

Proposed 2012-2017 Capital Program and the 2012 Capital Budget

Presented to

The Environment Committee

August 9, 2011

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Assistant General Manager

Topics

- **Capital Improvement Program (CIP)
6-Year Plan**
- **Authorized Capital Program
Multi-Year Authorization**
- **Capital Budget
Annual Appropriation**

Proposed Schedule

Aug 9th

Capital Program and Budget

Aug 23rd

**Capital Finance Plan and
Interceptor Rehabilitation Program**

Sep 28th

**Incorporate into the Unified Capital
Improvement Program and Unified
Capital Budget**

Oct 26th

Council Authorizes Public Comment

Dec 14th

Public Hearing and Adoption

Capital Program Strategy

- **Preserve Infrastructure
(\$5 Billion Asset)**
- **Meet Commitments**
- **Prepare for Future**

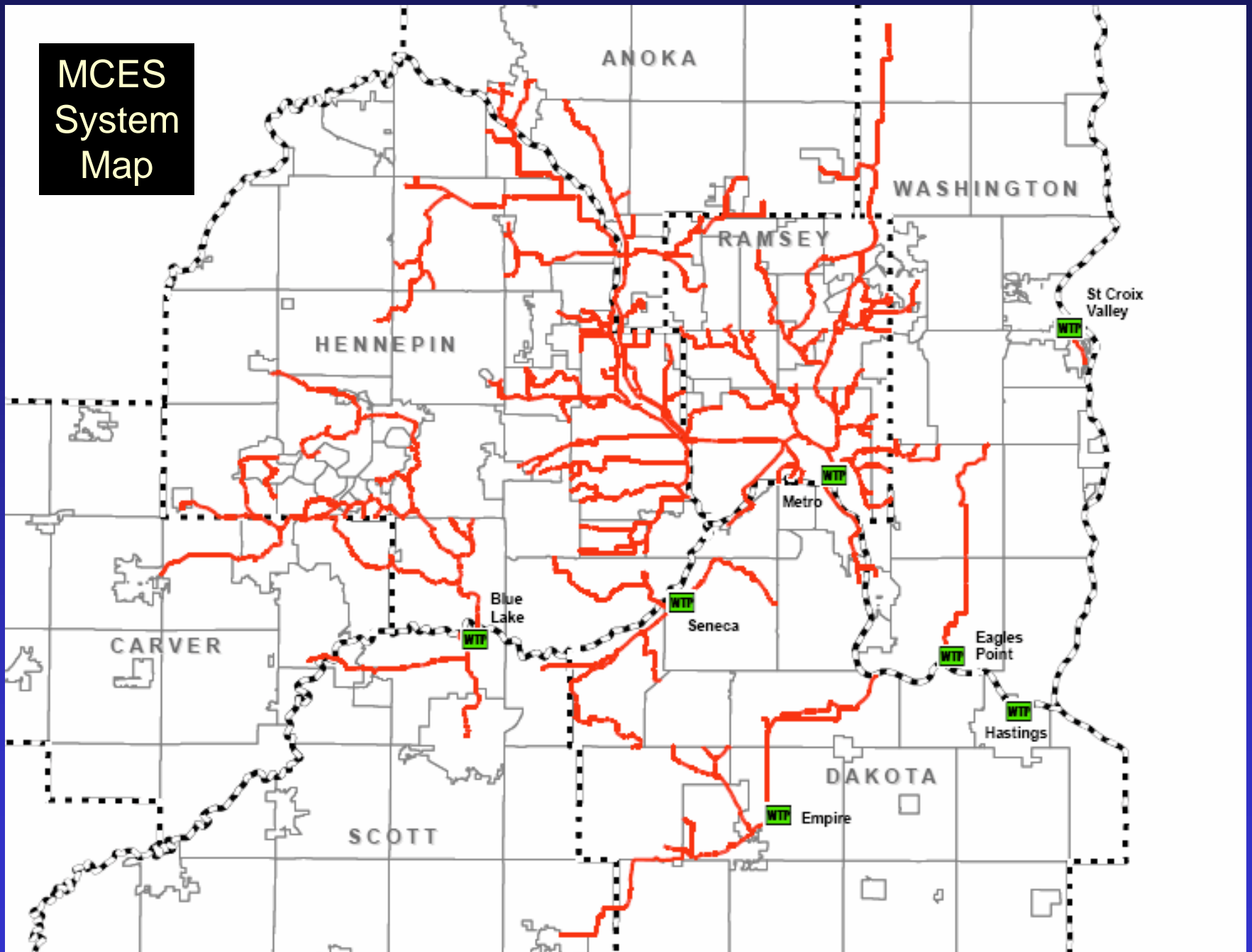
Capital Program Objectives

- **Rehabilitation (Preserve)**
- **Growth (Expand)**
- **Quality (Improve)**

Proposed 2012 – 2017 Capital Improvement Program



MCES System Map



Key Projects - Plants

Blue Lake Plant

- Rehabilitation
- Solids Processing/Energy

Metropolitan Plant

- Solids Processing
- Rehabilitation

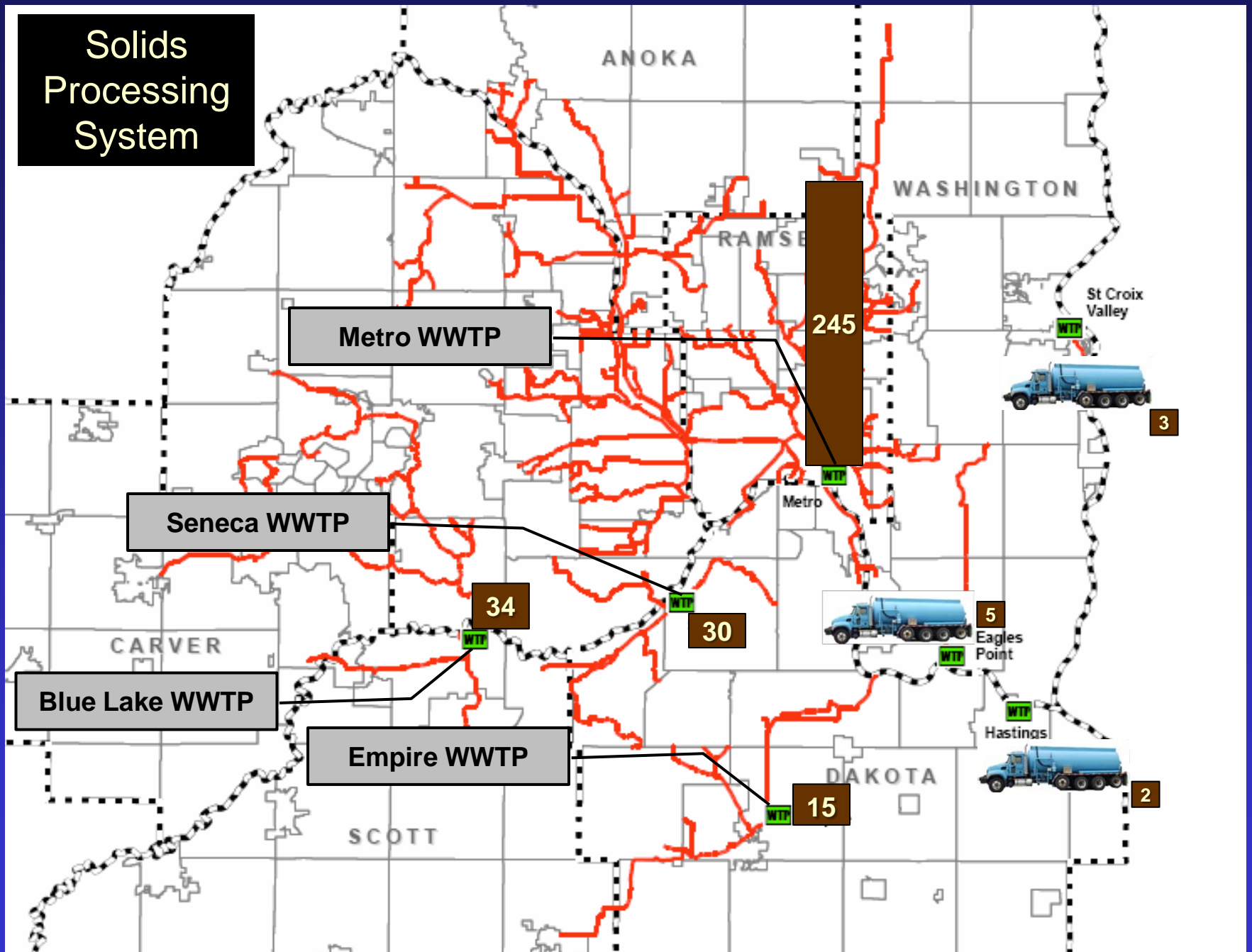
East Bethel Plant

- Water Reclamation Facility

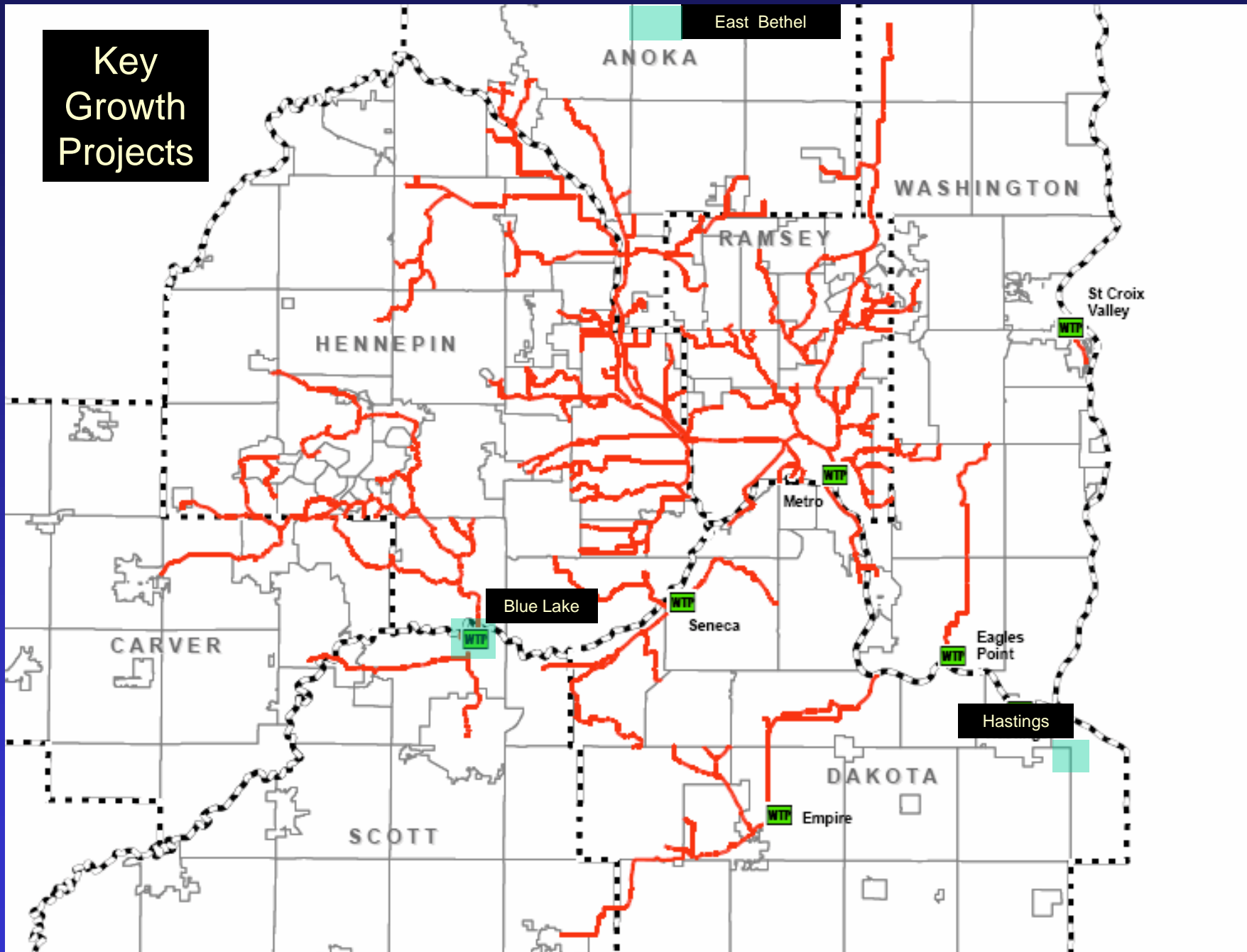




Solids Processing System



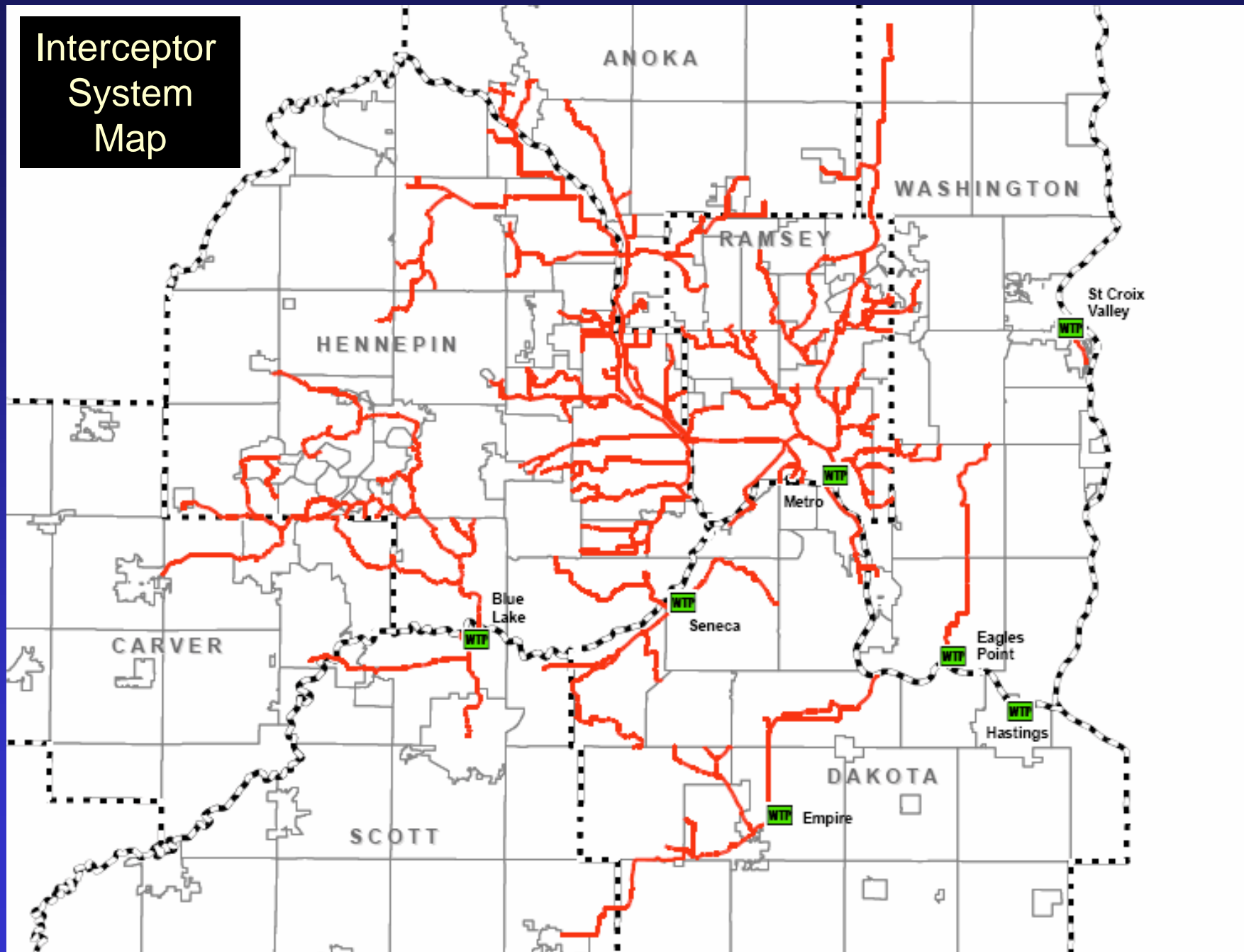
Key Growth Projects



Quality

- **Current permit conditions have been met**
- **CIP excludes capital improvements for potential future permit requirements**
- **Focus on reliability and energy conservation**

