

Information Item:

Proposed 2019-2024 Capital Program and 2019 Capital Budget

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Environment Committee: September 11, 2018



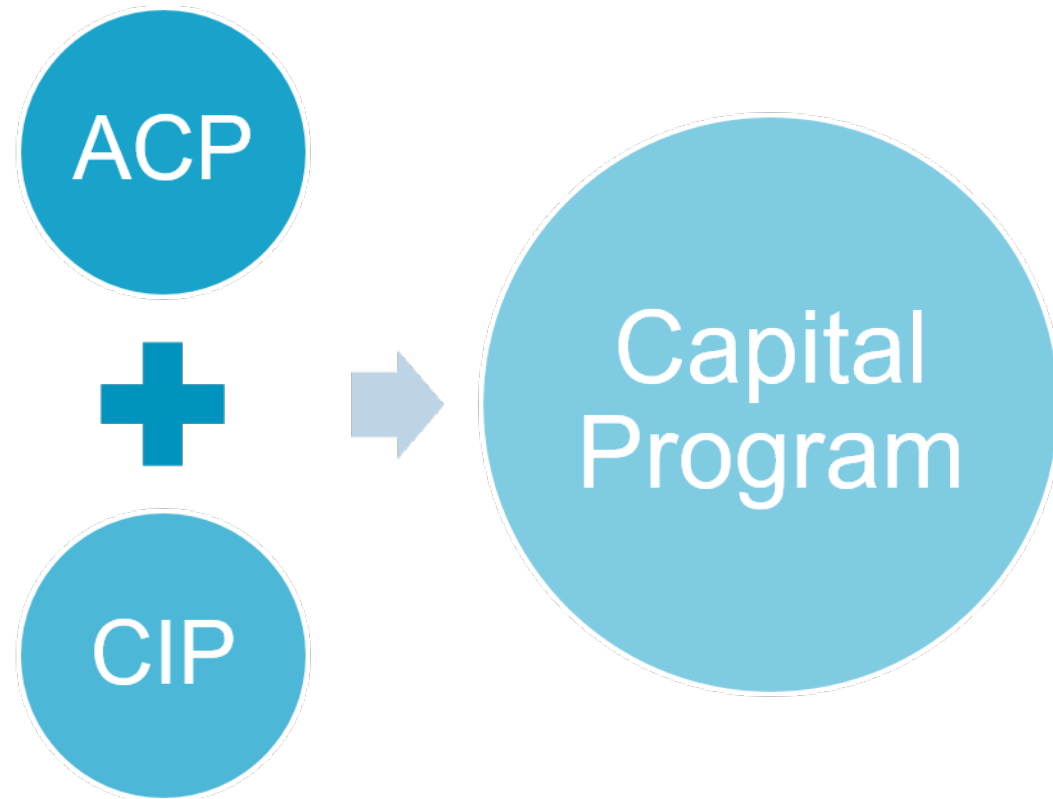
Presentation Overview

- Capital Program
 - 6-Year Plan
- Authorized Capital Program (ACP)
 - Multi-Year Authorization
- Capital Budget
 - Annual Appropriation

Capital Program Objectives

- Asset Preservation
 - \$7 Billion Infrastructure
- Growth (Capacity)
 - Meet Commitments
- Quality
 - Performance & Regulatory
- Reuse (new 2019)
 - Wastewater Reuse

Capital Program Definitions



Authorized Capital Program (ACP): Multi-year authorization from Council to spend on projects where funding has been secured.

Capital Improvement Program (CIP): 6-year capital investment plan where funding sources identified. Council has not authorized to proceed.

