

A blue-tinted photograph of a tunnel interior. A large, white, curved pipe dominates the center of the frame, extending from the foreground into the distance. The tunnel walls are lined with various pipes, cables, and equipment. The floor is covered with metal grates and wooden planks. The overall atmosphere is industrial and technical.

Ship Canal Water Quality Project

Parks, Public Utilities & Technology Committee

Budget Update – June 26, 2024



Agenda

1. Project and Budget Overview
2. Cost and Schedule Factors
3. Budget Details
4. Next Steps and Summary



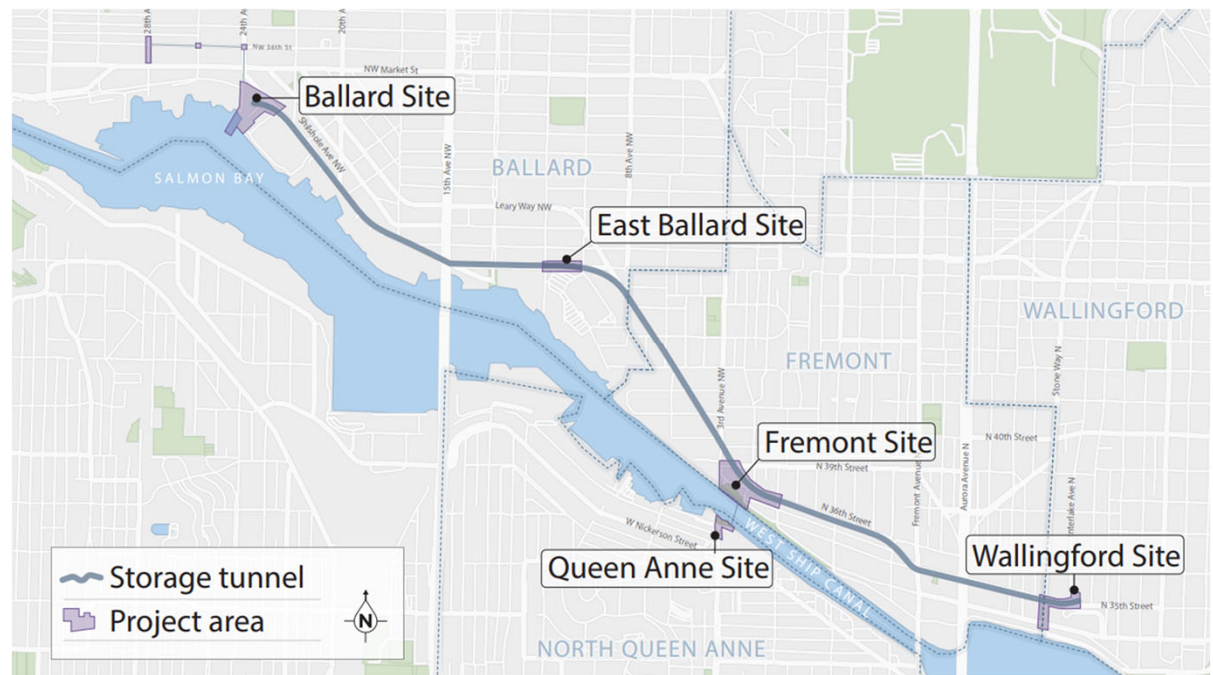
Seattle
Public
Utilities



King County



- Reducing Seattle's combined sewer overflows
- Joint Project with King County
- Construction underway



2013 Wastewater Consent Decree

- With US Department of Justice, US Environmental Protection Agency, and WA Department of Ecology
- Performance requirement:
Less than 1 overflow per outfall per year on a 20-year moving average