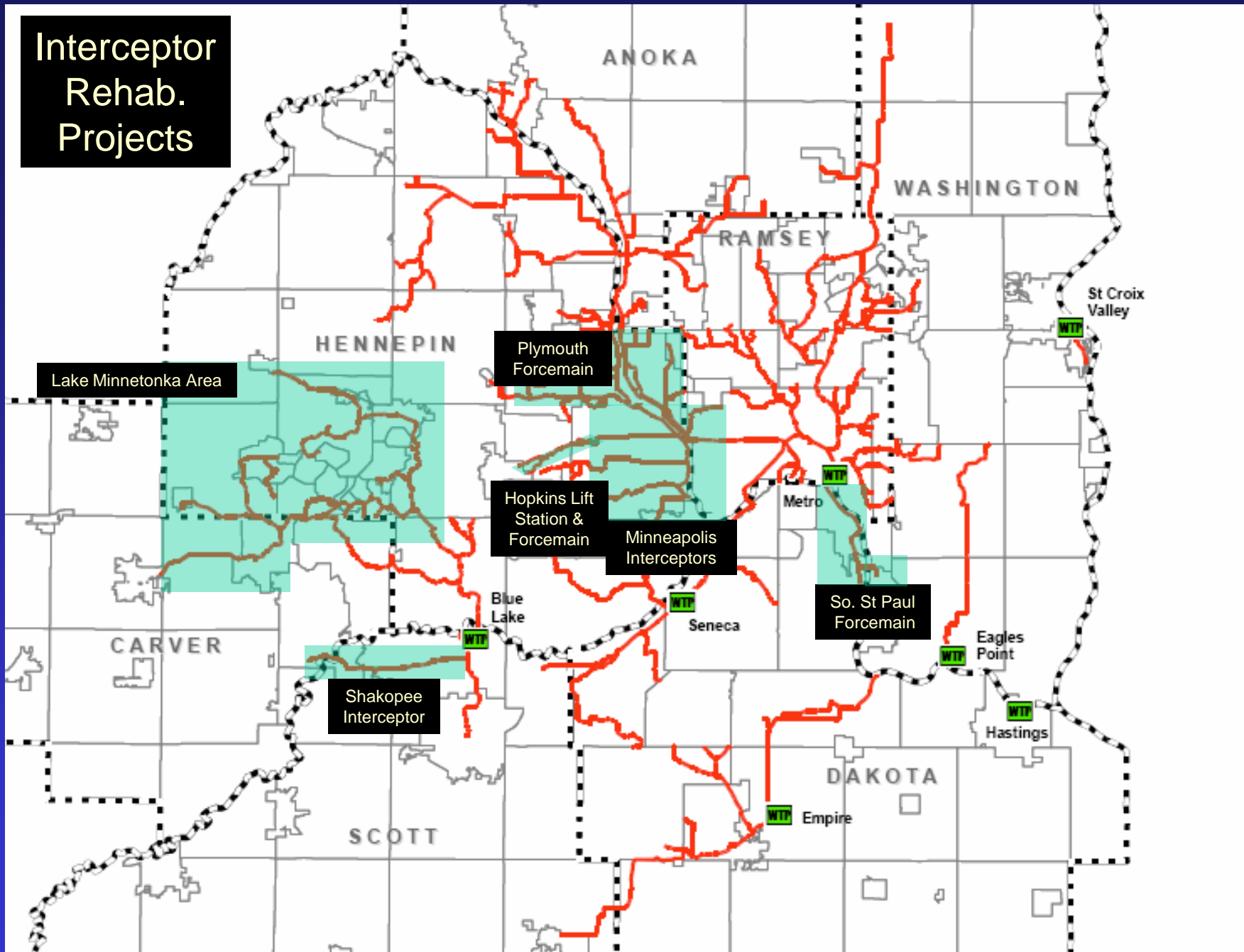
Interceptor System Map



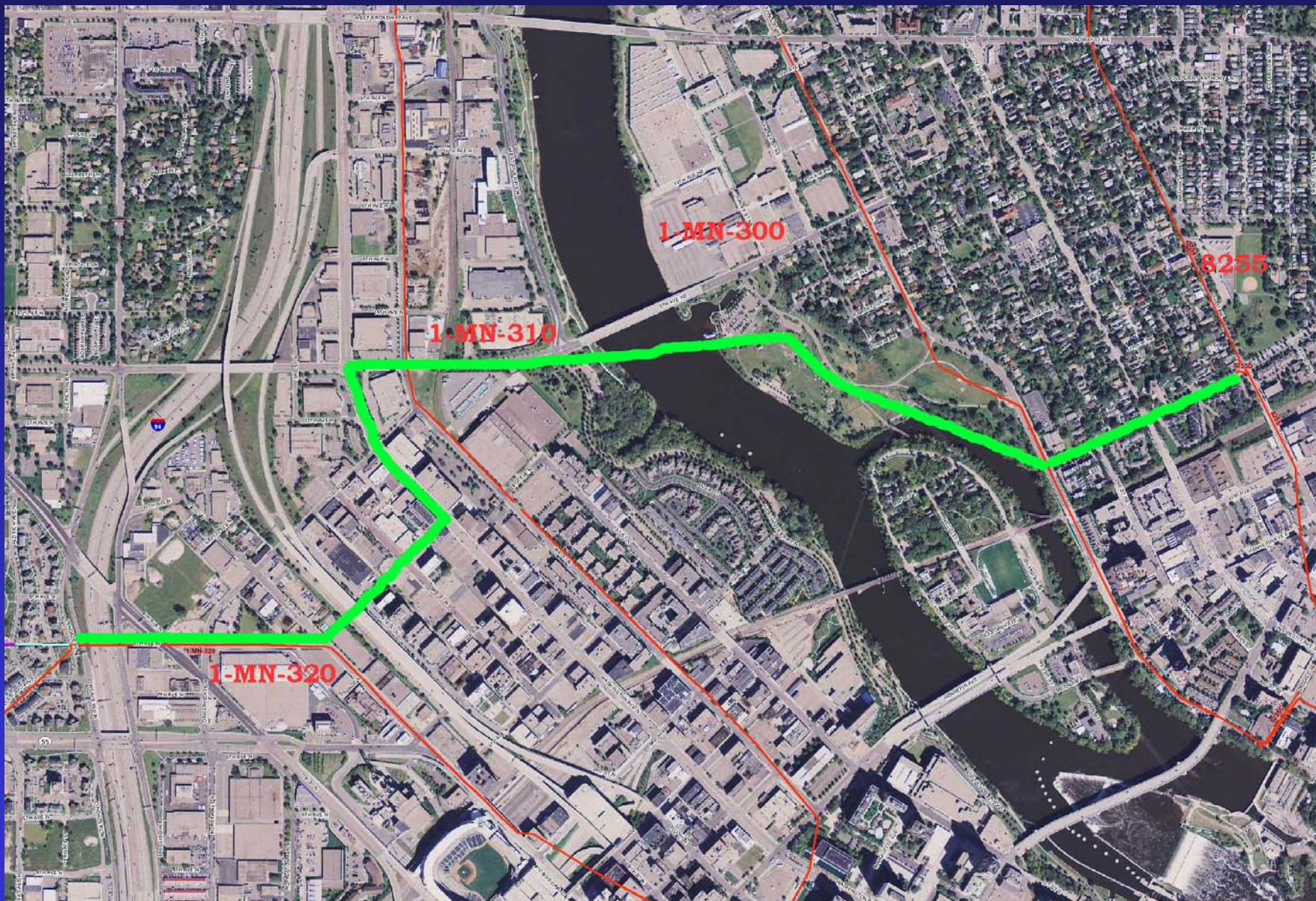
Rehabilitation Priorities

- Pipes Susceptible to Corrosion
- Materials Susceptible to Failure
- Poor Soils

Interceptor Rehab. Projects

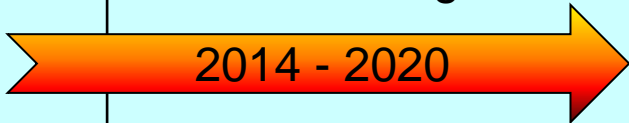


