



COMMISSION FINANCE COMMITTEE
MEETING MINUTES
March 2, 2023

PRESENT: Commissioners Rodriguez and Levenston

FISCAL YEARS 2024-2033 CAPITAL IMPROVEMENT PROGRAM BUDGET REVIEW

The Finance Committee (Commissioners Rodriguez and Levenston), and staff reviewed all newly proposed and existing capital projects for FY 2024-2033.

The CIP will be prioritized based on available financial resources and presented to the Finance Committee at their review meeting on April 19 and the full Commission on April 25, 2023.

Attachment: [Presentation](#)

Public Comment: None


Next Finance Committee Meeting Date: April 19, 2023

Meeting Adjourned: 2:50 p.m.

SUBMITTED:


Elizabeth I. Scott
Assistant Commission Secretary

APPROVED:


Willie Levenston, Jr.
Committee Chair



Capital Improvement Program
FY24 to FY33
First Draft Review

March 2, 2023

- Introductions
- Meeting Rules/Instructions
- CIP Status Briefing
- New Project Review
- Lunch
- Existing Project Reviews

What We Want To Accomplish Today

- Discuss current CIP forecast and constraints
- Review of New project requests and confirmation of inclusion into the CIP
- Discuss significant changes to current CIP projects

- Cost Differential Report



CAPITAL IMPROVEMENT PROGRAM
 First Draft CIP FY 2024 to FY 2033
 All Projects - Grouped by System

Army Base		FY23 Total Cost	FY24 Total Cost	Differential	Project Status	Department Contact	Transfer to ENG
PR_ABO10000	Army Base 24-Inch and 20-Inch Transmission Main Replacements	\$ 16,153,907	\$ 17,011,565	5.3%	Design	Holly Anne Matel	
PR_ABO10500	Section W Force Main Replacement	\$ 1,814,310	\$ 2,970,858	63.7%	Design	Holly Anne Matel	
Administration		FY23 Total Cost	FY24 Total Cost	Differential	Project Status	Department Contact	Transfer to ENG
PR_AD012500	Cybersecurity Practice & Procedure Initiative	\$ 15,500,000	\$ 15,500,000	0.0%	Pre Planning	Roger Caslow	
PR_AD012600	Central Environmental Laboratory Expansion and Rehabilitation	\$ 30,000,000	\$ 50,827,160	69.4%	PER	Tim Marsh	
PR_AD012700	Capital Improvement Program Labor Program	\$ 32,400,000	\$ 30,492,336	-5.9%	Proposed	Erin Girardi	
Atlantic		FY23 Total Cost	FY24 Total Cost	Differential	Project Status	Department Contact	Transfer to ENG
PR_AT011520	Shipp's Corner Pressure Reducing Station Modifications	\$ 1,851,735	\$ 1,921,226	3.8%	Pre Planning	Eddie Heady	3/1/2024
PR_AT011900	Great Bridge Interceptor Extension 16-Inch Replacement	\$ 10,231,772	\$ 13,160,391	28.6%	PER	Holly Anne Matel	
PR_AT012920	Atlantic Treatment Plant Access Road	\$ 12,570,232	\$ 13,452,276	7.0%	PER	Holly Anne Matel	

- CIP Summary Page
- Map (Where applicable)

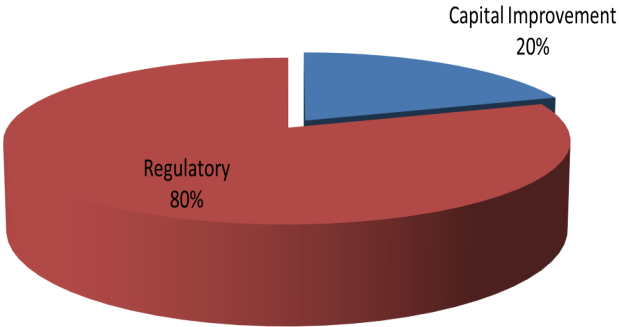


	FY23	FY24 (requested)	Difference
Number of Projects	227*	211	-7%
Total Budget	\$2.88B*	\$3.31B	+15%
Completed Projects	29	35*	
Deleted Projects	2	16	

Regulatory Drivers

Sum of 10 YR Sum

FY24 to FY33 Program - Regulatory Driven Projects



- Rehab Plan
 - Phase Two – May 2025
- Integrated Plan
 - SWIFT
 - High Priority Projects

Evolution from EPA Consent Decree for Sanitary Sewer Overflows to an EPA Integrated Plan (IP)

2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022

EPA
308

Develop Regional Wet Weather Management Plan – Estimated @ \$1.8B

Aquifer Replenishment Program (ARP)



Alternatives Analysis

4th Amendment

Locality Trading Agreement

Integrated Plan Development

5th Amendment

IP SIGNED Feb 8, 2022

EPA INTEGRATED PLANNING
“...prioritize capital investments and achieve our human health and water quality objectives.”