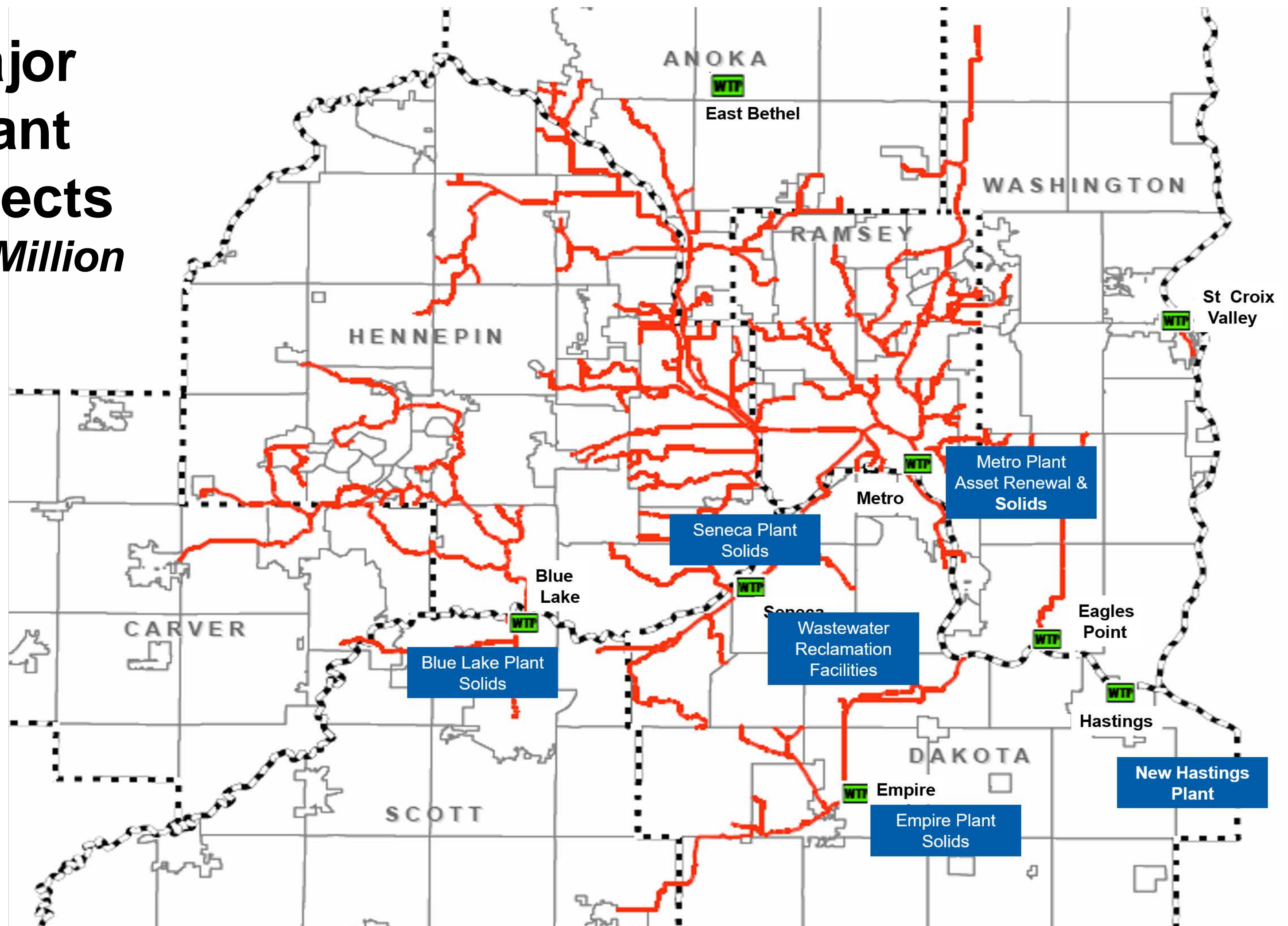


2019

Capital Budget: Amount from ACP that Council approves to be spent in upcoming year.

