



Information Item

2025 Capital Program



September 10, 2024

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Agenda



2025 Capital Program

- Program Overview
- Wastewater System Planning
- Treatment Plant Projects
- Interceptor Projects
- Schedule
- Questions

Customer Level of Service

FINANCIAL



CHARGES & FEES
Charges and fees should be predictable, justifiable, and provide good value for the region.



RETAIN AAA BOND RATING
Retain AAA Bond rating in order to provide the lowest cost debt financing possible.



OPTIMIZE BUDGET PLAN
MCES's 5-year budget plan should optimize capital, O&M programs to meet customer service goals.



PRESERVE ASSETS
The region's wastewater assets should be well maintained to preserve their value and performance.



BE FAIR AND TRANSPARENT
Allocation of all charges should be fair, equitable, and transparent to the customer

HEALTH, SAFETY, & ENVIRONMENT



COMPLY WITH PERMITS
Comply consistently with water, air, and other environmental permits.



MINIMIZE IMPACTS
Convey and treat wastewater safely with minimal backups, spills, and traffic impacts.



LEAD BY EXAMPLE
Be a leader on environmental sustainability, including water/energy conservation and water reuse.

CUSTOMER SERVICE



BE A GOOD NEIGHBOR
Mitigate community impacts related to odors, traffic, noise, and visual aesthetics.



MEET CAPACITY NEEDS
Provide conveyance and treatment capacity consistent with regional and local plans.



COMMUNICATE INFORMATION
Communicate with customers about financial info and capital projects & programs that impact them.



ENGAGE CUSTOMERS
Engage customers in a meaningful public process. Provide notice for changes in policies, rules, fees, projects, environmental performance & resolving competing Council policies/interests.



COLLABORATE WITH OTHERS
Optimize intergovernmental coordination in all MCES works that intersects with community work.

Capital Program Definitions

6 Year Capital Program

Authorized Capital Program (ACP)

Multi-year authorization for project spending where funding sources have been identified.

Capital Budget

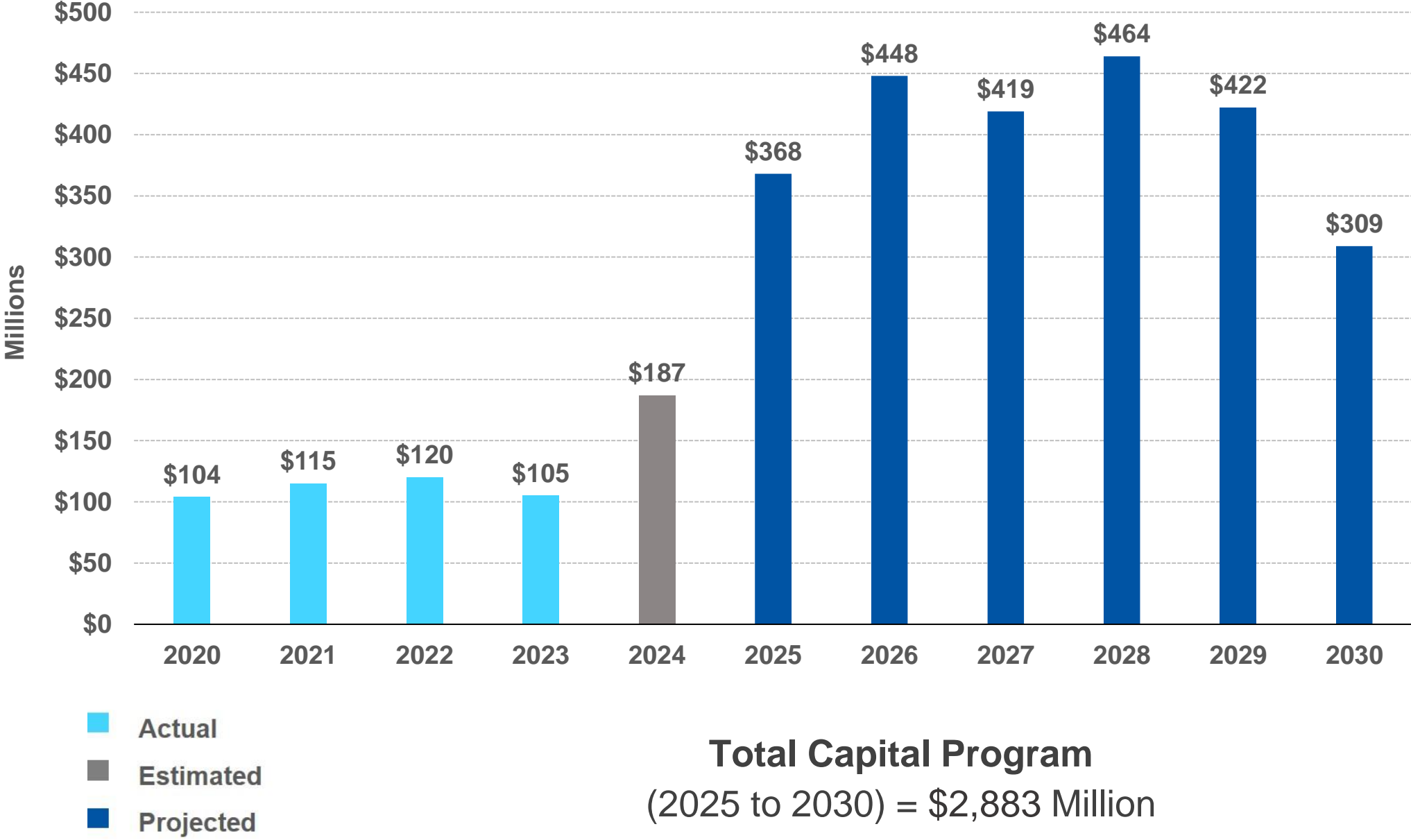
Amount from Authorized Capital Program that Council approves to be spent in upcoming year (2025).



