



COMMISSION FINANCE COMMITTEE  
MEETING MINUTES  
March 4, 2021

PRESENT: Commissioners Elofson, Glenn, Lakdawala, Levenston, Lynch, Rodriguez, and Taraski.

**FISCAL YEARS 2022-2031 CAPITAL IMPROVEMENT PROGRAM BUDGET REVIEW**

The Finance Committee (Commissioners Rodriguez, Lynch and Elofson), Commissioners Glenn, Lakdawala, Levenston, Taraski, and staff reviewed all newly proposed and existing capital projects for FY 2022-2031.

The CIP will be prioritized based on available financial resources and presented to Finance Committee on April 15 and the full Commission on April 27, 2021.

**Attachments:** [Presentation](#)

**Public Comment:** None

**Next Finance Committee Meeting Date:** TBD

**Meeting Adjourned:** 1:30 p.m.

SUBMITTED:

*Jennifer L. Cascio*

Jennifer L. Cascio  
Secretary

APPROVED:

*Stephen C. Rodriguez*

Stephen C. Rodriguez  
Committee Chair



Capital Improvement Program  
FY22 to FY31  
First Draft Review

March 4, 2021

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## Agenda

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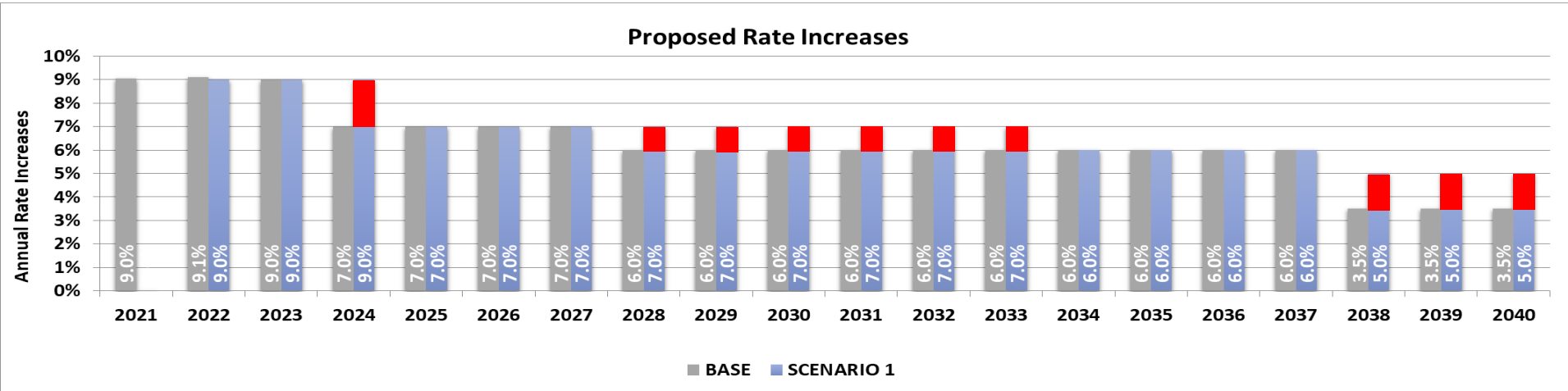
- Introductions 9:00
- Program Summary 9:05
- New Project Review 9:15
- Program Review
  - SWIFT 10:15
    - Break 10:45
  - RWWMP High Priority Projects 11:00
  - Middlesex 11:15
  - Administration Buildings 11:35
- Existing Project Review 11:45

- Confirm that projects should be included in the CIP
- Review new projects thoroughly
  - Scope
  - Cost
  - Schedule
- Existing projects should have significant changes reviewed
  - Potential for delays, or need to not delay should be noted