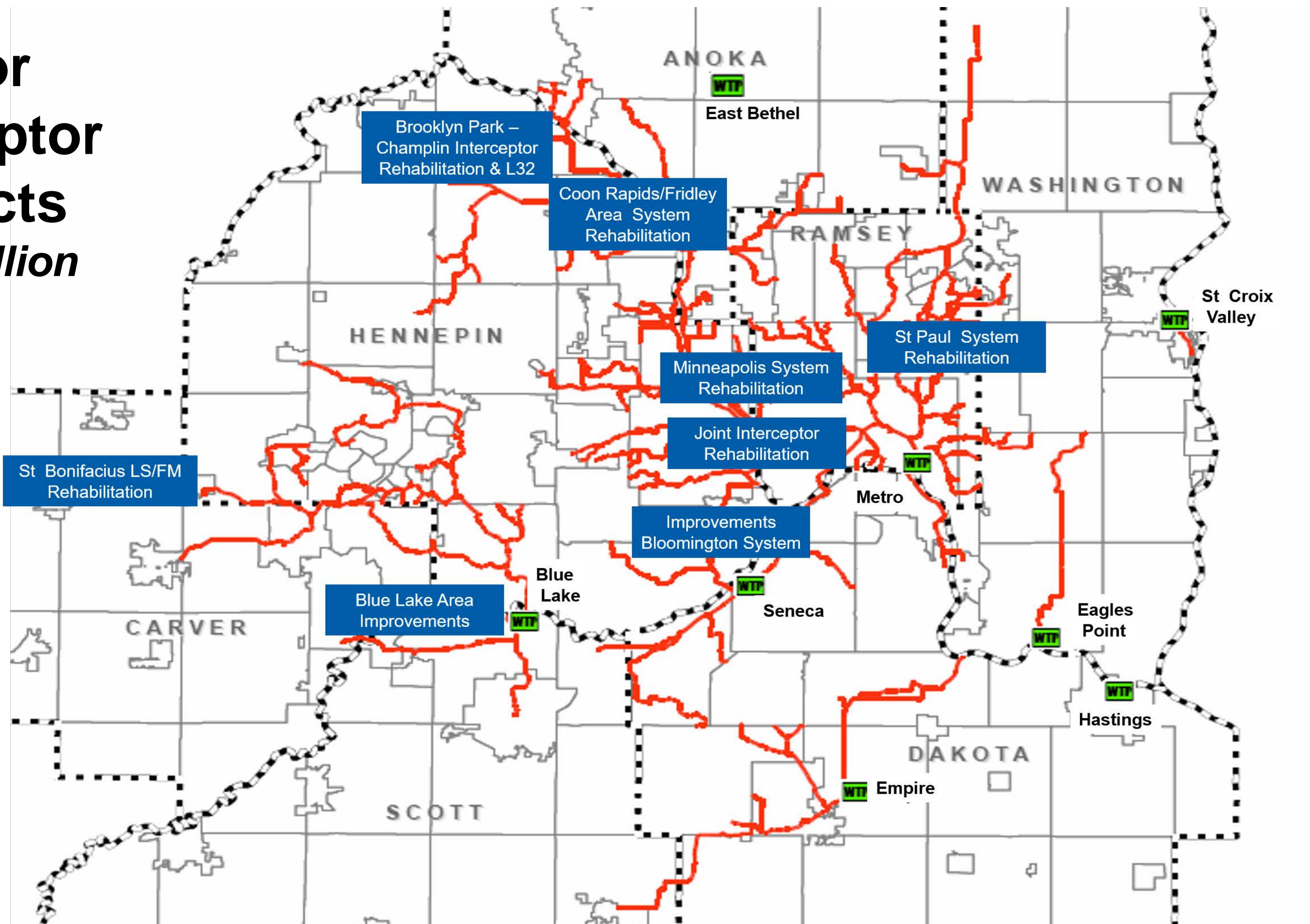
Proposed 2019-2024 Capital Program

Major Plant Projects +\$15 Million



System Wide Projects: Regional Plant Improvements

Major Interceptor Projects +\$10 Million



System Wide Projects: Lift Station & Meter Improvements

Capital Program