Capital Improvement Program (CIP)

Capital investment plan where funding sources have been identified but projects have not been authorized to proceed.

Past Expenditures and Projected Program: 2020 to 2030

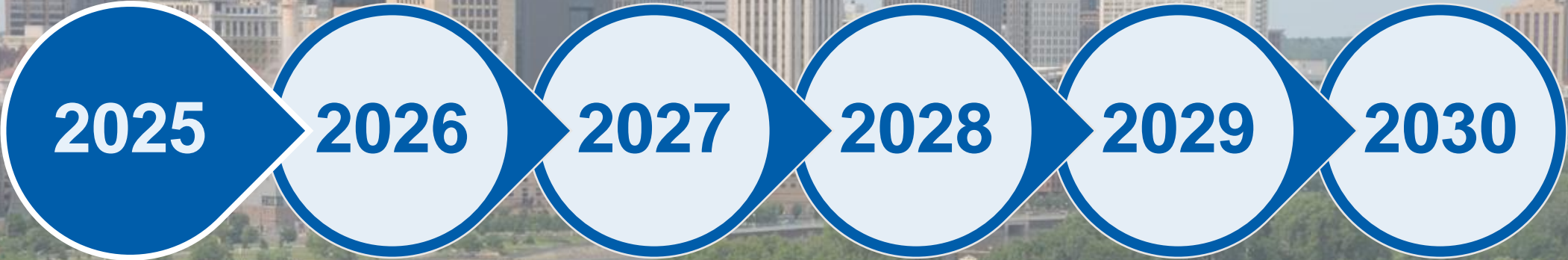
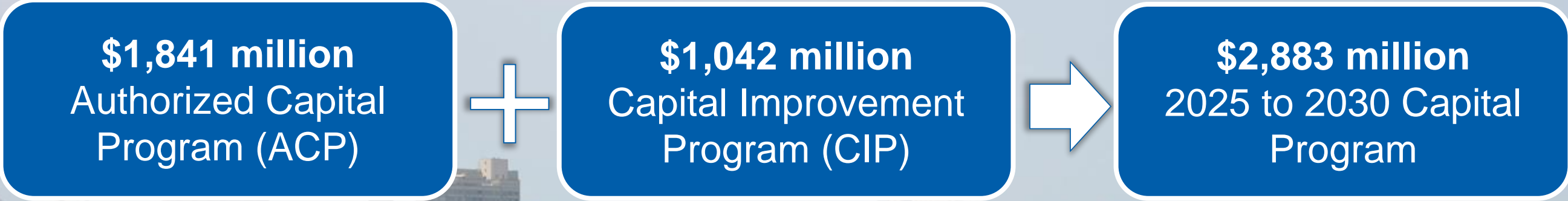


