



City of Detroit
Water & Sewerage Department
Finance Division

DATE: January 14, 2015

TO: Honorable Board of Water Commissioners (BOWC)
Director
Chief Financial Officer

FROM: Syed Ali, Head Engineer, Capital Management Group

RE: **FY 2016 “Preliminary” Water Supply System CIP
Brief Summary/Highlights for BOWC Workshop**

Attached is the FY 2016 “Preliminary” Water Supply System CIP for your review and consideration. The preliminary CIP was presented to the ORCAP committee on December 22, 2014 for their review.

Given below is the brief summary/major highlights.

Water Supply System (WSS)

- Total Water CIP plan (5 year + Remaining) is \$652.5 million and the 5-year CIP plan is \$636.2 million.
- A shaded column with FY 2014-15 updated expenditure projections is provided in the CIP for information purposes only; it is not counted in the sub- total or total and is not a part of the 5-year plan.
- **New for this year** - contract amount, start date and completion date have been added in the CIP.
- Thirty three (33) new project proposals totaling approximately \$163.1 million have been added.
- Total 5-year “Water Transmission/Pump Station Improvements Allowance” is \$50.0 million (\$10.0 million each year) (CIP # 1230, item 2, page 29).
- Total 5- year “Water Main Replacement Allowance” is \$50.0 million (\$10.0 million each FY) (CIP #463, item 5, page 30).
- A **new allowance** titled “**Water Meter Replacement Allowance**” has been added with \$4.0 million each year for a total of \$20.0 million for purchase and installation of retail meters and accessories in City of Detroit (CIP # 1304, item 6, page 30).
- Total 4- year “IT Systems Allowance” is \$7.5 million (CIP #1262, item 7, page 30).

- Total 5- year “Water Treatment Plant Allowance” is \$90.0 million (CIP #1256, item 8, page 30), which **includes an amount of \$60.0 million for repurposing/reducing capacities of water treatment plants** per the recommendation of the water master plan study team.
- Total cost for the project “Springwells Water Treatment Plant – Low Lift and High Lift Pump Station Improvements”(CIP #1071, item 14, page 32) has been reduced to \$42.0 million from \$98.5 million based on the recommendation of the water master plan study team because of anticipated change in scope of work.
- Following projects that existed in FY 2015 CIP have been deleted, *as these projects are either complete, no more needed or closed by Accounting:*
 - CS-1476 As Needed Technical Services – *Project completed.*
 - CS-1474 Replacement of High Lift and Low Lift Pumping Units at Springwells Water Pumping Units at Springwells Water Treatment Plant – *Project terminated.*
 - CS-1430 Northeast Water Treatment Plant Rehabilitation of Filtration System – *This project was on hold for a long time and will not be needed in the same scope because of anticipated plant repurposing/ or capacity reduction as a result of the ongoing Water Master Plan study.*
 - CS-1475 Sludge Treatment and Flocculation/Sedimentation Basins Upgrade at Northeast Water Treatment Plant - *This project was on hold for a long time and will not be needed in the same scope because of anticipated plant repurposing/ or capacity reduction as a result of the ongoing Water Master Plan study.*
 - CS-1494 Northeast Water Treatment Plant - Chemical Process, Electrical and Mechanical Improvements - *This project will not be needed in the same scope because of the ongoing Water Master Plan study.*
 - IH-106 Southwest Water Treatment Plant Filtration Improvements - *This project was on hold for a long time and will not be needed in the same scope because of anticipated plant repurposing/ or capacity reduction as a result of the ongoing Water Master Plan study.*
 - DWS-862A Vulnerability Assessment Recommended Upgrades – *No activity/No more needed.*
 - DWS-888 Metering Improvements at Southwest & Northwest WTPs – *No more needed/New CIP proposal received.*
 - SP-567 Springwells Water Treatment Plant Discharge Header Pipe System Replacement – *No activity/No more needed.*
 - NE-378 Northeast Water Treatment Plant - Rehabilitation of Filtration System - *This project was on hold for a long time and will not be needed in the same scope because of anticipated plant repurposing/ or capacity reduction as a result of the ongoing Water Master Plan study.*
 - WS-674 Parallel 42-Inch Main in 24 Mile Road from Foss Road to Fairchild Road – *Project completed.*
 - WS-668 Water System Improvements, Various Streets Throughout the City – *Project completed.*