## FY21 Budget At-A-Glance - \$28M less cash for CIP

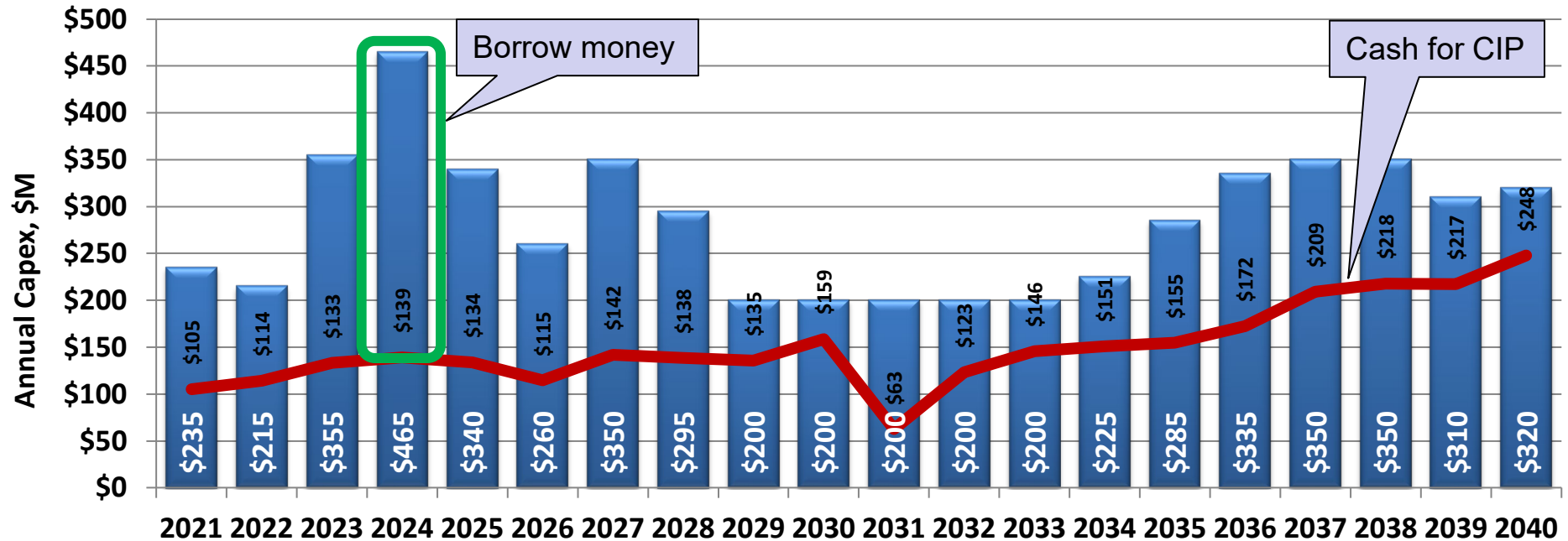
	Increase	No Increase	Differential
<b>Revenue</b>	\$ 360,075	\$ 332,397	\$ (27,678)
<b>Expenses</b>	\$(175,776)	\$ (175,776)	\$ -
<b>Debt Service</b>	\$ (61,408)	\$ (61,408)	\$ -
<b>Cash for CIP</b>	\$122,891	\$ 94,953	\$ (27,938)