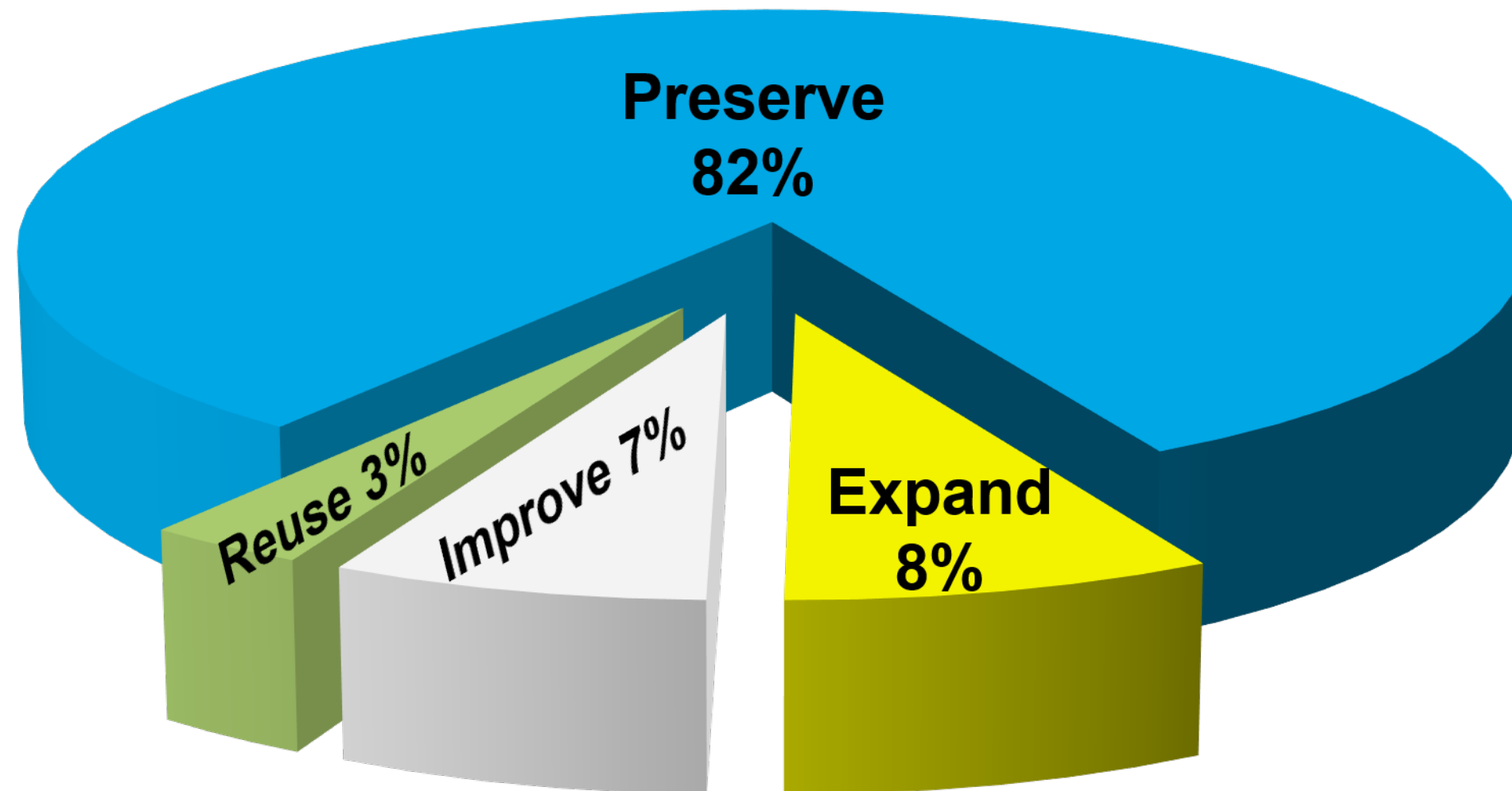
- Capital Investment Comparison

Time Period	Average Annual Capital Expenses*
1970 – 2017	\$145 Million
2018	\$122 Million (projected)
2019-2024	\$154 Million (projected)

*Adjusted for inflation to 2018 dollars

Capital Program Expenditures (ACP)

