

Construction- Work-in- Progress (CWIP) FY 2019 Q2 Update

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Quarterly Construction Work-in-Progress Report (FY2019 Q2 CWIP)

The Q2 CWIP Report can be found on our website in the March 15, 2019 Audit Committee binder packet and within the financial section of glwater.org site.

<https://glwater.legistar.com/Calendar.aspx>

<https://www.glwater.org/financials/>



QUARTERLY CONSTRUCTION WORK-IN-PROGRESS REPORT

The quarterly construction work-in-progress (“CWIP”) report highlights key projects under construction and overall progress on delivery of the Capital Improvement Plan (“CIP”).

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Contents / Organization of the CWIP

- Executive Summary
- Analysis of Projects with Largest Percent of Spend
- Construction Work-in-Progress Rollforward (New & Improved format)
- FY 2019 Spending Plan Amendment Summary

Budget vs. Plan

Generally, GLWA's CIP projects span two or more fiscal years. The GLWA Board of Directors adopts a biennial "budget" and a five-year capital improvement "plan".

- ✓ The adopted budget relates to operations and maintenance expense, annual fixed commitments such as debt service, and incremental adjustments to reserves. The budget provides authority to spend within defined amounts. The budget is also referred to as the "revenue requirement" for the utility.
- ✓ The CIP "budget" for the same biennial budget period above is based on the first two years of the CIP. Funding for these projects are established in the financial plan through a combination of bond proceeds and Improvement & Extension fund reserves.
- ✓ After contracts are awarded at amounts variant from the CIP plan and more reliable anticipated spend data becomes available, the amended budget for the current fiscal year may increase or decrease by way of "Capital Reserve" budget amendments.
- ✓ The five-year capital improvement plan is a rolling plan that is updated at an administrative tracking level as projects move from estimated to actual bid numbers. An updated mid-cycle CIP would be presented to the Board for approval if the prioritization strategy was revised and/or the plan was in need of material revisions.

FY 2019 Spending Plan Amendments

The award of CIP contracts and the related execution thereof may result in deviation from the amount and timing of planned spend.

Spending plan amendments are prepared to fund the related increase or decrease either to or from the Capital Reserve to amend the board approved fiscal year planned spend accordingly and to inform decision makers in the development of future Capital Improvement Plans.

As additional contracts are awarded and other project information becomes available additional spending plan amendments to the Capital Reserve will be prepared to amend the planned spend for FY 2019.

FY 2019 Spending Plan Amendments

Project	Project Name	Capital Reserve	Program / Allowance	Grand Total
111004	Electrical Tunnel Rehabilitation at Lake Huron WTP	\$ 2,314,786	\$ -	\$ 2,314,786
113002	High Lift Pump Discharge Valve Actuators Replacement at Southwest WTP	81,000	-	81,000
114001	Springwells Water Treatment Plant 1958 Filter Rehabilitation and Auxiliary Facilities	951,000	-	951,000
114003	Water Production Flow Metering Improvements at NE, SW, and SPW WTP	-	307,000	307,000
114005	Springwells WTP Admin Building Improvements	(3,390)	-	(3,390)
114011	Steam, Condensate Return, and Compressed Air Piping Improvements at Springwells WTP	1,660,452	-	1,660,452
114015	Emergency Grating Replacement at Springwells WTP	-	545,186	545,186
122002	Replacement of Five (5) PRV Pits of Treated Water Transmission System	641,494	-	641,494
122003	New Waterworks Park to Northeast Transmission Main	510,701	-	510,701
122011	Park-Merriman Water Main-Final Phase	100,000	-	100,000
122012	36-inch Water Main in Telegraph Road	127,187	-	127,187
132003	Isolation Gate Valves for Line Pumps for West Service Center Pumping Station	347,744	-	347,744
132007	Energy Management: Freeze Protection Pump Installation at Imlay Pumping Station	-	6,800	6,800
132010	West Service Center/Duval Rd Division Valve Upgrades	-	240,890	240,890
170100	Allowance: WTP/Pump Station	686,186	(4,982,186)	(4,296,000)
170104	Orion and Newburgh Pumping Stations Improvements	-	2,167,000	2,167,000
170109	Inspection of Raw Water Intakes and Tunnels	-	3,000	3,000
170120	Phosphoric Acid Feed System Improvements at Southwest WTP	-	460,000	460,000
170121	Franklin PS Valve Rehab	-	1,000,000	1,000,000
170122	Meter Pit at Brownstown Township	-	159,000	159,000
170201	Construction & Environmental Testing	-	93,310	93,310
170300	Water Treatment Plant Automation Program	235,225	(296,225)	(61,000)
170301	Water Plant Automation	-	296,225	296,225
170500	Transmission System Valve Assessment and Rehabilitation/Replacement Program	-	(4,000,000)	(4,000,000)
170502	Transmission System Valve Assessment and Rehabilitation/Replacement	-	4,000,000	4,000,000
170800	Reservoir Inspection, Design and Rehabilitation Program	-	(472,000)	(472,000)
170801	Reservoir Inspection, Design and Rehabilitation	17,500	472,000	489,500
170900	Suburban Water Meter Pit Rehabilitation and Meter Replacement Program	-	(4,613,000)	(4,613,000)
170901	Suburban Water Meter Pit Rehabilitation and Meter Replacement	-	4,613,000	4,613,000
Grand Total		\$ 7,669,885	\$ -	\$ 7,669,885

