



Utilities Capital Improvement Program Budget FY 2023-2027

City Council Study Session
4/14/2022

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Agenda

- Discuss Five Year Utilities Capital Improvement Program (CIP)
- Review Active Utilities Projects
- Next CIP Steps

Utilities CIP Funding Sources

- Local Revenues
- Utility Revenue Obligations

Operations & Maintenance

- Reviewed throughout the CIP project lifecycle
- Budgeted to ensure City can meet the operational requirements of capital improvements

Examples:

- Plant maintenance costs for expansion of wastewater facility
- Chemical cost to treat wastewater
- Additional staff for water treatment plant expansion

A large-scale construction project for a water treatment plant reservoir. The image shows a vast, rectangular excavation pit. In the foreground, several large, dark, cylindrical pipes are stacked diagonally. The pit's walls are lined with white geomembrane. The floor is covered with a black liner, and a section of it is cordoned off with orange safety netting. The structure is supported by a network of steel beams and wooden pilings. In the distance, two workers in safety gear are visible near the far end of the pit.

**Current Year Completed Project:
Val Vista WTP Reservoir 1 Liner
Replacement**

Total Project Cost: \$4.2M

An aerial photograph of a power substation. The substation is enclosed by a concrete wall with a large metal gate. Inside, there is a large transformer with a cooling system, surrounded by various electrical components, including switchgear and busbars. The ground is covered in gravel. In the background, there is a street with parked cars and a few people walking.

**Current Year Completed Project:
Lewis East Transformer
Switchgear Replacement**

Total Project Cost: \$4.7M

Proposed Utilities Projects FY 2022-23



Water

- Signal Butte Water Treatment Plant Expansion
 - Increase water treatment capacity by 24 MGD and add an 8 MG reservoir
 - Estimated cost: \$145M total (FY22-23 \$9.7M)
- Central Mesa Reuse Pipeline
 - 10.5 miles of 36" pipeline to provide reuse water to the Gila River Indian Community
 - Maximize surface water credits to support customer demand
 - Estimated cost: \$100M total (FY22-23 \$10.1M)
- New Groundwater Wells
 - Drill 4 new wells and 5 collection lines to provide redundancy for water treatment and meet demand growth
 - Estimated cost: \$22M total (FY22-23 \$8.5M)

Proposed Utilities Projects FY 2022-23



Wastewater

- Northwest Water Reclamation Plant Process Improvements
 - Replace aging infrastructure and make efficiency improvements
 - Estimated cost: \$35M (FY22-23 \$7M)
- Southeast Water Reclamation Plant Process Improvements
 - Process improvements along with electrical and control upgrades and replacements
 - Estimated cost: \$8.2M (FY22-23 \$4M)
- Sewer Line Replacements
 - Replace aging sewer pipes throughout the system
 - Estimated costs: \$31.1M (FY22-23 \$8M)

Proposed Utilities Projects FY 2022-23



Natural Gas

- Gantzel Road Projects
 - New 12" high pressure gas main for commercial and residential growth and redundancy for Gantzel and future gate station
 - Estimated costs: \$28M total (FY22-23 \$2.3M)
- Broadway Road Improvements
 - Replacement of existing high and intermediate pressure gas mains to improve system reliability
 - Estimated costs: \$3.7M total (FY22-23 \$2.3M)
- Residential and Commercial Developments
 - Add new natural gas pipelines due to an increase in residential and commercial developments in East Mesa and the Magma District
 - Estimated costs: \$12M total (FY22-23 \$4M)

Proposed Utilities Projects FY 2022-23



Electric

- Police Department Campus Mircogrid
 - Install electric generator sets, communications, and electrical switching to generate power for the electric utility and provide power to buildings during outages. Operations will offset peak power purchases for the utility, saving supply costs for customers.
 - Estimated costs: \$9M total (FY22-23 \$7M)
- Smart Cities 69kv Looping
 - Converting the two 69kV transmission lines from an “open loop” scheme to a “closed loop” scheme for reliability and redundancy
 - Estimated costs: \$2.6M total (FY22-23 \$2.6M)
- New Electrical Services
 - Add new electrical services primarily due to the growth commercial developments in the electrical service area
 - Estimated costs: \$10.8M total (FY22-23 \$1.1M)

Next Utility CIP Steps

- April 30th – Public Notice of Proposed FY 2023-2027 Capital Improvement Program
- May 16th – Public Hearing and Council consideration of FY 2023-2027 Capital Improvement Program



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