HRSD's Integrated Plan

2021 2022 2023 2024 **2025** 2026 2027 2028 2029 **2030** 2031 **2032** 2033 2034 2035 2036 2037 2038 2039 **2040 - 2043**

\$700M Phase 1,
Rehab Action Plan



Adaptive Mgt

\$208M High Priority 1

**-47%
SSO**

\$202M High Priority 2

**-69%
SSO**

swift

>\$1B

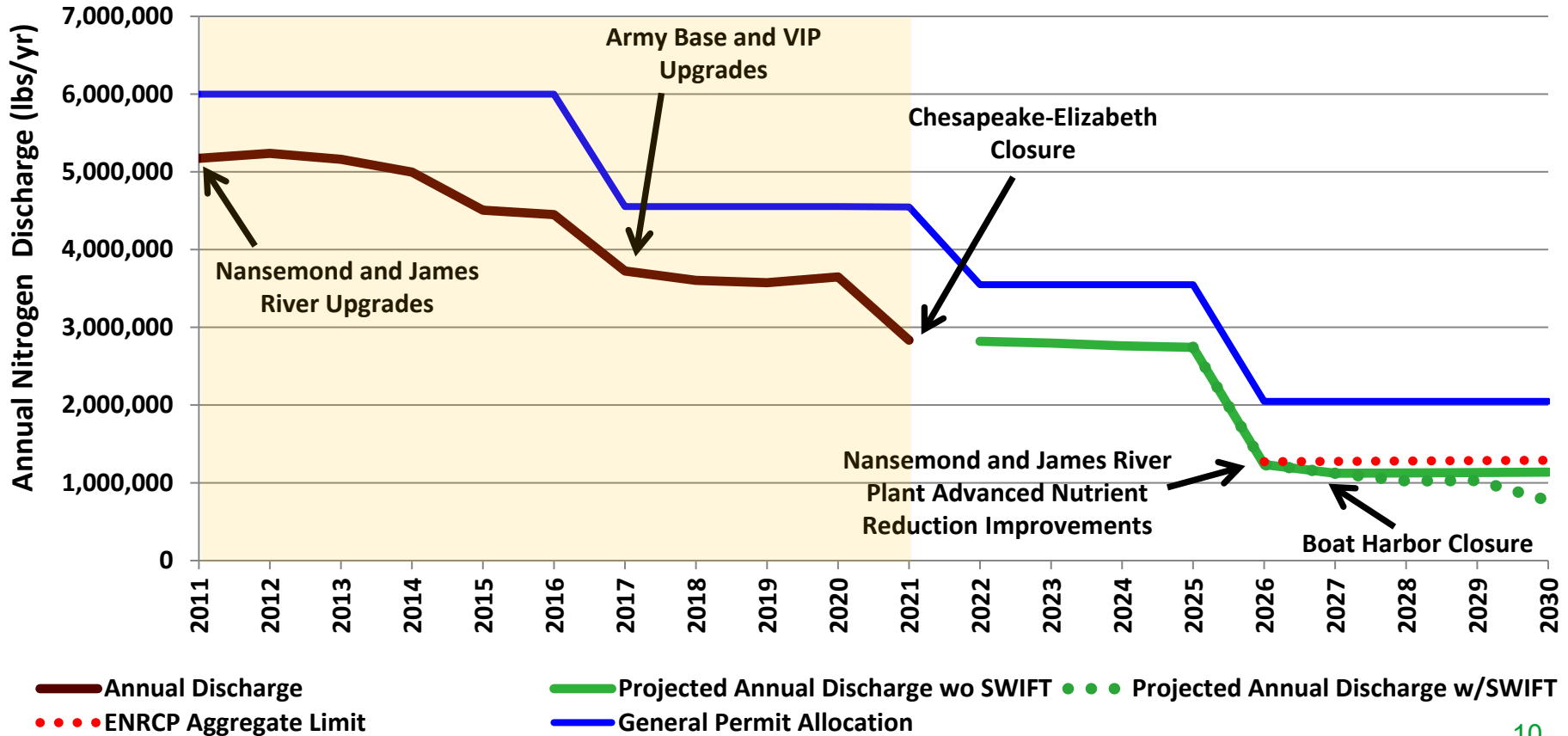
Aquifer Replenishment Program (ARP)