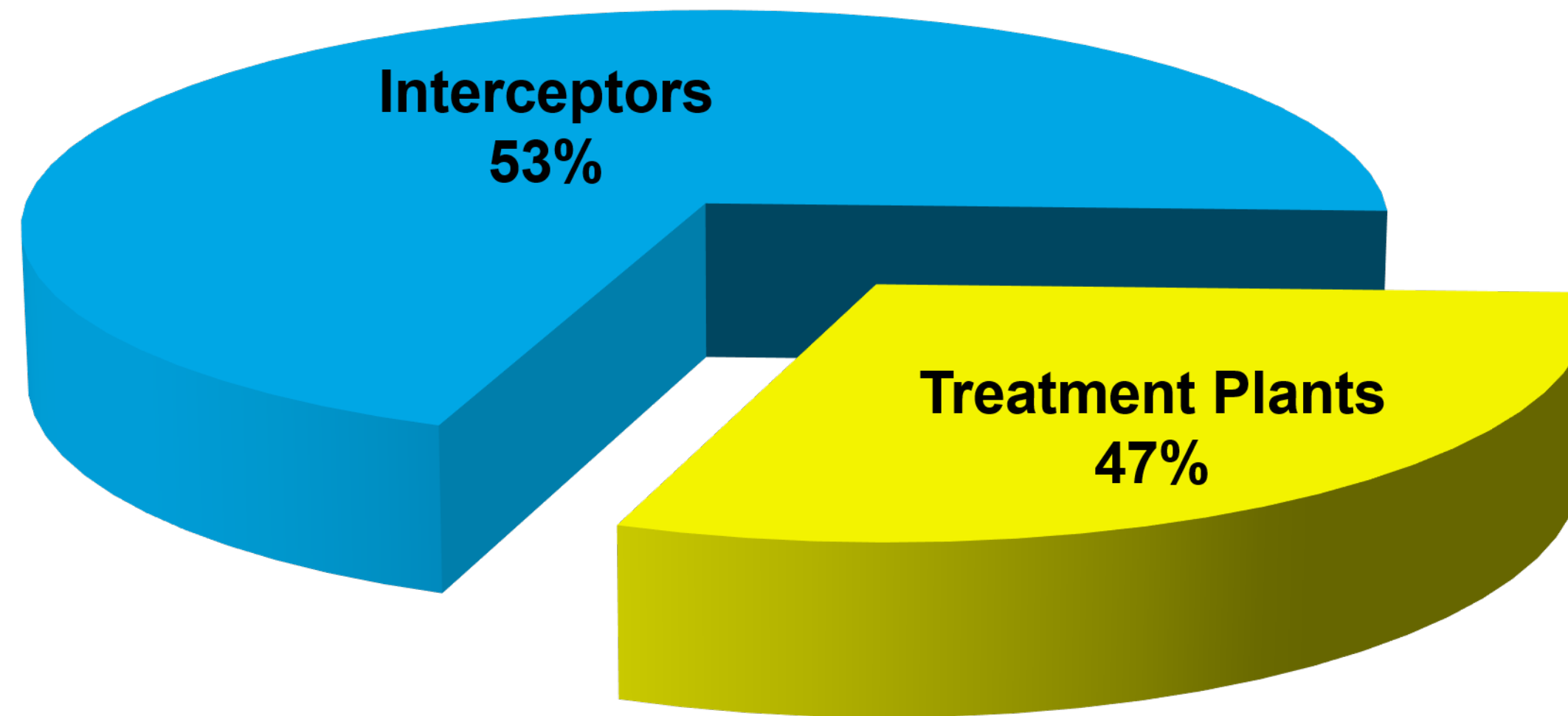
Breakdown by Project Objective



Total 2019 – 2024
\$977 Million

Capital Program Expenditures (ACP)