Summary of Authorized Capital Program (ACP) Changes

Current Authorizations:	\$1,672,146,245
Adjustments Existing Projects:	+ \$109,144,458
New Projects:	+ \$131,506,636
Closed Projects	-\$71,911,475
Proposed 2025 Authorization:	\$1,840,885,864



Proposed 2025 Capital Program



Capital Program ACP Objectives



Preserve Assets

Rehabilitate and replace assets to preserve value and performance



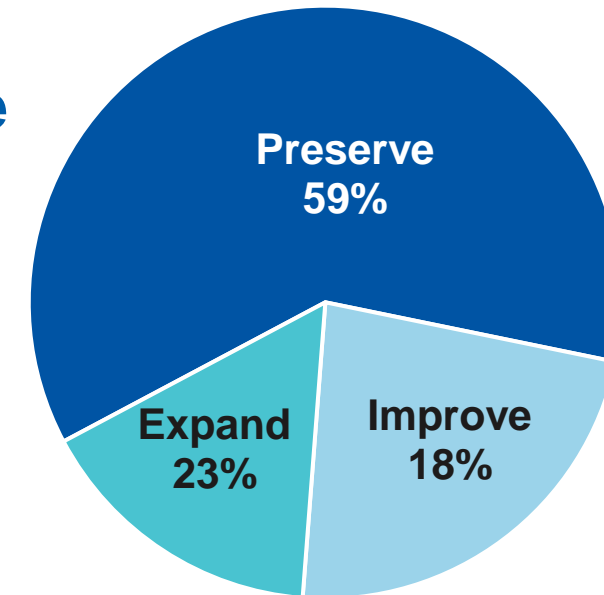
Meet Capacity Needs

Expand system capacity through plant expansions and interceptor extensions or improvements

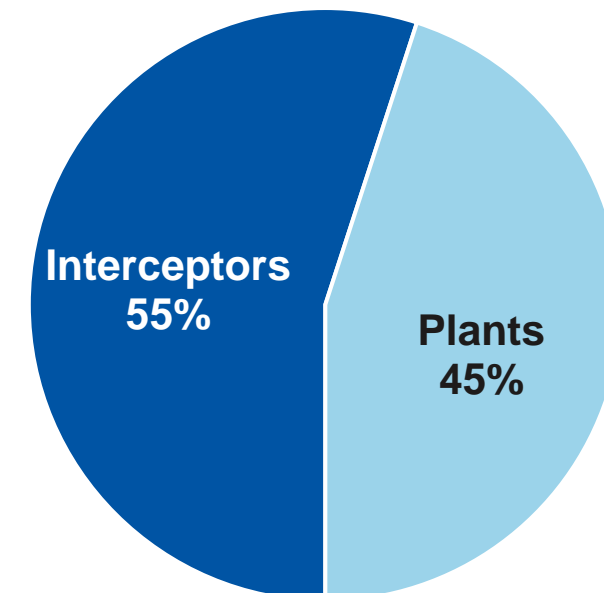


Improve Quality of service by responding to more stringent regulations, reusing wastewater, increasing system reliability, and conserving and generating energy

Objective



Type



Capital Program Financing

Public Facilities Authority (PFA) Loans

2023: \$45 million annual loan
1.59 % interest rate discount

2024: \$50 million loan
(anticipated)

Council General Obligation Bonds

The Council sells general obligation bonds. The Council has a AAA bond rating and receives low interest rates.

