



COUNCIL MINUTES

April 17, 2025

The City Council of the City of Mesa met in the Study Session room at City Hall, 20 East Main Street, on April 17, 2025, at 7:30 a.m.

COUNCIL PRESENT

Mark Freeman
Scott Somers
Rich Adams
Jennifer Duff
Alicia Goforth
Francisco Heredia
Julie Spilsbury

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Holly Moseley
Jim Smith

Mayor Freeman conducted a roll call.

1. Review and discuss items on the agenda for the April 21, 2025, Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: None

Items removed from the consent agenda: None

In response to a question from Vice Mayor Somers regarding Item 8-a, **(SUB24-01030 “Map of Dedication for PHX065” 4.2± acres located at the northwest corner of East Pecos Road and South 106th Place. Map of Dedication. Amazon Real Estate, LLC, developer; Chad Huber, Kimley Horn, surveyor. (District 6))**, on the Regular Council meeting agenda, City Attorney Jim Smith clarified that the City Code will be modified to transfer responsibility for easement dedications from the City Manager’s Office to the Planning Department. He added that the proposed code change will be presented to the Council within a few months.

2-a. Hear a presentation, discuss, and provide direction on an overview of the FY 2026 - 2030 Capital Improvement Program.

Office of Management and Budget Director Brian Ritschel introduced Office of Management and Budget Capital Improvement Program (CIP) Coordinator Chris Lynch and displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. Ritschel discussed the Capital Improvement Program (CIP) funding plan and the sources of funding for utilities and non-utilities. He noted when formulating the plan, one-time and ongoing costs for operations and maintenance are considered. He reviewed some of the challenges that the City is experiencing with the CIP, and said that the projects listed do not represent the complete list. (See Pages 2 through 5 of Attachment 1)

Mr. Ritschel highlighted CIP completed projects for Fiscal Year (FY) 24/25, as well as the current utility projects. He indicated that the emergency projects that arose were not planned in the previous CIP and funding was reprioritized to address the needs. (See Pages 6 through 8 of Attachment 1)

Mr. Ritschel summarized the utility projects scheduled to begin construction in FY 25/26 and future utility projects for which funding is needed due to CIP pressures and cost increases. He identified a list of utility lifecycle purchases. (See Pages 9 through 11 of Attachment 1)

In response to multiple questions from Councilmember Spilsbury, Mr. Ritschel replied that staff review the operations and maintenance of projects annually to determine if funding, resources, and revenues are available; whether the services can be maintained; and if reprioritization is necessary. He stated that operations, maintenance, and construction design are included in the funding plan.

Responding to a question posed by Councilmember Adams, Mr. Ritschel answered that the General Obligation (GO) bonds are voter approved for a portion of the debt and are funded by secondary property tax only. He explained the funding of debt service for projects and bonding obligations.

City Manager Christopher Brady advised that many years ago Mesa participated in the construction of Roosevelt Dam; and as a result, the City receives a significant portion of the water rights that serve Mesa. He emphasized that the investment was made to assure water supply to Mesa's community.

Mayor Freeman stated that the City will have to wait at least 10 years before any of the water is accessible.

In response to a question from Councilmember Adams, Mr. Ritschel stated that the City sets aside reserves in the utility fund for repairs, emergencies, and inflationary costs.

Mr. Brady emphasized that the City of Mesa (COM) does not spend more money than it has. He explained that several large capital projects often carry over from the previous year due to their multi-year timelines, and that funding for these projects is available in the City's reserves. He stressed that the City is in a solid financial position and the focus is maintaining a certain percentage of reserves to cover costs. He shared an example of taking one-time revenues construction sales tax revenues to cover the shortfall on some of the capital projects.

Responding to a question from Councilmember Adams, Mr. Ritschel explained that the City prefers to have a fund balance above 20% for utilities.

Mr. Brady explained the standard practice for determining the reserves fund balance with a minimum of a month's worth of reserves. He indicated that the COM is committed to investing millions of dollars to the replacement of pipes throughout the city, which is included in the CIP, as well as rehabilitating the west side infrastructure.

In response to a question from Vice Mayor Somers, Mr. Brady commented that in regard to street projects, the City has the funds but needs to ensure the utilities are addressed before arterial or other improvements are made.

Mr. Brady advised that the completed list of unfunded projects would be sent to all Councilmembers.

Mr. Ritschel provided a status update on the GO bond allocations for FY 25/26 and noted that the GO bonds are paid for by the secondary property tax. He added that the street bonds for the year 2020 of \$100 million includes \$60 million in reimbursements from the Maricopa Association of Governments (MAG) for other projects. (See Pages 12 and 13 of Attachment 1)

Responding to multiple questions from Councilmember Goforth, Mr. Ritschel explained that due to the significant increase in construction costs, some allocated and prioritized projects can no longer be funded and will need to be reprioritized. He advised that allocated projects can be in various stages. He added that the 2018 Parks and Culture projects that are 100% allocated are completed, and said he will provide a list to Councilmember Goforth.

Mr. Ritschel highlighted the projects that have begun since the 2024 GO Bond authorizations were approved by voters. (See Page 14 of Attachment 1)

Discussion ensued regarding allocation of funds, public safety bonds, reprioritization of projects, and public messaging regarding the status of projects.

In response to a question posed by Councilmember Adams, City Attorney Jim Smith advised that the City allocates bonds by category rather than by project to avoid being left with unallocated funds in the event a project is cancelled.

In response to multiple questions from Councilmember Duff, Interim Transportation Director Erik Guderian replied that there was not enough funding for the Center Street Connector project; however, a feasibility study was conducted, and the project remains unfunded in the City's five-year CIP. He discussed several active transportation projects, along with other projects authorized in 2020 that remain unfunded due to rising construction costs.

Responding to multiple questions from Councilmember Goforth, Mr. Guderian clarified that Council's direction was to move forward with design and construction on four active transportation projects, and the Center Street project was approved for a feasibility study only. He stated that part of the 2018 Park Bonds was used for shared-use paths, construction was just completed on the Lehi Phase 1, and the Eastern Canal will be under construction during the summer.

Councilmembers Duff, Adams and Goforth requested further information regarding the priorities of the Mesa Moves bond.

Mr. Ritschel provided an overview of the current status of the 2020 Mesa Moves bond projects, noting that some project statuses have recently changed and may not be fully up to date. He commented that due to rising costs, some projects have been allocated to different funding sources to move the project forward. (See Page 15 of Attachment 1)

In response to a question from Vice Mayor Somers, Mr. Ritschel explained that departments collaborate on projects to coordinate the order of department services and to assess whether projects can be undertaken concurrently.

Responding to a question posed by Councilmember Spilsbury, Mr. Ritschel answered that the list of projects is not in any order of priority.

Mr. Ritschel discussed the projects that are funded for design, but unfunded for construction for the 2020 Mesa Moves bond, as well as the unfunded projects. (See Page 16 of Attachment 1)

Mr. Ritschel reviewed the non-utility projects completed in FY 24/25, and the current CIP non-utility projects. He summarized the projects that will begin construction in FY 25/26. (See Pages 17 through 19 of Attachment 1)

In response to multiple questions from Vice Mayor Somers, Mr. Guderian confirmed that the Ray Road connection to Ellsworth is the realignment of Ray Road and indicated that the traffic signal at Hawes is a separate project that will be completed beforehand. He described the Ray Road realignment project and said contract bids are due next month.

Mr. Ritschel outlined the upcoming non-utility projects that will require funding, noting that while the design portion of the street projects is already funded, additional funding will be needed for construction due to cost escalation. He provided an overview of the non-utility lifecycle projects, which are reviewed annually to determine if replacements are needed. (See Pages 20 and 21 of Attachment 1)

Mayor Freeman thanked staff for the presentation.

2-b. Hear a presentation, discuss, and provide direction on the Water Resources budget.

Water Resources Director Christopher Hassert introduced Water Enterprise Services Deputy Director Seth Weld and displayed a PowerPoint presentation. **(See Attachment 2)**

Mr. Hassert discussed the public purpose of the Water Resources Department and the objectives for the annual plan. (See Pages 2 and 3 of Attachment 2)

Mr. Hassert reviewed the performance measures for reclaimed water and water sewer lines. He described the beneficial use of reclaimed water and how it is utilized, noting that capacity is expected to double once the reuse pipeline is completed. He explained the inspection process for the sewer system with a goal to inspect 20 miles of sewer line per month, which totals approximately 13% of the system annually. He reported on the hiring of additional staff and the purchase of newer trucks and equipment to improve efficiency and increase the number of sewer line miles cleaned. (See Pages 4 through 6 of Attachment 2)

Mr. Weld presented an overview of the financial budget for water, addressing the challenges and pressures associated with water treatment and reducing costs related to reclaimed water. (See Page 7 of Attachment 2)

In response to a question posed by Vice Mayor Somers, Mr. Hassert confirmed that the new conservation space (NCS) water, linked with Roosevelt Dam, can be used anywhere in the city.

Responding to multiple questions from Councilmember Heredia, Mr. Hassert explained that the reclaimed water that the City delivers to the Gila River Indian Community (GRIC) is used for their farming and GRIC is the biggest Central Arizona Project (CAP) water right holders in the state. He elaborated that the City has an exchange agreement where the recycled water from GRIC is exchanged for CAP water, which is considerably less expensive. He noted that the City will begin to use CAP water in February 2026.

Mr. Weld summarized the financials for wastewater and stated that wastewater collection remains stable throughout the proposed budget for FY 25/26. He noted that the City will receive \$1.4 million in reimbursements for wastewater treatment, which will be applied to this year's budget. (See Page 8 of Attachment 2)

Responding to multiple questions from Vice Mayor Somers, Mr. Hassert discussed the City's partnership with the Sub-Regional Operating Group (SROG) for water, negotiations, and the challenges posed by inflation and operational issues.