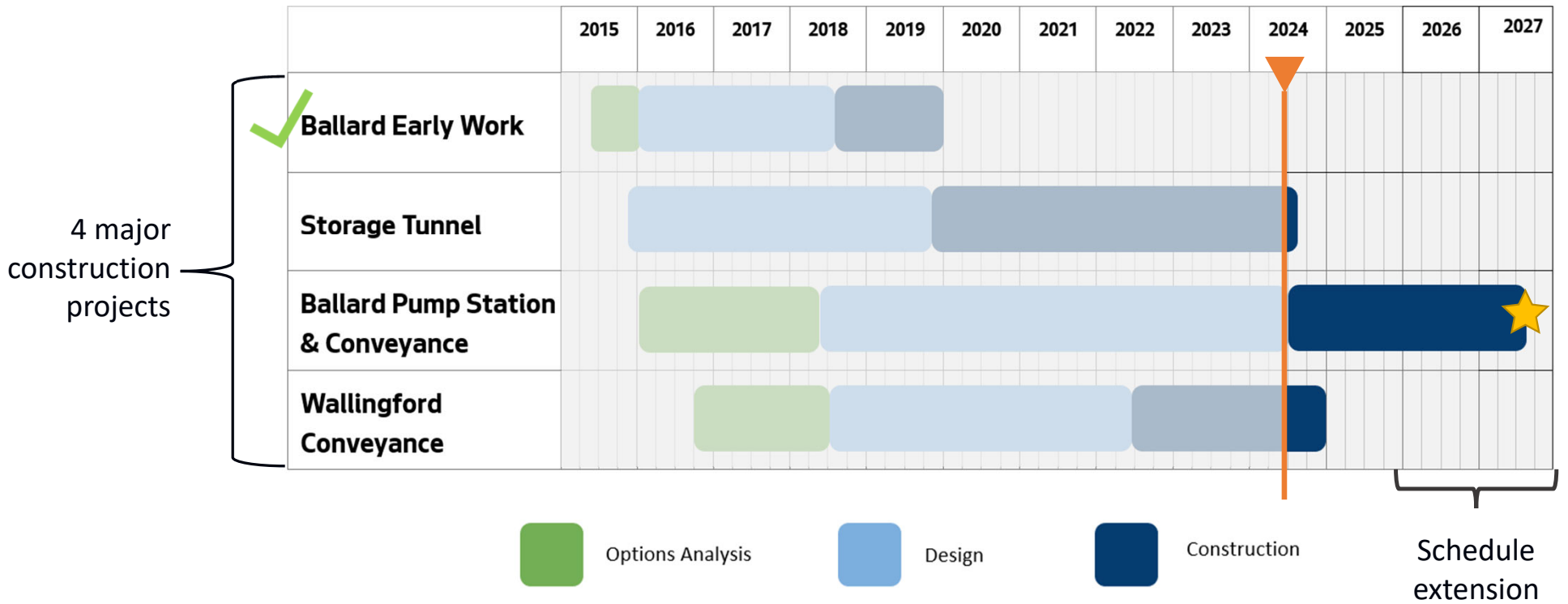
SPU investments to reduce CSOs since 2008:

- 4 major tank projects
- 2 major green stormwater projects
- 50 sewer system improvement projects

Plus the Ship Canal Water Quality Project and several green stormwater projects are under construction.



Progress to Date



Ballard Early Work

- Constructed permanent pier, power for tunneling, removed contaminated soil
- Total Project Cost: \$10M
- Completed in 2019