Minneapolis 1-MN-310/320 Diversion



Mpls Interceptor Rehabilitation Program

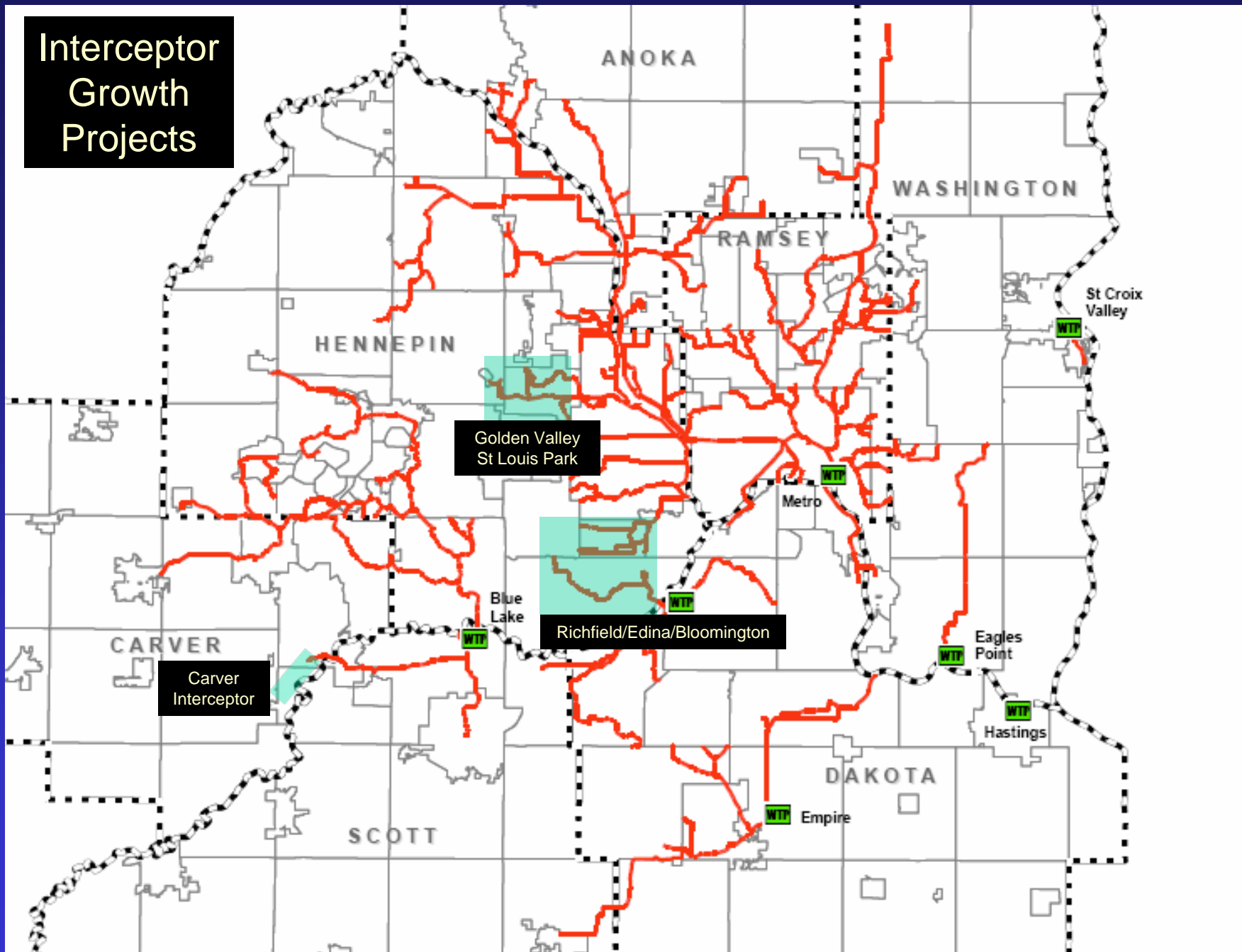
2011 - 2015	2016 – 2020	2021 – 2025
Phase 1* Corrosion, Materials	1-MN-310/320 Diversion Tunnels** Phase 2 Corrosion, Regulators	Pipe-in-Pipe Separation Phase 3 1-MN-310/320



