

Requested Action:

Review and Comment on the updated Amendment 3 Project Schedule findings including a critical path analysis through the end of Phase 2 of the Project.

Detailed Description/Background:

A detailed planning level schedule was developed to identify, track, and progress key activities and deliverables identified in the Amendment 3 Work Plan. A critical path analysis has been performed to inform decision-making and manage project changes. The goal of the schedule is to identify activities and develop logic ties between service areas through the end of Phase 2, which is marked by participant commitment to the project by signing the Benefits and Obligations Contracts and the closing of the WIFIA loan. This would be the milestone signifying the start of Phase 3 which is the current focus of effort and the subject of this report.

As a general observation, there are three parallel tracks of activities that must be completed in order to sign Benefits and Obligations Contracts and close on a bank loan. These tracks are focused on answering the three big questions: (1) Benefit certainty: what do we get? (2) Cost certainty: what does it cost? (3) Financial certainty: how do we pay for it?

An analysis of the Amendment 3 Project Schedule yielded the following results:

1. Participant Commitment is targeted for July 2024 to facilitate the start of construction in 2024. The critical path for Participant Commitment goes through the cost certainty track. The updated project cost estimate activity drives the critical path, which is highly dependent on acquiring field information to be obtained in Geotech Work Packages.
2. The benefit certainty and financial certainty tracks have some float and are highly dependent on external processes which if delayed would very quickly dominate the critical path. The analysis shows the following activities driving:
 - a. Financial certainty: WIFIA/USDA application and execution of loan agreements which are largely dependent on the ongoing plan of finance activities and the drafting of agreements. State and federal funding commitments are also critical within this track.
 - b. Benefit certainty: Critical permits and Water Rights which are largely external driven processes once the Authority submittals are

complete are necessary to be secured before the start of Phase 3. The environmental review process is within this track and feeds into the permitting requirements.

3. The Contracting Procurement Strategy activity, wrapping up in summer of 2022, will drive the development of the schedule through project completion. The target rollout date for the complete project schedule is October 2022.

The Amendment 3 Project schedule developed in this exercise will serve as the baseline schedule and will be supplemented with additional analysis through project completion later this year. The monthly schedule reporting in Agenda Item 4.4 *Monthly Progress Update of the Amendment 3 Work Plan* reflects the key activities and start/finish dates reflected in this update.

Prior Action:

None.

Fiscal Impact/Funding Source:

The costs to develop and monitor the Amendment 3 Schedule is included within the Project Controls budget.

Staff Contact:

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Primary Service Provider:

Brown and Caldwell/Project Controls.

Attachments:

None.