Wallingford Conveyance

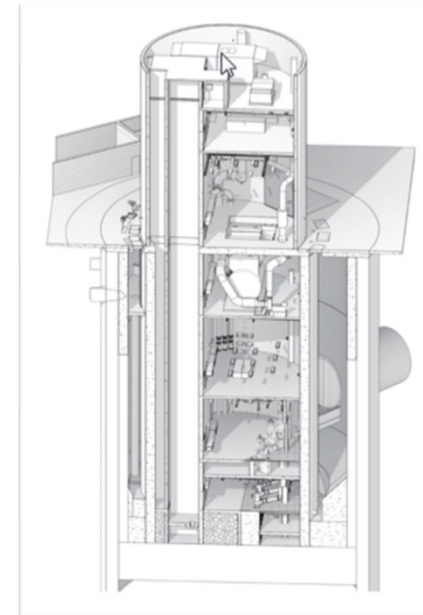
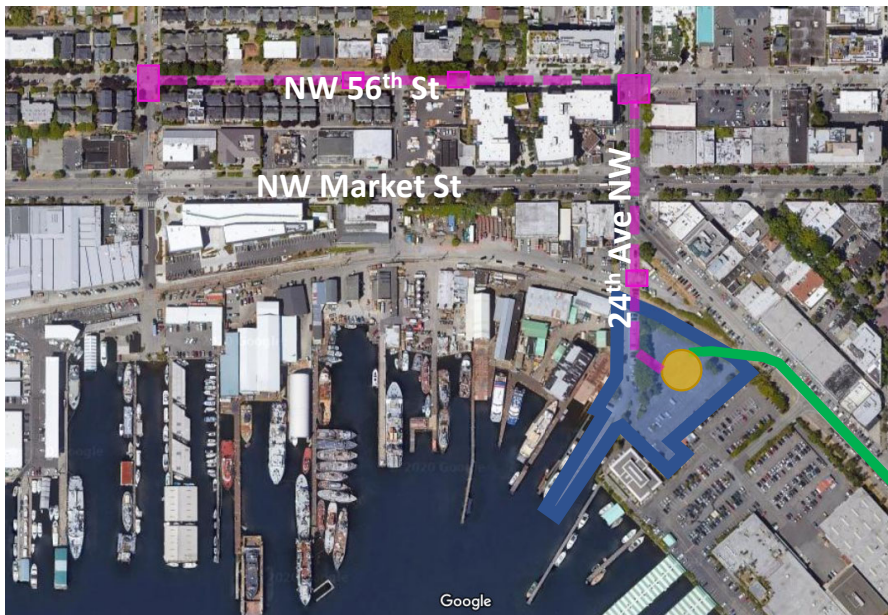
- Construction since 2023 of new conveyance pipes
- Total Project Cost Projection: \$19M
- **Will be completed this year**