*New Project for 2012; Facility Plan underway

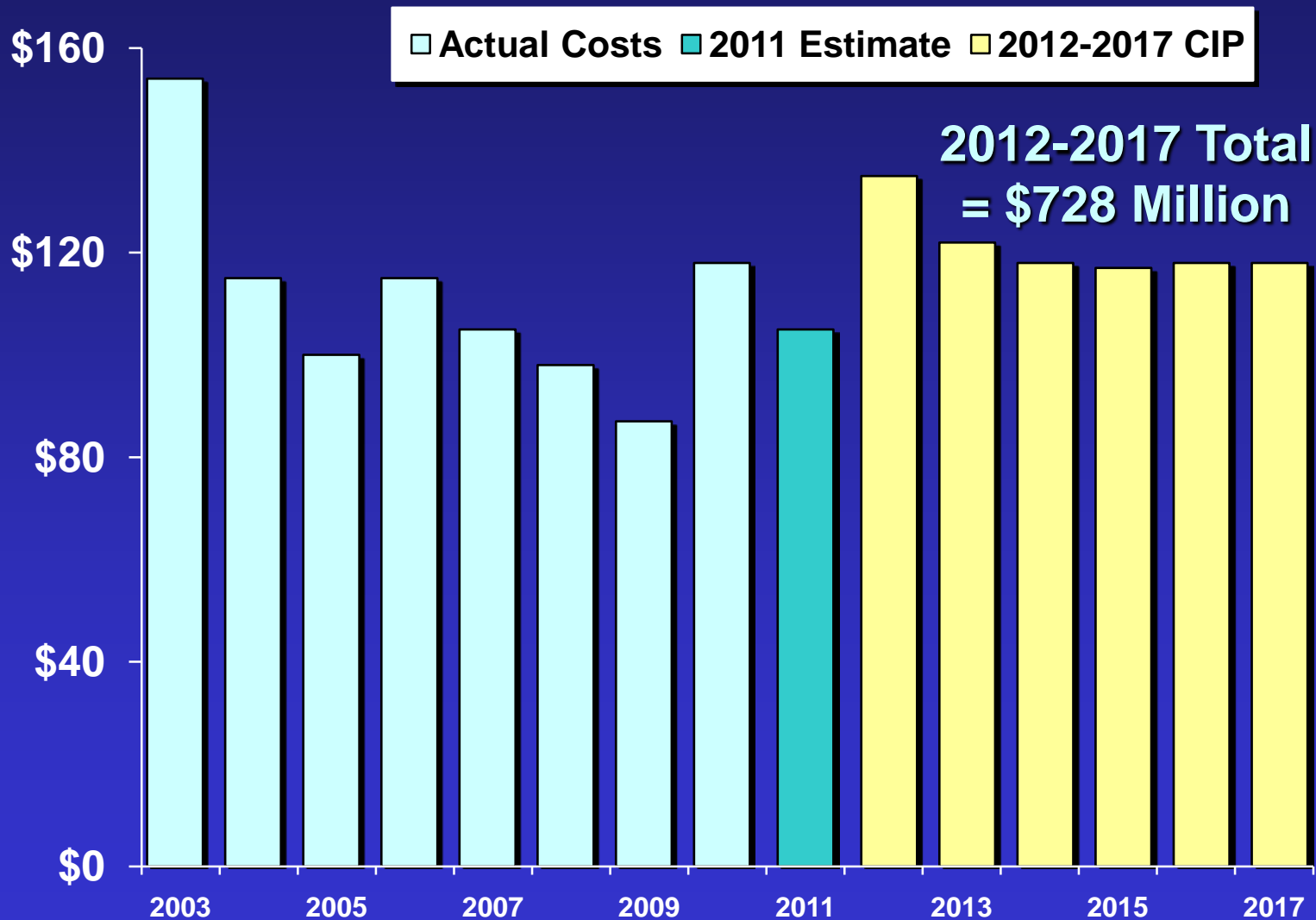
** Project #8068, Preliminary Engineering Phase

Interceptor Growth Projects



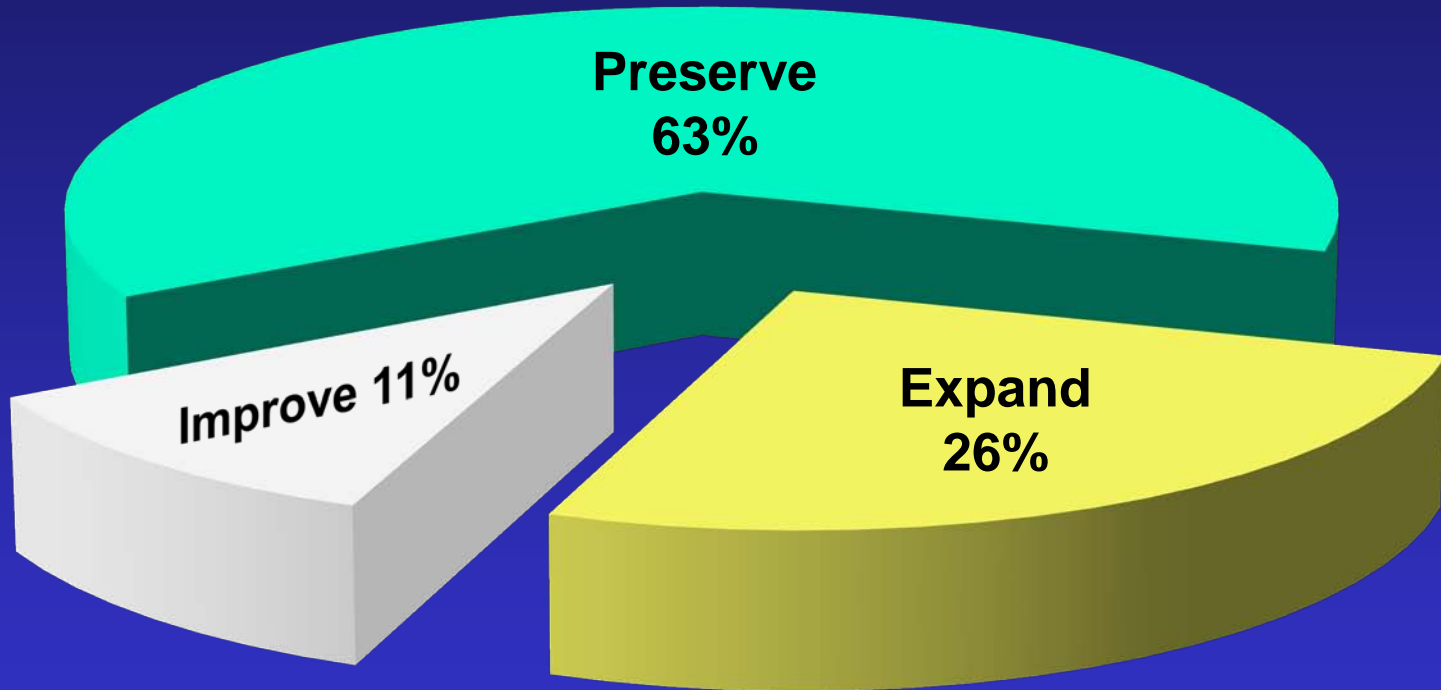
Capital Improvement Program

Expenditures by Year (\$ millions)