\$20M Microbial Source Tracking

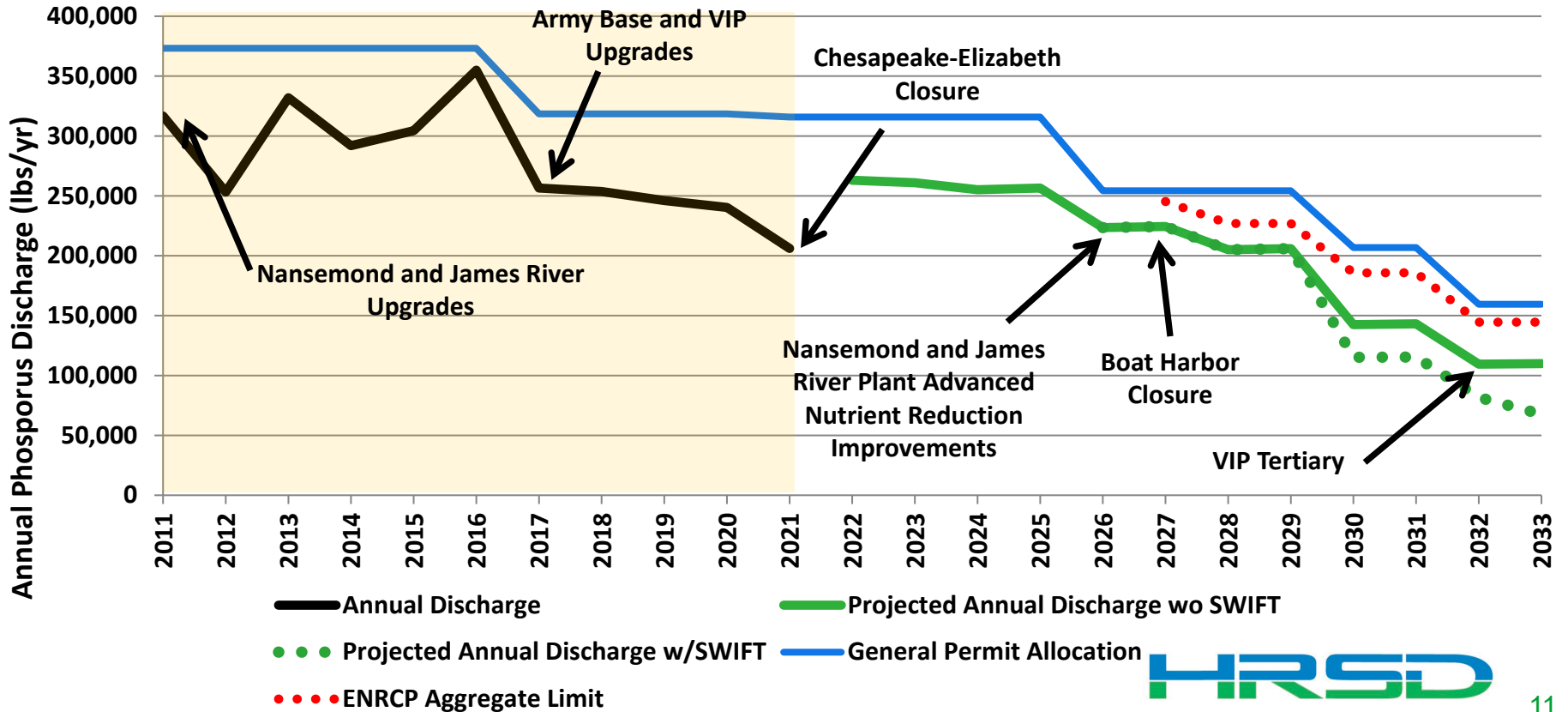
\$2M Post Construction Monitoring

HRSD

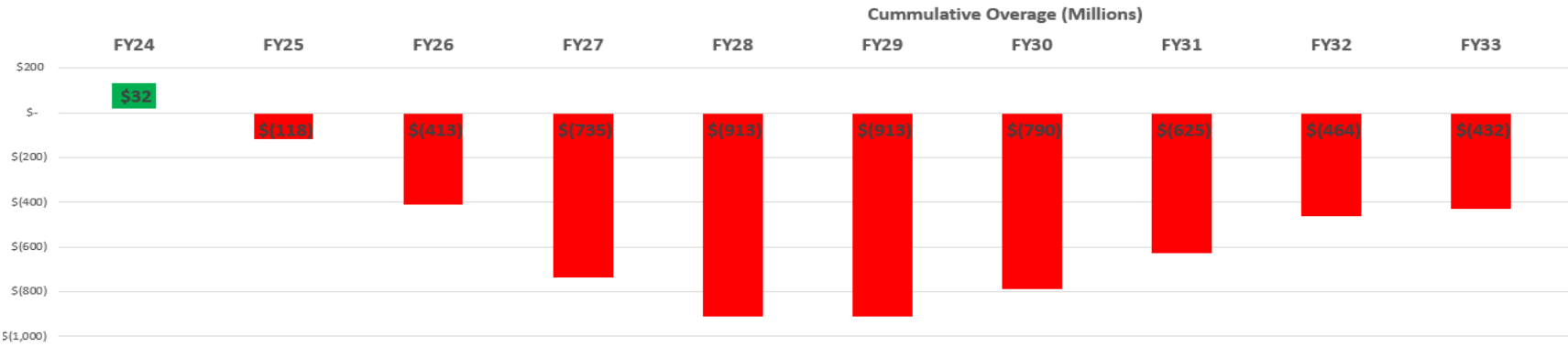
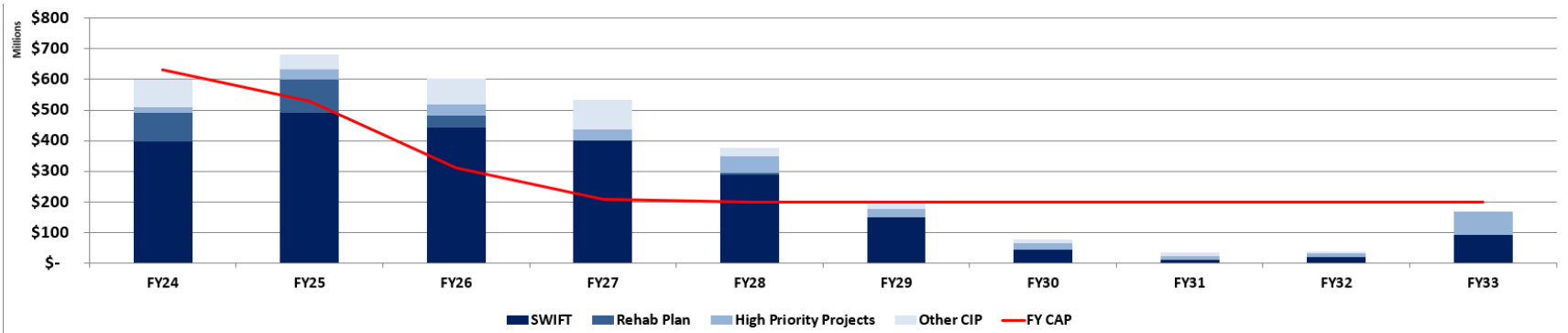
James Rives Nutrient Compliance *TN*



James River Nutrient Compliance *TP*



CIP As Currently Requested



Program Spend Rate

Historical Spend						
	FY18	FY19	FY20	FY21	FY22	FY23
Planned	140.0	134.0	215.0	235.0	290.0	411.0*
Actual	120.1	95.0	161.1	213.4	171.8	329.0*
	-14%	-29%	-25%	-9%	-41%	-20%
					Average	-23%

Program Spend Rate					
FY 1	FY 2	FY 3	FY 4	FY 5	FY 6+
80%	85%	95%	95%	95%	100%

- Regulatory Drivers
- Financial