Excerpt from page 34 from the FY 2019 Q2 CWIP Report

FY 2019 Spending Plan Amendments

Project	Project Name	Capital Reserve	Program / Allowance	Grand Total
212003	Aeration System Improvements	\$ (150,000)	\$ -	\$ (150,000)
213002	Rehabilitation of Central Offload Facility	(1,500,000)	-	(1,500,000)
213007	Construction of the Improved Sludge Conveyance and Lighting System at the WWTP	-	96,404	96,404
216004	Rehabilitation of Various Sampling Sites and PS# 2 Ferric Chloride System at WWTP	233,000	-	233,000
222002	Detroit River Interceptor Evaluation and Rehabilitation	2,424,010	-	2,424,010
232001	Fairview Pumping Station - Replace Four Sanitary Pumps	(109,000)	-	(109,000)
260100	Water Resource Recovery Facility (WRRF), Lift Station & Wastewater Collection System Allowance	-	(96,404)	(96,404)
260200	Sewer and Interceptor Evaluation and Rehabilitation Program	-	(8,601,000)	(8,601,000)
260201	Conveyance System Interceptor Rehab	-	8,601,000	8,601,000
260500	CSO Outfall Rehab	-	(507,000)	(507,000)
260502	CSO Outfall Rehab	-	507,000	507,000
260600	CSO Facilities Improvements	-	(6,821,000)	(6,821,000)
260603	Conner Creek CSO Basin Rehab	-	6,821,000	6,821,000
Grand Total		\$ 898,010	\$ -	\$ 898,010

Excerpt from page 65 from the FY 2019 Q2 CWIP Report

FY 2019 Q2 CWIP Highlights

	FY 2018 Amended Budget	FY 2018 Activity	FY 2018 as a Percent of Budget	FY 2019 Budget	FY 2019 Prorated (Six Months)	FY 2019 Activity (Six Months) (Unaudited)	FY 2019 as a Percent of Prorated Budget (Six Months) (Unaudited)
Water System Projects							
FY 2018 CIP Project Requests	\$ 137,655,000	\$ 37,013,482	26.9%				
FY 2018 CIP Realigned Forecast as per 2019 CIP	40,043,000	37,013,482	92.4%				
FY 2019 Board Approved CIP Spend				\$ 66,038,000	\$ 33,019,000	\$ 33,103,669	100.3%
FY 2019 Amended Spend				73,707,885	36,853,943	33,103,669	89.8%

	FY 2018 Amended Budget	FY 2018 Activity	FY 2018 as a Percent of Budget	FY 2019 Budget	FY 2019 Prorated (Six Months)	FY 2019 Activity (Six Months) (Unaudited)	FY 2019 as a Percent of Prorated Budget (Six Months) (Unaudited)
Wastewater System Projects							
FY 2018 CIP Project Requests	\$ 160,746,000	69,567,318	43.3%				
FY 2018 CIP Realigned Forecast as per 2019 CIP	70,632,000	69,567,318	98.5%				
FY 2019 Board Approved CIP Spend				\$ 105,183,000	52,591,500	42,063,136	80.0%
FY 2019 Amended Spend				\$ 106,081,010	53,040,505	42,063,136	79.3%

Excerpt from pages 4 and 35 from the FY 2019 Q2 CWIP Report

FY 2019 Q2 CWIP Highlights *(continued)*

Water System Projects	Total Project Budget Estimate From FY 2019 - 2023 CIP		Life-to-Date Through June 30, 2018		FY 2019 Amended Spend		FY 2019 Activity (Unaudited)	FY 2019 as a Percent of Spend (Unaudited)	
Project 111002 - LH WTP Miscellaneous Mechanical HVAC Improvements	\$	8,642,000	\$	1,864,811	\$	3,666,000	\$	3,471,528	10.5%
Project 114001- Springwells WTP 1958 Filter Rehabilitation		93,464,000		66,571,119		4,452,000		3,731,734	11.3%
Project 114012-Springwells WTP 1930 Filter Building Roof Replacement		2,906,000		1,123,542		2,420,000		2,761,119	8.3%
Project 116002- PA, SW and NE Raw Water Tunnel Improvements		33,079,000		2,177,985		9,042,000		5,525,787	16.7%
Selected Projects as a Percentage of the Total	\$	138,091,000	\$	71,737,457	\$	19,580,000	\$	15,490,168	46.8%
Total					\$	73,707,885	\$	33,103,669	100.0%

