ 242.4	\$ 56.9	23.5%

NOTE: Invoices paid through April 2004 = \$53.4 million