# Revised Rate Increases with no FY21 Rate Increase



## How the financial model works

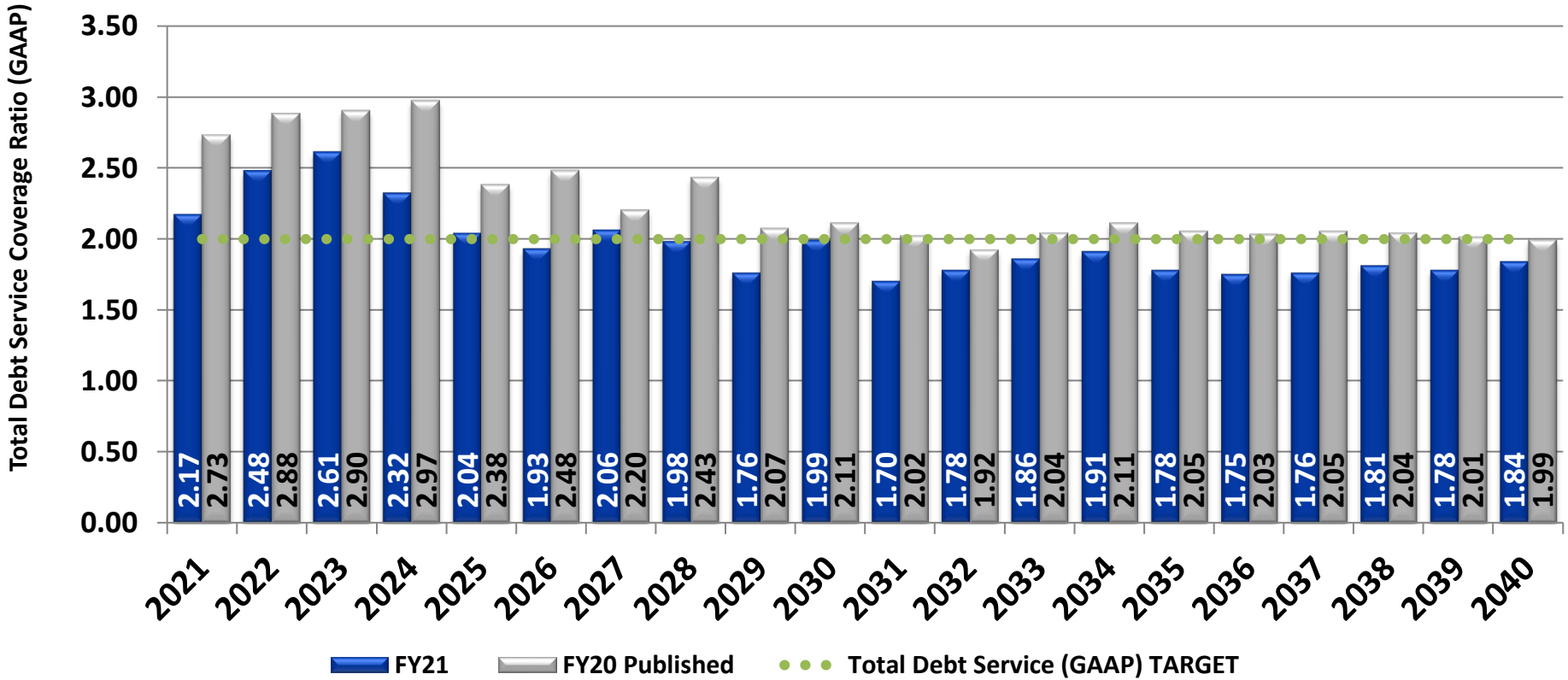
### Projected Annual Capital Spend vs Available PAYGO (Cash for CIP)



- \$5.7 billion in the next 20 years
  - Projected to have \$3.0 billion in Cash for CIP
  - Need to borrow \$2.7 billion

# Projected Total Debt Service Coverage Ratio

Total Debt Service Coverage Ratio - FY21 Proposed vs FY20 Published Budget





- Each project has been reviewed by the responsible contact and meets CIP guidelines
- Projects are evaluated within each department to ensure best solutions are proposed
- CIP projects are validated and included for review by CIP Leadership
- CIP is balanced according to financial constraints, regulatory deadlines, priority, and many other factors
- Final CIP is submitted to the Commission
- CIP is a planning tool – **the CIP does not authorize funding for individual projects**

- Projects submitted – Feb. 10<sup>th</sup>
- Finance Review
- First draft documents published – Feb. 25<sup>th</sup>
- **First draft meeting – March 4<sup>th</sup>**
- Revisions Due – March 12<sup>th</sup>
- Second draft published (If needed) – Mar 31<sup>st</sup>
- CIP sent to Commission – Apr 27<sup>th</sup>
- CIP presented to Commission – May 25<sup>th</sup>

- Receive all updates/revisions from first meeting
- Review new or significantly revised projects
- Review cost projections based on prioritization
  - All projects included in the program will have **planned** funding in the 10 yr CIP (or 20 yr)
  - Cost projections must meet Annual Capital Spend targets

- Existing Projects already in CIP Program
  - 170 existing projects
    - 7.7% cost increase from FY21
  - 33 newly proposed projects
  - 10YR Program Total - \$3.16B (with program contingency)
  