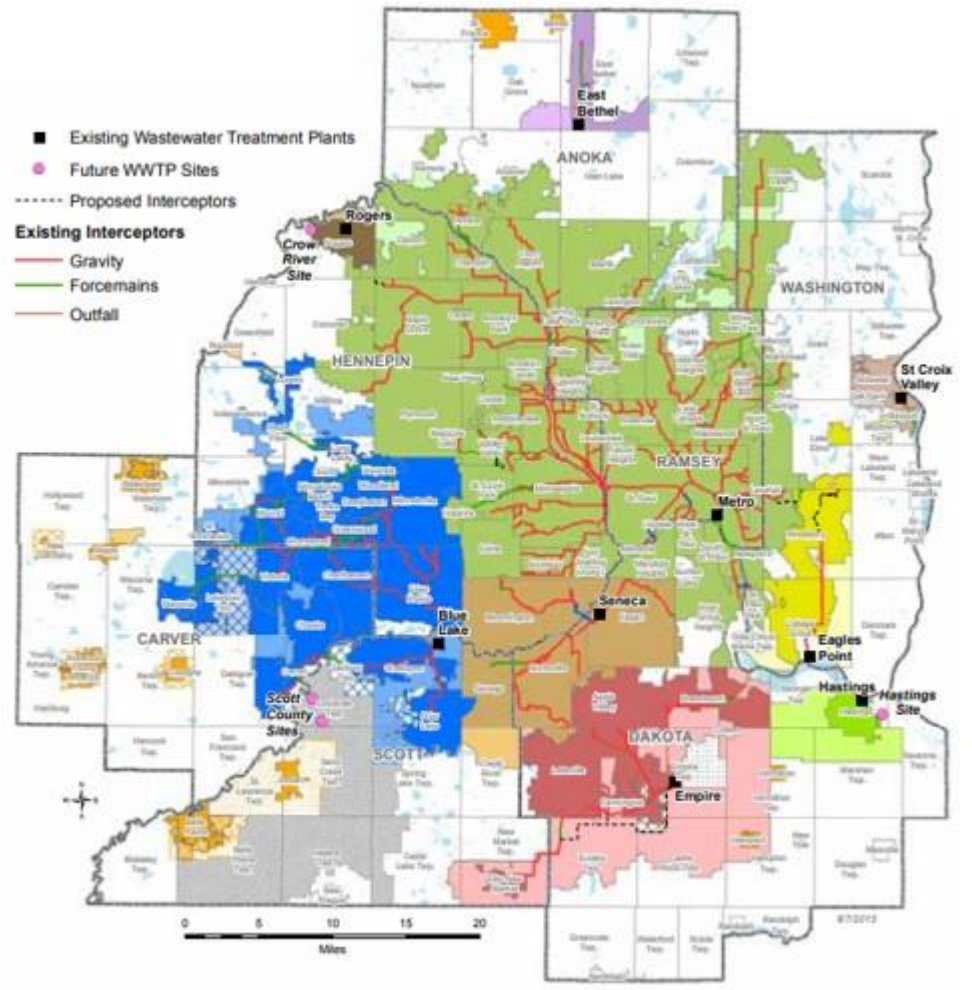
2023: \$40 million @ 3.36%
2024: TBD

Pay-As-You-Go (PAYGO)

Funds dedicated to paying for some capital expenses with current revenue.