 - Front loaded CIP is a ratings risk
- Poor Bidding Environment
 - Most work ever completed will be during a difficult market
- Staffing
 - Engineering staff is overloaded
 - Cannot accept new projects
 - CIP underspend
 - Focus is on regulatory compliance projects

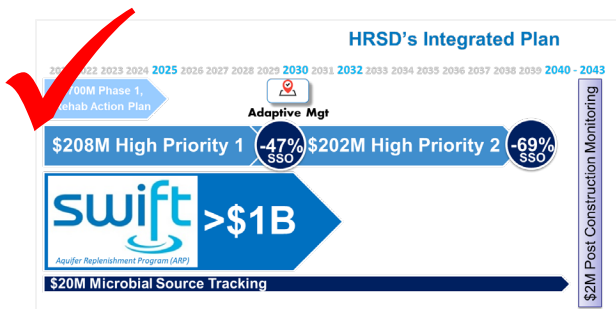
NEW Project Review

Sub-Program Reviews

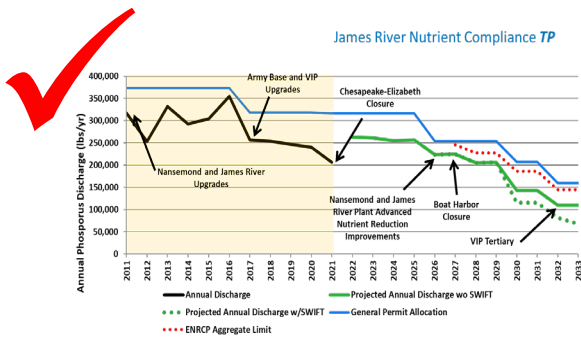
FY 24 CIP for SWIFT reflects a phased implementation plan

- Focus on achieving current regulatory requirements
- Maintain funding requirements (WIFIA loans)
- Defer capital investment
- Gain operational experience
- Further research (PFAS, etc)