In response to multiple questions posed by Councilmember Adams, Mr. Hassert explained the factors considered to determine operational efficiency, staffing levels, and water negotiating rates. He reported that the COM is receiving competitive prices for the SROG digester gas, as well as reclaimed water. He commented that the FY 24/25 revised budget for wastewater collection is stable as a result of reduced costs for chemicals.

Mr. Weld summarized the budget reductions for FY 25/26, stating that all departments were asked to propose a 2% reduction from the base budget. He emphasized that certain major items are not included in the base budget and outlined the process used to identify potential reductions. He explained the increases and reductions for major budget items and presented a chart highlighting the most significant items within the overall budget. (See Pages 9 through 11 of Attachment 2)

Mr. Hassert discussed the Bartlett Dam Feasibility Study and the reservoir storage increase to 28,000 per acre feet. He advised that the storage is not consistent and fluctuates yearly depending on rainfall. He described the formula used to calculate the water per acre foot generated and the Salt River Project (SRP) system that can be used to offset CAP water. He explained that the existing guidelines for the Colorado River will lead to reductions and outlined strategies to manage the cuts and enhance Mesa's water portfolio. (See Page 13 of Attachment 2)

In response to multiple questions from Councilmember Duff, Mr. Hassert replied that CAP water is untreated/raw water, along with water from the SRP system and the reservoir. He noted that a study determined the Horseshoe Dam is not a cost-effective option for increasing capacity due to significant sediment buildup and deposition, resulting in the decision to construct a larger lake behind Bartlett Dam with the Horseshoe Reservoir being utilized for sediment deposition.

Mr. Hassert provided an overview of the Joint Water Quality study and explained that the water quality in the SRP system is different and more difficult to treat than CAP water. He described the water treatment process and outlined plans to conduct a study to identify challenges related to treating water at the CAP plant. (See Page 13 of Attachment 2)

Mr. Hassert stated that, to preserve water sources, the City's goal is to keep groundwater pumping below 10% of the total water delivered to customers. He mentioned that over the last 10 years, the City has been successful at remaining at 10% or lower. (See Page 14 of Attachment 2)

Mr. Hassert discussed the water quality and unfunded federal mandates. He reported the City is required to verify that certain types of materials do not contain lead in approximately 3,000 properties, noting that the work is a time and labor-intensive process. He explained the scope of the work, the utilization of the one-time cost, and the phases over the next three years. (See Page 15 of Attachment 2)

Responding to a question from Councilmember Adams, Mr. Hassert defined and described the term polyfluoroalkyl substances (PFAS). He commented that staff is requesting additional funding since the City does not have the lab equipment to measure mixtures of substances and must utilize outside labs. He reported that the City has not found minimal lead and had proactively issued a Request for Proposals (RFP) several years ago to address the issue.

Mr. Hassert discussed the costs and projected costs associated with outsourcing contract services for testing chemicals from FY 22/23 through FY 25/26. He reported that the City is now required to conduct more intensive PFAS testing and will need additional funds. (See Page 16 of Attachment 2)

Mr. Hassert reviewed the ongoing cost request to raise the height of fire hydrants for fire personnel and the challenges with fire hydrants that sit too low. He indicated that the American Water Works Association (AWWA) has an 18-inch requirement, and the City has a backlog of approximately 492 hydrants that need extensions. He indicated that the City does not have available funding and is requesting additional funds to purchase the barrel risers. (See Pages 17 and 18 of Attachment 2)

Mr. Weld summarized the additional enhancement requests and funding sources. (See Page 19 of Attachment 2)

Mr. Brady clarified that the Mesa Climate Action Plan (MCAP) funding is provided by the General Fund, and the Utility Fund is covered by the utility revenues. He noted that the Environmental Compliance Fund is supported by a \$7.50 fee on each utility bill, which helps cover unfunded mandates imposed on the City.

Responding to a question from Mayor Freeman, Mr. Hassert provided an update on the status of drilling for wells and discussed the competitiveness, strategies, and opportunities for drilling more wells.

In response to a request from Mr. Brady for an update on water and wastewater impacts fees, Mr. Hassert provided an overview of the fees currently being phased out for new developments. He discussed the potential implementation of a capacity fee to address Mesa's growth and determine how costs are allocated.

Mr. Brady advised that the details and concept of the impact and capacity fees will be presented to the Council Committee first and then to the full Council.

In response to multiple questions from Vice Mayor Somers, Mr. Hassert explained that there are different processes between a water treatment plant versus a wastewater treatment facility. He emphasized that a wastewater treatment facility is more chemical intensive compared to an electric intensive facility.

Discussion ensued regarding the base budget, 2% reductions, adjustments, balancing the budget, and reserves.

Mayor Freeman thanked staff for the presentation.

2-c. Hear a presentation, discuss, and provide direction on the Solid Waste budget.

Solid Waste Director Sheri Collins introduced Deputy Solid Waste Director Joe Giudice and displayed a PowerPoint presentation. **(See Attachment 3)**

Ms. Collins highlighted the public purpose and the focus of priorities and objectives for the Solid Waste Department. She noted that there were increases to the five-year disposal contracts that will be in effect through the calendar year 2029. She discussed the challenges with the availability of trucks and transitioning to digital systems with real-time data for more efficient routes. She explained that the department continually looks for opportunities to ensure competitive pricing and maintains an ongoing partnership with the Town of Gilbert. She added that a large portion of the workforce is young, and the department intends to focus on the onboarding and training of employees. (See Pages 2 and 3 of Attachment 3)

Ms. Collins presented a chart demonstrating the increased number of customers based on extended hours for the Household Hazardous Waste (HHW) facility. She stated that the new operating hours are from 7:00 a.m. to 2:00 p.m. She highlighted that between 11:00 a.m. to 2:00 p.m. are the busiest hours. She indicated that even without advertising the facility continues to gain popularity. (See Page 4 of Attachment 3)

In response to a question from Vice Mayor Somers, Ms. Collins replied that the facility is located at 2412 North Center Street.

Vice Mayor Somers expressed his support for advertising the disposal of lithium-ion batteries at the HHW facility to ensure proper disposal. He mentioned the safety concerns regarding lithium-ion batteries, which are causing major fires throughout the Valley and are expensive to extinguish. He said that the HHW facility benefits the environment, conserves water, saves money, and should be promoted through advertising.

Mayor Freeman mentioned the small fee that is on the utility bill for the HHW facility. He commented that Council could consider in the future increasing the fee for additional capacity. He agreed that the HHW facility is a valuable asset to divert materials from the landfill and supports recycling.

In response to multiple questions from Councilmember Spilsbury, Mr. Giudice reported that the City has a plan to increase advertising; however, staff is waiting to assess the impact of the newly implemented hours and did not want to overwhelm the exceptional service currently provided. He added the City partnered with multiple Valley cities on an advertising campaign regarding proper disposal of lithium-ion batteries using Mesa's HHW facility to avoid confusing messaging across city boundaries.

Mr. Giudice emphasized that safety is a top priority for the City, and he presented a chart with the metrics that measure employee safety. He noted that the industry average for solid waste collection is above four and the City has maintained a below-average level. He emphasized that the City will continue to monitor safety levels and invest in safety programs to protect employees. (See Page 5 of Attachment 3)

In response to multiple questions posed by Vice Mayor Somers, Mr. Giudice answered that the key nature of injuries on the chart is for work-related injuries resulting in time away from work and he provided examples. He advised that the City has an extensive personal protective equipment (PPE) program, providing safety shoes, vests, bump caps, hard hats, and various other gear to ensure employee safety.

Mr. Giudice provided a high-level summary of the department's budget and noted that the collection services represents 90% of the budget expenditures. He described the three driving categories of expenses for solid waste utility. He indicated that the collection services item has increased by \$2 million for the FY 25/26 proposed budget and discussed what is entailed. (See Page 6 of Attachment 3)

Mr. Giudice summarized the budget reductions for FY 25/26 and stated that all departments were asked to either generate revenue enhancements or budget reductions. He identified two revenue enhancements totaling \$318,000 and one budget reduction item at \$50,000. (See Page 7 of Attachment 3)

Ms. Collins clarified that between the past Intergovernmental Agreement (IGA) and the current IGA there is a total of 20 years, but the new one is only a 10-year agreement. She advised that staff continue to explore service modifications to help ease rate pressures and will return in the fall with ideas related to collection frequency and routing options.

Ms. Collins discussed the proposed fees and charges, including one-time fee structures to cover additional costs incurred. (See Page 8 of Attachment 3)

Responding to a question from Vice Mayor Somers, Ms. Collins confirmed that the City competes with the private sector for solid waste haulers for multi-family and commercial contracts. She mentioned, according to the Senate Bill that passed in 2019, if a structure has five or more units it will be open for competition.

In response to a question from Councilmember Adams, Ms. Collins answered that there is minimal cost to perform a barrel audit; however, the \$150,000 revenue is ongoing.

In response to a question from Councilmember Goforth, Ms. Collins stated that the existing fee for multi-family is \$62, and the proposal is to increase the fee to \$109.

Mayor Freeman commented that the City of Mesa is a full-service city that provides comprehensive services to residents, operates frugally, and maintains a strong reserve fund to draw upon when needed. He understands the necessity to draw down the reserve over the next several years and does not consider the drawdown a structural imbalance financially. He shared the challenges the City has experienced financially and economically and the need to make serious financial changes to compensate for the loss of income and continue to provide great services. He prefers to view the budget yearly and allow Council to make decisions on areas to cut and ways to strategize.

Mr. Brady pointed out the changes that have taken place in the last two years, as well as during COVID, that impacted the budget. He discussed the benefits of a five-year forecast and considers it a planning tool for the future, while recognizing that every year there is an opportunity to forecast. He reported each year the City evaluates and reviews the budget and has a solid budget.

