



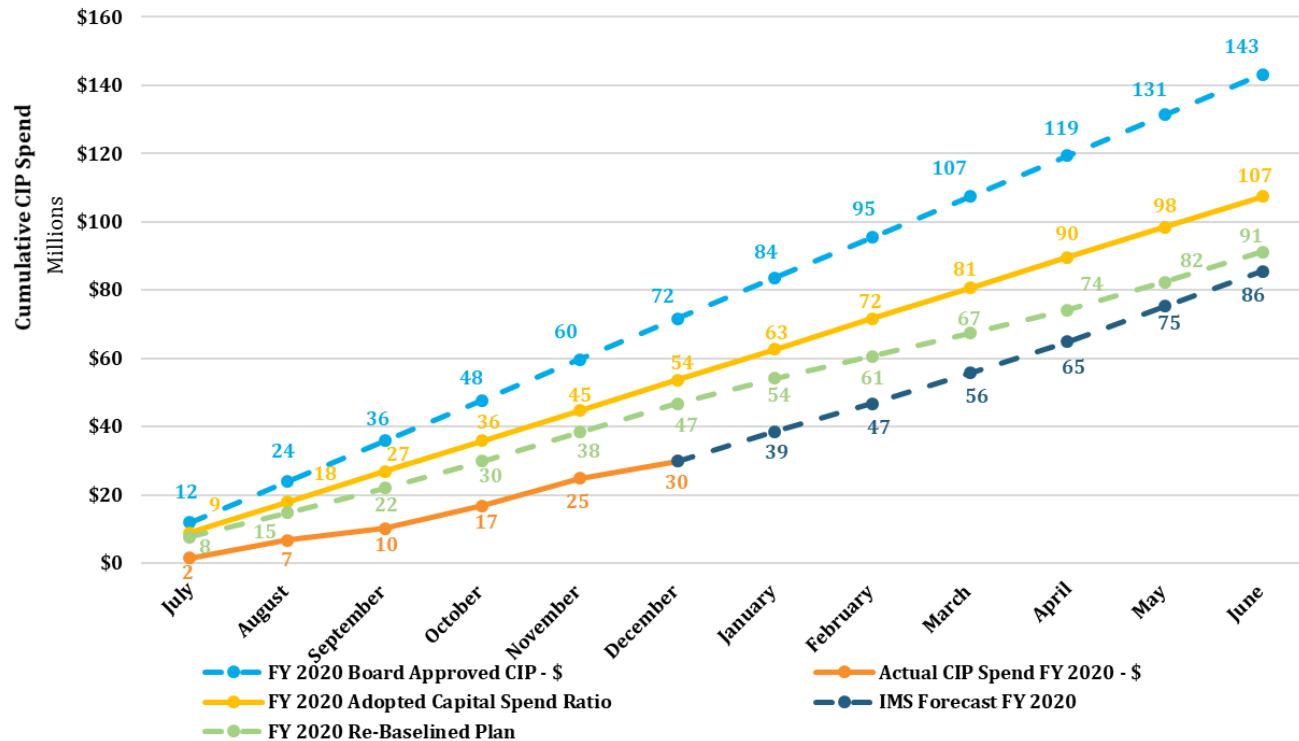
Construction Work In Progress

Andrew Sosnoski, CCIFP

Manager – Construction Accounting & Financial Reporting

Financial Viability- FY 2020 Total CIP Spend

**Cumulative Water CIP Activity
Through December 31, 2019
(Unaudited, Pre-close)**



The water system incurred \$30 million of CIP costs through December 2019. This is 41.7% of the six-month prorated FY 2020 Board approved CIP.

FY 2020 Actual, Forecasted, and Re-Baselined Plan values consider the impact of construction contracts having been awarded for amounts less than planned. Consideration was also given to costs transitioned to future fiscal years attributable to both GLWA and consultant delays in completions of design packages, efforts preceding the award of construction contracts, and delays in construction.

Based upon the IMS forecast, it appears that FY 2020 spend will be approximately 60% of the total FY 2020 Board-approved CIP. That forecast is within the 75% capital spending ratio approved with the FY 2020 financial plan.

FY 2020 Re-Baselined Plan: With the development of the FY 2021 – 2025 CIP all CIP Project progress and priorities were re-evaluated. The schedule and financial impacts of the current fiscal year were incorporated into the Re-Baselined Plan. Future progress will be evaluated against this Re-Baselined Plan.

