Defending your CIP from the Naysayers

Eileen Navarrete, P.E., PMP
Aaron Brower, P.E.
City of Raleigh Public Utilities Department

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This project is so expensive. Can’t we do three other projects for the same price?

Why does this project matter?

What happens if we don’t do this project?

Do we really need to do this now?

Why did we wait so long to do this project?

Why does this cost so much?

Can we delay this a year (or 5)?

How will this project affect rates?
Capital Improvement Program
# Capital Improvement Plan

Total 10-Year CIP: $1.5 Billion

<table>
<thead>
<tr>
<th></th>
<th>Phase I (FY18-FY22)</th>
<th>Phase II (FY 23-FY27)</th>
<th>Total</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interceptors</td>
<td>$273,700,000</td>
<td>$121,650,000</td>
<td>$395,350,000</td>
<td>26.1%</td>
</tr>
<tr>
<td>Asset Management</td>
<td>$191,680,000</td>
<td>$200,485,000</td>
<td>$392,165,000</td>
<td>25.9%</td>
</tr>
<tr>
<td>Wastewater Treatment Plant Expansions</td>
<td>$106,050,000</td>
<td>$41,000,000</td>
<td>$147,050,000</td>
<td>9.7%</td>
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<tr>
<td>Water Distribution Improvements</td>
<td>$32,135,000</td>
<td>$68,800,000</td>
<td>$100,935,000</td>
<td>6.7%</td>
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<tr>
<td>Wastewater Pump Stations</td>
<td>$31,300,000</td>
<td>$51,300,000</td>
<td>$82,600,000</td>
<td>5.5%</td>
</tr>
</tbody>
</table>
How do you get to a $1.5 Billion CIP?

Very carefully.
What is Asset Management?

Information

Prioritize assets

Assess (High Risk, High Cost)

Wait (Low Risk, Low Cost)

Replace (High Risk, Low Cost)
<table>
<thead>
<tr>
<th>Condition</th>
<th>Criticality</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td>5</td>
<td>Mid Priority Program Rehab</td>
<td>High Priority Program Rehab</td>
<td>High Priority Program Rehab</td>
<td>Highest Priority Action</td>
<td>Highest Priority Action</td>
<td></td>
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<tr>
<td>4</td>
<td>Mid Priority Program Rehab</td>
<td>Mid Priority Program Rehab</td>
<td>High Priority Program Rehab</td>
<td>Highest Priority Action</td>
<td>Highest Priority Action</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Low Priority</td>
<td>Low Priority</td>
<td>Regular Monitoring</td>
<td>Frequent Assessment</td>
<td>Frequent Assessment</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Low Priority</td>
<td>Low Priority</td>
<td>Regular Monitoring</td>
<td>Frequent Assessment</td>
<td>Frequent Assessment</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Low Priority</td>
<td>Low Priority</td>
<td>Regular Monitoring</td>
<td>Regular Monitoring</td>
<td>Regular Monitoring</td>
<td></td>
</tr>
</tbody>
</table>
CIP

Asset Management

Master Plans

Operations
Master Planning

• Water Distribution
• Sanitary Sewer Capacity
• Biosolids
• Reuse
• Long Range Water Supply
• Wastewater Treatment
• Odor and Corrosion
Operations

- Treatment Plant Rehab/Replacement
- Water Quality Projects
- Pump Station Upgrades
CIP

Asset Management

Master Plans

Operations
How do we decide when to complete each project?

- Very carefully.
Stakeholder Input and CIP Prioritization Tool
CIP Timeline

• July: Fiscal Year begins
• August/September: Meet with Operations
• October: CIP Prioritization
• November: Adjust project budgets/timelines
• December: CIP budget entered into City system
• January: Minor adjustments
• February/March: Preliminary budget presentation to City Council
• June: Full budget review/adoption by City Council
Stakeholder Input

- Utilities Director
- 5 Assistant Directors
- 8 Division Heads
- 9 CIP Project Managers
CIP Prioritization Criteria

- Contractual Requirements
- Customer Service/Satisfaction
- Financial Viability
- Interagency Coordination
- Infrastructure Adequacy
- Infrastructure Stability
- Operational Optimization
- Regulatory Compliance/Public Health and Safety
# Project List/Descriptions

- Start with previous year CIP
- Add Master Plan Updates
- Add Asset Management Updates
- Add Operations Updates

