

Ship Canal Water Quality Project Update

City Council – Transportation & Utilities Committee

July 19, 2022

Agenda

1. Project overview
2. Schedule and construction
3. Cost estimating and management best practices
4. Project budget
5. Next steps

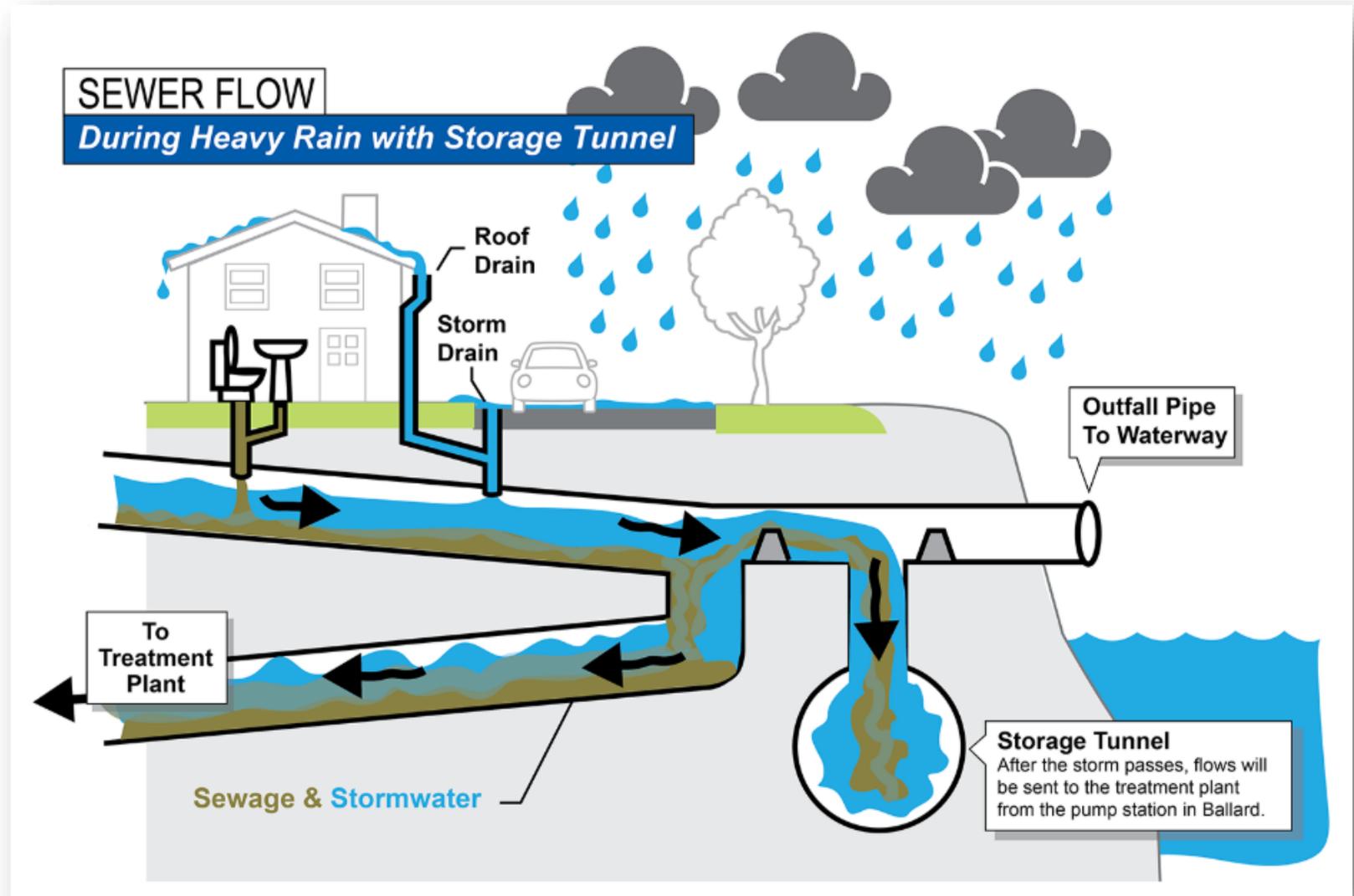


***Investing in
Puget Sound's
health and the
Region's future***



Ship Canal Water Quality Project

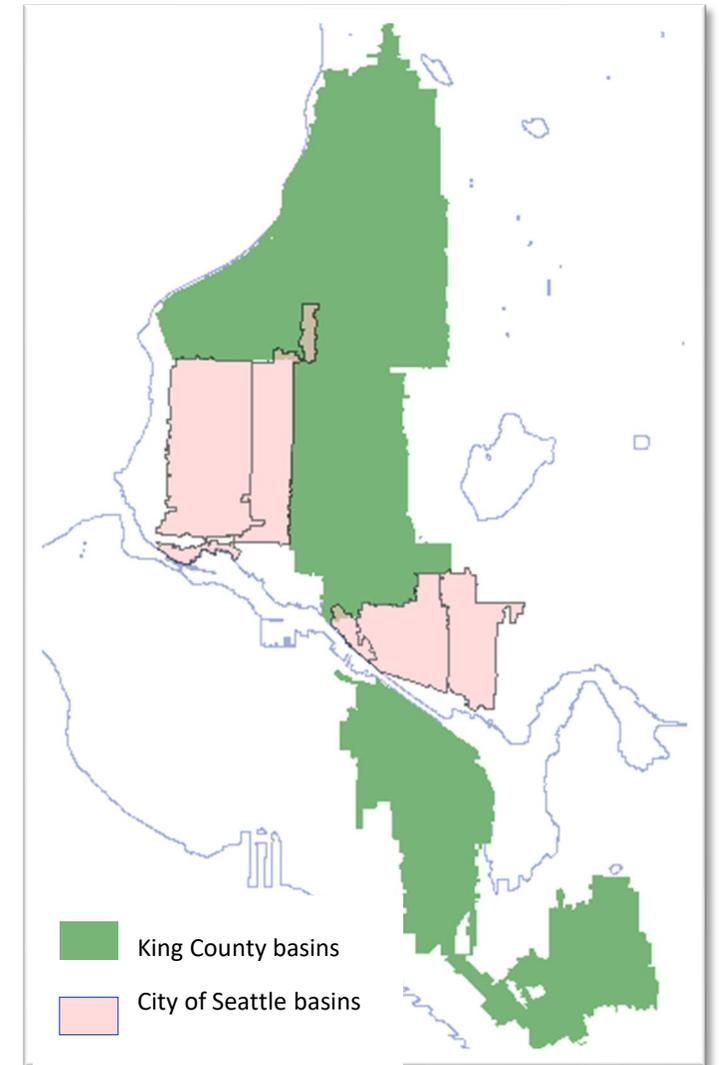
Reducing Seattle's
Combined Sewer
Overflows