- CS-1465 Customer Billing and Management System (CBMS) Upgrade – *Project completed.*
- DWS-893 Rochester Pump Suction Improvements – *Project terminated.*
- CIP 1075 Springwells Water Treatment Plant - Pre-Treatment Improvements-D/CA/C - *This project was on hold for a long time and will not be needed in the same scope because of anticipated plant repurposing/ or capacity reduction as a result of the ongoing Water Master Plan study.*
- CIP 927 Northeast Water Treatment Plant - Major Pumping Equipment Improvements - D/CA/C - *This project was on hold for a long time and will not be needed in the same scope because of anticipated plant repurposing/ or capacity reduction as a result of the ongoing Water Master Plan study.*
- NE-374 Sludge Treatment and Flocculation/Sedimentation Basins Upgrade at Northeast Water Treatment Plant - *This project was on hold for a long time and will not be needed in the same scope because of anticipated plant repurposing/ or capacity reduction as a result of the ongoing Water Master Plan study.*
- CIP 1119 Northeast Water Treatment Plant - Chemical Process, Electrical and Mechanical Improvements – C - *This project was on hold for a long time and will not be needed in the same scope because of anticipated plant repurposing/ or capacity reduction as a result of the ongoing Water Master Plan study.*
- CIP 1211 Northeast Water Treatment Plant - High Pressure Zone Pumping Units – C - *This project was on hold for a long time and will not be needed in the same scope because of anticipated plant repurposing/ or capacity reduction as a result of the ongoing Water Master Plan study.*
- CIP 1065 Southwest Water Treatment Plant Improvements - High Lift and Low Lift Pump Station Administration Building Chemical Building and System – D/CA/C - *This project was on hold for a long time and will not be needed in the same scope because of anticipated plant repurposing/ or capacity reduction as a result of the ongoing Water Master Plan study.*
- CIP 1067 Southwest Water Treatment Plant - Filtration Improvements Construction – C - *This project was on hold for a long time and will not be needed in the same scope because of anticipated plant repurposing/ or capacity reduction as a result of the ongoing Water Master Plan study.*
- CIP 1068 Southwest Water Treatment Plant - Electrical and Instrumentation and Controls Design – D/CA/C - *This project was on hold for a long time and will not be needed in the same scope because of anticipated plant repurposing/ or capacity reduction as a result of the ongoing Water Master Plan study.*
- CIP 1234 MCCs and Lighting Panels at Southwest Water Treatment Plant – S/D/C - *This project was on hold for a long time and will not be needed in the same scope because of anticipated plant repurposing/ or capacity reduction as a result of the ongoing Water Master Plan study.*
- CIP 1228 Ready Road Pump Station – C - *This project is no more needed.*

- Following projects have been moved from the “Active” category to “Pending Closeout” category as the projects are anticipated to be completed and closed out. *Contract expenditures (unaudited numbers) up to the end of FY 2014 are shown in italics. Projects marked with * are 50/50 combined water and sewer projects; water portions of the contract expenditures are shown here. :*
 - *CS-1499 Department-wide General Engineering Services on an As-needed Basis (item 1, page 24) - *\$4,192,136.*
 - WS-680 Water System Improvements, Various Streets Throughout the City of Detroit (item 2, page 24) - *\$2,985,652.*
 - *CS-1345 As Needed Engineering Services (item 3, page 24) - *\$4,012,396.*
 - *CS-1490 Geotechnical and Related Services on an As-Needed Basis (item 4, page 25) - *\$2,135,487.*
 - *DWS-884A Central Services Facility (CSF) Improvements (item 5, page 25) - *\$520,873.*
 - CS-1528 Comprehensive Water Master Plan Update (item 6, page 25) - *\$1,286,000.*
- Following projects have been moved from the “Under Procurement” category to “Active” category as “Notice to Proceed” have been issued to the contractors. *Contract expenditures (unaudited numbers) up to the end of FY 2014 are shown in italics.*
 - WS-681 Parallel 42-Inch Main in 24 Mile Road from Rochester Station to Romeo Plank Rd (item 1, page 15) - *\$150,000.*
 - WS-648A Water Main Replacement in Various Streets Throughout the City (item 2, page 15) - *\$300,000.*
 - WS-685 Water System Improvements, Various Streets Throughout the City of Detroit (item 3, page 15) - *\$0.*
 - WS-691 Water System Improvements in Joy Rd from Southfield Rd to Trinity (item 4, page 16) - *\$0.*
- Projects’ expenditures have been revised based on the current status in terms of the progress/schedule and cost, and the input/information provided by the project managers.

PROJECTION ANALYSIS - WATER

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	5 Year Sub Total	Remaining	Total
Per FY 15 Water CIP	62,198	125,213	153,273	107,099	71,257	47,589		504,431	7,561	511,992
Per FY 16 - Preliminary Sewer CIP		80,344	132,718	174,967	153,312	117,606	57,600	636,203	16,316	652,519
Comparison: FY 16 Preliminary CIP vs. FY 15 CIP		(44,869)	(20,555)	67,868	82,055	70,017	57,600	131,772	8,755	140,527
Comparison %: FY 16 Preliminary CIP vs. FY 15 CIP		-35.83%	-13.41%	63.37%	115.15%			26.12%	115.79%	27.45%