- Completed
  - 41 Projects - \$326M

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# Completed Projects

# Completed in FY21



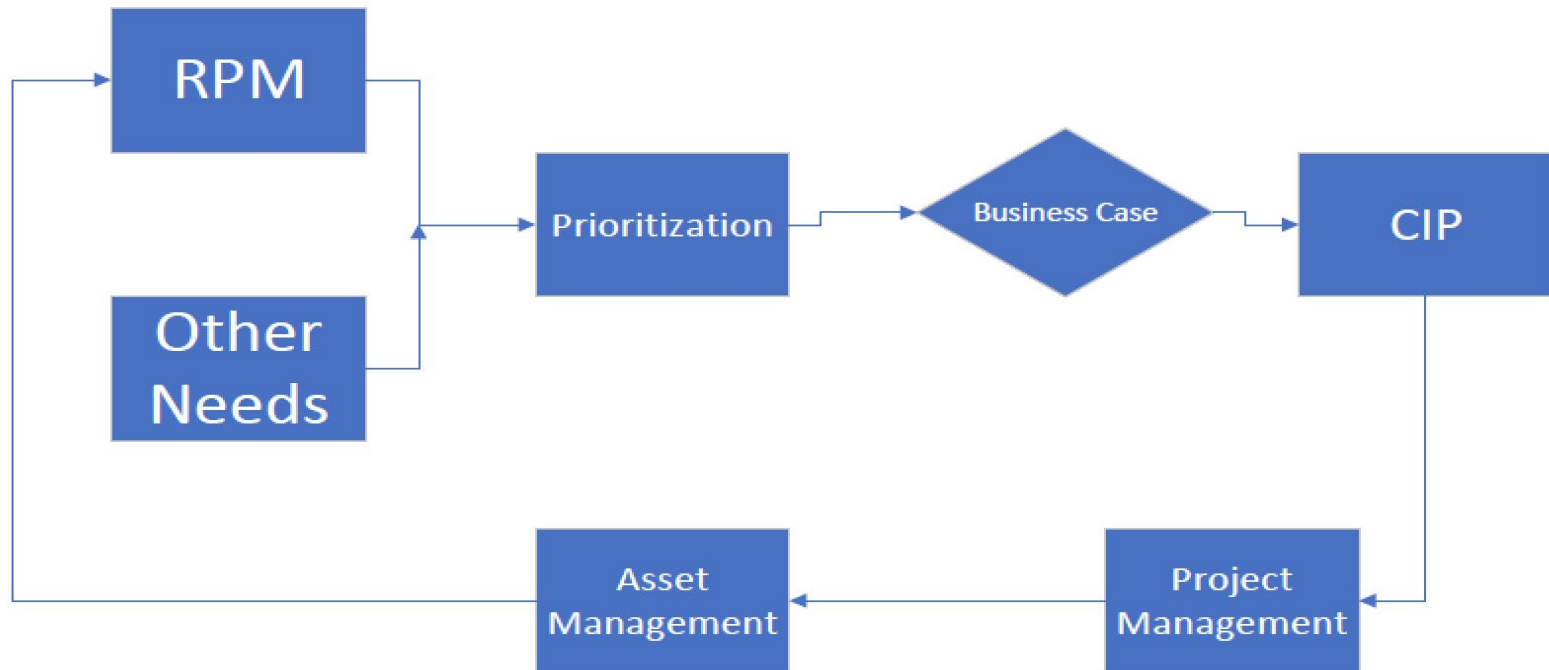
## CAPITAL IMPROVEMENT PROGRAM PROJECTS COMPLETED IN FY21