Initial Phase of SWIFT Implementation will meet HRSD's regulatory requirements



- Integrated Plan

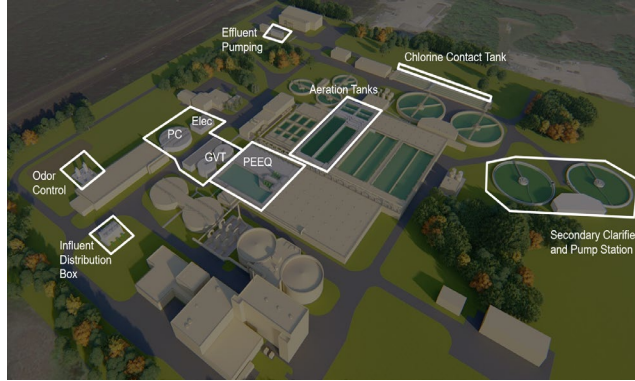


- Enhanced Nutrient Removal Certainty Program (TN & TP)

Initial Phase of SWIFT Implementation



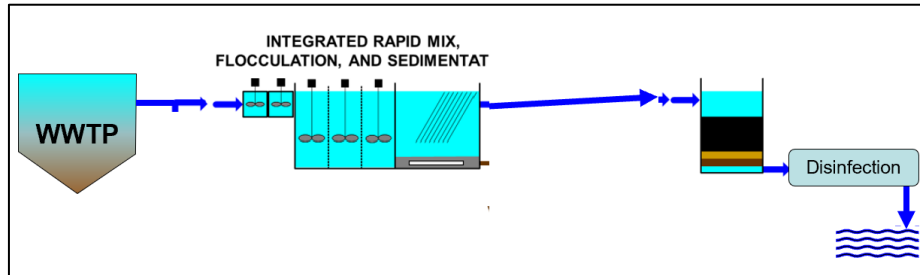
James River SWIFT + ANRI



Nansemond SWIFT + ANRI

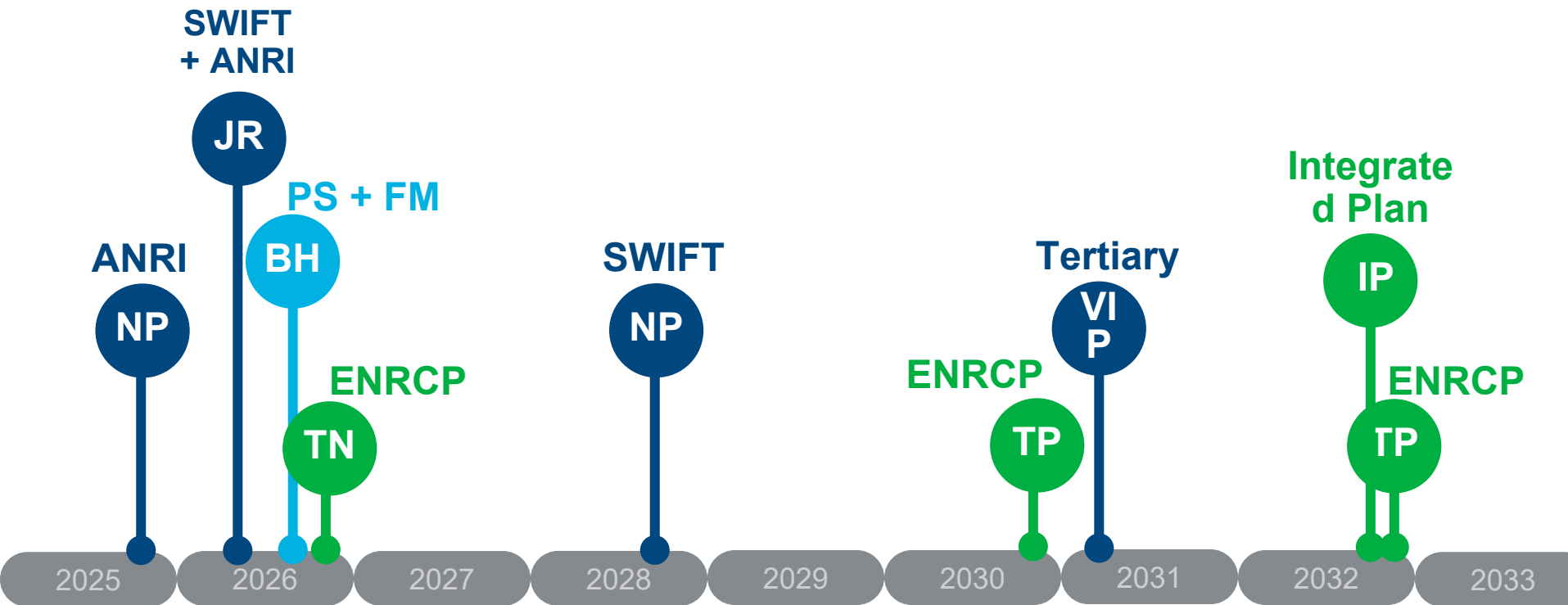


Boat Harbor PS + FM

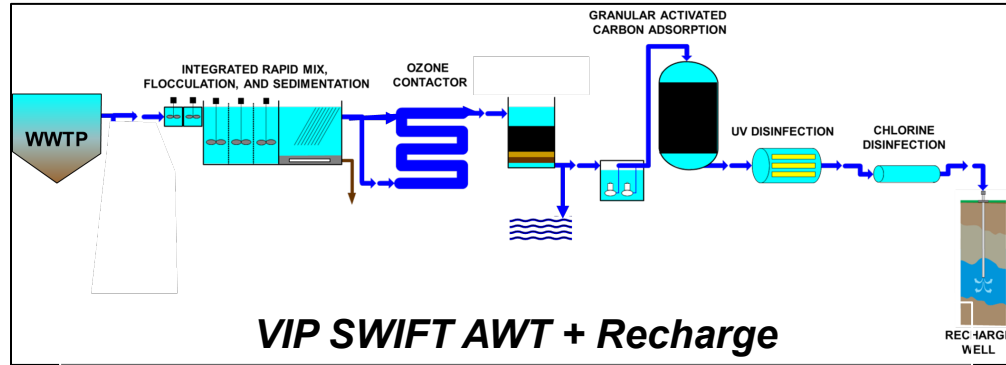


VIP SWIFT Tertiary

Initial Phase of SWIFT Implementation



Implementation of subsequent phases will be as needed to meet HRSD drivers



York River SWIFT



Williamsburg SWIFT



Army Base

James River is necessary for meeting ENRCP requirements (TN by 2026)

Project Number	Project Name	FY23 Total Costs	FY24 Total Costs	Differential	Project Status
James River	10 Active Projects	\$632,402,606	\$676,996,548	7.1%	
GN016360	James River SWIFT Facility	\$271,464,183	\$305,699,539	12.6%	Construction
JR013400	James River Advanced Nutrient Reduction Improvements	\$269,473,084	\$273,687,432	1.6%	Construction
GN016361	James River Recharge Wells - On Site	\$32,445,599	\$32,445,599	0%	Construction
GN016362	James River Recharge Wells - Off Site	\$47,334,000	\$47,334,000	0%	Construction
GN016344	James River Land Improvements, Phase I Trails	\$5,228,991	\$9,860,578	88.6%	Construction
GN016347	James River Land Improvements, Phase II Trails	\$1,747,040	\$2,303,840	31.9%	PER
GN016363	James River Recharge Well Enhancements	\$355,000	\$355,000	0%	Proposed
JR013800	James River Treatment Plant Shoreline Stabilization	\$2,704,709	\$3,010,560	11.3%	Construction