Breakdown by Project Type

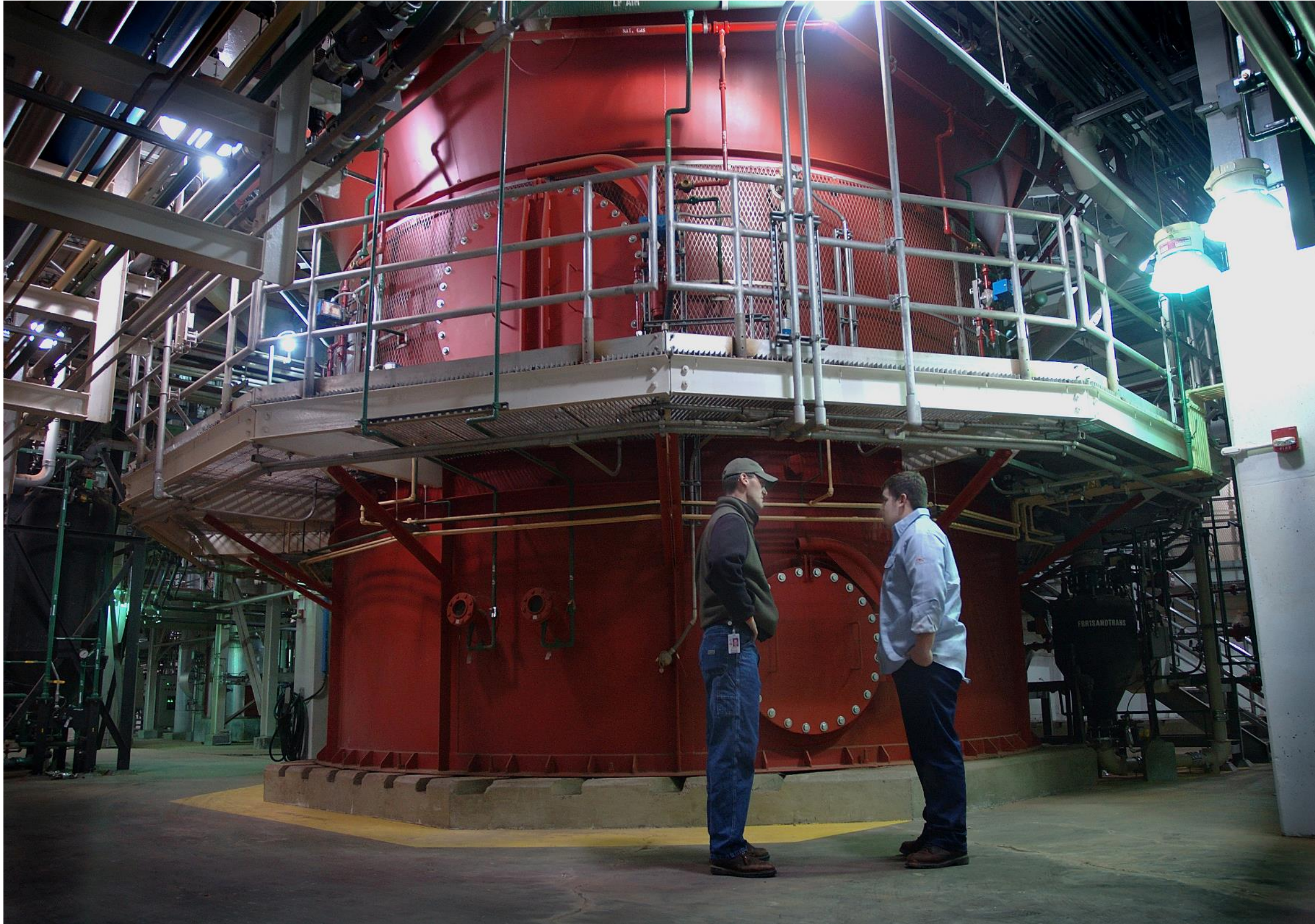


Total 2019 – 2024
\$977 Million

2019 Authorized Capital Program (ACP)

Authorized Capital Program Requests

- 30 New projects
 - Less than \$1 Million - 7
 - Between \$1 and \$5 Million - 15
 - Between \$5 and \$10 Million - 6
 - Greater than \$10 Million - 2
- Adjustments to existing projects
- No Projects to be deleted from the program



Fluid Bed Incinerator (No. 4)

2019 ACP Request \$15,000,000
Future CIP Requests \$145,000,000
Total Project Cost \$160,000,000

SE Metro Water Reclamation Facility

2019 ACP Request \$27,000,000

Future CIP Requests \$0

Total Project Cost \$27,000,000

Project Cost Reimbursement

- **Portion** of costs reimbursed by benefiting user.
- Reimbursement based on user vs. regional benefits
- Reimbursement agreement to be determined



Orono Area Lift Station & Force Main Improvements (2 Projects)