CIP No	Project Name	Estimated Total Cost
PR_AD012100	Asset Management Implementation	\$1,913,290
PR_AD012200	Water Quality Services Building Phase II	\$20,849,245
PR_AD012310	Central Environmental Laboratory Phase II - Study	\$400,000
PR_AT012910	Atlantic Treatment Plant FOG Receiving Station	\$6,848,646
PR_AT013100	South Norfolk Area Gravity Sewer Improvements, Phase I (Interstate Crossing)	\$805,000
PR_AT013500	Atlantic Treatment Plant Thermal Hydrolysis Process	\$63,193,588
PR_AT014700	Little Neck Interceptor Force Main (SF-127) Repair	\$500,000
PR_BH014700	Boat Harbor Outlet Sewer Improvements	\$6,524,911
PR_BH014800	Jefferson Avenue Extension Gravity Improvements	\$3,394,571
PR_BH015000	Orcutt Avenue and Mercury Blvd Gravity Sewer Improvements	\$9,377,191
PR_BH015300	Boat Harbor Treatment Plant Switchgear and Controls Replacements	\$9,643,004
PR_BH016000	16th Street Emergency Repair	\$3,800,000
PR_CEO10400	Independence Boulevard Pressure Reducing Station Modifications	\$3,263,769
PR_CEO11822	Providence Road PRS Upgrades and Interconnect Force Main	\$14,056,241
PR_CEO11826	Providence Road Off-Line Storage Facility	\$41,593,810
PR_CEO11827	Atlantic PRS Reliability Modifications	\$8,881,196
PR_CEO12200	Pine Tree PRS Reliability Modifications	\$7,381,841
PR_CEO12300	Central Trunk Interceptor Force Main Section A (SF-119) Failure	\$650,000
PR_GN011700	Pump Station Generators and Standby Pump Upgrades	\$6,161,922
PR_GN012130	Manhole Rehabilitation-Replacement Phase I and North Shore Siphon Chamber Rehabilitation Phase I	\$10,860,000
PR_GN016341	VIP SWIFT Land Acquisition	\$30,000,000
PR_GN016400	Treatment Plant Dewatering Replacement Phase I	\$3,889,586
PR_GN016600	South Shore High Point Air Vent Installation Phase I	\$902,321
PR_GN017700	Fleet Management (FY21)	\$1,200,000
PR_GN017800	Water Quality Department Instrumentation Equipment (FY21)	\$435,000
PR_JR010600	Lucas Creek Pump Station Upgrade	\$6,824,774
PR_JR011300	Patrick Henry Pump Station Interconnection Force Main	\$2,716,417
PR_JR012100	Huxley to Middle Ground Force Main Extension	\$4,983,546
PR_MP012400	West Point Treatment Plant Tertiary Filter	\$790,295
PR_MP012500	Mathews Main Vacuum Pump Station Replacement	\$2,552,294
PR_MP013100	Small Communities Mobile Dewatering Facilities Installation	\$1,955,495
PR_MP013400	Small Communities Operation Center Parking and Laydown Area	\$495,000
PR_MP013700	Middlesex Interceptor System Program Phase II—Urbanna to Mathews Transmission Force Main	\$30,992,000
PR_NP011300	Suffolk Interceptor Force Main Section I Main Line Valving Replacement	\$1,472,932
PR_NP012500	Shingle Creek and Hickman's Branch Gravity Sewer Improvements	\$2,418,696
PR_NP013500	Nansemond Treatment Plant Land Acquisition-Land Stabilization	\$4,723,858
PR_NP013600	Nansemond Treatment Plant Land Acquisition-Structure Demolition	\$1,130,710
PR_NP013810	Nansemond Treatment Plant Advanced Nutrient Reduction Improvements Ph I	\$2,518,000
PR_YR013600	York River Treatment Plant Solids Handling Electrical Improvements	\$581,215
PR_YR013710	York River Treatment Plant Advanced Nutrient Reduction Improvements Phase I	\$2,237,000
PR_YR014400	York River Treatment Plant Headworks Effluent Pipe Rehabilitation	\$3,140,000
<b>41 TOTAL PROJECTS</b>		<b>ESTIMATED TOTAL COST \$326,057,362</b>



- Rehab Plan
  - Phase One – May 2021
  - Phase Two – May 2025
- Integrated Plan - RWWMP
  - High Priority 1 FY21-31 - \$217M
  - High Priority 2 FY31-40 - \$213M
- Surry Consent Decree – December 31, 2022

