



Colorado Springs Utilities
It's how we're all connected

Northern Monument Creek Interceptor Project

Update Meeting
August 4, 2021



Agenda

- I. Introductions**
- II. Background**
- III. NEPA Status**
- IV. Construction Cost Trends**
- V. Regional Service Tariffs**
- VI. Schedule, Risks & Next Steps**
- VII. Questions & Discussion**

Introductions

- **Northern Water & Sanitation Districts:**

- Woodmoor Water and Sanitation District: Jessie Shaffer
- Palmer Lake Sanitation District: Becky Orcutt
- Monument Sanitation District: Mark Parker
- Tri-View Metropolitan District: Jim McGrady
- Forest Lakes Metropolitan District: Ann Nichols
- Donala Water and Sanitation District: Jeff Hodge

- **City Legal**

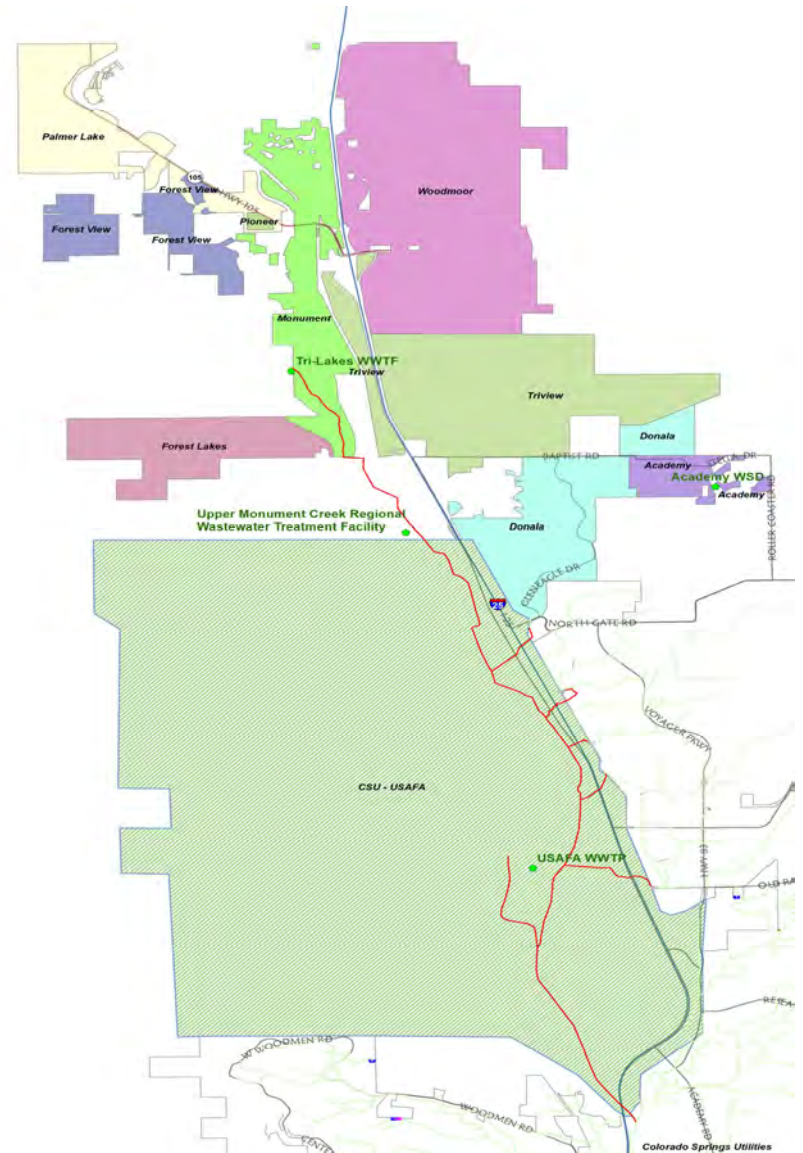
- David Beckett
- Mari Deminski

- **Colorado Springs Utilities Staff:**

- Earl Wilkinson, Water Compliance Officer (Project Sponsor)
- Andy Muser, Project Manager
- Kyle Hinton, Project Technical Lead
- Jenny Bishop, Water Resource Planning
- Kirsta Scherff-Norris, Environmental Permitting
- Kyle Wilson, Planning & Finance
- Margaret Radford, Public Affairs

Background

- 10-mile gravity interceptor desired for decades
- 80% of project is on US Air Force Academy property
- Allows for collection of wastewater from six additional sanitation districts
- Eliminates at least three Utilities lift stations
- More efficient use of J.D. Phillips Water Resource Reclamation Facility