2019 ACP Request \$19,700,000
 Future CIP Requests \$0
 Total Project Cost \$19,700,000



Summary of Authorized Capital Program (ACP) Changes

Current Authorizations	\$938,230,000
Adjustments – Existing Projects	-\$89,700,000
New Projects	\$128,700,000
Closed Projects	\$0
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Proposed 2019 Authorization	\$977,230,000

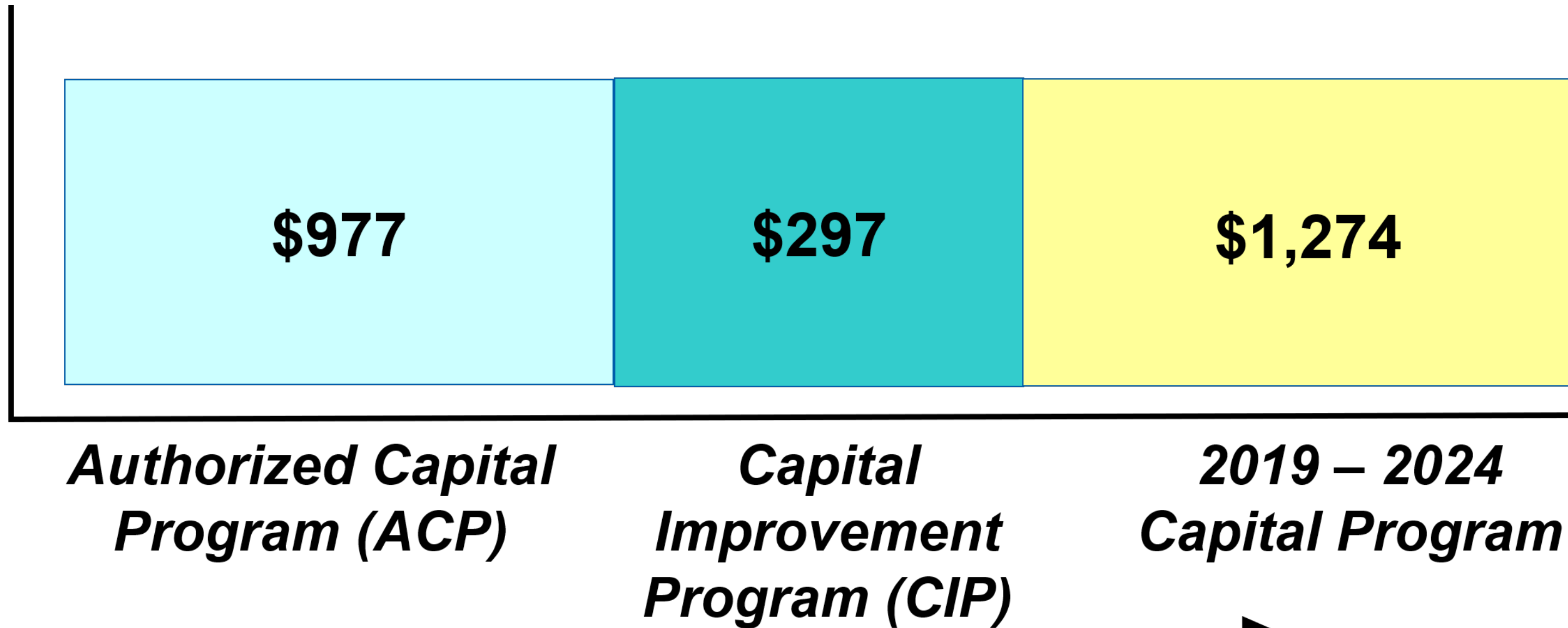
Capital Improvement Program (CIP)

CIP Additions and Adjustments

- Water Reclamation Facility SE Metro area
- Metro Plant Solids Management Improvements
- Asset renewal & system improvements
- Refined project cost estimates
- Project timing