2024: \$11 million

Wastewater System Planning



Kyle Colvin

Manager, Wastewater Planning
and Community Programs

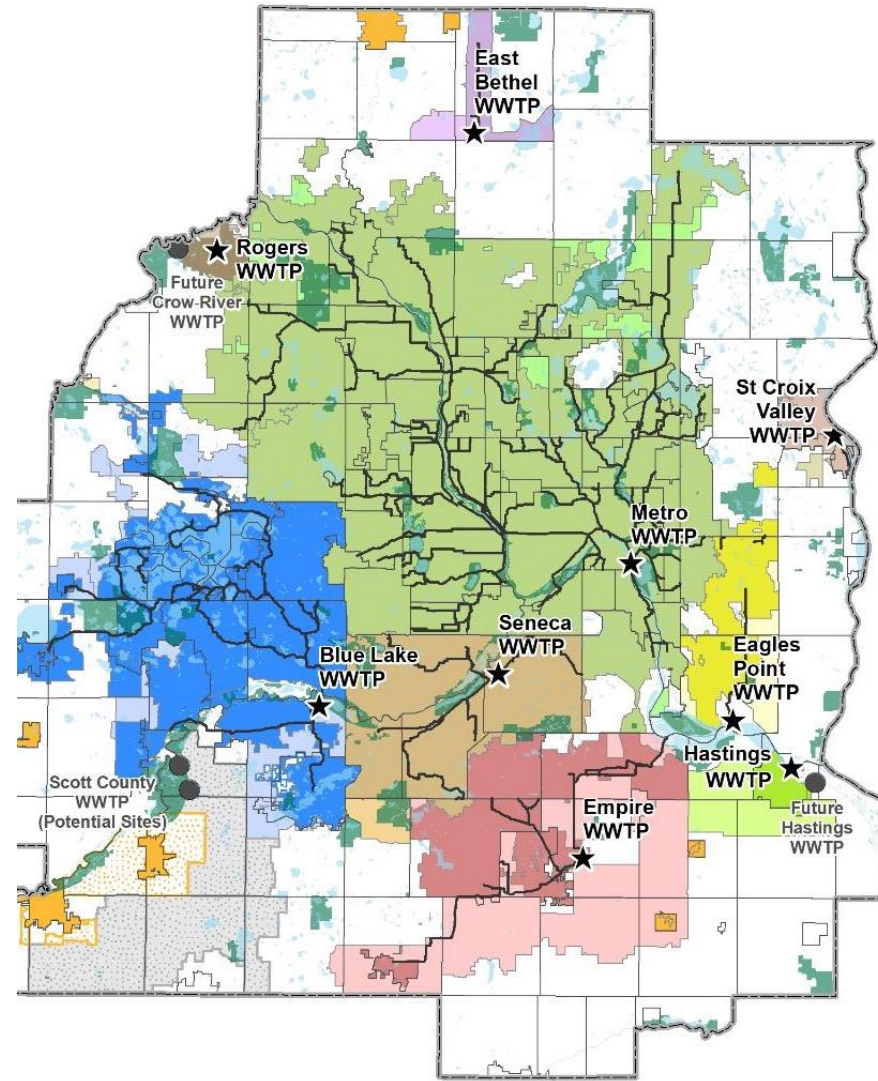
New Projects (Local Comprehensive Plans)

- Blaine Relief Interceptor
- Savage Trunk Sewer Acquisition (Credit River)
- Crow River WRRF
- Saint Paul River Crossing
- Miscellaneous small system improvements

Treatment Plant Projects

Rene Heflin
Manager, Plant Engineering

2025 Plant Capital Programs



1. **8059 Metro Rehabilitation & Facilities Improvements**

CLOSE 2027

2. **8062 Metro Solids Improvements**

3. **8074 Empire Solids Improvements**

CLOSE 2026

4. **8078 Regional Plant Improvements**

5. **8089 Metro Asset Renewal**

6. **8091 Wastewater Reclamation Facilities**

7. **8097 Blue Lake Improvements**

8. **8098 Hastings Water Resource Recovery Facility**

9. **8099 Crow River Water Resource Recovery Facility**

10. **8100 Industrial Pretreatment Incentive Program**

11. **8101 BPSI Allocation**

NEW

12. **8103 Metro Water Resource Recovery Facility Rehabilitation & Improvements**

13. **8104 Empire Water Resource Recovery Facility Rehabilitation & Improvements**

Capital Program Additions



8062 Metro Solids Improvements

- Add \$60M to the budget for the Fourth Incinerator
- Accelerate the rehabilitation of primary heat exchanger(s) removed in previous project to provide backup spare.