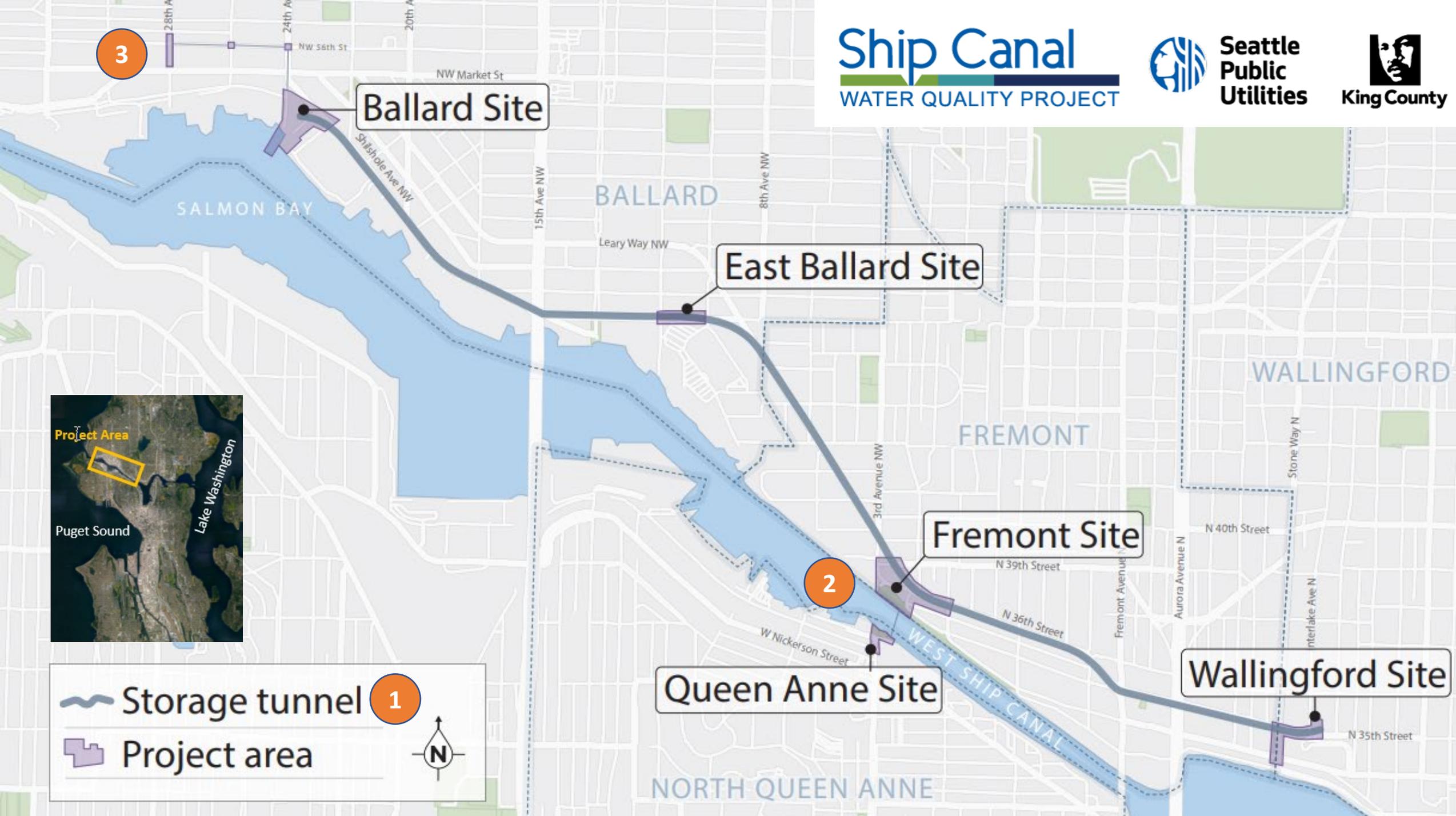




Joint Project: King County & City of Seattle

- 6 Outfalls: 2 KC, 4 Seattle
- Joint Project Agreement: City of Seattle (65%), King County (35%)





