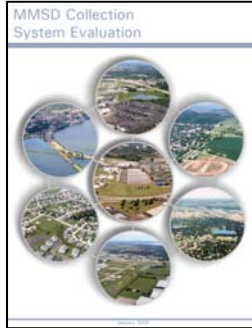


Capital Budget Expenses

Collection System Facilities Plan Update



Project Proposer/Champion: Todd Gebert

Project Purpose:

The purpose of the project(s) under this title is to support planning activities and other studies that are needed to prepare and implement MMSD's capital improvements plan and capital budget.

This summary covers the following planning/study area expenditures:

1. D01 - Capital Budget Expenses
Annual funds for smaller planning, study, and other expenses required to update and implement the Capital Improvements Plan (CIP).
2. D03 - Collection System Facilities Plan Update
One of MMSD's key planning documents that is periodically updated based upon population and wastewater projections by the Capital Area Regional Planning Commission (CARPC).

Project History and Status:

1. The intent of the Capital Budget Expenses (D01) line item is to provide annual funds for smaller planning, study, and expenses required to update and implement the Capital Improvements Plan (CIP). Development of the District's Capital Improvements Plan and Capital Budget requires almost continual study and planning. Often, internal resources are not available to conduct studies or planning in desirable timeframes and external resources are necessary. This budget item would provide funds to cover these smaller expenditures for studies or planning efforts. The budget item would be an ongoing annual expenditure.
2. One of MMSD's key planning documents is its Collection System Facilities Plan, which is periodically updated based upon updated CARPC population and flow projections. The purpose of the Collection System Facilities Plan Update (D03) is to update and revise the Collection System Facilities Plan (CSFP) which was conducted in 2012. As with the original CSFP (2002), the 2012 update reviewed and assessed the adequacy and condition of MMSD's collection system to identify and recommend future collection system projects. Since plan adoption, MMSD has completed many of the recommended projects. However, following CARPC's update of the MMSD Collection System Evaluation in 2018, it will be time to review those projects remaining on the list and identify additional future projects that may be required to sustain and/or enhance the integrity of MMSD's collection system.

It is anticipated that the 2019-2020 update to the collection system facilities plan will place an emphasis on the control of inflow and infiltration, particularly from private sources. The district intends to retain the

services of a consulting firm to prepare a strategic plan for I/I control. Components of this plan will include defining the district's legal authority to regulate I/I on private property and funding mechanisms for corrective actions. Consultant costs are included in the amount requested in the capital budget.

Alternatives

The following schedule and funds are included in the CIP for approval:

D01 - Capital Budget Expenses (\$52,000 in 2020, adjusted annually for inflation)

D03 - Collection System Facilities Plan Update (\$135,000 in 2020)

Alternatives include increasing or reducing funds to allocate for general capital budget expenses.

With regard to project D03, the primary alternative is to delay the project start one or more years. While delaying this project is certainly possible, staff would advise against doing so. CARPC completed the *MMSD Collection System Evaluation* project at the end of 2018 and the Collection System Facilities Plan Update benefits from following shortly after completion of CARPC's work. Completion of both projects helps provide a clear pathway for future collection system improvements.

Key Risks and Issues

Updating planning documents reduces the risk that existing planning assumptions are inaccurate and reinforces and improves planning decisions. If the time period between updates is too long, the risk is greater that planning decisions are based on inaccurate information.

Economic Analysis

Planning is an important early step in the economic analysis of District's systems and assets. Economic analysis is a key part of the planning and studies that take place and the Collection System Evaluation and subsequent Collection System Facilities Plan are important documents in ensuring that the region's wastewater systems are evaluated and maintained in an economical and efficient manner.

Recommended Alternative:

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

Project Schedule (anticipated):

D01 - Capital Budget Expenses – Annual ongoing expense

D03 - Collection System Facilities Plan Update – to be conducted in 2019 and 2020.

Financial Summary:

The District's Capital Improvements Plan (CIP) includes the following amounts for the projects as shown:

D01 - Capital Budget Expenses (\$52,000 in 2020, adjusted annually for inflation)

D03 - Collection System Facilities Plan Update (\$135,000 in 2020)

Please note that annual allocations are in 2019\$ and will be escalated by an inflation factor (typically 3% per year) appropriate to the year of the expense. Staff anticipates financing related expenditures with Capital Fund Reserves.