8099 Crow River WRRF

- Add \$77M to the budget

Capital Program Additions



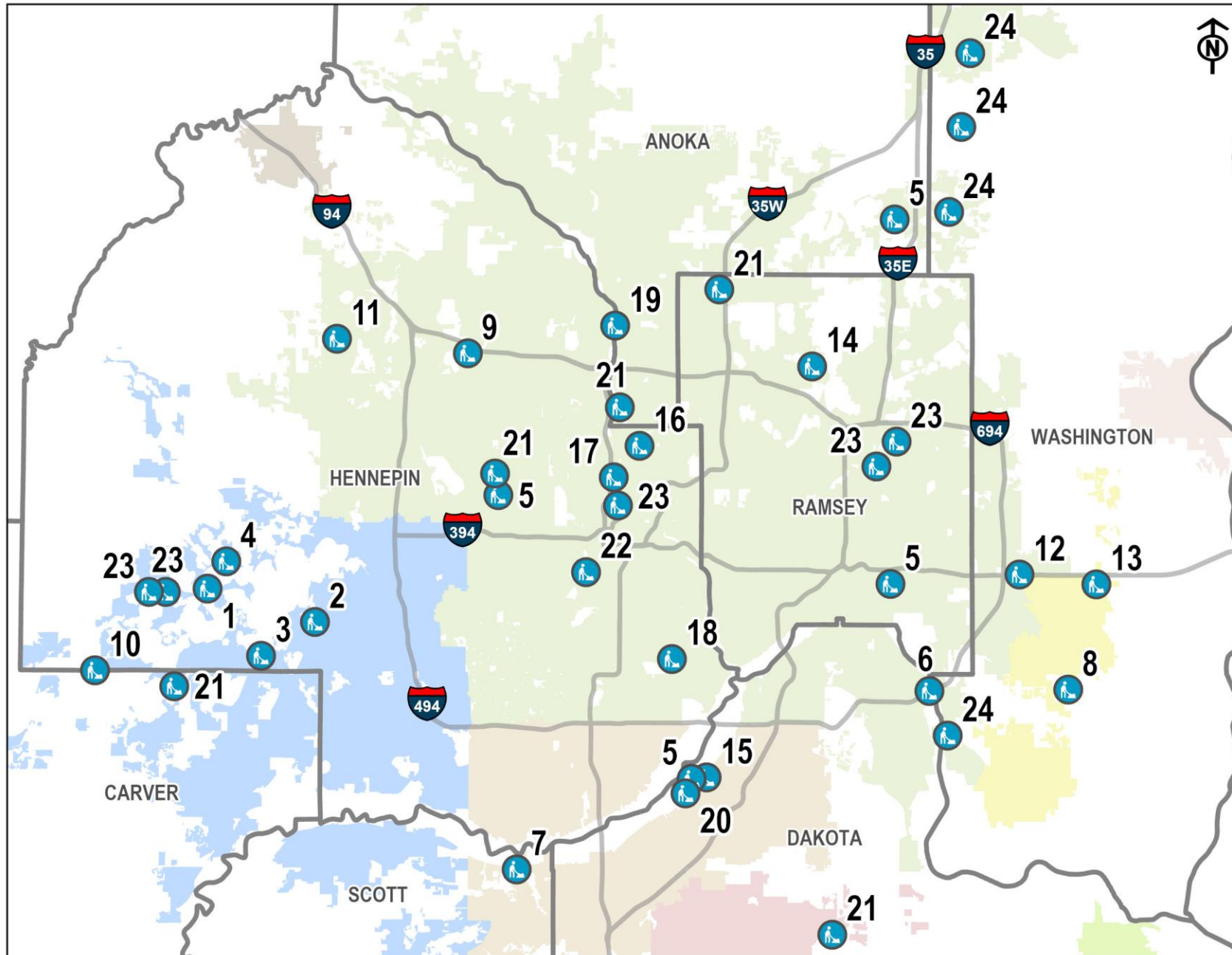
8078 Regional Plant Improvements

- Add \$13M to the budget to increase for SCV WRRF Bar Screen, HVAC, Gravity Thickener & Electrical Equipment Rehabilitation
- Add \$28M to the budget for Hastings WRRF Electrical, Instrumentation & Controls, & Outfall Rehabilitation.