JR013410	James River Treatment Plant Outfall Modifications	\$1,650,000	\$1,850,000	12.1%	Proposed
JR014100	James River Viewshed Improvements	\$0	\$450,000	0%	Proposed

Nansemond is necessary for meeting ENRCP requirements ANRI (TN by 2026) and SWIFT (TP by 2030)

Project Number	Project Name	FY23 Total Costs	FY24 Total Costs	Differential	Project Status
Nansemond 3 Active Projects		\$694,772,737	\$1,057,091,254	52.1%	
NP013820	Nansemond Advanced Nutrient Reduction Improvements Phase II	\$273,006,337	\$317,639,254	16%	Construction
GN016380	Nansemond SWIFT Facility	\$365,489,400	\$604,748,000	65%	PER
GN016381	Nansemond Recharge Wells	\$56,277,000	\$134,704,000	139%	Proposed

Boat Harbor closure is necessary for meeting ENRCP requirements (TN by 2026)

Project Number	Project Name	FY23 Total Costs	FY24 Total Costs	Differential	Project Status
Boat Harbor	7 Projects	\$304,592,578	\$530,018,267	74.0%	
GN016346	Boat Harbor Transmission Force Main Land Acquisition	\$3,000,000	\$6,000,000	100.0%	On Going
BH015700	Boat Harbor Treatment Plant Pump Station Conversion	\$80,645,000	\$238,658,866	195.9%	Construction
BH015701	Boat Harbor TP Pump Station Conversion Site Improvements	\$0	\$6,315,801		Construction
BH015710	Boat Harbor Treatment Plant Transmission Force Main Section 1	\$154,774,378	\$168,164,000	8.7%	Design
BH015720	Boat Harbor Treatment Plant Transmission Force Main Section 2	\$31,822,000	\$48,680,000	53.0%	Design
BH015730	Boat Harbor Treatment Plant Demolition and Decommission	\$34,351,200	\$62,199,600	81.1%	Proposed

