



● Quarterly Report for Inland Feeder Program

Summary

This report provides a summary of the Inland Feeder Program for activities through January 2010

Attachments

Inland Feeder Program Projected Cost/Expenditures and Incentive Plan Payments

Detailed Report

Work Completed to Date

The Inland Feeder consists of 44 miles of pipelines and tunnels that enable Metropolitan to convey up to 1,000 cubic feet per second (cfs) of State Water Project (SWP) supplies from Devil Canyon Afterbay to Diamond Valley Lake (DVL). The final segment of the Inland Feeder, the Arrowhead Tunnels, commenced service in late September 2009. With this milestone, all nine reaches (44 miles) of the Inland Feeder are now complete. From October to December 2009, SWP supplies of up to 500 cfs were conveyed through the Inland Feeder as Metropolitan moved approximately 50,000 acre feet of water from Devil Canyon to DVL.

Arrowhead Tunnels

All remaining work on the Arrowhead West and Arrowhead East tunnels was completed in November 2009. The Notice of Completion was filed in late November. In accordance with the Project's Final Environmental Impact Report and Environmental Assessment (FEIR/EA), environmental monitoring and mitigation work is ongoing and will continue along the tunnel alignments for the next 2 to 3 years.

Budget and Schedule

The Arrowhead Tunnels were placed into operation on September 30, 2009, 14 months ahead of the target schedule established in August 2006. The construction contract was completed for approximately \$12 million less than the revised budget established in 2006.

In December 2009, Metropolitan's Board approved the settlement terms and amount for the two remaining eminent domain actions with Campus Crusade for Christ (CCC). The terms have also been approved by that entity's board. Attorneys for both sides are drafting the written stipulations to be filed with the court, and a final settlement is expected by late February 2010.

Following the completion of the Arrowhead Tunnels in November 2009, staff conducted a complete review of the program budget to estimate the additional funds that will be required for post-construction work. As reported to the Board previously, estimated budget for post-construction work, including the Final Environmental Impact Report/Environmental Assessment monitoring and mitigation work, was not previously established as the scope had not yet been fully developed. The level of effort has now been identified, and the projected costs are estimated to be \$10.7 million. This amount will provide a 3-year environmental monitoring effort. With the Arrowhead Tunnels construction fully complete, and including sales revenue from surplus equipment, eminent domain settlement costs, and post-construction environmental monitoring plan, the updated total projected cost to complete the Inland Feeder program is \$1.153 billion.

Total expenditures through January 2010 are \$1.125 billion (see [Attachment 1](#) for the Projected Cost/Expenditures). The Board-approved budget for the entire program remains at \$1.186 billion

The payments on the Arrowhead Tunnels contractor's incentive/risk program have been discussed with the Board on a regular basis at the Engineering and Operations Committee meetings. This incentive plan is part of the contract amendment approved by the Board in August 2006. As reported at the October 2009 committee meeting,

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in accordance with the early-completion provisions of the incentive program, payment of the balance of available tunneling incentive funds in the amount of \$3.78 million took place in October. A final summary of incentive payments to the contractor is shown in [Attachment 1](#).

Inland Feeder Program Projected Cost/Expenditures (\$ in Millions)				
	Projected Cost To Complete (Updated Jan 2010)	Expenditures This Month (Jan 2010)	Expenditures To Date (Jan 2010)	% Complete Based on Expenditures (Jan 2010)
<u>Active Construction</u>				
Arrowhead Tunnels Const. Contract	\$ 381.0	\$ 0.5	\$ 381.0	100%
Construction Inspection and Support	\$ 64.5	\$ 0.2	\$ 59.3	93%
Subtotal, Active Construction	\$ 445.5	\$ 0.7	\$ 440.3	99%
<u>Other Components</u>				
Completed Projects	\$ 575.3	\$ 0.0	\$ 575.1	100%
Others (R/W, Env., Prog. Mgmt.)	\$ 132.1	\$ 0.1	\$ 109.7	83%
Subtotal, Other Components	\$ 707.4	\$ 0.1	\$ 684.8	97%
Expended To Date		\$ 0.8	\$ 1,125.1	95%
Subtotal, All Projects	\$ 1,152.9	← Projected Cost to Complete		
Remaining Budget	\$ 33.6			
Board-Authorized Budget	\$ 1,186.5	← Total Project Budget		

Inland Feeder Program – Arrowhead Tunnels Incentive Plan Payments (Final)				
	<u>East Tunnel</u>	<u>West Tunnel (1)</u>	<u>Total</u>	
June 2006 – Sep 2009 (Previously Reported)	\$ 6,098,626	\$ 5,860,539	\$ 11,959,165	
October 2009 (3)	\$ 69,000	\$ 70,875	\$ 139,875	
TOTALS	\$ 6,167,626	\$ 5,931,414	\$ 12,099,040 (2)	

(1): For Arrowhead West Tunnel, incentive program evaluation commenced in June 2006.
 (2): Percent of maximum possible combined incentive: 100% (100% Arrowhead East Tunnel, 100% Arrowhead West Tunnel)
 (3): Incentive Plan based on work performed during contractor monthly pay period from 9/26/09 to 10/25/09 (differs from progress in calendar month)