Mayor Freeman thanked staff for the presentation.

3. Acknowledge receipt of minutes of various boards and committees.

3-a. Economic Development Advisory Board meeting held on March 4, 2025.

It was moved by Vice Mayor Somers, seconded by Councilmember Spilsbury, that receipt of the above-listed minutes be acknowledged.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Adams–Duff–Goforth–Heredia–Spilsbury

NAYS – None

Carried unanimously.

4. Current events summary including meetings and conferences attended.

Mayor Freeman and Councilmembers highlighted the events, meetings and conferences recently attended.

5. Scheduling of meetings.

City Manager Christopher Brady stated that the schedule of meetings is as follows:

Monday, April 21, 2025, 2:30 p.m. – Audit, Finance and Enterprise Committee meeting

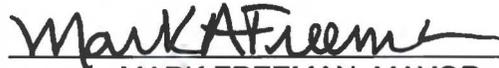
Monday, April 21, 2025, 4:30 p.m. – Study Session

Monday, April 21, 2025, 5:45 p.m. – Regular meeting



6. Adjournment.

Without objection, the Study Session adjourned at 10:53 a.m.



MARK FREEMAN, MAYOR

ATTEST:



HOLLY MOSELEY, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 17th day of April 2025. I further certify that the meeting was duly called and held and that a quorum was present.



HOLLY MOSELEY, CITY CLERK

lr
(Attachments – 3)

Capital Improvement Program

FY 2026-2030

April 17, 2025

Brian A. Ritschel – Office of Management and Budget Director

Chris Lynch – Office of Management and Budget CIP Coordinator

Introduction to the CIP Funding Plan

- **This is a funding plan**
 - Allows for the scheduling and allocation of financial resources to address infrastructure needs
- **8-year plan developed**
 - Aligns infrastructure projects with the City's goals
 - Unfunded projects remain part of the plan and considered each year in the prioritization of infrastructure needs and resource availability
- **5-year plan approved by Council**
 - Exclusively includes projects with identified funding sources
- **First year funding is appropriated as part of the annual budget adoption**

CIP Funding Sources

Utility

- Utility Revenues
- Utility Revenue Obligations
- Utility Taxable Obligations (LG Battery Plant)

Non-Utility

- Local Revenues
- Regional Awards/Grants
- General Obligation (GO) Bonds
- Excise Tax Obligation

Operations and Maintenance

One-time start up purchases and ongoing costs are reviewed and included in the financial forecast with the completion of a project to ensure the City can meet the operational requirements.

Examples of ongoing:

- Staffing a new fire station, library, or utility plant expansion
- Landscape maintenance at City parks

Examples of one-time:

- Furniture, fixtures, and equipment
- Vehicles

Current Challenges in CIP

- Cost overruns and delays in receiving construction materials
- Increased cost of labor
- Higher than normal inflation on commodities, services, and contracts
- Keeping up with growth while maintaining current infrastructure

Utility Capital Improvement Program



91st Avenue Wastewater Treatment Plant



Completed Utility Projects FY 24/25



Queen Creek Gate Station

Water Resources

- Northwest Water Reclamation Project (NWWRP) Influent Pipes Replacement (Emergency)
- 36" Reclaimed Water Main Replacement (Emergency)
- New Sewer & Water Lines at Phoenix Mesa Gateway Airport
- Groundwater Well Replacement Program (Desert Wells 18)
- NWWRP Water Reclamation 2nd Flare

Energy Resources

- New Services (ECOMesa, 2nd Ave Commons, Melody on Main, Residences on 1st Ph. 1)
- Queen Creek Gate Station
 - System reliability and redundancy – 12,000 feet of high-pressure line extension supporting future high-volume consumers

Current Utility CIP Projects

Energy Resources

- Gantzel Road
- Residences on Main
- Gas Quarter Sections (44B & 44D – Ph. 1)
- AZ Farms Gas Line Replacement
- LG Gas Line Extension
- 69 kV Transmission System Reliability Looping

Water Resources

- Central Mesa Reuse Pipeline
- Signal Butte Water Treatment Plant Ph. 2
- Water Transmission Main Rehab Improvements (McDowell Rd.)
- New Groundwater Wells (various)

Energy and Water Resources Joint Projects

- Smart Metering Ph. 2



Residences on Main



Central Mesa Reuse Pipeline

Utility Projects to Begin Construction FY 25/26



New Groundwater Well

Energy Resources

- Gas Quarter Sections (44B & 44D - Ph. 2)
- New Services (Mesa General Hospital, Edge on Main)

Water Resources

- Water Transmission Main Rehab Improvements (Ray Rd. to Galveston St.)
- New Groundwater Wells
- Commercial Meter Vault Rehab Program
- Greenfield Chemical Storage Tanks Replacement
- Southeast Water Reclamation Plant (SEWRP) Process Improvements

Future Utility Projects – in Need of Funding



Brown Road Water Treatment Plant

Water Resources

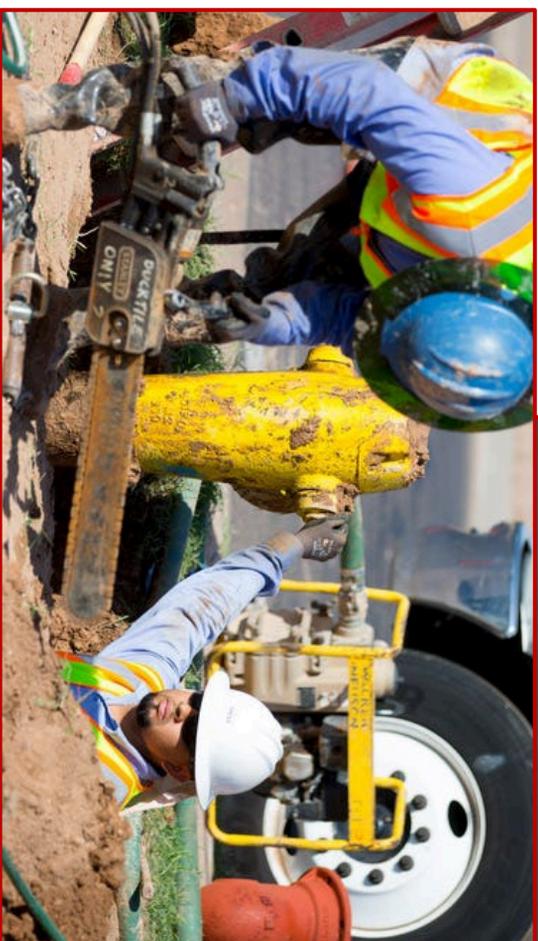
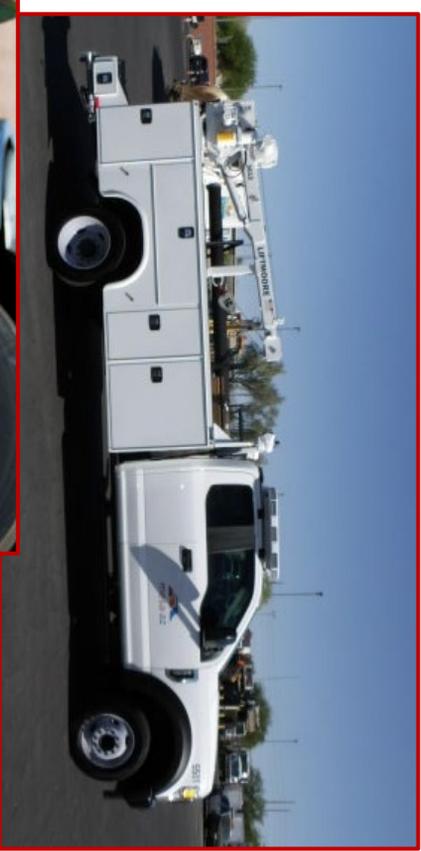
- Water Transmission Main Improvements Phases 3, 4 & 5
- Baseline Road Interceptor Sewer
- Brown Road Water Treatment Plant (BRWTP) Main Switchgear and Transformers Replacement
- Bartlett Dam and Reservoir Expansion

Energy Resources

- Rogers Generation Project (Electric)
- Bella Vista Road High Pressure Upgrade (Gas)
- Clausen Gate Station Ph. 2 (Gas)

Utility Lifecycle Purchases

- Vehicle Replacements
- Large Water Meter Replacements
- Utility Valves
- Fire Hydrants
- Compliance Lab Equipment
- Plant Equipment



Non-Utility Capital Improvement Program



Gateway Library



Reed Park Playground

General Obligation (G.O.) Bonds

		FY25/26		
	Authorized	Allocated	% Allocated	
Parks & Culture				
2018	\$91.2M	\$90.8M	100%	
2024	\$170.0M	\$19.8M	12%	
Library				
2018	\$19.8M	\$19.8M	100%	
Public Safety				
2018	\$85.0M	\$85.0M	100%	
2022	\$157.0M	\$121.1M	77%	
2024	\$90.0M	\$13.6M	15%	
Streets				
2013	\$79.0M	\$79.0M	100%	
2020	\$100.0M	\$89.3M	89%	



Police Department Evidence Facility

2024 G.O. Bond

Public Safety:

- Fire & Medical Substation (\$5M)
- Fire Apparatus Replacement (\$20M)
- Emergency 911 Center (\$54M)
- Fiber Network (\$4M)*
- Safe Streets for All (\$7M)

Cultural:

- idea Museum Renovation Ph. 2 (\$20M)*
- Sirrine House (\$5M)*

Parks & Recreation:

- Aquatic Centers (\$67.2M)
- Park Renovations (\$12M)*
- Pickleball Courts (\$5M)
- Northeast Mesa Regional Trails (\$5M)
- Indoor Recreation Center (\$52M)

