

Miscellaneous Capital Improvements



Project Proposer/Champion: Todd Gebert/Eric Dundee

Project Purpose:

MMSD annually includes funds in its Capital Budget for coating of process tanks and resurfacing of roads. These funds are used to protectively coat tanks and restore paved areas of the Plant where necessary. In addition, other minor capital improvements are routinely necessary and funds have been included to address these improvements on an as needed basis.

Project History and Status:

This summary covers three areas:

- (A07) Annual Process Tank Coating and Repair (\$191,000)
- (A08) Annual Pavement Improvements (\$61,000)
- (A09) Minor Capital Improvements (\$109,000)

The purpose of the projects under this title is to address miscellaneous Plant improvements in the following three areas:

1. (A07) Annual Process Tank Coating and Repair (\$191,000)
Recoating process tanks increases their life and value, insuring that they can serve the district's operation well into the future. The 2019 budget included funds to sandblast and coat the metal components on Final Clarifiers 17 and 10. For 2020 we have included \$191,000 to coat two more tanks.
2. (A08) Annual Pavement Improvements (\$61,000)
Replacing the District's damaged roadways provides unimpaired access for district and customer vehicles; where possible, the District looks at environmentally friendly alternatives. The 2019 budget included \$59,000 in funds to replace damaged roadways within the Plant. Subsequent years include \$61,000 for improvements in year 2020 and escalating three percent annually thereafter.
3. (A09) Minor Capital Improvements (\$109,000)
Minor capital improvement needs often arise during the course of the year. These are generally needs that are facility improvements or equipment replacements that are larger than routine maintenance, but smaller than most projects. These are also improvements where prompt attention is important. For 2020, \$109,000 has been included, with annual ongoing amounts escalating at three percent thereafter.

Alternatives:

While delaying these projects is certainly possible, staff feels it is important to address them and recommends not doing so. Miscellaneous Plant projects done on a routine and continuous basis ensures that the existing facilities do not deteriorate and become greater concerns.

Key Risks and Issues:

Delay may accelerate deterioration of roadways, process tanks and other facilities if not addressed in a timely manner.

Economic Analysis:

Each project will be analyzed on its own merit. Projects that require Commission approval will be presented to the Commission with economic considerations provided as part of the recommendation.

Recommended Alternative:

Include amounts as recommended by staff in the CIP and Capital Budget.

Project Schedule:

Annual and ongoing expenditures to cover miscellaneous rehabilitation and replacement.

Financial Summary:

The District's CIP includes an allowance of roughly \$2.3 million (in 2019\$) over the six-year CIP summary from 2020-2025. Costs for 2020 are as follows:

- (A07) Annual Process Tank Coating and Repair (\$191,000)
- (A08) Annual Pavement Improvements (\$61,000)
- (A09) Minor Capital Improvements (\$109,000)

Please note that all allocations are for 2020. Similar costs for subsequent years have been escalated by an inflation factor (3% per year) appropriate to the year of the expense. Staff anticipates financing related expenditures with Capital Fund Reserves.