NEPA Status

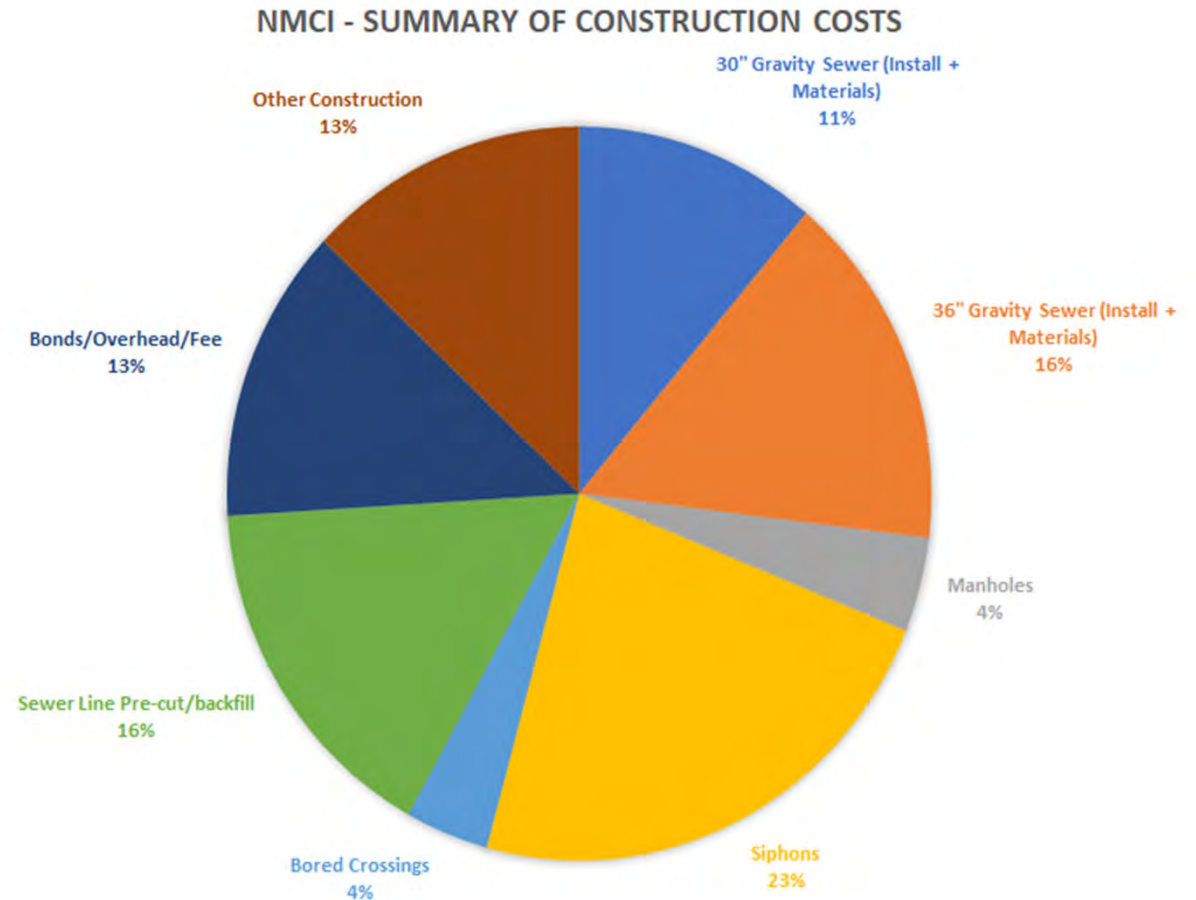
- **Cultural resources**
- **Biological resources**
- **Environmental Assessment**
 - Draft available for 30-day public comment period: Q4
 - When final, USAF will finalize the Finding of No Significant Impact (FONSI) and Finding of No Practicable Alternative (FONPA): Q4



Construction Cost Overview

Major Project Element	Cost July 2020 Garney Estimate
30" Gravity Sewer (Install + Materials)	\$ 5,201,727
36" Gravity Sewer (Install + Materials)	\$ 7,359,636
Manholes	\$ 1,943,853
Siphons	\$ 10,786,271
Bored Crossings	\$ 1,783,805
Sewer Line Pre-cut/backfill	\$ 7,449,913
Bonds/Overhead/Fee	\$ 6,082,564
Other Construction	\$ 6,025,223
Total	\$ 46,632,992