**Project initiated*



idea Museum Ph. 2



New Pickleball Courts



Sirrine House

2020 Mesa Moves Bond - Status

Street Enhancements

Project Name	Status
Broadway Rd Phase 1 – Mesa Dr to Stapley Dr	GMP Under Review
Val Vista Dr – Pueblo Ave to US 60	Out To Bid
Ray Rd Connection at Ellsworth Rd	Waiting for Bid Release
Ellsworth Rd Widening – Ray Rd to Germann Rd	Waiting for GMP
Elliot Rd – Sossaman Rd to Ellsworth Rd*	In Design
Signal Butte Rd: Williams Field Rd to Pecos Rd	Completed
Signal Butte Rd: Pecos Rd to Germann Rd	Completed
Sossaman Road and Baseline Rd Intersection	Completed
Williams Field Road: Airport Aviation Way & Gateway Blvd	Completed
Sossaman Road: Ray Rd to Warner Rd	Under Construction
<u>Arterial Reconstruction/Active Transportation (MAG Revenues)</u>	
Southern Ave Arterial Reconstruct	Under Construction
Greenfield Rd Arterial Reconstruct	Under Construction
Eastern Canal Shared-Use Path	Design Completed

**Other Funding Identified*

2020 Mesa Moves Bond - Status

Funded Design / Unfunded Construction

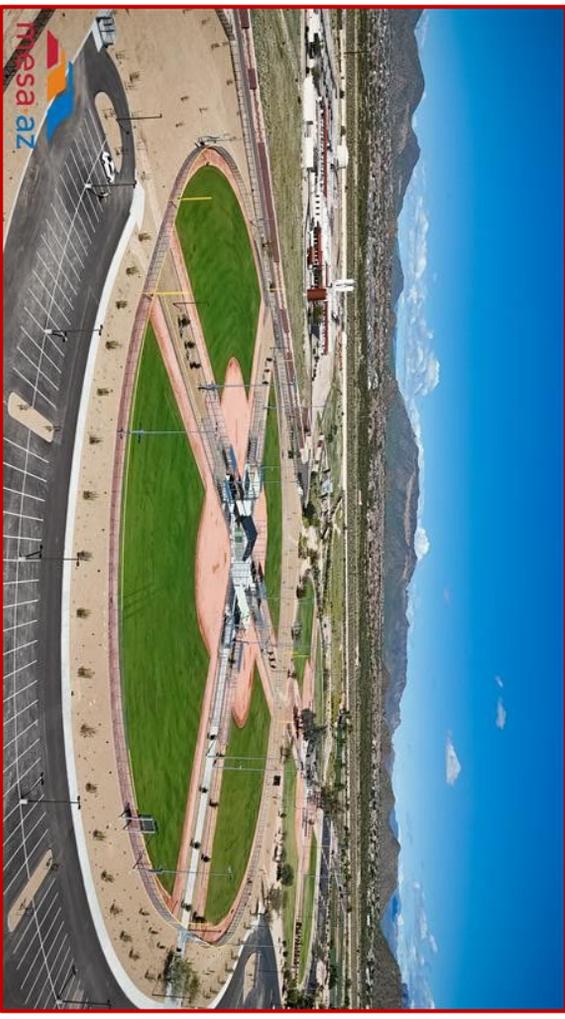
Project Name	Status
University Dr and Stapley Dr (60% Design Only)	Completed
Southern Ave and Country Club Dr (Design Only)	Completed
US60 SUP Eastern to Consolidated Canal (Design Only)	In Design
Mesa Gateway Ph. 3 SUP (Design Only)	On Hold

Unfunded

AR-Stapley Dr from University Dr to McKellips Rd - Intersection	Unfunded
AR-Broadway Rd - East of County Club Dr to West of Mesa Dr	Unfunded
AR-Broadway Rd from Stapley Dr to Gilbert Rd	Unfunded
Williams Field Rd: SR24 to Ellsworth Rd	Unfunded

Non-Utility Projects Completed in FY 24/25

- **Transportation:** Lehi Shared Use Path Ph. 1
- **Arts & Culture:** idea Museum Renovation Ph. 1
- **PRCF:** Red Mountain Park Expansion
- **PRCF:** Mountain Vista Trail
- **PRCF:** Neon Garden
- **Public Safety:** Northeast Public Safety Facility
- **Falcon Field:** Anzio Ramp Reconstruct
- **Falcon Field:** Midfield Crossover Taxiway East
- **General Government:** New City Council Chambers
- **General Government:** New Wellness Center
- **General Government:** Hibbert Employee Parking Garage



Red Mountain Park Expansion

Current Non-Utility CIP Projects

- **Arts & Culture:** idea Museum Renovation Ph. 2
- **PRCF:** Countryside Dog Park Expansion
- **Fire:** Permanent Fuel Stations (FS 202 & FS 209)
- **Library:** Gateway Library
- **Police:** PD Headquarters
- **DoIT:** Citywide Fiber Ph. 2
- **DoIT:** Southeast Valley Expansion Site (TOPAZ)
- **Falcon Field:** Eastside Dual Taxi Lanes
- **Transportation:** Sossaman Rd. (Ray Rd. to Warner Rd.)
- **Transportation:** Southern Ave Arterial Reconstruct (Gilbert Rd. to Val Vista Dr.)
- **Transportation:** Red Mountain Shared Use Path
- **Transportation:** Greenfield Rd. (Southern Ave to Main St.)



PD Headquarters

Non-Utility Projects to Begin Construction in FY 25/26

- **Arts & Culture:** MAC Arroyo
- **PRCF:** Signal Butte Park Ph. 2
- **PRCF:** Sirrine House
- **Fire:** Station 223
- **Fire:** Station 224
- **Fire:** Station 205
- **Library:** Book Locker at Gene Autry Park
- **Transportation:** Broadway Rd.
- **Transportation:** Val Vista Dr. (US 60 to Pueblo Ave)
- **Transportation:** Ray Road Connection to Ellsworth
- **Transportation:** Traffic Management Upgrade & Remodel
- **General Government:** Cubs Facility Remodel



MAC Arroyo

Future Non-Utility Projects – in Need of Funding

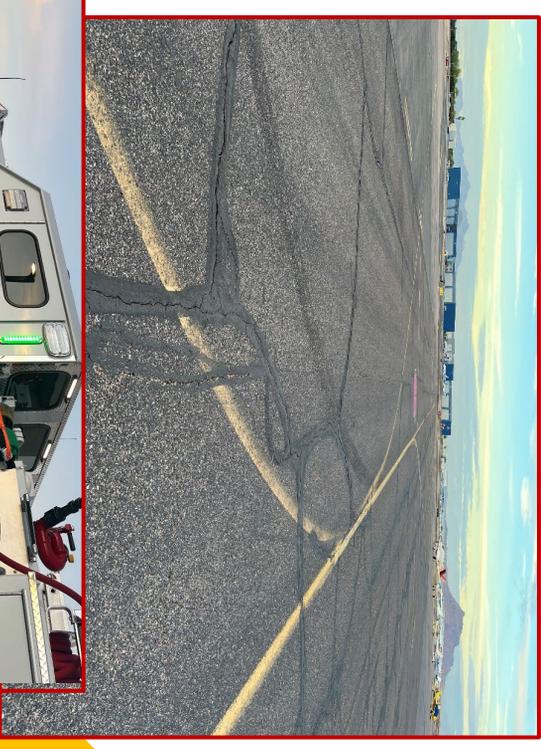
- **Arts & Culture:** MAC Lighting Replacement
- **Arts & Culture:** Arizona Natural History Museum
- **Library:** Red Mountain Children’s Room Renovation
- **Library:** Dobson Ranch Renovations
- **Communications:** P25 Voice Radio Network
- **Falcon Field:** Eastside Taxiway “J”
- **Public Safety:** Public Safety Training Facility
- **Police:** Substation Remodels
- **Streets:** Southern Ave and Country Club Dr. (Construction)
- **Streets:** University Dr. and Stapley Dr. (Construction)
- **Streets:** US60 Shared Use Path - Eastern to Consolidated Canal
- **Streets:** Mesa Gateway Shared Use Path Ph. 3



MAC Lighting

Non-Utility Lifecycle Projects

- Computer Cycle Replacement
- Software Maintenance and IT Infrastructure
- Vehicle Replacements
- Police Replacement and Upgrade of Radios
- Police Bomb Truck Replacement
- Police Command Van Replacement
- Fire Apparatus Replacements
- Emergency Generators
- Pavement Maintenance
- Storm Channel Maintenance
- Court Management System Replacement
- MAC Equipment Replacement
- Aging & Failing Parks Infrastructure
- Transportation Replacement of End-of-Life Infrastructure