Interceptor Projects

Adam Gordon
Manager, Interceptor Engineering

2024 Design/Construction Projects



- 1 - 802831 Orono Lift Stations L46 and L49 Improvements
- 2 - 802834 L48 Rehab and 6-DH-645 FM replacement
- 3 - 802856 Excelsior Area Lift Station L-20
- 4 - 802863 8567 Channel Crossings Replacement
- 5 - 805506 FM-Siphons-Rx-Outfall Inspection - Phase 1
- 6 - 805509 L65 HVAC Improvements
- 7 - 805564 L66 Rehabilitation
- 8 - 805569 L73 Odor Control Improvements
- 9 - 805636 Meter Station M228A and Interceptor 7015-C
- 10 - 808200 L24 Renovation
- 11 - 808622 Maple Grove Interceptor 900416 Replacement
- 12 - 808687 Lake Elmo West Connection
- 13 - 808688 L77 Lift Station Improvements
- 14 - 808863 Snail Lake Rehabilitation Project
- 15 - 809095 RMF Improvements
- 16 - 809211 1-MN-303 Pipe-in-Pipe
- 17 - 809213 1-MN-310 Rehab - Phase 2
- 18 - 809214 1-MN-346 Improvements - Phase 1
- 19 - 809400 New Lift Station L32A
- 20 - 809513 7031-9003 Siphon Outlet Structure Imp.
- 21 - 819014 Misc. Odor Control Improvements
- 22 - 819020 HSI - East Isles FM, Contract H
- 23 - 819022 6-MO-650 Interceptor Rehabilitation
- 24 - 805566 Lift Station Electrical Rehabilitation