3

Ballard Site

East Ballard Site

Fremont Site

2

Queen Anne Site

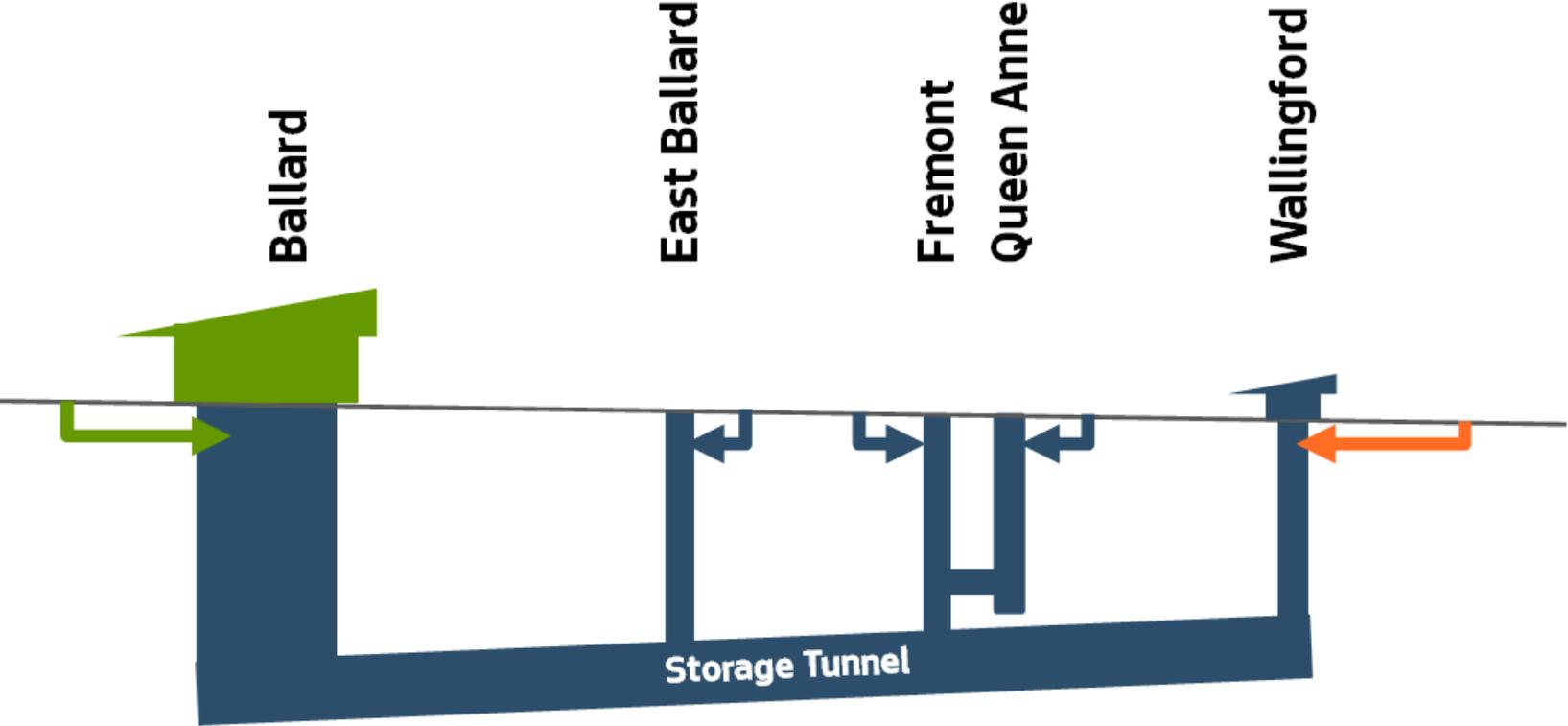
Wallingford Site



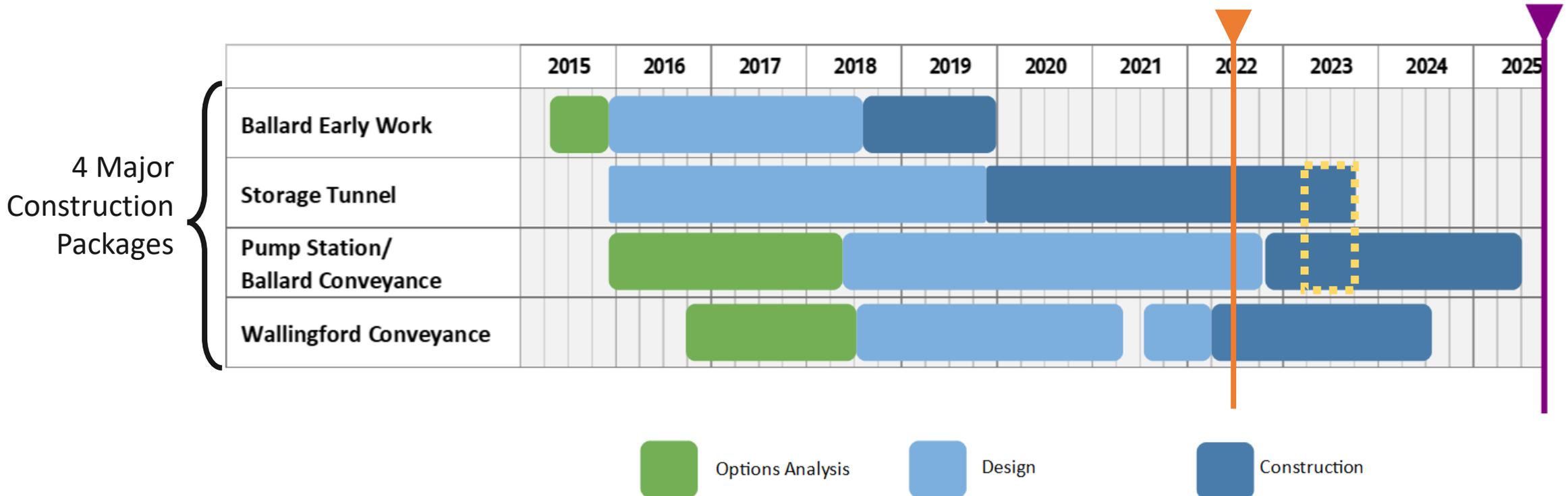
Storage tunnel 1

Project area

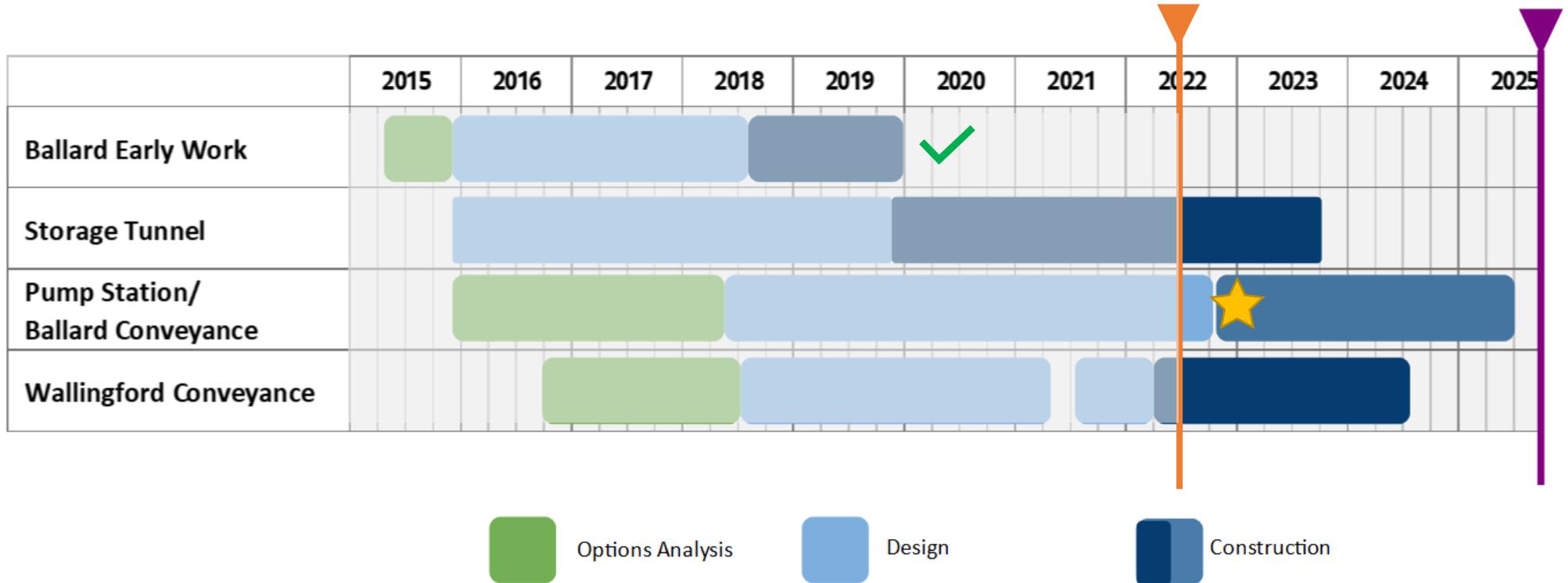
Project Components



Construction Approach



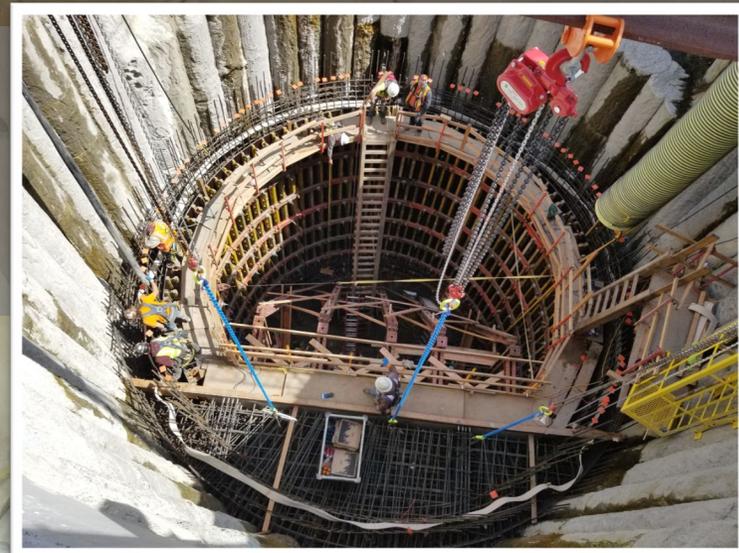
Progress to Date



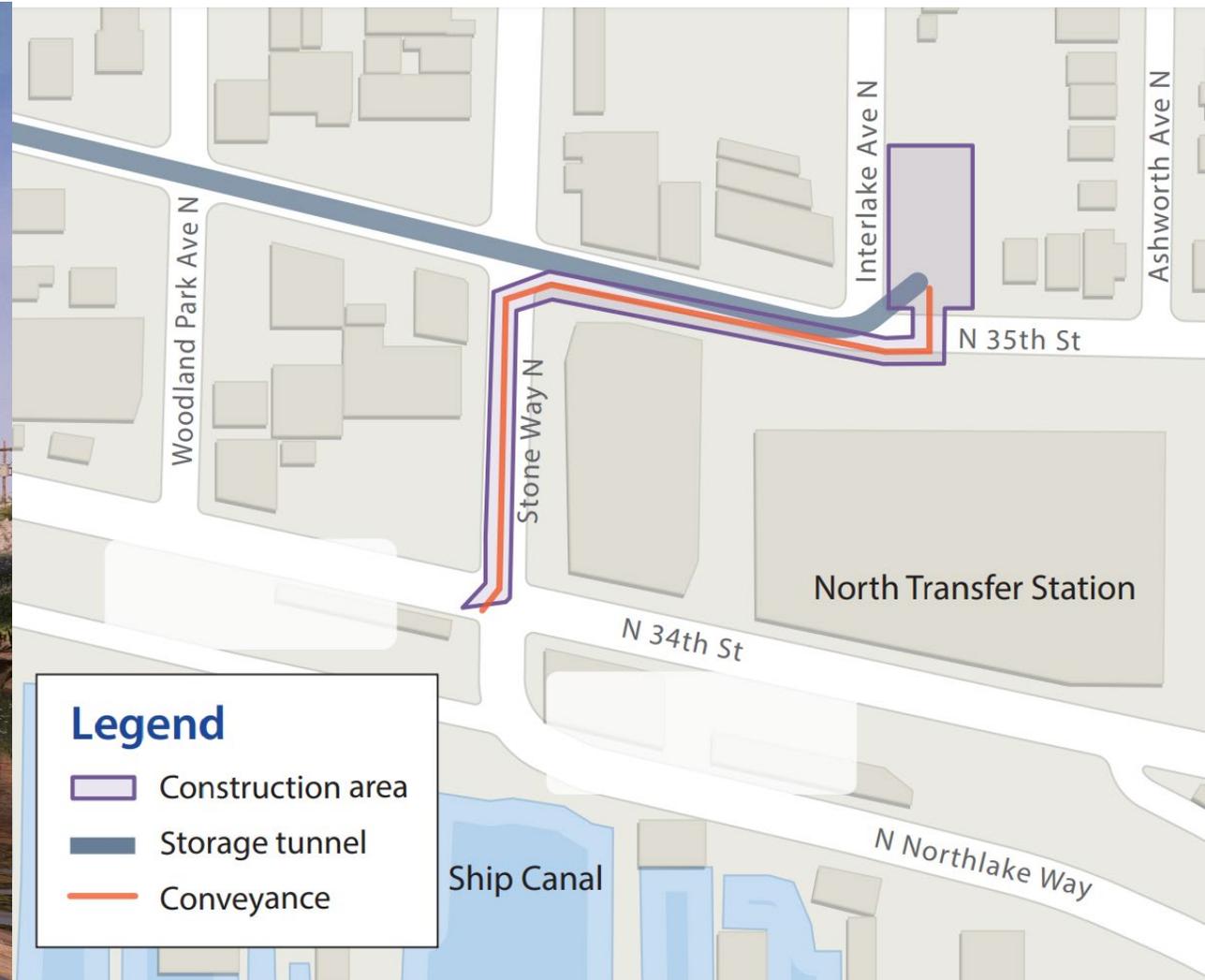
Complete: Ballard Early Works



In Construction: Storage Tunnel Project