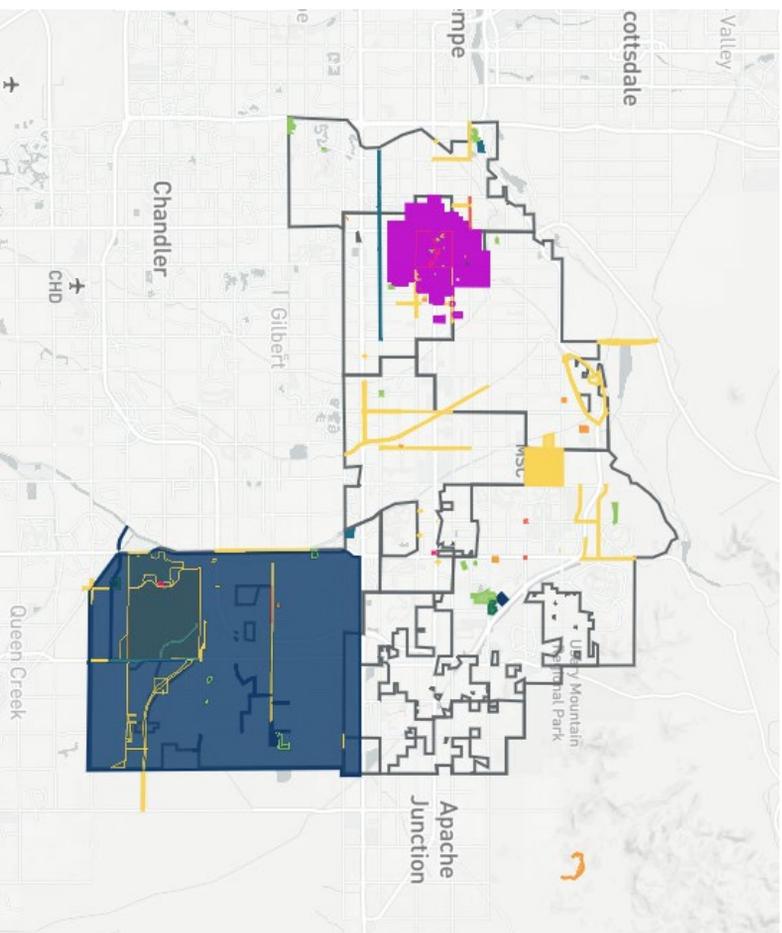


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CIP Explorer

- Council District 1: [Link](#)
- Council District 2: [Link](#)
- Council District 3: [Link](#)
- Council District 4: [Link](#)
- Council District 5: [Link](#)
- Council District 6: [Link](#)



2018 G.O. Bond Projects

Completed

- Marlborough Mesa Park Playground
- Palo Verde Park Playground
- Dobson & Main Library Improvements
- Signal Butte & Elliot Park
- The Post (2012 & 2018)
- Red Mountain Park Expansion
- Police Evidence Facility (2018 & 2022)
- Fire Station 21: Eastmark
- Lehi Sports Complex
- Electric Fire Truck
- Monterey Park
- City Center Plaza
- NE Public Safety Facility
- i.d.e.a. Museum Phase I
- Fire Fighters Memorial Park

In Progress

- Fire Apparatus Replacement
- Police Department Fiber Network Expansion Phase II
- Lehi Crossing Shared Use Path (Phase I)
- Eastern Canal Shared Use Path: Brown to Broadway
- Signal Butte Park Phase II
- Gateway Library
- Lehi Loop Tunnel Wall
- Countryside Dog Park



2020 Mesa Moves

Completed

- Sossaman Rd. and Baseline Rd. Intersection
- Signal Butte Rd. Improvements (Williams Field to Pecos)
- Signal Butte Rd. (Pecos Rd. to Germann Rd.)
- Williams Field Rd. (Airport Aviation Way & Gateway Blvd.)

In Progress

- Val Vista Dr. (Pueblo Ave to US 60)
- Broadway Rd. (Mesa Dr. to Stapley Dr.)
- Ray Rd. connections at Ellsworth Rd.
- Ellsworth Rd. (Widening (Ray Rd. to Germann Rd.)
- Sossaman Rd. (Ray Rd. to Warner Rd.)

Future

- University Dr. and Stapley Dr. Roadway and Intersection Improvements
- Southern Ave and Country Club Dr.
- Elliot Rd. (Sossaman Rd. to Ellsworth Rd.)
- US 60 Shared Use Path (Eastern to Consolidated Canal)
- Mesa Gateway Shared Use Path Ph. 3



2022 Bond Projects

Completed

- Police Evidence Facility (2018 & 2022)

In Progress

- Fire Station 223
- Fire Station 224
- Fire Station 205
- Police Department Headquarters Renovation

Future

- Public Safety Training Facility

2024 Bond Projects

Authorization: \$260M

Public Safety:

- Fire & Medical Substation (\$5.0M)
- Fire Apparatus Replacement (\$20.0M)
- Emergency 911 Center (\$54.0M)
- Fiber Network (\$4.0M)
- Safe Streets for All (\$7.0M)

Parks & Recreation:

- Aquatic Centers (\$67.2M)
- Park Renovations (\$12.0M)
- Pickleball Courts (\$5.0M)
- Northeast Mesa Regional Trails (\$5.0M)
- Indoor Recreation Center (\$52.0M)

Cultural:

- i.d.e.a. Museum (\$20.0M)
- Sirrine House (\$5.0M)

Administrative:

- Bond Issuance (\$3.8M)

Water Resources

April 17, 2025

Presented By: Christopher Hassert, Water Resources Director
Seth Weld, Deputy Director – Water Enterprise Services

Fiscal Year 2025/26

Public Purpose

To provide the community of Mesa with reliable, safe, economical and environmentally sustainable water and wastewater services in a cost effective manner

Strategies/Objectives

01

Ensure Operational Resiliency

- Prevent loss of service
- Reduce ratio of reactive work orders
- Optimize infrastructure performance

02

Plan for Resource and Infrastructure Adequacy

- Protect groundwater stores
- Maximize efficiency and cost effectiveness
- Cultivate Ample Talent

03

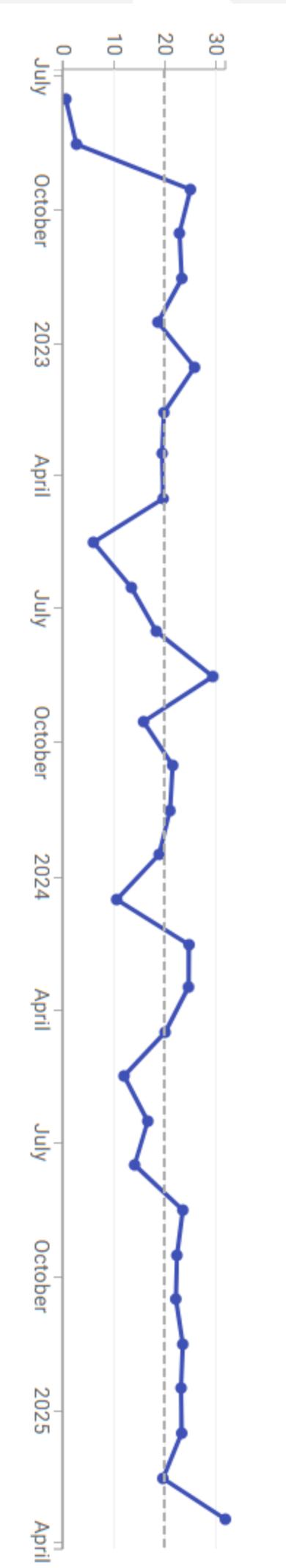
Supply High Quality Water and Reclamation

- Provide safe drinking water and wastewater services compliant with regulations

Performance Measure Miles of Sewer Lines Inspected



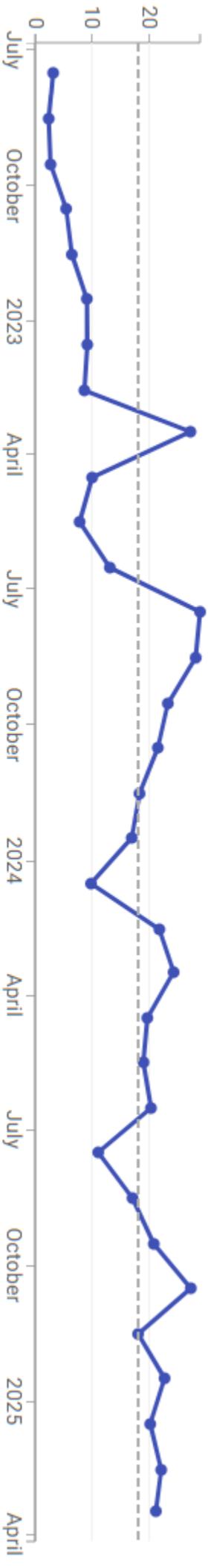
Miles of Sewer Lines Inspected



Performance Measure Miles of Sewer Lines Cleaned



Miles of Sewer Lines Cleaned



Department Financial Summary



	FY 23/24 Year End Actuals	FY 24/25 Revised Budget	FY 24/25 Year End Estimate	FY 25/26 Proposed Budget
Core Business Processes				
Water				
Water Distribution	\$34.5	\$39.8	\$39.6	\$42.5
Water Treatment	\$22.5	\$25.2	\$30.6	\$26.9
Reclaimed	\$17.5	\$20.3	\$18.2	\$20.2
Expenditures Total	\$74.5	\$85.3	\$88.4	\$89.6

Figures in millions, rounded

Department Financial Summary



Core Business Processes	FY 23/24 Year End Actuals	FY 24/25 Revised Budget	FY 24/25 Year End Estimate	FY 25/26 Proposed Budget
Wastewater				
Wastewater Collection	\$6.9	\$7.6	\$7.9	\$7.7
Wastewater Treatment	\$31.5	\$37.0	\$35.0	\$40.0
Expenditures Total	\$38.4	\$44.6	\$42.9	\$47.7

Figures in millions, rounded

25/26 Budget Reduction Summary



Fund	2% Reduction
Utility Fund	\$ 814,690
Greenfield WRP Joint Venture Fund	\$ 8,314
Total	\$ 823,004