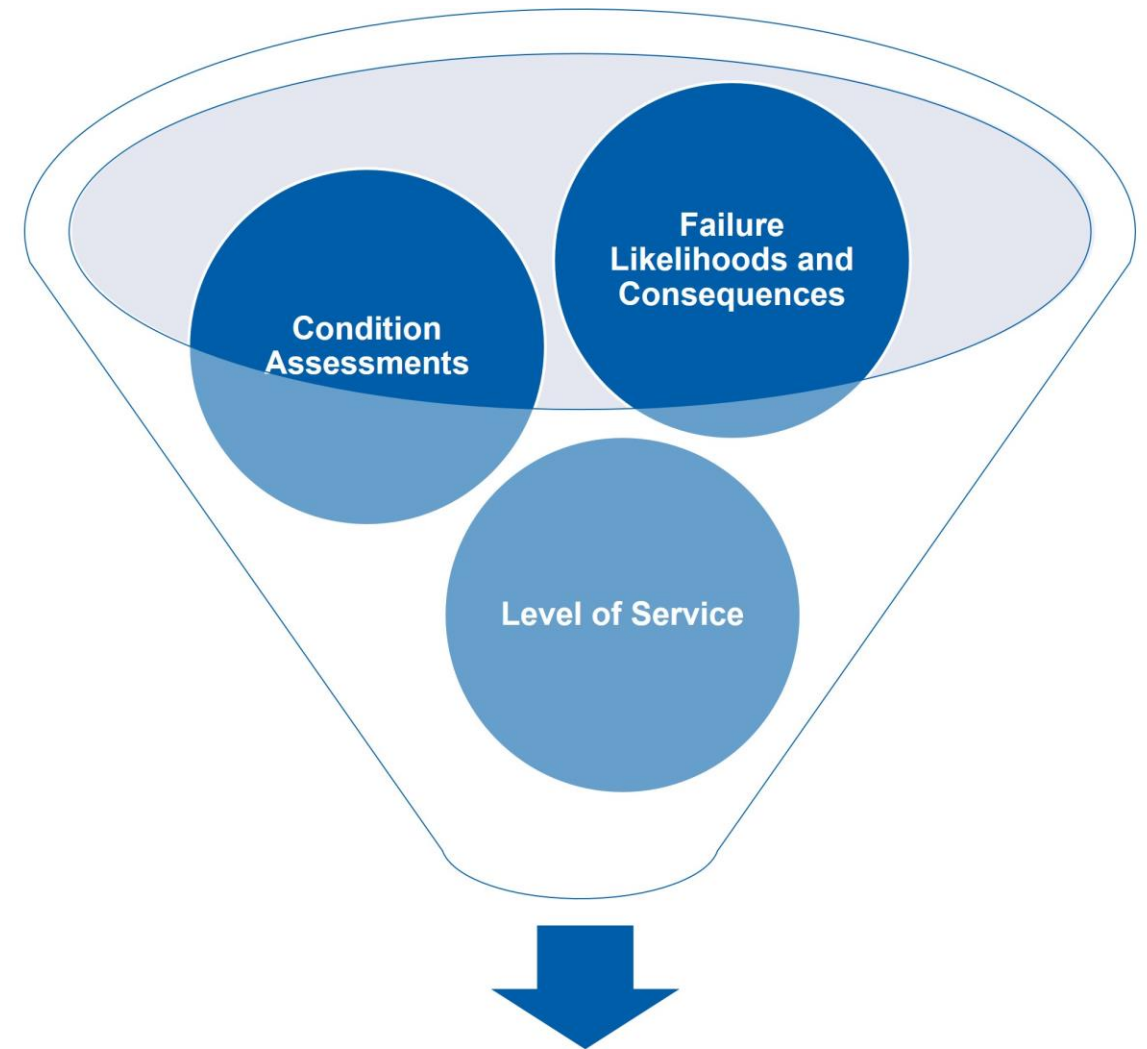
New Interceptor Project Identification

Primary Factors used in identifying new projects

Facilities are evaluated based on asset condition, capacity, or quality issues using a risk approach.

Risk: Product of Consequence of Failure (following Level of Service) and Likelihood of Failure (identified through assessment)

➤ Consequence	Likelihood
1. <i>Negligible</i>	1. <i>Rare</i>
2. <i>Minor</i>	2. <i>Unlikely</i>
3. <i>Moderate</i>	3. <i>Moderate</i>
4. Major	4. Likely
5. Severe	5. Certain



Capital Project Prioritization

Capital Program Additions



8092 Minneapolis Interceptor System Improvements

- Asset preservation of 1-MN-301

8086 Saint Paul Interceptor System Improvements

- Asset preservation of 1-MS-100 and 1-SP-216
- Quality (redundancy) improvements for 1-SP-230 (Riverview Siphon)

8028 West Area Interceptor Improvements

- Capacity Improvements for 8352A (Long Lake), 7019-B (Victoria), and 8253-328 (Chanhassen)
- Service extension and capacity improvements for 8081 (Maple Plain)

Capital Program Additions



8086 North Area Interceptor Improvements

- Capacity improvements for 1-WO-500 (Woodbury)
- Asset Preservation for 1-MW-410 structures (Maplewood) and 7035 (Coon Rapids)
- Capacity Improvements and service extension planning for 9004-1/9004-3 (Maple Grove)

8095 South Area Interceptor Improvements

- Asset preservation for 1-SP-230 (Saint Paul), 9701 (Empire), and 9208 (Cottage Grove)
- Service extension planning for Hastings

8028 West Area Interceptor Improvements

- Capacity Improvements for 8352A (Long Lake), 7019-B (Victoria), and 8253-328 (Chanhassen)
- Service extension and capacity improvements for 8081 (Maple Plain)

Capital Program Additions



8055 Lift Station Improvements

- Asset preservation of L35 (Mounds View), L15 (Apple Valley), and L42 (Anoka)
- Quality improvements for system-wide lift station communications
- Quality improvements for odor control at L41 (New Hope), L75 (Rosemount), and L79 (Eureka Twp.)

8056 Meter Station Improvements

- Expand capacity through acquisition of new meter M233 (Mounds View)
- Asset preservation and quality improvements at M106 (Columbia Heights), M641 (Rosemount), M644 (Apple Valley), and M448 (Chanhassen)

Capital Program Schedule

Task	Date
Council Presentation of Preliminary Budget (Budget in Brief)	August 14, 2024
Adoption of Preliminary Unified Operating Budget and Levies	August 28, 2024
Informational Item Presentation to Environment Committee	September 10, 2024
Division-level Capital Program presentation	October
Adoption of public comment draft budgets	October 23, 2024
Adoption of final 2025 budgets and levies	December 11, 2024



Questions

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