Dr. Huree,

We are on track to complete the skating rink by 10/15/20. However, the pipes for the ground water drainage system are cracked and require our immediate attention. We will need **an additional** **$18,000** to cover these costs. Although this issue has not yet resulted in setbacks to our project deadline, we must replace the flawed pipes immediately; failure to do so will ultimately translate to greater long-term expenditures and immediate construction delays.

**What has been accomplished so far:**

The foundation for the rink is nearing completion. The sand/gravel base is laid, the heated concrete put in place, and the insulation has been installed. These aspects of the construction were completed on schedule and $5000 under budget. There were no significant or unanticipated issues to report.

**Next on the agenda:**

As the foundation nears completion, our next step will be to install the ground water drainage system. This is scheduled to **begin on 08/20/20** and will be **completed by 09/05/20**. Upon inspection of the water pipes received from our manufacturer on 08/06/20, we noticed substantial cracking to the internal surface to several portions of the pipes. It appears that the pipes were damaged upon transport from the manufacturer. Although the pipes will likely remain functional in the short term, their long-term outlook is poor. If left unaddressed, the damaged pipes are likely to require replacement within just a few years. At that point, the cost to repair will be much greater (estimated to be at least $30,000). Therefore, it is our professional recommendation that certain portions of pipe are immediately replaced. This will require an **additional allotment of $18,000** to our budget. It is prudent that this request be approved immediately to avoid construction delays.

If you have any questions or concerns, please let us know.

Best regards,

Luke Jaeger

CVV Construction Group