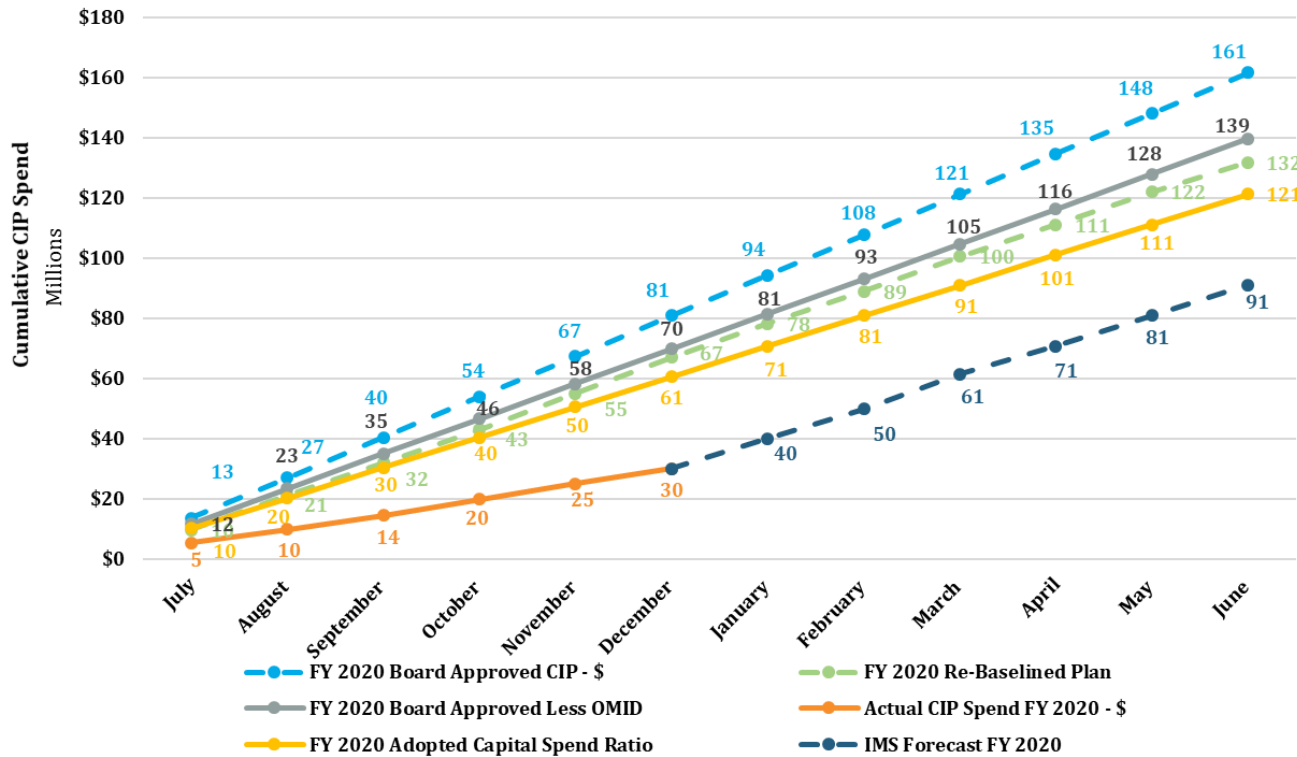
Integrated Master Schedule (IMS) Forecast: The comprehensive schedule of all Capital Improvement Plan (CIP) projects with start and finish forecast of dates and dollars based on most current project execution logic, data and other assumptions. This data is the result of an FY 2019 initiative to produce monthly financial forecasts utilizing Primavera P6. GLWA engineers and construction contractors are actively engaged in the forecasting process.

Prorated Board Approved CIP: Calculated by dividing 100% of the total FY 2020 board-approved Capital Improvement Plan by twelve equal months.

Prorated Amended Spend: Generally represents amendments to the plan based on award of contracts, change orders or cancelled projects resulting in variances to plan.

Financial Viability- FY 2020 Total CIP Spend

**Cumulative Sewer CIP Activity
Through December 31, 2019
(Unaudited, Pre-close)**



The sewer system incurred \$30 million of CIP costs through December 2019. This is 37.1% of the six-month prorated FY 2020 Board approved CIP.

FY 2020 Actual, Forecasted, and Re-Baselined Plan values exclude OMID Projects 222003 NIEA Evaluation and Rehabilitation and 232003 Northeast Pumping Station in the amount of \$20 million in addition to nearly \$8 million for the cancelled CIP Project 213002, Rehabilitation of Central Offload Facility that were included in the FY 2020 Board Approved CIP.

Based upon the IMS forecast, it appears that FY 2020 spend will be approximately 56% of the total FY 2020 Board-approved CIP. That forecast is within the 75% capital spending ratio approved with the FY 2020 financial plan.

FY 2020 Re-Baselined Plan: With the development of the FY 2021 – 2025 CIP all CIP Project progress and priorities were re-evaluated. The schedule and financial impacts of the current fiscal year were incorporated into the Re-Baselined Plan. Future progress will be evaluated against this Re-Baselined Plan.

Integrated Master Schedule (IMS) Forecast: The comprehensive schedule of all Capital Improvement Plan (CIP) projects with start and finish forecast of dates and dollars based on most current project execution logic, data and other assumptions. This data is the result of an FY 2019 initiative to produce monthly financial forecasts utilizing Primavera P6. GLWA engineers and construction contractors are actively engaged in the forecasting process.

Prorated Board Approved CIP: Calculated by dividing 100% of the total FY 2020 board-approved Capital Improvement Plan by twelve equal months.

Prorated Amended Spend: Generally represents amendments to the plan based on award of contracts, change orders or cancelled projects resulting in variances to plan.