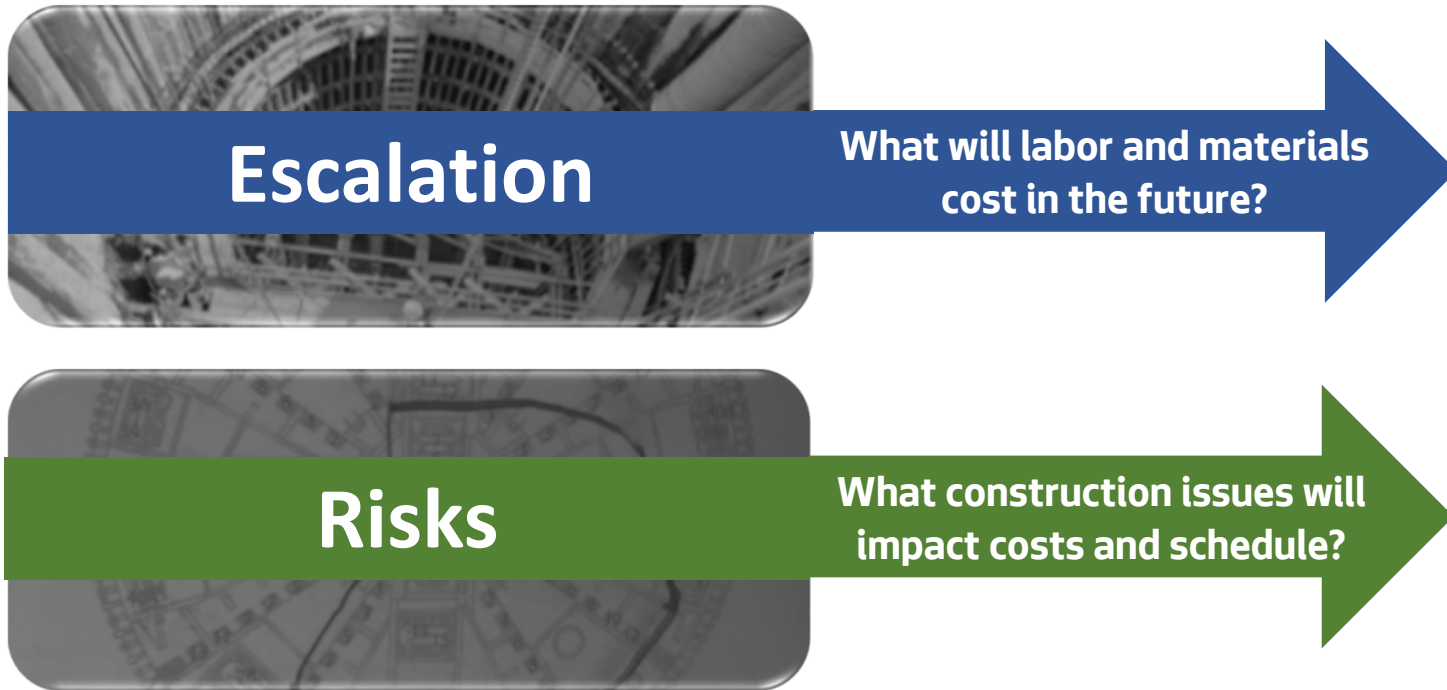
Storage Tunnel

- Construction since 2020 in 5 neighborhoods plus storage tunnel
- Total Cost Projection: \$335M
- **Will be completed this year**