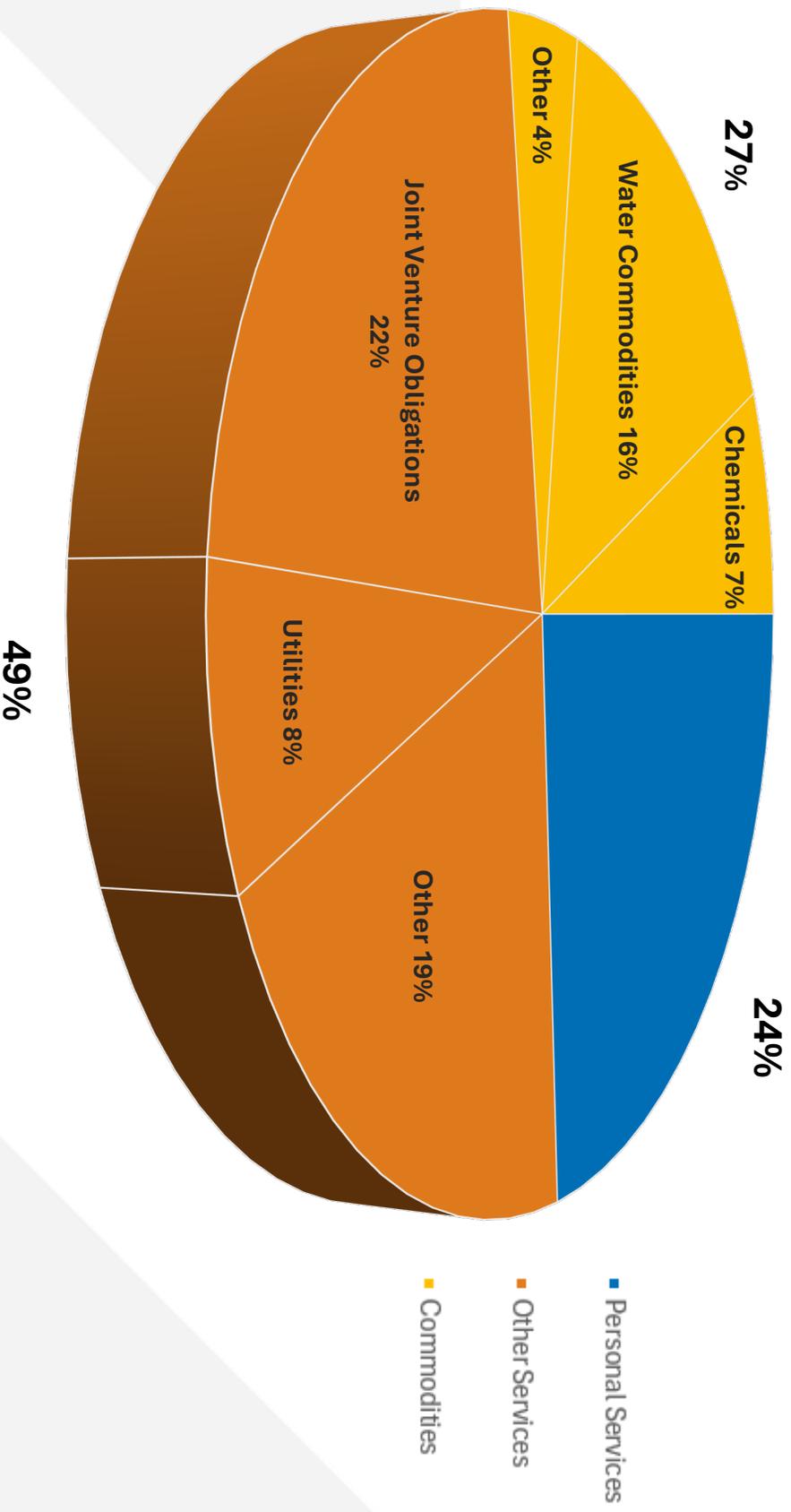
25/26 Budget Adjustment Summary



	FY24/25	FY25/26	Variance
Val Vista WTP Obligation	\$ 11,700,000	\$ 13,000,000	\$ 1,300,000
Water Chemicals	\$ 2,190,000	\$ 2,505,000	\$ 315,000
Water Electric	\$ 4,846,728	\$ 5,059,728	\$ 213,000
Water Purchases	\$ 19,744,354	\$ 19,625,028	\$ (119,326)
SROG (91st Ave WRP) Obligation	\$ 9,630,000	\$ 12,000,000	\$ 2,370,000
Wastewater Chemicals	\$ 6,610,014	\$ 7,147,348	\$ 537,334
Wastewater Electric	\$ 4,256,177	\$ 5,021,491	\$ 765,314
Wastewater Biosolids Removal	\$ 916,000	\$ 961,000	\$ 45,000
Greenfield WRP - Mesa Share ⁽¹⁾	\$ 5,915,641	\$ 5,262,367	\$ (653,274)
Total	\$ 65,808,914	\$ 70,581,962	\$ 4,773,048

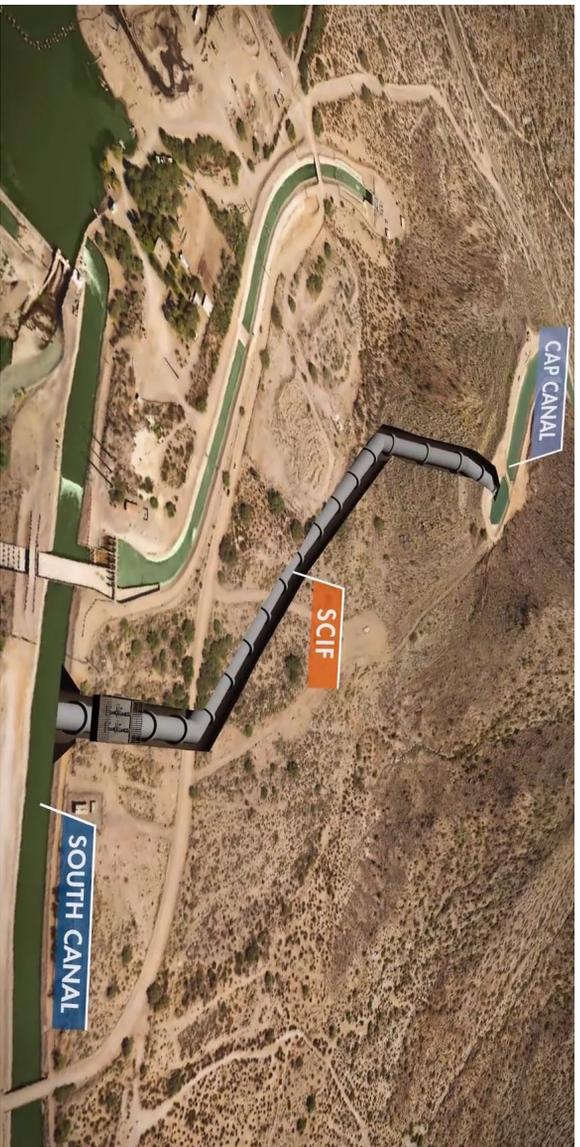
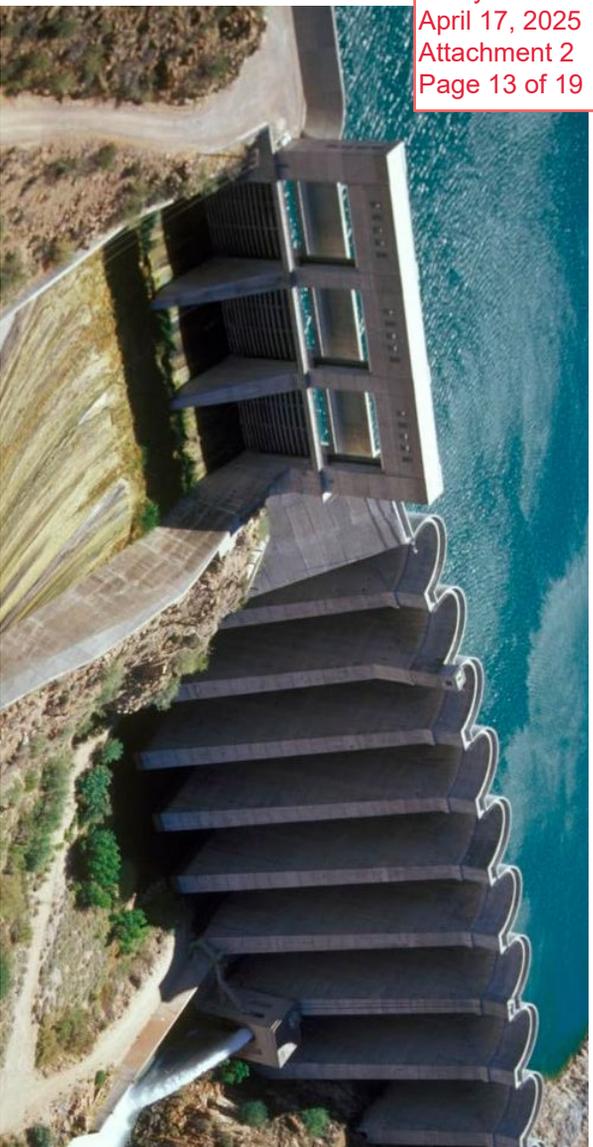
(1) Estimated GWRP Mesa Share. Actuals to be 35% of approved GWRP Joint Venture Budget

26 Utility Fund/Greenfield WRP Joint Venture Operational Funds



FY25/26

Budget Enhancements



Bartlett Dam Modification Feasibility Study

One Time Cost: \$100,000

- Multi-year study
- Mesa could receive additional water supplies created by modifying the dam
- Waters could be used anywhere in the city to meet increasing demand and reduce dependence on CAP Water

SRP/CAP Interconnect Facility (SCIF) Technical Review

One Time Cost: \$97,657

- Would allow water stored in SRP reservoirs to be transported through CAP system to water treatment plants

Joint Water Quality Study

One Time Cost: \$75,000

- Evaluation of water quality downstream from SCIF to assess potential operational cost impacts