Next up: Ballard Pump Station/Conveyance & Wallingford Conveyance



Cost Estimate - Key Factors



30%
25%

base costs & escalation

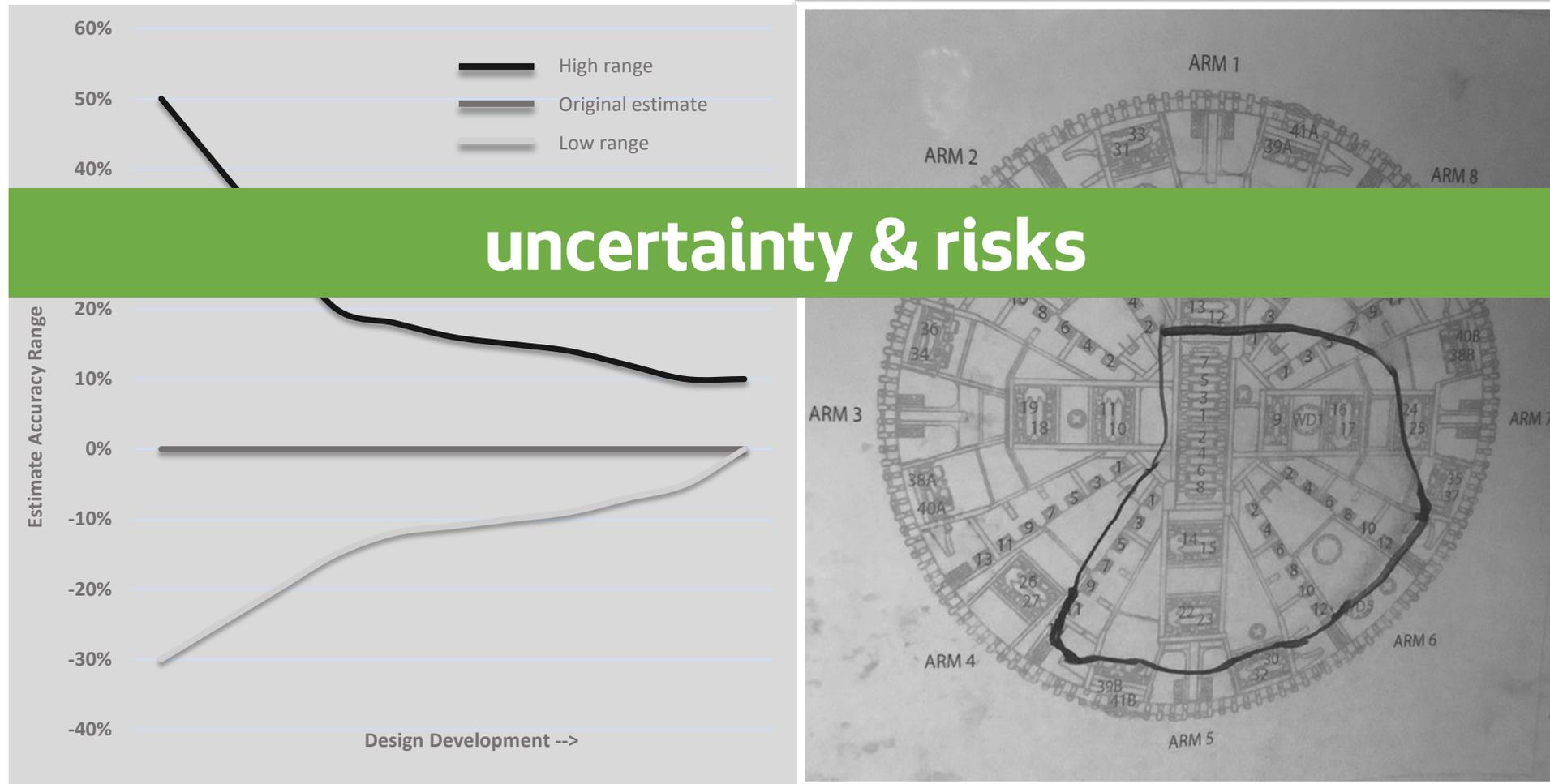


15%
10%
5%
0%

2018 2019 2020 2021 2022 2023 2024 2025

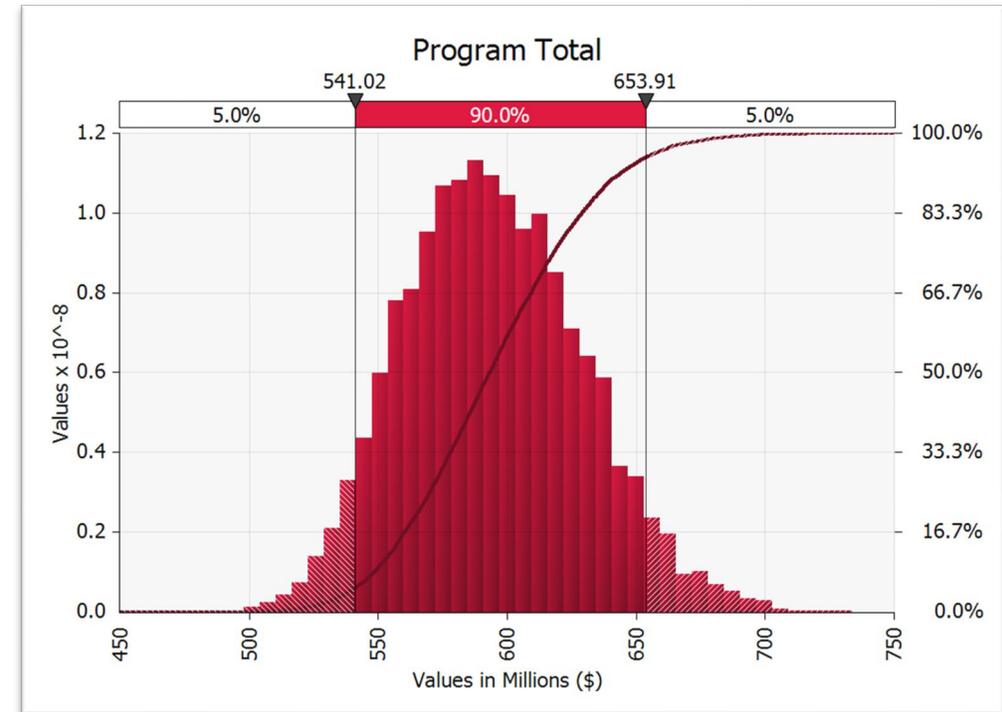
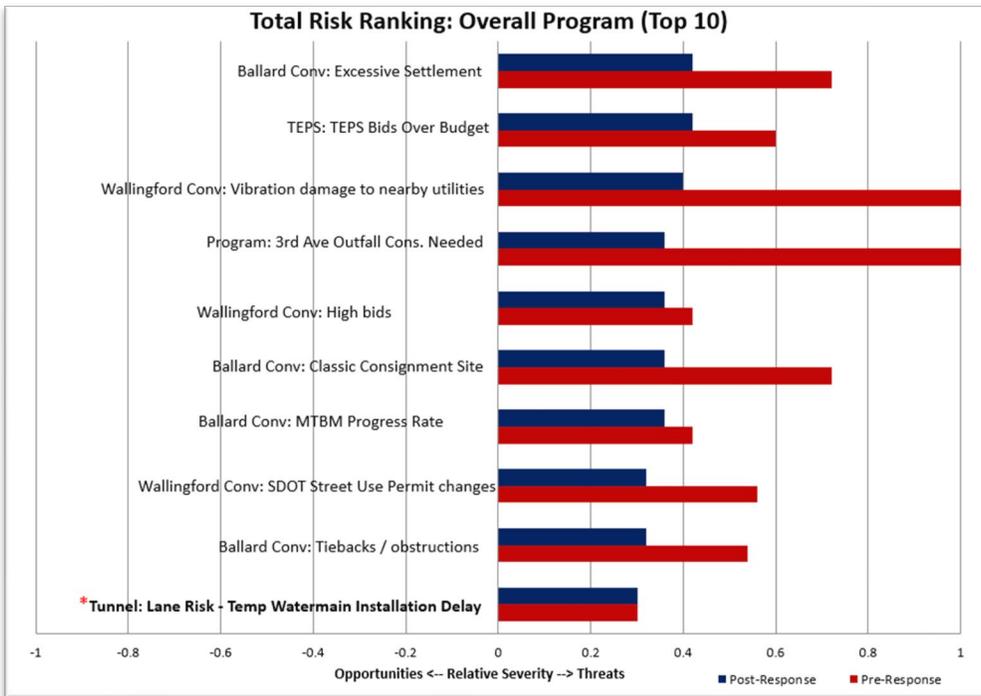


Cost Estimate - Key Factors



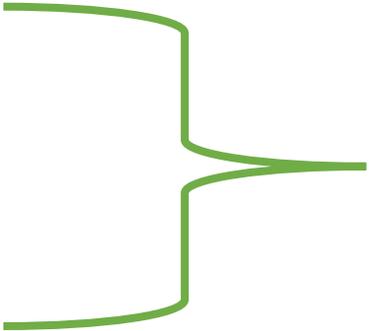
Best Practices Uncertainty & Risk Management

1. Risk registers
2. Uncertainty/risk modeling
3. Use of contingencies/reserves



Best Practices - Cost Management

1. Reviews of scope, schedules, and costs
2. Reviews of risk registers and evaluation of budget confidence
3. Value engineering
4. Project cost reviews
5. Financing options



monthly

Cost Management - SCWQP Actions

Past

- \$67M cost reduction through 3 major value engineering and cost reduction efforts
- \$342M in low interest rates loans save ratepayers \$99M

Future

- Evaluating commodity escalation risk sharing on Pump Station/Ballard Conveyance construction package



Budget Chronology: 2018 to 2023

Year	Activity	Design Definition	Cost estimate
2018	2018 Cost Estimate		\$570M with a 65% confidence
2018-2022	Manage costs including cost reductions		
2022	Cost estimate review and reconciliation process in response to anticipated escalation increases		
2023	Expected 2023 Cost Estimate		