SWIFT Tertiary at VIP is necessary for meeting ENRCP requirements (TP by 2032)

Project Number	Project Name	FY23 Total Costs	FY24 Total Costs	Differential	Project Status
VIP	6 Projects	\$536,820,400	\$1,135,072,517	111.4%	
GN016393	VIP SWIFT Tertiary Facility	\$403,837,400	\$395,115,600	-2.2%	Proposed
GN016392	VIP SWIFT Site Work	\$47,144,000	\$39,097,200	-17.1%	Proposed
GN016390	VIP SWIFT AWT Facility	\$0	\$419,552,400		Proposed
GN016391	VIP Recharge Wells	\$85,839,000	\$167,765,717	95.4%	Proposed
GN016394	VIP Recharge Wells Integration	\$0	\$101,181,600		Proposed
GN016395	VIP Recharge Wells Land Acquisition	\$0	\$12,360,000		Proposed

Subsequent SWIFT Phases, as needed

Project Number	Project Name	FY23 Total Costs	FY24 Total Costs	Differential	Project Status
York River		\$235,852,000	\$331,653,000	40.6%	
GN016370	York River SWIFT Facility	\$204,170,500	\$253,638,000	24.2%	Proposed
GN016371	York River Recharge Wells	\$31,681,500	\$78,015,000	146.2%	Proposed
Williamsburg		\$173,650,500	\$190,894,500	9.9%	
GN016350	Williamsburg SWIFT Facility	\$146,116,500	\$146,116,500	0.0%	Proposed
GN016351	Williamsburg Recharge Wells	\$27,534,000	\$44,778,000	62.6%	Proposed

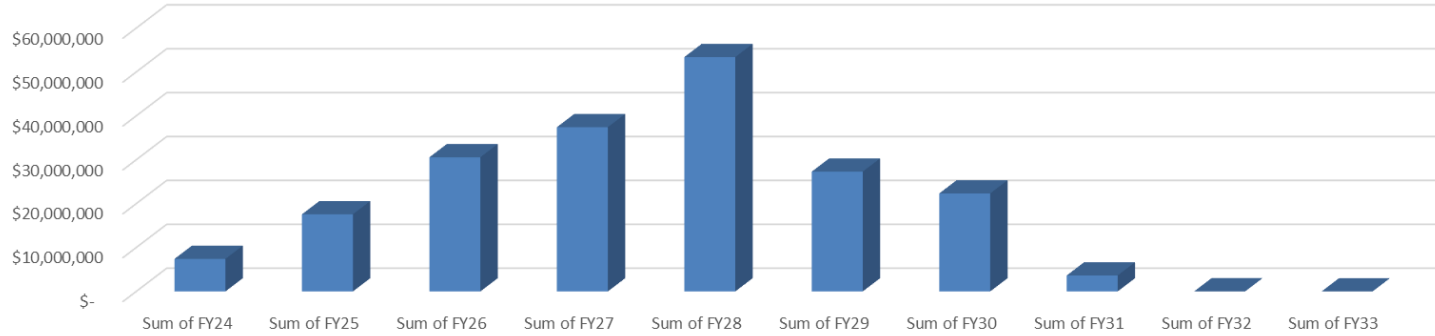
Program Management

Project Number	Project Name	FY23 Total Costs	FY24 Total Costs	Differential	Project Status
Program Management		\$81,225,000	\$81,225,000	0.0%	
GN016320	Program Management of SWIFT Full Scale Implementation	\$80,000,000	\$80,000,000		On Going
GN016311	Outfall Dispersion Modeling for Full Scale SWIFT	\$1,225,000	\$1,225,000		On Going

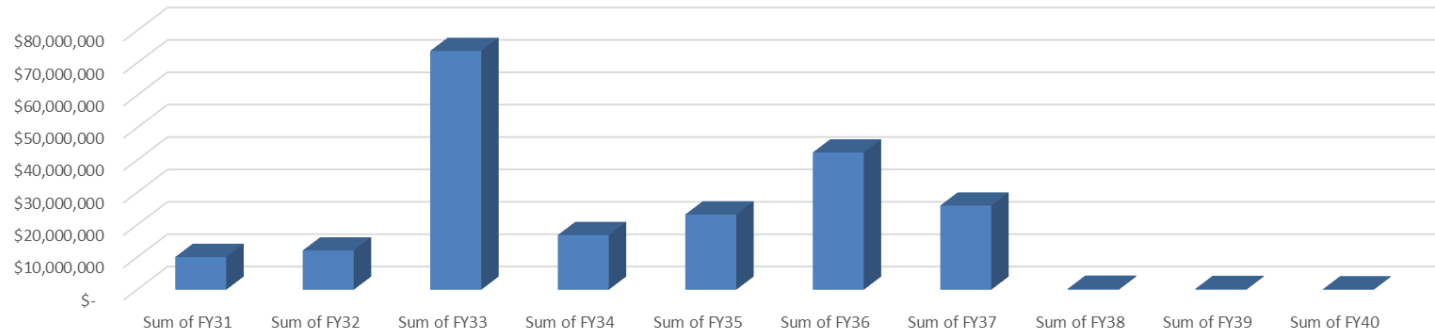
- Rehab Action Plan Phase II
 - Seeking 1–2 year extensions for multiple projects
 - Stips = \$1.26M if not extended
- High Priority Projects Round 1 and Round 2
 - Seeking a ‘swap’ between several R1 and R2 projects
 - Results in earlier I&I investment
- Adjustments to some scopes and inspections