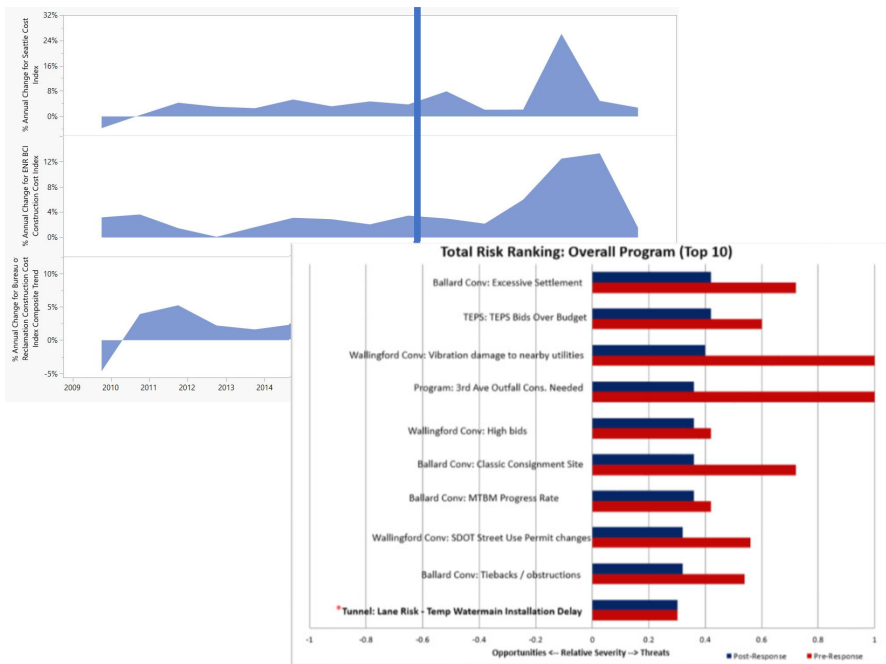
Ballard Conveyance and Pump Station



2024 Cost Estimate - Key Factors



Best Practices: Escalation Estimates, Risk & Cost Management

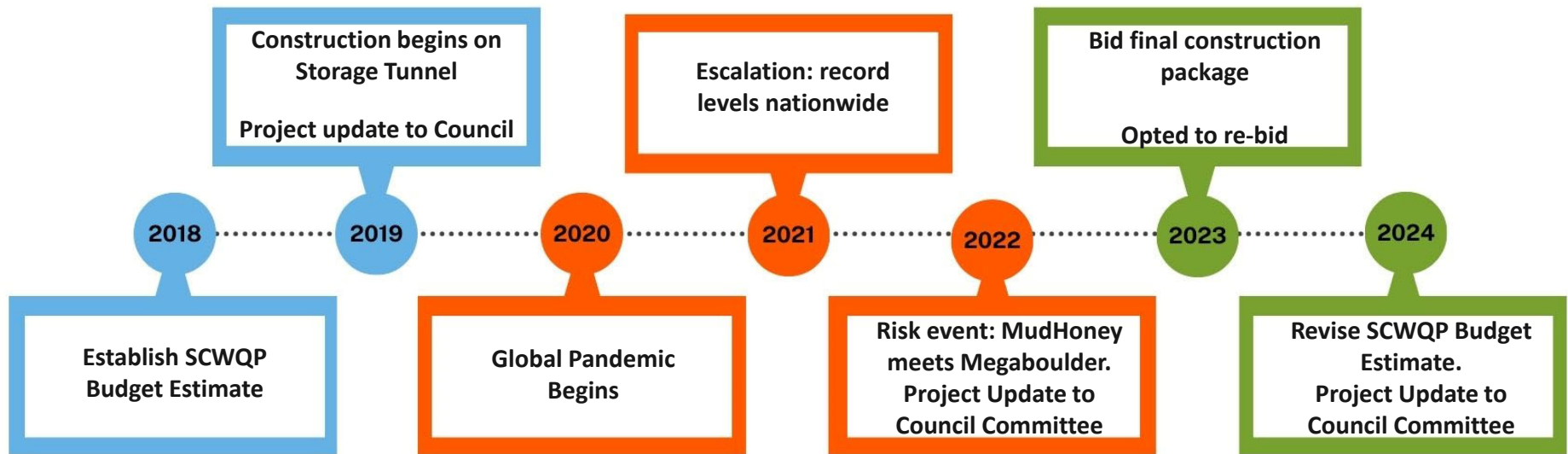