Material Costs Only	Cost July 2020
30" Sewer	\$ 1,455,984
36" Sewer	\$ 2,377,409
Manholes	\$ 609,327

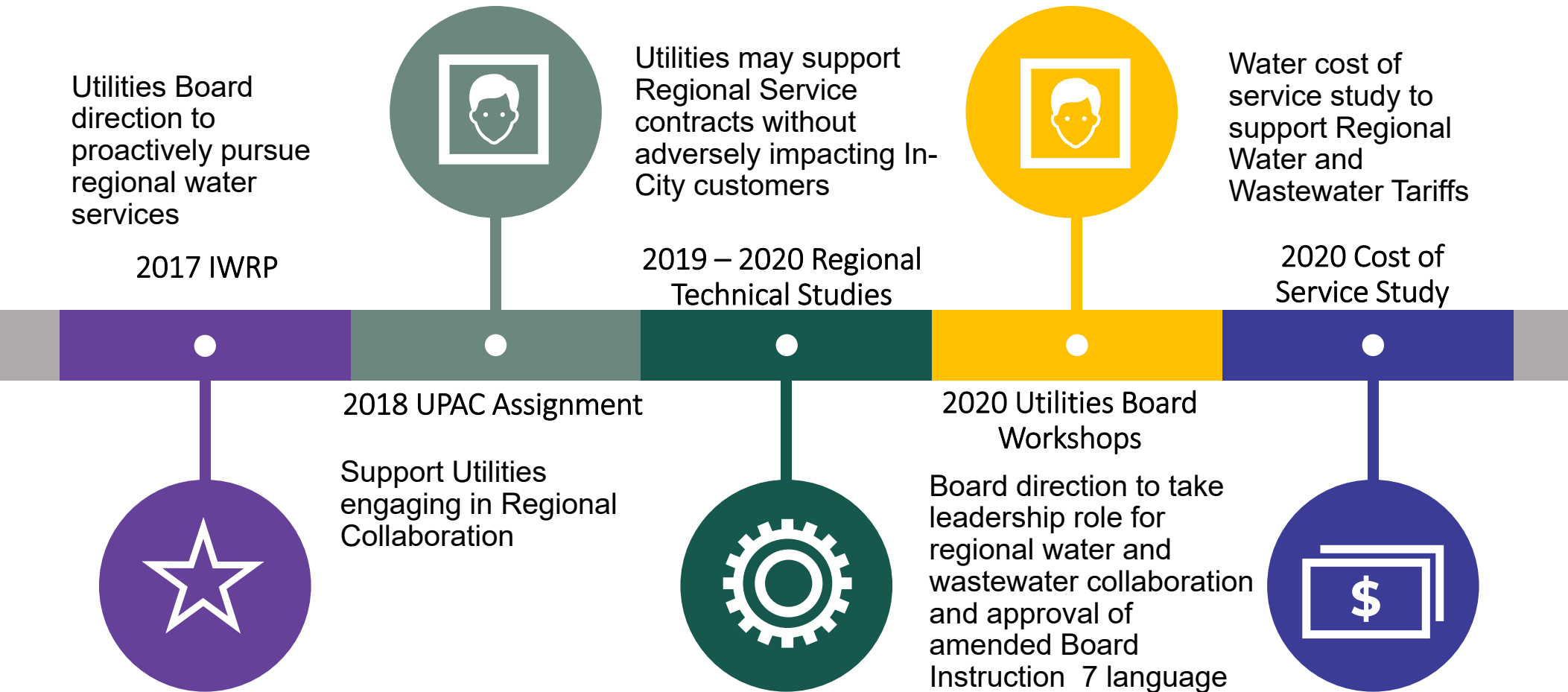


Construction Cost Trends



- 43% Increase in PVC pricing. Would translate to a \$1.6M or 3.5% overall cost increase
- Suppliers are currently unwilling to provide pricing for a project so far out
- Freeze in Texas refineries and overall lack of staffing for manufacturing is contributing to supply chain constraints
- Anticipate getting a new cost estimate in early 2022 after supply chain shocks and material availability concerns have eased

Regional Water and Wastewater Services Timeline



Regional Service Tariffs Overview

- **Regional Wastewater Tariffs**

- **Proposed System Availability Fee (SAF):** One time connection charge assessed at time of connection
 - Based on current value of the capacity in the system
 - Excluded Industrial Pretreatment and 50% of Collection System components of system
 - 10% Adder included
- **Treatment Charge per Cf:** Existing Tariff
 - Third and final year of phase-in begins Jan 1, 2022
 - Average System Cost methodology
 - Excluded Industrial Pretreatment, Customer Costs, and 50% of Collection System costs
 - 10% Adder included