# Project Lifecycle





# Guiding Principal - CIP Prioritization (new)

## Capital Prioritization & Optimization

Risk ID	Project Details				Current Plan	Current Funding Optimized	
	Risk Name	Regulatory Type	Capital Costs	Risk Reduction Ratio	Install Year (FY)	Install Year (FY)	Schedule Impact Current CIP
PR_WB012400	Williamsburg Treatment Plant Generator and Switchgear Replacement	None	\$ 330,000	11.0	2022	2022	No Change
PR_WB012500	Lodge Road Pump Station Upgrades	None	\$ 1,490,000	0.0	2022	2037	Delayed 15 Years
PR_WB012600	Kingsmill Pump Station Piping Replacement and Wet Well Rehabilitation	None	\$ 1,150,000	164.3	2022	2022	No Change
PR_WB012900	Williamsburg Treatment Plant Administration Building Renovation	None	\$ 2,400,000	0.0	2022	2023	Delayed 1 Years
PR_YR010300	Foxridge Sanitary Sewer System Sections 1, 4 & 5 Gravity and Woodland Road Fox Hill Road Gravity Sewer Rehabilitation	Rehab Plan Phase Two	\$ 3,250,000	1128.3	2022	2022	No Change
PR_YR010520	Magruder Mercury Interceptor Force Main Replacement - Section B	None	\$ 4,260,000	1113.8	2022	2022	No Change
PR_YR010530	Magruder Mercury Interceptor Force Main Replacement - Section C	None	\$ 5,810,000	1619.3	2022	2022	No Change
PR_YR010900	Tabb Pressure Reducing Station and Offline Storage Facility	None	\$ 17,010,000	0.0	2022	2022	No Change
PR_YR011900	Bethel-Poquoson Force Main Part III Replacement	None	\$ 400,000	0.0	2022	2037	Delayed 15 Years
PR_YR013900	York River System Isolation Valve Installation and Replacement	None	\$ 4,450,000	317.9	2022	2022	No Change
PR_YR014000	York River Treatment Plant Administration Building Renovation	None	\$ 2,710,000	0.0	2022	2022	No Change
Ave Pump Station Pur	Colley Ave Pump Station Pump Replacement	None	\$ 640,000	109.5	2022	2022	No Change
PR_YR014100	Coliseum Pressure Reducing Station Enhanced Storage	None	\$ 8,030,000	0.0	2024	2034	Delayed 10 Years
Priority Projects Rou	High Priority Projects Round 2 Project 4	Integrated Plan-HPP 2	\$ 10,680,000	5296.3	2032	2022	Accelerated 10 Years
Priority Projects Rou	High Priority Projects Round 2 Project 5	Integrated Plan-HPP 2	\$ 4,400,000	2178.7	2034	2022	Accelerated 12 Years

# Guiding Principal - CIP Prioritization (new)



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# Program Summary

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# Preliminary Projection FY21- FY30



### Water Quality Services Building Phase II

PR\_AD012200

System: Administration  
Type: Facilities, Buildings and Capital Equipment

Driver Category: Relocation  
Project Status: Design  
Regulatory: None

Prog Cost	Exp to Previous Year	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
\$20,027	\$10,873	\$9,154	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

#### PROJECT DESCRIPTION

The project includes demolition of the existing Meekins building and construction of a new building, on the same site, to host the Technical Services Division (TSD) and Pretreatment & Pollution Prevention (P3) Division.

#### PROJECT JUSTIFICATION

The Water Quality Department commissioned an April 2017 Preliminary Engineering Report (PER) with the HRSD on-call architectural firm of Guemsey Tingle. The purpose of the PER was to identify the need for current and future space for the TSD, P3 and Central Environmental Laboratory (CEL) divisions. All three divisions have outgrown their existing spaces and have both current and future additional space needs. The selected outcome from the study was Option "E", as described in the PER. Option E recommended the demolition of the existing Meekins building and construction of a new building on the same site to house TSD and P3. Existing space occupied by TSD and P3 will be renovated to accommodate additional space requirements presented by the CEL.