Cost Management

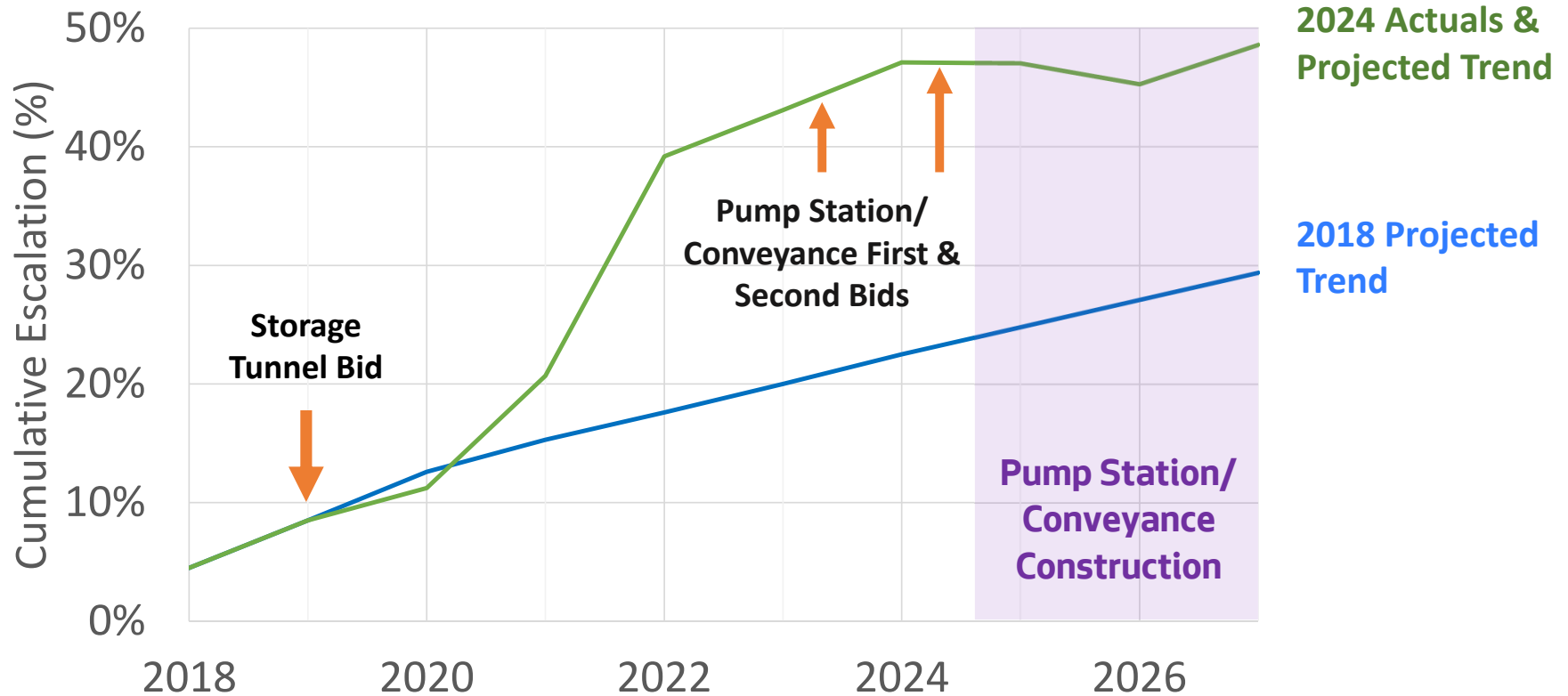
1. Monthly reviews:
 - scope, schedules, and costs
 - risk registers and evaluation of budget confidence
2. Value engineering
3. Project cost reviews
4. Financing options