Capital Improvement Program

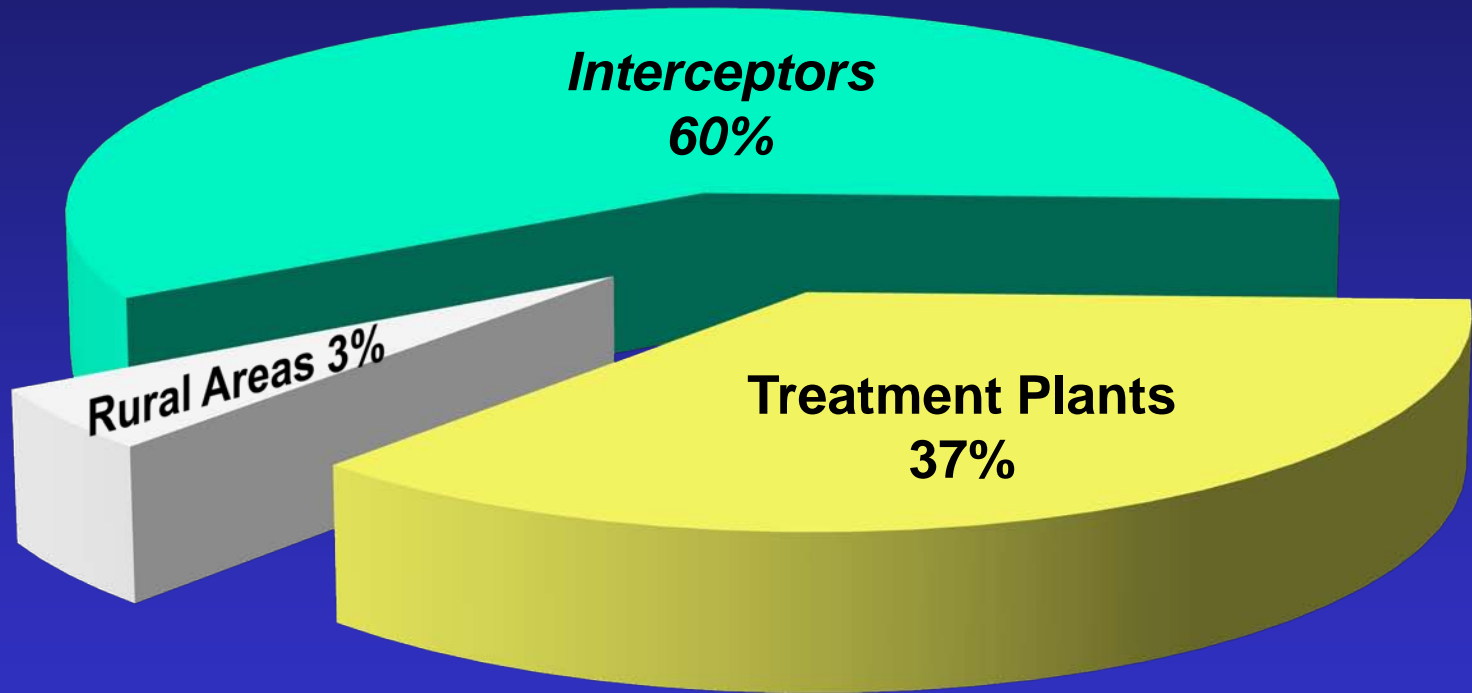
Cost Breakdown by Project Objective



**Total Program
2012 - 2017
\$728 Million**

Capital Improvement Program

Uses by Category



**Total Program
2012 - 2017
\$728 Million**

Major Changes to the CIP

■ Metro Solids Scope

\$80 Million

■ Mpls. Interceptor Rehabilitation

\$50 Million

**Proposed
2012 Authorized
Capital Program**



Authorized Capital Program Requests

- **Four New Projects**
- **Adjustments to Existing Projects**
- **Authorization of the Construction Phase for the Golden Valley Area Improvements Project**
- **Deletion of Completed Projects**

Summary of Proposed Changes

■ Current Authorizations	\$981,600,000
■ New Projects	49,000,000
■ Adjustments	1,200,000
■ Completed Projects	-81,000,000

**Proposed 2012
Authorization**

\$950,800,000

Projects in Preliminary Engineering

Solids Processing Improvements

- Metropolitan Plant
- Empire Plant
- Seneca Plant

Interceptor Rehabilitation Program

- Mpls 1-MN-310/320 Diversion
- Mpls Interceptors Phase 1*
- Victoria Interceptor*