<table>
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<tr>
<th>Project ID</th>
<th>Project Name</th>
<th>Description</th>
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<tr>
<td>940600000</td>
<td>WW5 Crabtree Valley Sewer Replacement (CR-G-11)</td>
<td>Repair and replace 6,000 LF of sanitary sewer main from Glenwood Avenue to Hare Slough Creek. The CDM SSES report suggest modifying this project to install a 48-inch parallel or 60-inch replacement pipe along the same hydraulic grade line of the South Interceptor. 6,000 LF from manhole 138260 to manhole 142622 because of age and hydraulic constraints. The URS PER recommends installation along Glenwood Avenue with some tunneling. Will connect to the future Crabtree Basin Wastewater System Conveyance Improvements project. This project will be coordinated with the Crabtree Valley area long-range transportation and land use study. Project is located in Council Districts A &amp; E. Repurposes if not carried out: Failure to implement this project could result in additional sanitary sewer overflows (SSO’s) because of capacity restrictions and restricted service area growth.</td>
</tr>
<tr>
<td>81010160</td>
<td>WW8 Lower Walnut Creek Parallel Interceptor</td>
<td>This project includes installation of a new junction box to divert flow from existing interceptors to a new parallel pipe. The project also includes the installation of 17,000 feet of 48-inch parallel pipe (or 72-inch replacement pipe) from the softball field junction box (MH 105342) to the siphon junction box upstream of Walnut Creek P5 (MH 105337). This project is identified as project “W1 Walnut Parallel 1” in the City of Raleigh Sewer System Capacity Study prepared by CDM/Hazen &amp; Sawyer. This parallel interceptor is needed to eliminate observed surcharging and overflows during peak wet weather. Project is physically located in District C but also serves District D. Repurposes if not carried out: Failure to implement this project could result in additional sanitary sewer overflows (SSO’s) because of capacity restrictions and restricted service area growth.</td>
</tr>
<tr>
<td>CIP01_NP30</td>
<td>WW10 Neuse River East Parallel Interceptor Phase III</td>
<td>Installation of 21,000 linear feet of 96-inch gravity sanitary sewer main from the Walnut Creek Lift Station off Sanwell Rd. to the proposed East Neuse Regional Pump Station. This project is identified as project “ND9A - Neuse Interceptor Extension 1” in the City of Raleigh Sewer System Capacity Study prepared by CDM/Hazen &amp; Sawyer. This parallel interceptor is needed to eliminate observed surcharging and overflows during peak wet weather. This sanitary sewer main will serve as the backbone to the City’s long range sanitary sewer conveyance needs for current wet weather and future growth. This project is located in Wake County and will serve all Council Districts and most Merged Communities. The change in cost is due to construction money rolling forward in Phase II of the CIP. Repurposes if not carried out: Failure to implement this project could result in additional sanitary sewer overflows (SSO’s) because of capacity restrictions and restricted service area growth.</td>
</tr>
<tr>
<td>CIP01_NP39</td>
<td>WW41 Neuse River East Parallel Interceptor Phase IV</td>
<td>Installation of 7,000 linear feet of 84-inch gravity sanitary sewer main from the Walnut Creek Lift Station off Sanwell Rd. to the existing Neuse River Pump Station at Anderson Pointe Park off of Rogers Lane. This gravity sewer extension will decommission the existing Neuse River Pump Station at Anderson Pointe Park off of Rogers Lane. This project is identified as project “ND9B - Neuse Interceptor Extension 2” in the City of Raleigh Sewer System Capacity Study prepared by CDM/Hazen &amp; Sawyer. This parallel interceptor is needed to eliminate observed surcharging and overflows during peak wet weather. This sanitary sewer main will serve as the backbone to the City’s long range sanitary sewer conveyance needs for current wet weather and future growth. This project is located in Wake County and will serve all Council Districts and most Merged Communities. The change in cost is due to construction money rolling forward in Phase II of the CIP. Repurposes if not carried out: Failure to implement this project could result in additional sanitary sewer overflows (SSO’s) because of capacity restrictions and restricted service area growth.</td>
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Tips for the Naysayers

• Defensibility
• Stakeholder input from the experts
• CIP Planning occurs 365 days per year
• Non-cost criteria is important
• Transparency during the budget process
Contact Info

Eileen Navarrete
Engineering Manager
City of Raleigh Public Utilities Dept.
Eileen.Navarrete@raleighnc.gov

Aaron Brower
Asst. Public Utilities Director
City of Raleigh Public Utilities Dept.
Aaron.Brower@raleighnc.gov