Budget - Key Factors since 2018



Impact: Cumulative Escalation



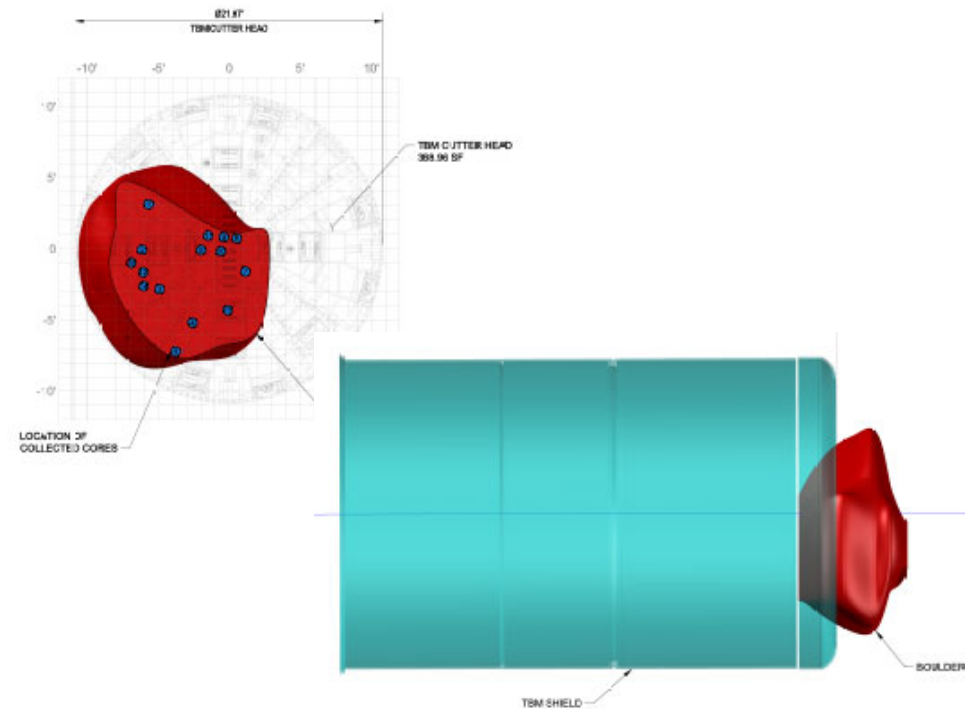
Impact: Underground Risk Events

A 12-foot diameter mega-boulder

- Risk register covered at 5% likelihood
- Contractor asserted damages of ~3.5 months, \$17M

Inaccurate “As-built” records

- Underground infrastructure not per as-builts
- \$1.8M impact



Cost Management

SCWQP Action	Savings
3 major value engineering and cost reduction efforts	\$67M cost reductions
Over \$341M in low interest rates loans	\$267M across the life of the loans
Restructured and re-bid the Ballard Pump Station and Conveyance Construction Package	\$22M cost reduction



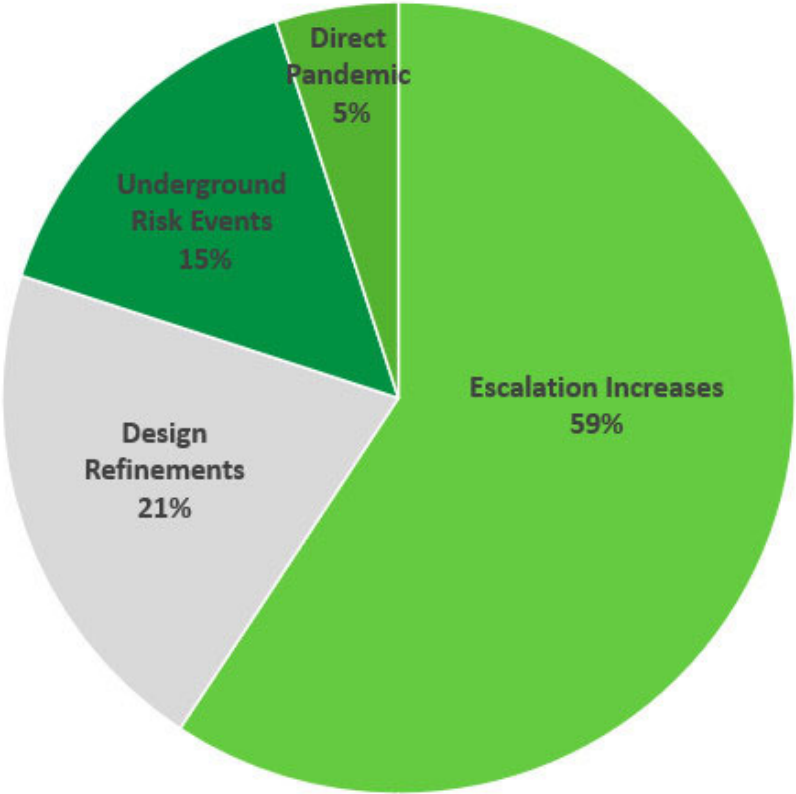
2024 Project Budget

\$710 M
80% confidence

SPU is committed to managing capital project budgets within the Strategic Business Plan rate path with no impact to the City's General Fund.



Budget Variance - \$570M to \$710M



Design Refinement Category	Value
Design Refinement	\$15M
Scope Addition/Change	\$7M
Planning Estimate Corrections	\$3M

Summary

- 2024 Project Budget: \$710M at 80% confidence
- Project Completion: 2027
- Project costs will be managed within the Strategic Business Plan rate path