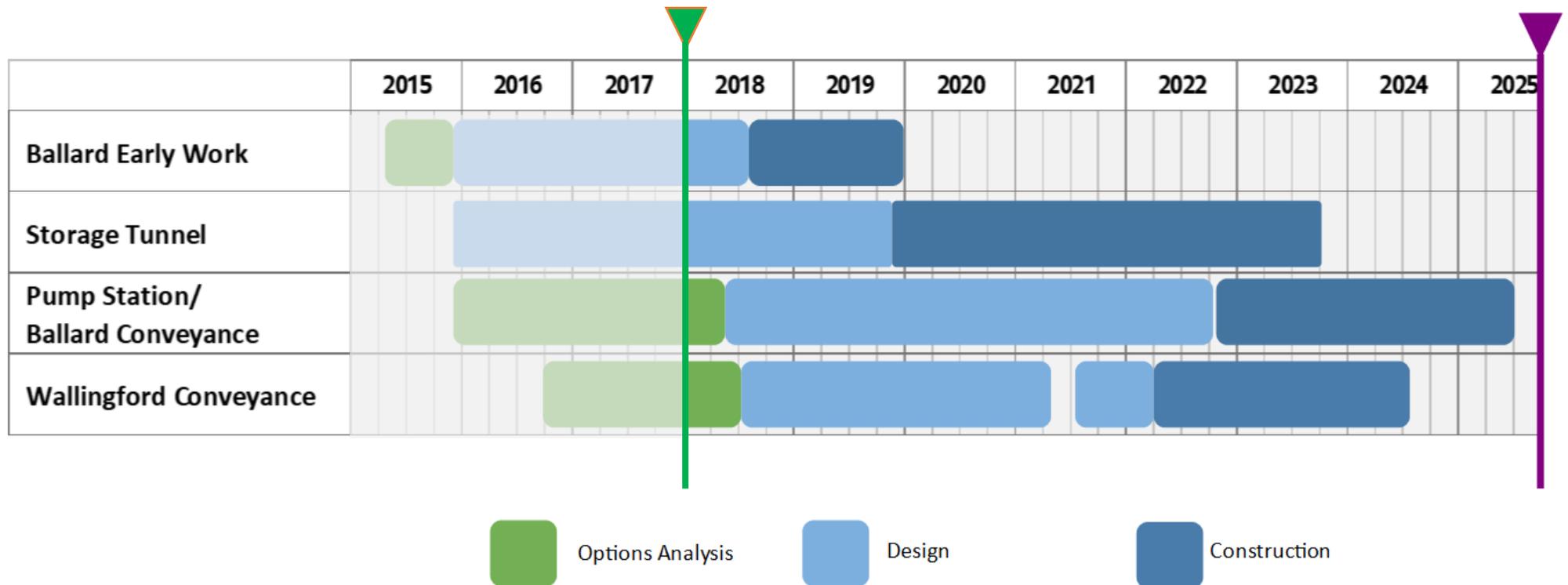


Status

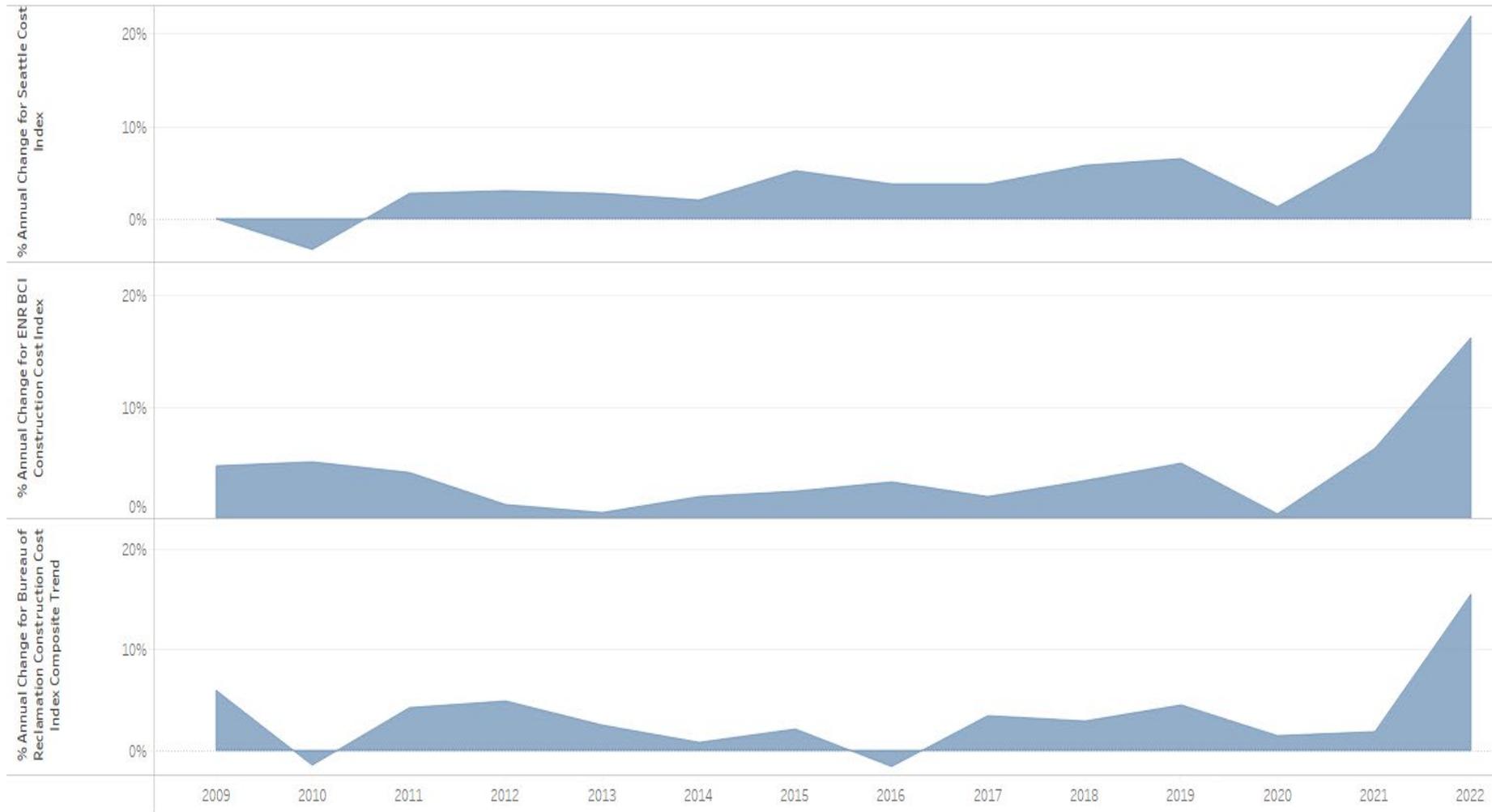
- Potential underground issues
- Increasing escalation on Pump Station/Ballard Conveyance project
- 60% confidence on \$570M budget
- Estimated construction completion: September 2025