*Facility Plan (PFA loan requirement) concurrent with design

New Projects

■ Preliminary Engineering

- Empire Solids \$500,000
- Seneca Solids \$500,000

■ Interceptor Rehabilitation

- Minneapolis Interceptors \$43,000,000
- Victoria Interceptor \$5,000,000

New Projects

\$49,000,000

Minneapolis Interceptor Rehabilitation



Interceptors 1-MN-311, 312, 313, 314

Minneapolis Interceptor Rehabilitation



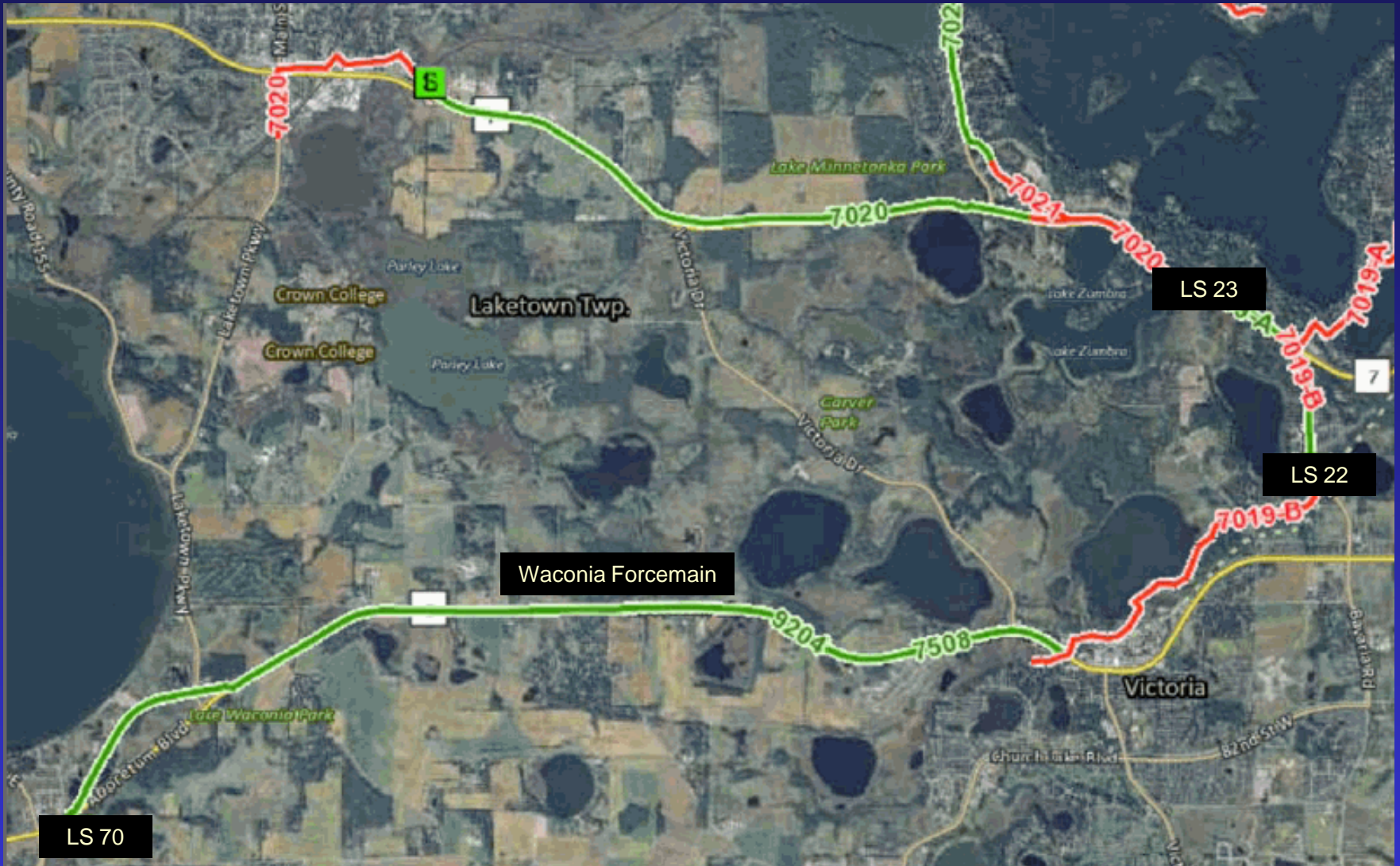
Interceptors 1-MN-341, 342, 343

Minneapolis Interceptor Rehabilitation



Project C

Interceptor 1-MN-330



Victoria Interceptor

Summary of Adjustments

■ Metro Solids	-\$14,800,000
■ Bloomington-Edina-Richfield	-11,000,000
■ Golden Valley-St Louis Park	26,000,000
■ Interceptor Rehab. – Trenchless	-2,000,000
■ Meter Improvements	2,000,000
■ Plymouth Forcemain Rehab.	2,000,000
■ Septage Management	-1,000,000

Adjustments

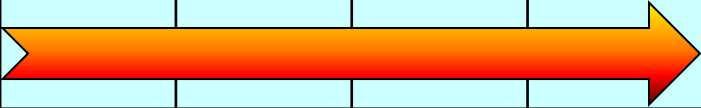

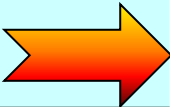
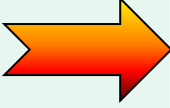

\$1,200,000

Deletion of Completed Projects

- Seneca Disinfection & Phosphorus
- Burnsville Interceptor Rehabilitation
- East Maintenance Base
- Hilltop Interceptor Rehabilitation
- Mpls/St Paul Interceptor Improve.
- Northwest Interceptor Improve.
- Southeast Anoka County Improve.

Completed Projects - \$81,000,000

Construction Schedule: Plants

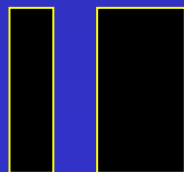
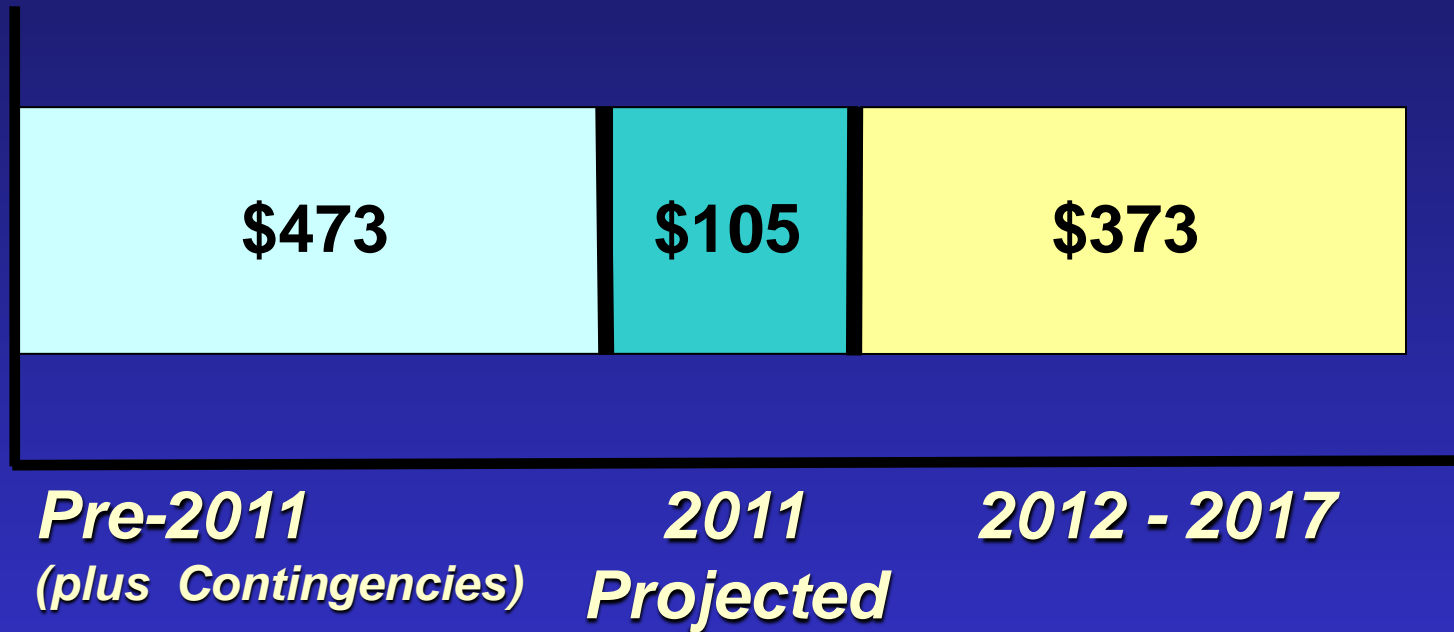
Project	2012	2013	2014	2015	2016	2017
Metro Rehab.						
Metro Solids						
Blue Lake Expansion						
Hastings Plant						
Empire Solids						

Construction Schedule: Interceptors

Project	2012	2013	2014	2015	2016	2017
Minneapolis						
Blue Lake						
South St Paul FM						
Plymouth FM						
Hopkins LS/FM						
Golden Valley						
Mpls Diversion Tunnel						