Excerpt from page 5 from the FY 2019 Q2 CWIP Report

FY 2019 Q2 CWIP Highlights *(continued)*

	Total Project Budget Estimate per FY 2019 - 2023 CIP		Life-to-Date Through June 30, 2018	FY 2019 Amended Spend	FY 2019 Activity (Unaudited)	FY 2019 as a Percent of Spend (Unaudited)			
Wastewater System Projects									
Project 211001: Rehabilitation of Primary Clarifiers Rectangular Tanks, Drain Lines, Electrical/Mechanical Building and Pipe Gallery	\$	54,037,000	\$	25,098,344	\$	16,308,000	\$	10,408,427	24.7%
Project 212003: Aeration System Improvements		18,320,000		11,850,544		2,569,000		3,662,476	8.7%
Project 212006: PC-797 Rouge River Outfall Disinfection and CS-1781 Oversight Consulting Services Contract		47,466,000		26,440,608		15,817,000		11,032,341	26.2%
Project 213007: WRRF Modification to Incinerator Sludge Systems at Complex-II		22,187,000		2,329,474		6,883,404		3,832,956	9.1%
Project 222002: Detroit River Interceptor (DRI) Evaluation and Rehabilitation		44,425,000		2,647,174		3,508,010		3,583,528	8.5%
Selected Projects as a Percentage of the Total	\$	186,435,000	\$	68,366,144	\$	45,085,414	\$	32,519,728	77.3%
Total				\$	106,081,010	\$	42,063,136		100%

Excerpt from page 36 from the FY 2019 Q2 CWIP Report

FY 2019 Q2 CWIP Highlights *(continued)*

Project	Project Name	Total Project Budget Estimate From FY 2019 - 2023 CIP	CWIP Balance July 1, 2018	FY 2019 Board Approved CIP Spend	FY 2019 Amended Spend	FY 2019 Activity through December 31, 2018	CWIP Balance, December 31, 2018 (Unaudited)	Life To Date Capitalization through December 31, 2018	Life to Date Activity through December 31 2018	Life to Date Activity / Total Project Estimate
114001	Springwells Water Treatment Plant 1958 Filter Rehabilitation and Auxiliary Facilities	93,464,000	66,571,119	3,501,000	4,452,000	3,731,734	70,302,853	22,738,455	93,041,307	100%
114002	Springwells Water Treatment Plant - Low Lift and High Lift Pump Station	85,503,000	498,042	1,433,000	1,433,000	1,107,269	1,605,311	-	1,605,311	2%
114003	Water Production Flow Metering Improvements at NE, SW, and SPW WTP	7,159,000	3,444,814	2,506,000	2,813,000	1,810,007	5,254,821	-	5,254,821	73%
Total		\$ 1,684,202,000	\$ 141,885,761	\$ 66,038,000	\$ 73,707,885	\$ 33,103,669	\$ 174,989,430	\$ 57,057,350	\$ 232,046,780	14%
				Net FY 2019 Spending Plan Amendments		\$ 7,669,885				

- FY 2019 Amended Spend – This new addition to the report shows the amended spend plan for FY 2019
- Life to date activity – Allows the presentation of cost percent complete as compared to the Total Project Budget Estimate from the FY 2019 – 2023 CIP
- Projects with no budget – Project activity is being evaluated to determine necessity of spending plan amendments
- Activity greater than 100% – Pending spending plan amendments exist for change orders funding additional project costs from allowances, program breakouts or capital reserves

Excerpt from page 21-32 from the FY 2019 Q2 CWIP Report

FY 2019 Q1 CWIP Highlights *(continued)*

Project	Project Name	Total Project Budget Estimate from FY2019 - 2023 CIP	CWIP Balance July 1, 2018	Board Approved CIP Spend	FY 2019 Amended Spend	FY 2019 Activity through December 31, 2018	CWIP Balance, December 31, 2018 (Unaudited)	Life To Date Capitalization through December 31, 2018	Life to Date Activity through December 31 2018	Life to Date Activity / Total Project Estimate
211001	Rehabilitation of Primary Clarifiers Rectangular Tanks, Drain Lines, Electrical/Mechanical Building and Pipe Gallery	\$ 54,037,000	\$ 25,098,344	\$ 16,308,000	\$ 16,308,000	\$ 10,408,427	\$ 35,506,771	\$ -	35,506,771	66%
212003	Aeration System Improvements	18,320,000	11,850,544	2,719,000	2,569,000	3,662,476	15,513,020	-	15,513,020	85%
214001	Relocation of Industrial Waste Division and Analytical Laboratory Operations	12,947,000	572,845	4,001,000	4,001,000	1,563,550	2,136,395	-	2,136,395	17%
Total		\$ 1,079,684,000	\$ 146,166,135	\$ 105,183,000	\$ 106,081,010	\$ 42,063,136	\$ 188,229,270	\$ 153,093,645	341,322,915	32%
				Net FY 2019 Spending Plan Amendments		\$ 898,010				

- FY 2019 Amended Spend – This new addition to the report shows the amended spend plan for FY 2019
- Life to date activity – Allows the presentation of cost percent complete as compared to the Total Project Budget Estimate from the FY 2019 – 2023 CIP
- Projects with no budget – Project activity is being evaluated to determine necessity of spending plan amendments
- Activity greater than 100% – Pending spending plan amendments exist for change orders funding additional project costs from allowances, program breakouts or capital reserves

Excerpt from page 52-63 from the FY 2019 Q2 CWIP Report