

W-16 Small Diameter Water Main Replacement

Attachment B

Category: **High Quality Built & Natural Env** Status: **Ongoing**
 Department: **Utilities** Location: **Water Service Area**

Programmed Expenditures

<u>Programmed Expenditures</u>	<u>Appropriated To Date</u>	<u>FY 2021 Budget</u>	<u>FY 2022 Budget</u>	<u>FY 2023 Budget</u>	<u>FY 2024 Budget</u>	<u>FY 2025 Budget</u>	<u>FY 2026 Budget</u>	<u>FY 2027 Budget</u>
189,686,885	108,396,885	6,320,000	12,820,000	9,860,000	12,680,000	12,730,000	12,770,000	14,110,000

Description and Scope

This program focuses primarily on replacing small diameter asbestos cement (AC) pipe that has reached its useful life. A secondary benefit is increasing the emergency fireflow available to neighborhoods. This investment will ramp up water pipeline replacement to 5 miles/year by 2018, and then be adjusted with inflation to maintain the 5 miles per year replacement rate. At that rate, water pipe will need to last on average 100-125 years. Pipes are selected for replacement based on risk of failure (likelihood and consequence), failure history, and coordination with other construction, such as planned street overlays (which reduce restoration costs). Project costs include a 2.8 percent cost increase reflecting actual bid experience for pipe replacement.

Rationale

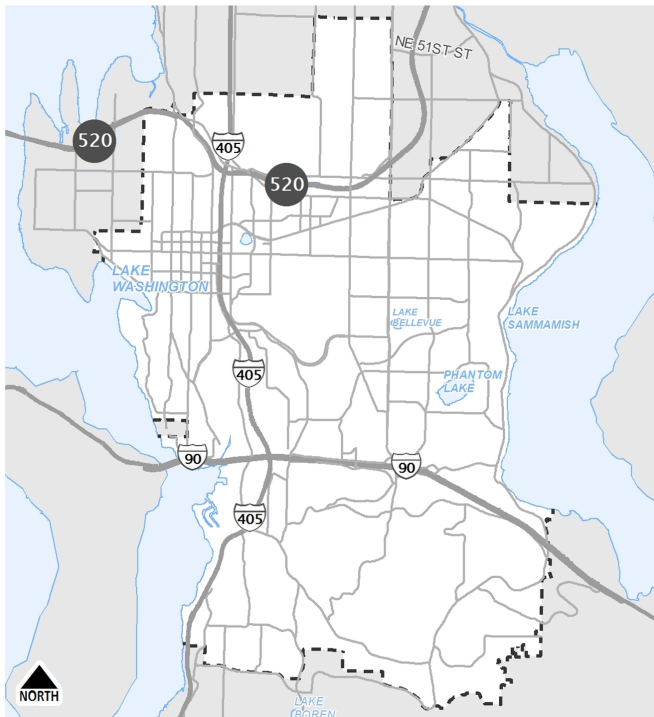
In the short term, this program reduces the likelihood of catastrophic system failures, unplanned service interruptions, damage claims to the city, and sharp rate increases to react to system failures rather than proactively managing the system. In the long term, timely replacement or repair of water system assets keeps customer rates as low as practical by managing the system at the least life-cycle cost while maintaining target service levels and meeting regulatory requirements.

Environmental Impacts

This program will have no significant impact on operating revenues and/or expenditures.

Operating Budget Impacts

Estimated Annual M&O Costs: 0

Project Map**Schedule of Activities**

<u>Project Activities</u>	<u>From - To</u>	<u>Amount</u>
Project Costs	Ongoing	189,686,885

Total Budgetary Cost Estimate: 189,686,885

Means of Financing

<u>Funding Source</u>	<u>Amount</u>
Utility Rates/Fees	189,686,885

Total Programmed Funding: 189,686,885
Future Funding Requirements: 0

Comments