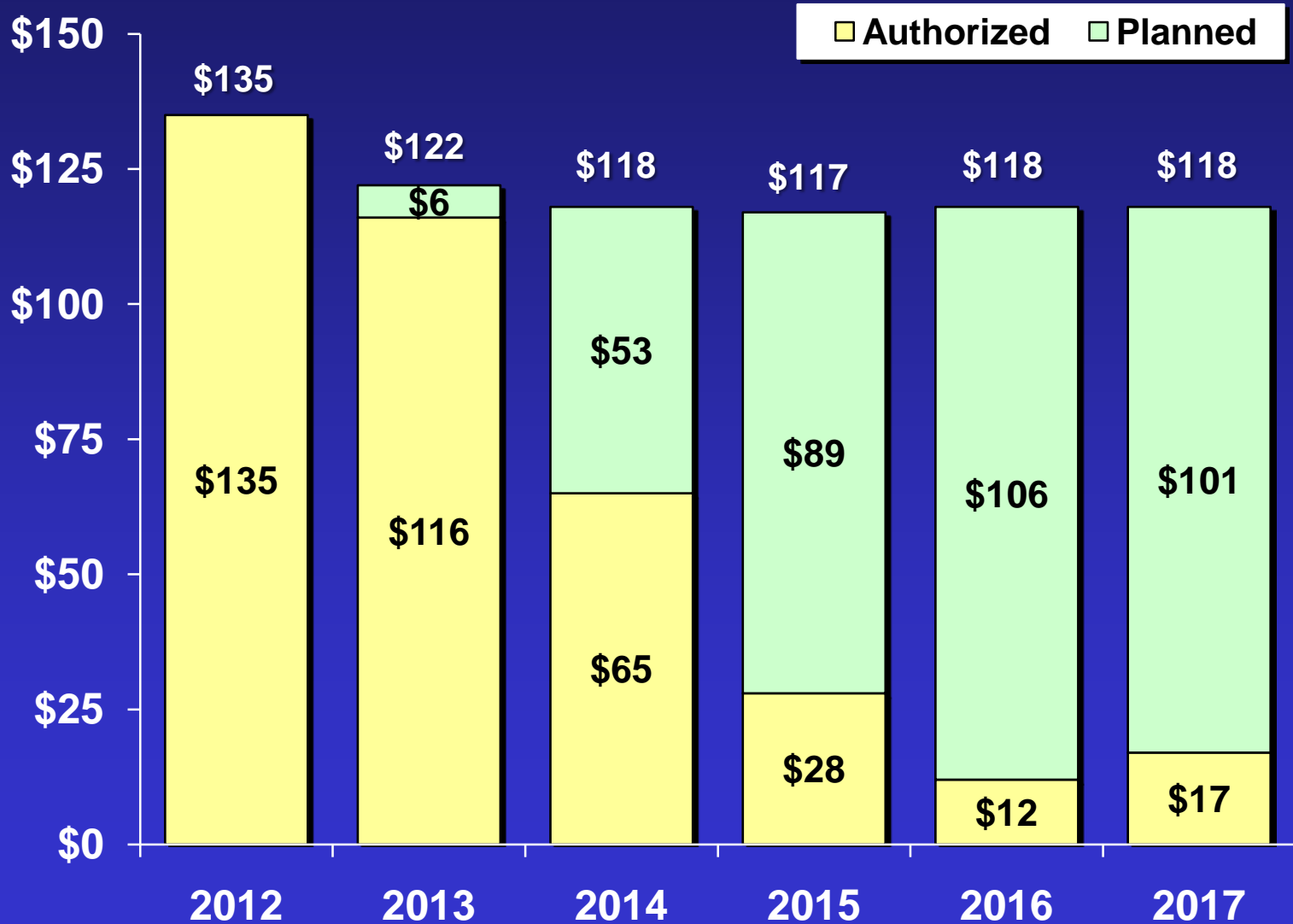
Proposed Authorized Capital Program

Expenditures (\$ millions)



Capital Improvement Program

2012 – 2017 Expenditures = \$728 million



2011 Capital Budget

Planned Expenditures **\$142 Million**

Current Projections **\$105 Million**

Underrun **\$37 Million**

Reasons for the Underrun

- **Construction ahead of schedule
(more expenses in 2010; less in 2011)**

Example: Blue Lake Plant \$6 Million

- **Construction Costs lower than the
estimates (good bids)**

Example: Interceptor-Rehabilitation \$2 Million

Reasons for the Underrun

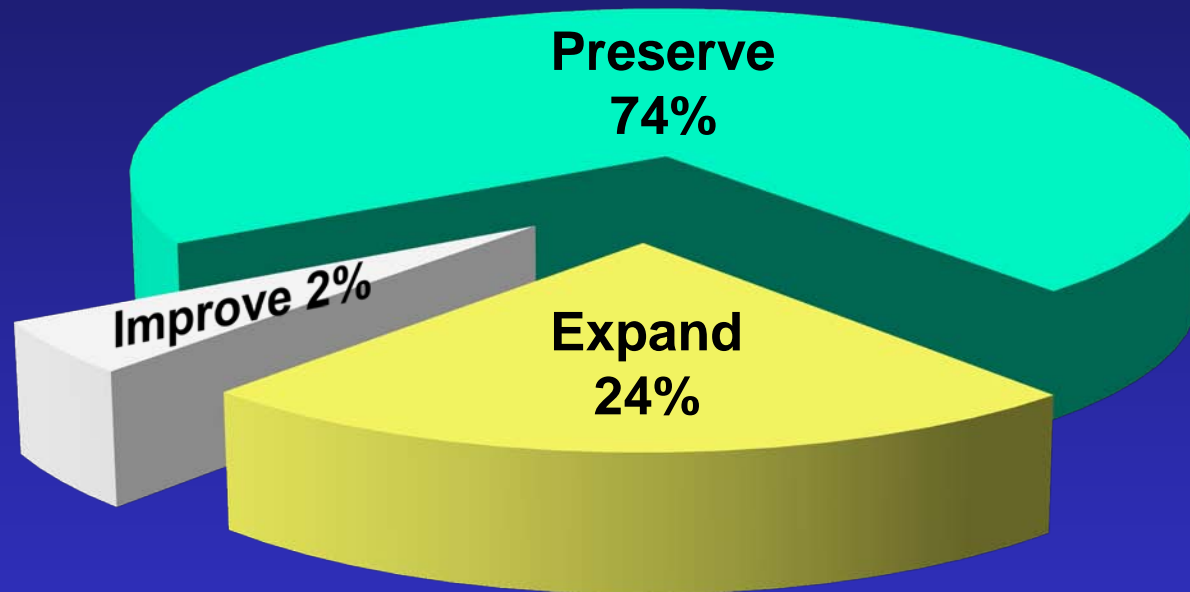
■ Delays in starting construction due to permitting, property acquisition, etc.

Examples:	Hopkins System Rehab.	\$7 Million
	South St Paul Forcemain	\$3 Million
	East Bethel Facilities	\$3 Million
	Blue Lake Interceptor Rehab.	\$3 Million

■ Delays in starting construction due to re-bidding.

Example: Metro Plant Rehabilitation \$3 Million

Proposed 2012 Capital Budget



2012 Capital Budget

\$135 Million

Summary

Capital Improvement Program

\$728 Million

Authorized Capital Program

\$951 Million

Capital Budget

\$135 Million

Proposed Schedule

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