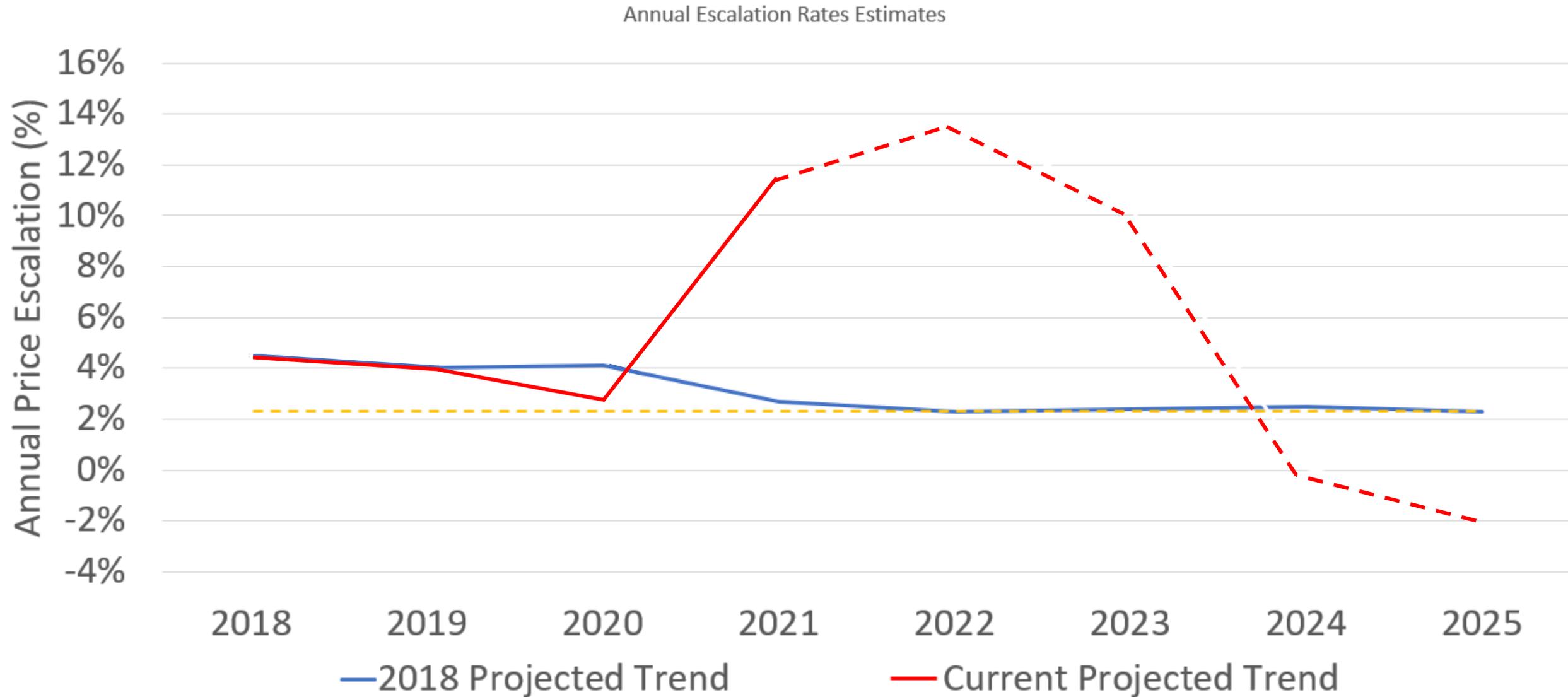
Project in 2018



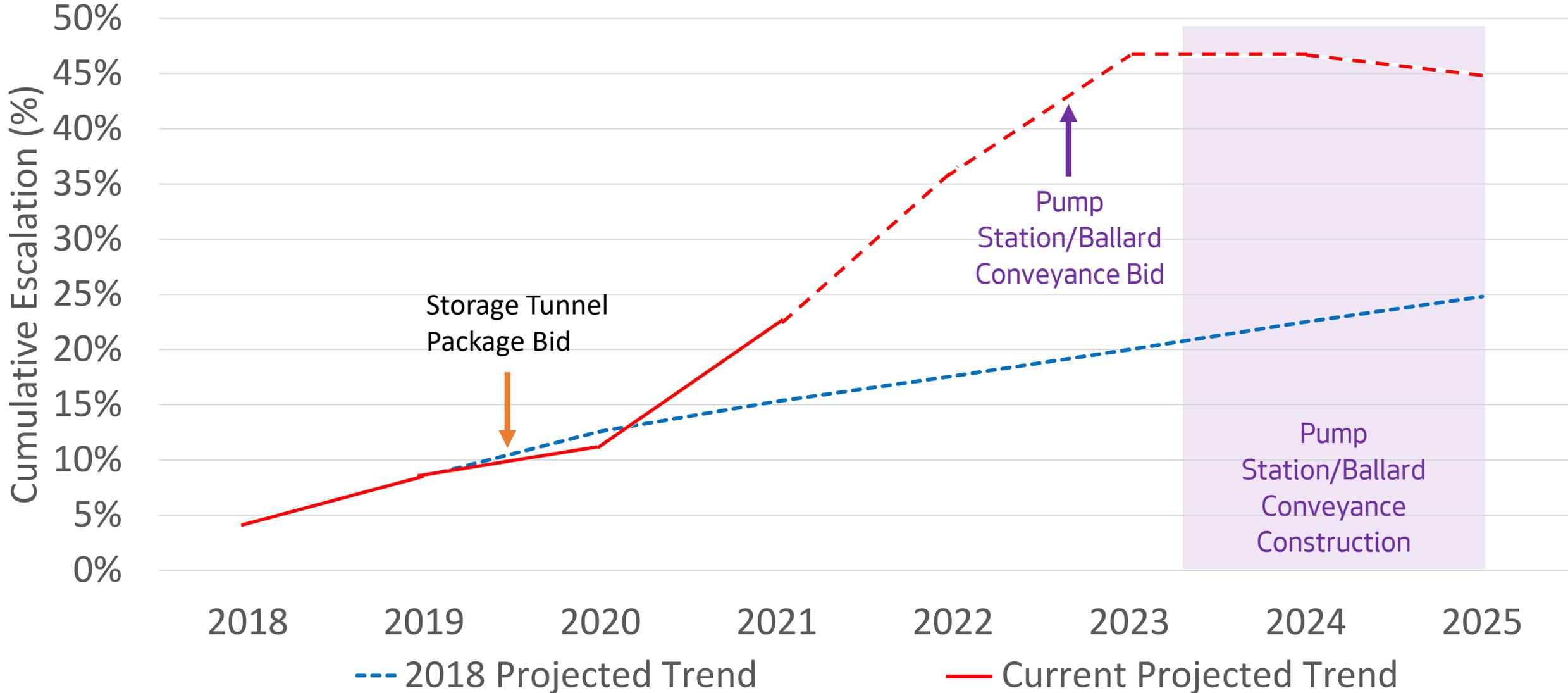
Historical Escalation



Escalation Increases



Changes in Escalation



Next Steps

	Milestone	Area
Q3 2022 thru Q2 2023	Complete Storage Tunnel Complete 8 ft. dia. tunnel under Ship Canal Begin Wallingford Conveyance Construction	Construction
Q3/Q4 2022	Evaluate and analyze all project costs	Costs
Q1 2023	Open Pump Station Ballard Conveyance Bid	Construction & Costs
Q2 2023	Update budget and schedule	Construction & Costs



Questions?