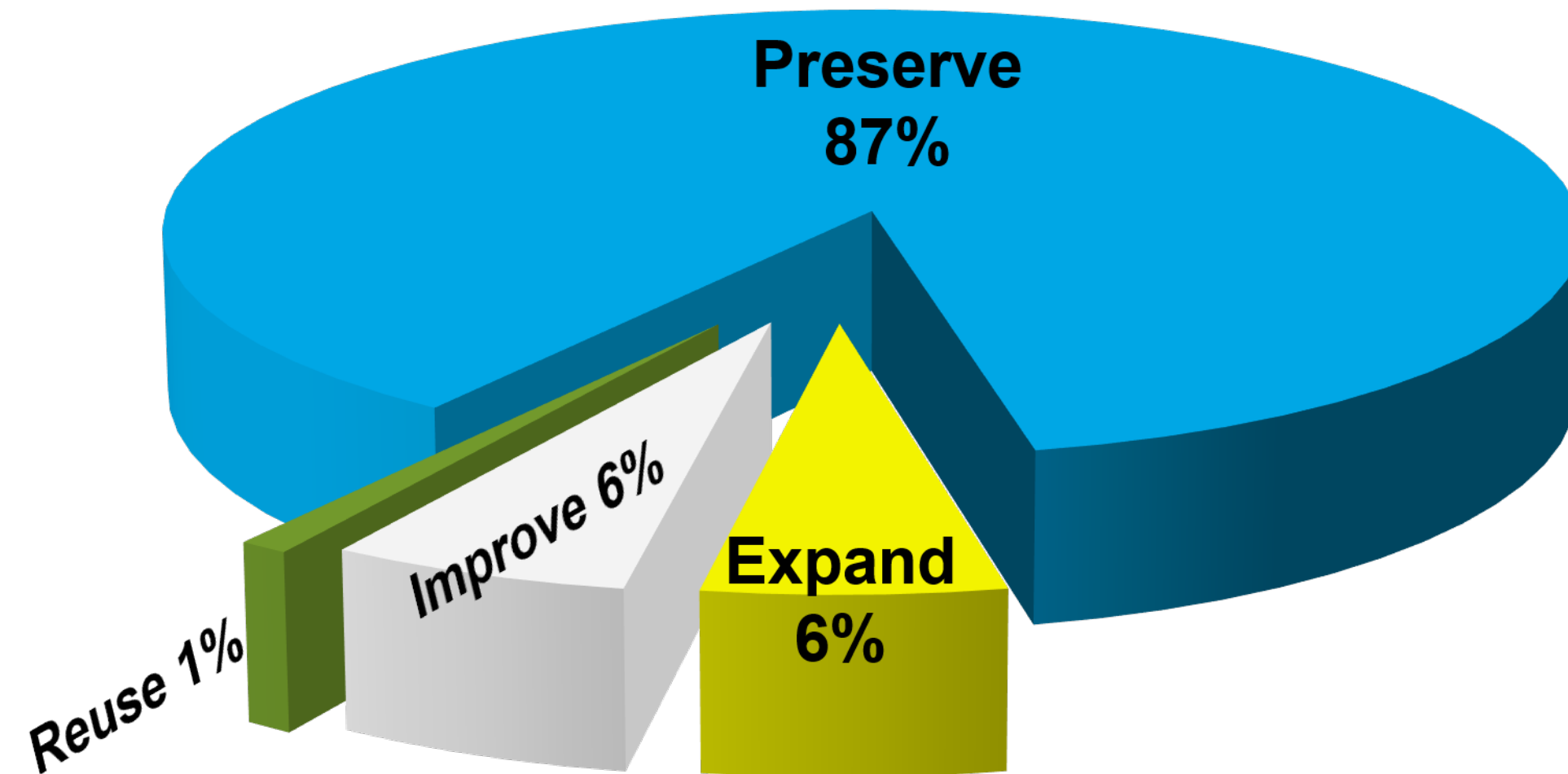
Proposed 2019 Capital Program

(\$ Millions)



Proposed 2019 Capital Budget

Breakdown by Project Objective



**Total 2019 Capital Budget
\$156 Million**

Capital Program Schedule

Date	Item
Aug 8	Division Level Budget Presentation
Aug 22	Adoption of Preliminary Unified Operating Budget and Levies
Sep 11	MCES Capital Program and Budget
Oct. 12	Division Level Capital Program Presentation
Oct. 24	Adoption of Public Comment Draft Budgets
Dec 12	Adoption of Final 2019 Budgets and Levies

Questions