#### FUNDING TYPE

Funding Type: Revenue Bond

#### CONTACTS

Contacts-Requesting Dept: Water Quality  
Contacts-Dept Contacts: Tim Marsh  
Contacts-Managing Dept: Engineering

#### PROPOSED SCHEDULE START DATE

PrePlanning	11/01/2017
PER	11/02/2017
Design Delay	11/03/2017
Design	11/04/2017
Bid Delay	03/02/2018
PreConstruction	03/01/2019
Construction	03/01/2019
Closeout	12/01/2020

#### COST ESTIMATE

<b>Cost Estimate Class:</b>	<b>Class 1</b>
PrePlanning	\$33,149
PER	\$93,797
Design	\$1,276,464
PreConstruction	\$10,000
Construction	\$18,613,585
Closeout	\$0
<b>Est. Program Cost</b>	<b>\$20,026,995</b>
<b>Contingency Budget</b>	<b>\$822,250</b>
<b>Est. Project Costs</b>	<b>\$20,849,245</b>



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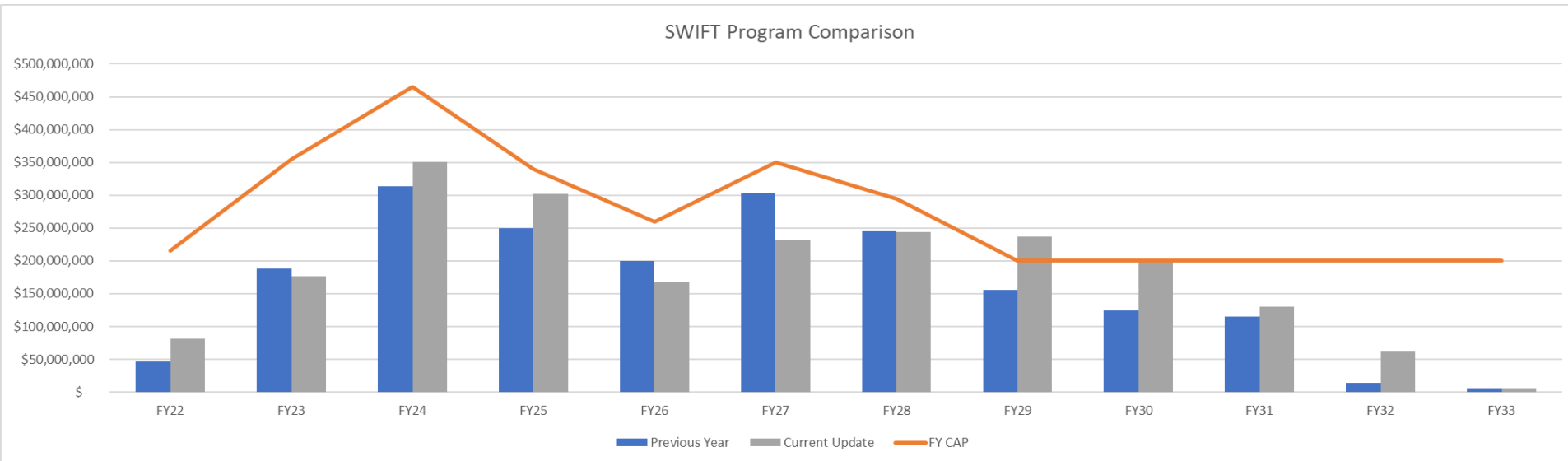
# New Project Review