- EJ issues associated with requests?
- GIS app to overlay EPA data with HRSD layers
- Formation of an internal EJ Committee

High Priority Projects



HPP1 Total = \$200M

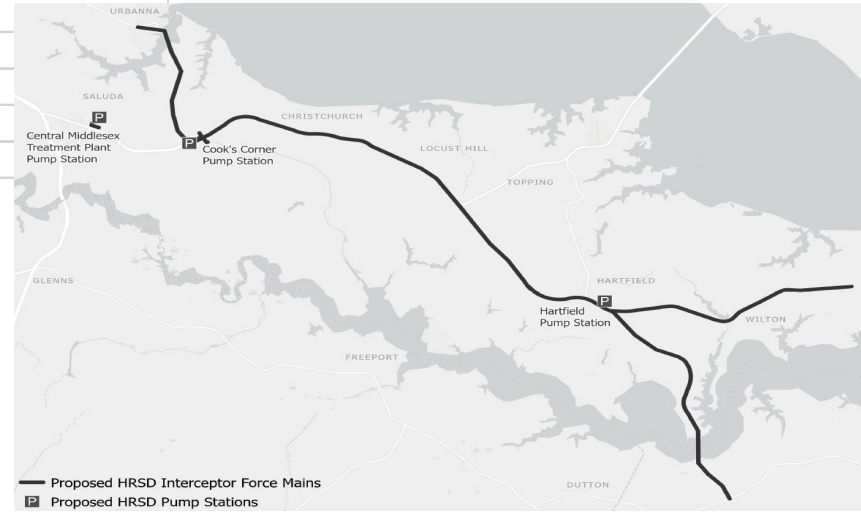


HPP2 Total = \$205M

Middlesex

CIP #	Project Name	Total Project Cost	HRSD Share	Total HRSD
PR_MP013500	Middlesex Collection System-Cooks Corner	\$ 4,607,233	0%	\$ -
PR_MP013710	Middlesex Interceptor System Program Phase II-Saluda Pump Station	\$ 3,298,896	51%	\$ 1,682,437
PR_MP013720	Middlesex Interceptor System Program Phase II-Hartfield Pump Station	\$ 7,712,218	97%	\$ 7,480,851
PR_MP013730	Middlesex Interceptor System Program Phase II-Transmission Force Main	\$ 40,995,624	100%	\$ 40,995,624
PR_MP013810	Middlesex Interceptor System Program Phase III	\$ 2,790,552	100%	\$ 2,790,552
PR_MP014410	Middlesex County Hartfield Sewer Collection System Phase I Improvements	\$ 3,585,770	0%	\$ -
PR_MP014510	Middlesex County Saluda Sewer Collection System Phase I	\$ 447,206	0%	\$ -

Total	\$ 63,437,500		\$ 52,949,465
FY23 Totals	\$ 87,672,511		\$ 41,697,151
			27%



Administration Buildings

Project Name	FY21	FY22	FY23	FY24	Differential
Army Base Treatment Plant Administration Building Renovation (2021)	\$ 1,014,800	\$ 1,559,552	\$ 2,011,671	\$ 4,466,785	340%
Onancock Treatment Plant Administration Building Upgrade	\$ -	\$ 550,000	\$ 594,000	\$ 4,491,000	717%
Middle Peninsula Operations Center Locker Room and Administrative Facilities	\$ 700,000	\$ 2,058,595	\$ 2,157,980	\$ 2,308,772	230%
Nansemond Treatment Plant Administration Building Replacement	\$ -	\$ -	\$ 10,352,400	\$ 10,973,544	6%
Virginia Initiative Plant Administration Building Renovation	\$ 2,162,000	\$ 3,234,112	\$ 4,201,884	\$ 6,799,792	215%
Williamsburg Treatment Plant Administration Building Renovation	\$ 1,358,171	\$ 2,900,012	\$ 3,893,312	\$ 3,676,879	171%
York River Treatment Plant Administration Building Renovation	\$ 1,329,400	\$ 2,650,680	\$ 4,470,921	\$ 7,497,979	464%
			Average	\$ 5,744,964	

Existing Project Review