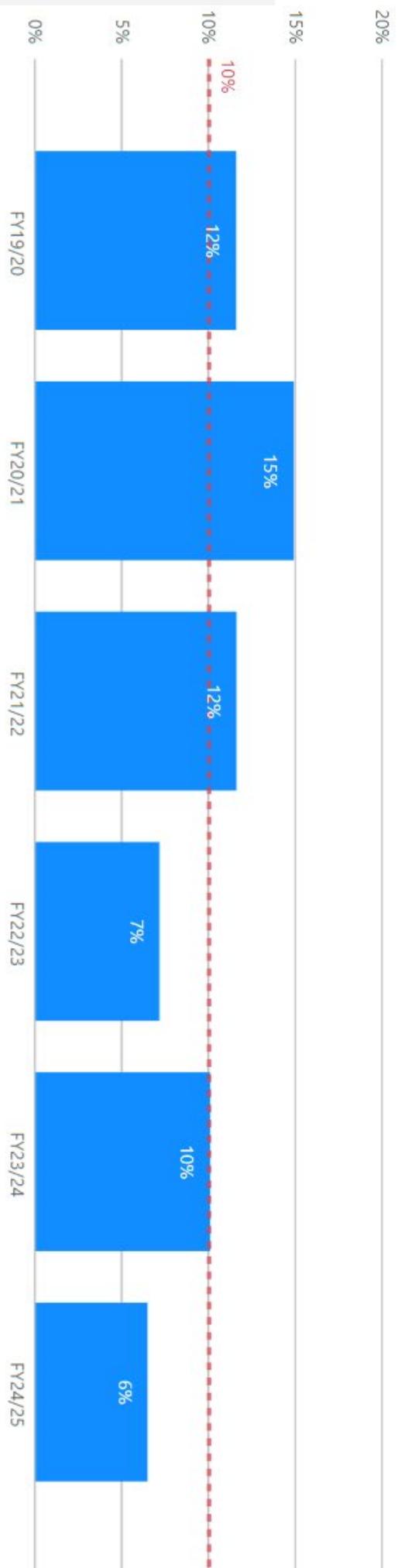
Budget Offset: These water sources are less expensive than CAP Water

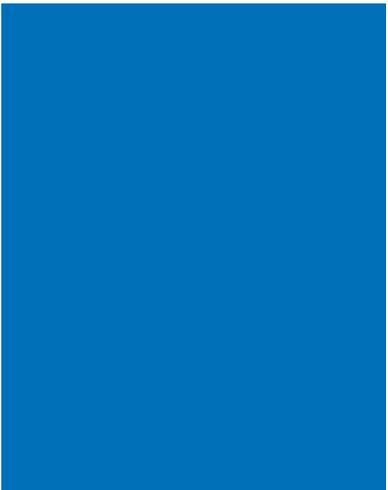
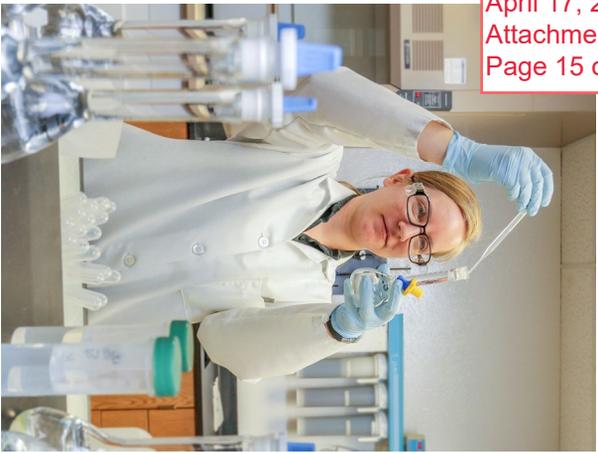
Performance Measure Groundwater Pumped



Objective: Protect Groundwater Stores for drought/emergency and maximize reclaimed water for its most beneficial use

Average Percentage as Source (Groundwater)





Lead Copper Rule (LCR) Revision Support and PFAS Analytical Services

One Time Cost: \$251,800

Support to comply with new regulations mandated by the USEPA

- 2 Temp Workers to conduct and support LCR assessments for a duration of up to 5 years
- 3rd Party analytical services to monitor 31 samples/quarter for Maximum Contaminant Levels (MCLs) for various substances including per-and polyfluoroalkyl substances (PFAS)

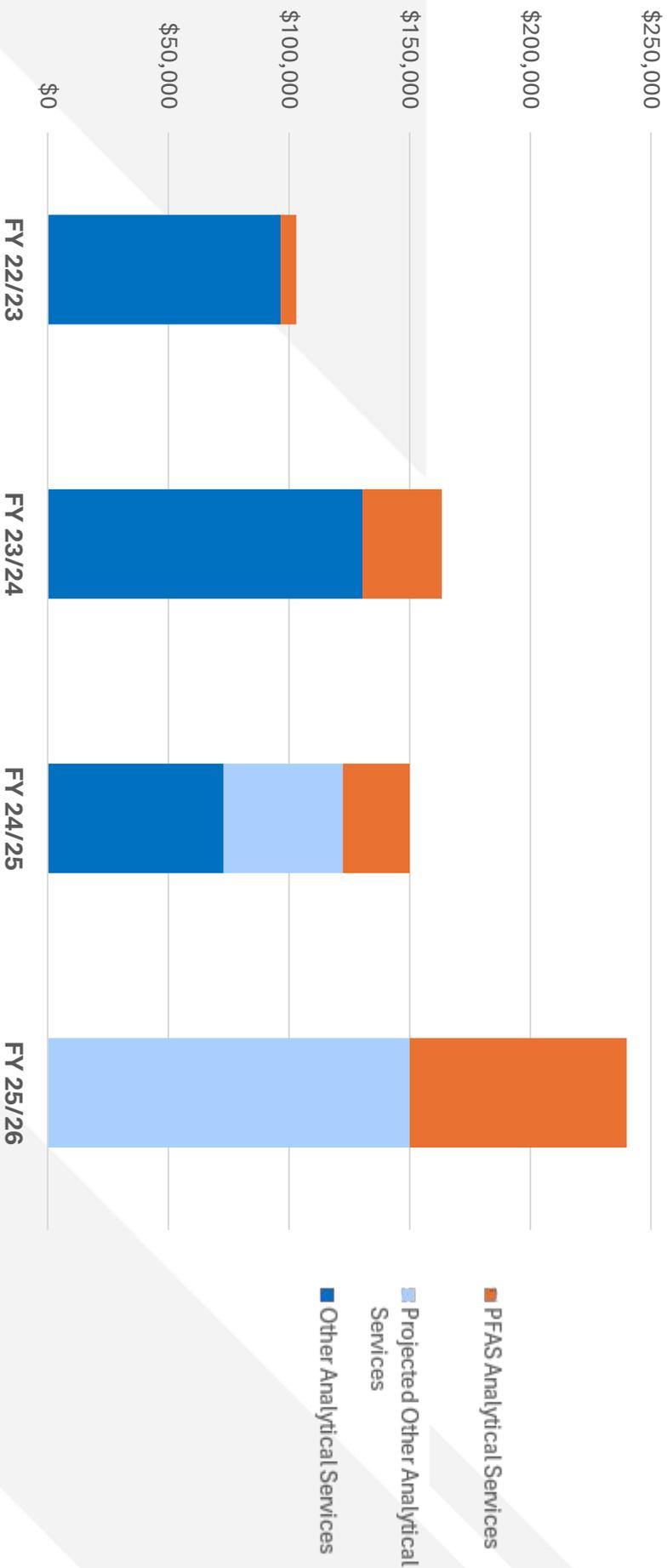
Unfunded Federal Mandate

Performance Measure Contracted Analytical Services



Objective: Provide high quality drinking water in full compliance with all regulatory requirements to protect public health

Contracted Analytical Services





Fire Hydrant Maintenance

On Going Cost: \$75,000

- Fire Hydrant Extensions

One Time Cost: \$15,000

- 1 Truck Mounted Arrow Board
- Water Distribution crews are required to maintain City of Mesa's 20,000 fire hydrants to AWWA standards and current fire code.
- 50% of Mesa's hydrants evaluated annually
- To date 492 Fire Hydrants identified by Mesa Fire as non-compliant with current fire code require hydrant extensions to maintain minimum distance from the pumper nozzle to finished grade