- **Proposed Regional Water Tariffs**

- System Availability Fee (Connection Charge) - One time at time of connection
- Commodity Charge for either Full Service or Convey, Treat, and Deliver
- Both use same rate calculation methodology as Wastewater service

Regional Wastewater Service Tariffs: Proposed Rates and Charges (DRAFT)

Proposed System Availability Fees for January 1, 2022

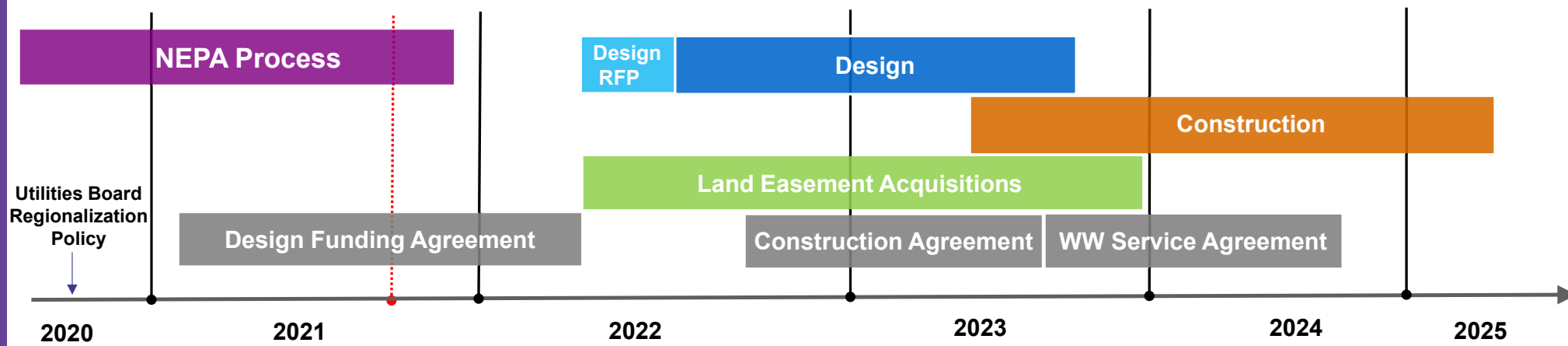
- **Proposed Treatment Charge Adjustment for January 1, 2022**
 - \$0.0312 per Cf
 - 6.5% increase from current charge of \$0.0293
 - Third adjustment from a 3-year phase-in

Flow	Total WWRSAF
< 0.10 mgd	\$7,162
0.10 to 0.29 mgd	\$28,216
0.30 to 0.49 mgd	\$64,390
0.50 to 0.74 mgd	\$96,947
0.75 to 0.99 mgd	\$125,886
1.00 to 1.49 mgd	\$180,148
1.50 to 1.99 mgd	\$252,496
2.00 to 2.49 mgd	\$324,844
2.50 to 2.99 mgd	\$397,193
>= 3.00 mgd	\$434,091

Regional Service Tariffs: Proposed Timeline

- Preliminary Rate Filing to City Auditor - 08/27/2021
- Rate Filing/Request for Hearing - 09/28/2021
- Rate Hearing - 11/09/2021
- Decision and Order - 11/23/2021
- Rates Effective - 01/01/2022

Schedule Overview & Milestones



- ✓ **May 2019:** CM/GC Contract Executed
- ✓ **September 2019:** Preliminary design; routing alternatives
- ✓ **June 2020:** Utilities Board Regionalization Policy finalized
- **November 2021:** NEPA permitting process complete
- **????:** Design Cost Sharing Agreement (CSA) signed
- ***May 2022:** Design commencement
- ***Dec 2022:** El Paso County 1041 Permit complete
- ***September 2023:** Design complete
- ***December 2023:** Easement processes complete
- ***March 2023:** Construction commencement (Materials & Negotiations)
- ***January 2024:** Construction field work begins
- ***March 2025:** Project Complete

**Dates dependent on signing of Design CSA*

Risks

- **Schedule:**
 - NEPA Process
 - Execution of agreements
 - Easement acquisition
 - Construction timeline
 - Permitting
- **Budget:**
 - Funding
 - Supply Chain
 - PFAs



Next Steps

- Northern Entities provide updated build-out flows
- Complete NEPA Process
- Design Cost-Sharing Agreement
- Procure Design Firm
- Easements



Questions & Discussion



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