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# Program Review

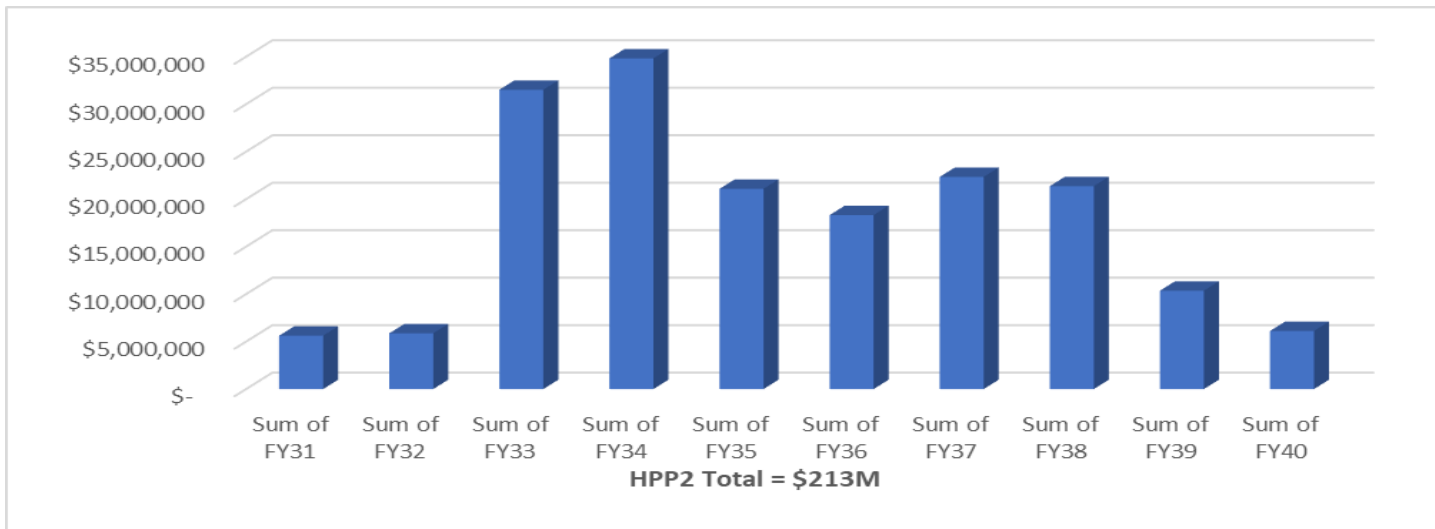
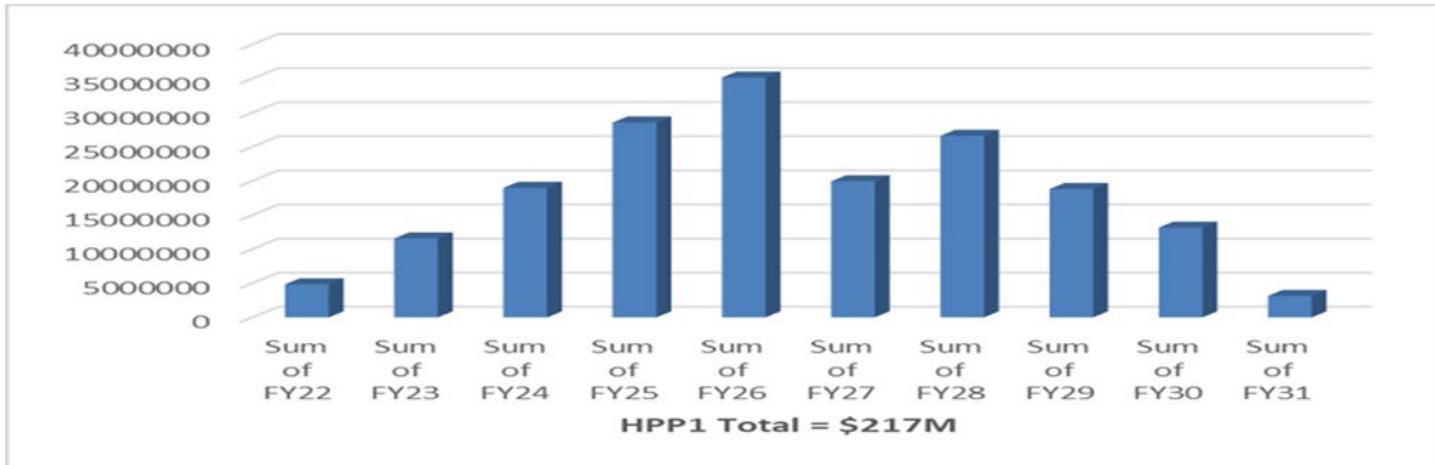
# SWIFT Program



- FY21 Program Total - \$2.367B
- FY22 Program Total - \$2.598B
- Alternative scenarios are under development



# Integrated Plan – High Priority Projects



# Middlesex



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# Administration Buildings

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# Existing Project Review