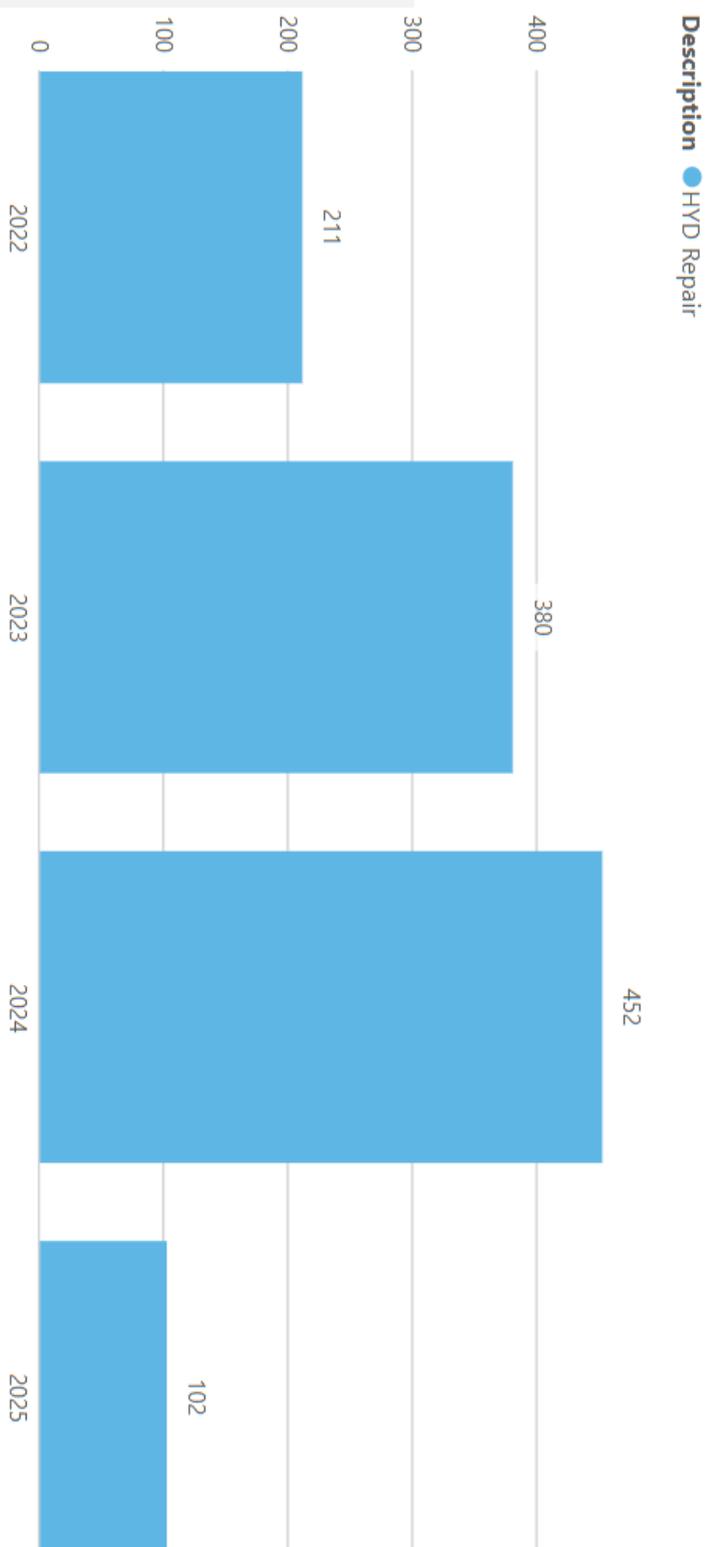
Budget Offset: Additional reductions made to Utility Fund Operations. Required to meet current City of Mesa Fire Code

Performance Measure



Objective: Prevent loss of service

Fire Hydrant Maintenance



25/26 Budget Enhancement Summary



	FTE	One-Time	Ongoing	Fund
Bartlett Dam Modification Feasibility Study	0	\$ 100,000	\$ -	MCAP Funding
SRP/CAP Interconnect Facility (SCIF) Technical Review	0	\$ 97,657	\$ -	MCAP Funding
Joint Water Quality Study	0	\$ 75,000	\$ -	Utility Fund
Lead Copper Rule (LCR) Revision Support and PFAS Analytical Services	0	\$ 251,800	\$ -	Env. Compliance Fund
Fire Hydrant Maintenance	0	\$ 15,000	\$ 75,000	Utility Fund
Total	0	\$ 539,457	\$ 75,000	

Solid Waste Department

April 17, 2025

Sheri Collins, Solid Waste Director

Joe Giudice, Deputy Solid Waste Director



Fiscal Year 2025/26

Public Purpose



***"Protect public health and the environment
by ensuring the sanitary handling of solid waste to
keep our community clean, safe, and welcoming"***



Priorities/Objectives

Long Term Materials Management

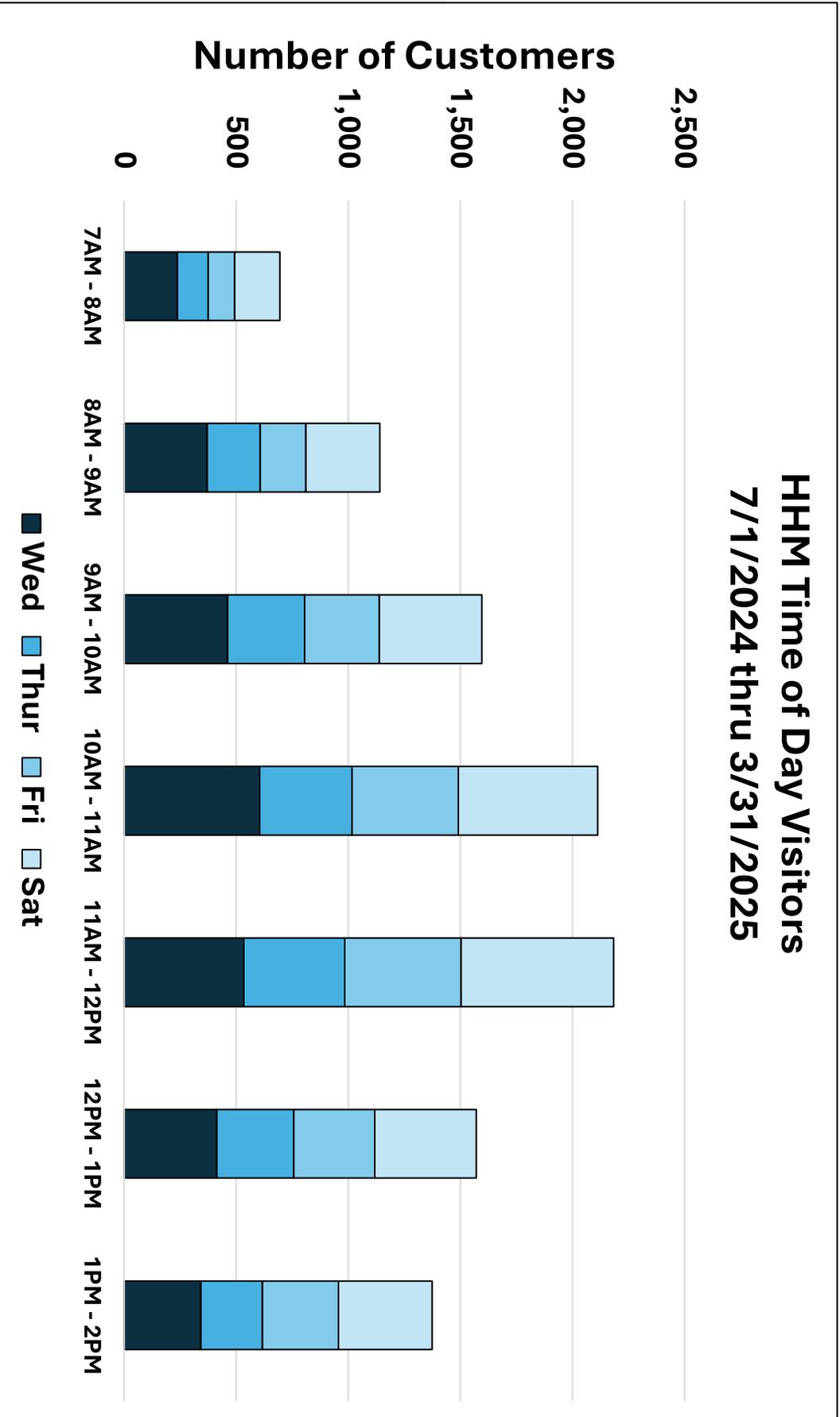
Operational Excellence

Employee Investment and Engagement

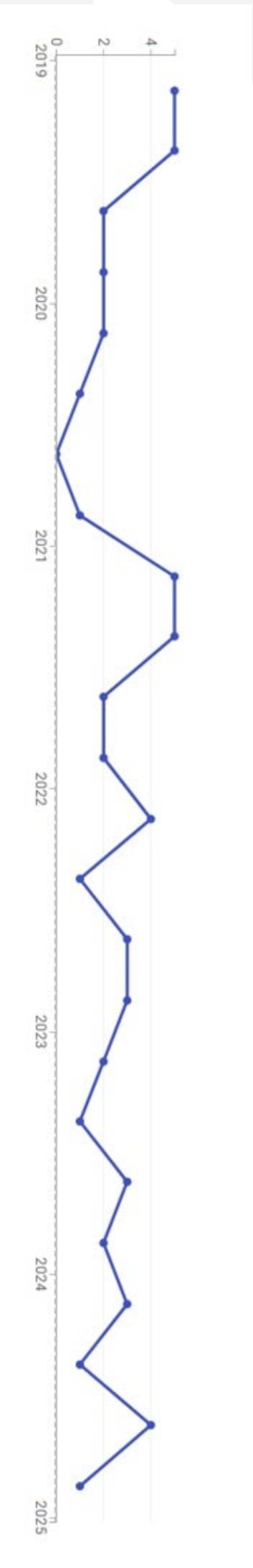
Highland Hazardous Waste Facility – Extended Hours



HHM Time of Day Visitors 7/1/2024 thru 3/31/2025



HA Recordable Work-Related Injuries



Objective: Train and Develop Frontline Employees

Department Financial Summary



	FY 23/24 Year End Actuals	FY 24/25 Revised Budget	FY 24/25 Year End Estimate	FY 25/26 Proposed Budget
Core Business Process				
Administration	\$2.7	\$2.8	\$2.8	\$2.8
Recycling Outreach	\$0.3	\$0.4	\$0.3	\$0.4
Collection Services	\$39.1	\$43.3	\$43.2	\$45.2
Household Hazardous Waste	\$0.6	\$1.5	\$1.5	\$1.8
Total	\$42.4	\$48.0	\$47.8	\$50.2

Figures in millions,
 rounded

25/26 Budget Reduction Summary



Item	Additional Revenue	Budget Reductions
Mesa Public Schools IGA – Revenue	\$168,000	
Barrel Audit – Revenue	\$150,000	
Fuel(CNG)		\$50,000
Total	\$318,000	\$50,000

Proposed Fees and Charges

Multi-Family Solid Waste Residential Development Fee

- One-time fee structured to cover additional costs incurred to service a new multi-family development. This is only for buildings with 2 to 4 units.
- Proposed fee - \$109
- Fiscal Impact Driven By Development
 - Additional \$15,000 in revenue