

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATIONS**

CC: 15C  
Amend No. \_\_\_\_\_

Date prepared: April 22, 2009

Council Meeting Date: May 19, 2009

**TO:** Carl Swenson, City Manager  
**FROM:** Stephen Bontrager, Utilities Director   
**PREPARED BY:** Shawn V. Kreuzwiesner, Utilities Engineering Manager   
**SUBJECT:** Adjustments to FY2009 Utilities Capital Improvement Program

**RECOMMENDATION:**

Discussion and possible action to approve changes to the Fiscal Year 2009 Water and Wastewater Capital Improvement Program.

**SUMMARY:**

The ongoing economic slowdown has significantly reduced water and wastewater revenues and expansion fee collections. There has also been a significant decrease in growth projections for the next few years. In light of reduced growth and funding availability, the Utilities Department has evaluated each project in the adopted fiscal year 2009 Capital Improvement Program (CIP) to determine if it was:

- necessary to meet a specific Council goal,
- necessary to coordinate with other City CIP projects,
- required by a development agreement, or
- needed to correct an immediate operational concern.

Staff is recommending that projects that do not meet one or more of these criteria be deferred to future years in the CIP. Staff has also reviewed projects remaining in the fiscal year 2009 CIP to determine if project scopes could be reduced to lower costs. In some cases the projects met the identified criteria, but had cost increases. A summary of all the recommended changes to the adopted fiscal year 2009 Water and Wastewater CIP is attached. The following is a summary of the significant changes.

- **Beardsley WRF (UT00124)** – The budget is reduced by \$3,631,072 as the plant expansion was delayed due to the slowdown in growth. The project scope has been limited to only addressing equipment redundancy concerns.
- **16-inch Waterline 75<sup>th</sup> Ave / Cholla to Thunderbird (UT00143)** – The budget is reduced by \$1,619,734, and the project is being deferred in the CIP because the project does not meet an immediate operational need.

**CITY CLERK USE ONLY:**

- Consent Agenda
- Carry Over to Date: \_\_\_\_\_
- Approved
- Unfinished Business (Date heard previous: \_\_\_\_\_)
- New Business

ORD. # \_\_\_\_\_ RES. # \_\_\_\_\_  
LCON# \_\_\_\_\_ LIC. # \_\_\_\_\_  
Action Date: \_\_\_\_\_

- **West Agua Fria Water and Wastewater lines (UT00170- UT00171)** – The budgets are reduced by \$3,515,190 due to the slowdown in development activities.
- **Twin Buttes WTP (UT00172)** – The budget is reduced by \$1,779,139, and is deferred beyond the 10-year CIP due to the development slowdown.
- **16-inch waterline, Pinnacle Peak /73<sup>rd</sup> to New River (UT00198)** – The budget is reduced by \$739,584 as the project scope was decreased to only construct the portion of the waterline located east of New River required by a development agreement.
- **Butler WRF (UT00031)** – The budget was reduced by \$4,411,738 due to a carryover adjustment.
- **Hatcher Road 8-inch Waterline 75<sup>th</sup>/77<sup>th</sup> Ave (UT00098)** - The FY09 budget is reduced by \$532,778. The project's construction cost exceeded the available budget and the project will be refunded in the FY10 CIP as it is needed to correct an operational need.
- **Lake Pleasant 24" Waterline and 21"/18" Sewer Line / Dynamite to Loop 303 (UT00148 & UT00151)** - The FY09 budget for these projects is being reduced by \$1,072,215 as the design phase of the scope is being deferred to FY11 to coordinate with the roadway design.
- **Utility Billing System (UT00160)** - The budget is being reduced by \$546,752 as the project scope has been limited to only integrate the new billing system with the city-wide electronic document management system.
- **Lone Mtn Parkway 16/36-inch Waterline /LPP to El Mirage (UT00172)** - The budget is reduced by \$520,566, as the project was tied to the roadway design, which is on hold due to the slowdown in development.
- **Loop 303 Waterline Crossing (UT00249)** - The budget is being increased by \$141,112 based on new cost estimates provided by ADOT.
- **Emergency Sewer Rehabilitation Phase I (UT00167)** – The original budget needed for the emergency repairs was reduced by a project savings of \$677,300.
- **Lone Mountain Parkway 16/36- inch Waterlines/ LP- El Mirage (UT00233)** – The roadway was postponed due to the slowdown in development. Funding for the waterline has been moved to FY11 and FY12.

**FISCAL NOTE:**

The attached table highlights in detail the funding adjustments for each project.

**ATTACHMENT:**

Funding Adjustments Table

Attachment: Funding Adjustment Table

Project #	Project Description	Adopted CIP Project Budget	Revised Project Estimate	Increase/Decrease	Description of Change
UT00029	Wastewater Expansion Fee Update	\$ 91,278	\$ -	\$ (91,278)	This project has been deferred to Fiscal Year 2010.
UT00031	10 MGD Butler Wastewater Reclamation Plant	\$ 10,189,706	\$ 5,777,968	\$ (4,411,738)	Adopted budget being lowered to account for the excessive FY08 carryover estimate on the project.
UT00033	CAP Water Rights	\$ 1,521,836	\$ 1,521,836	\$ -	Funding being moved from Water System Account 543002 into Land Account 540000
UT00034	24" Waterline 79th/Greenway-Sports Complex	\$ 134,267	\$ 135,544	\$ 1,277	Funding increased to cover final project costs
UT00037	Pyramid Peak Water Treatment Plant - Phase II	\$ 153,388	\$ 155,830	\$ 2,442	Funding increased to cover final project costs
UT00070	Water Expansion Fee Update	\$ 95,000	\$ -	\$ (95,000)	This project has been deferred to Fiscal Year 2010.
UT00098	Hatcher Rd - 8-inch Waterline 75th/77th Ave	\$ 532,778	\$ -	\$ (532,778)	This project has been deferred to Fiscal Year 2010, as the cost had increased above the available funds. The project is needed to address an operational issue.
UT00103	24" Sewer - D. Valley Rd./Lake Pleasant Rd to 91st Ave.	\$ 186,260	\$ 188,122	\$ 1,862	Funding increased to cover final project costs
UT00107	99th Ave. Wastewater Interceptor Upgrades	\$ 78,087	\$ 78,867	\$ 780	Funding increased to cover arts costs funding.
UT00116	Lift Station Reconditioning	\$ 590,835	\$ 596,405	\$ 5,570	Funding increased to cover arts costs funding.
UT00117	Wells - New Construction	\$ 1,151,728	\$ -	\$ (1,151,728)	This project has been submitted for ARRA funding. This project has been reprogrammed as project UT00288 to facilitate accounting for this funding.
UT00124	Beardsley WRF Plant Phase III	\$ 6,131,072	\$ 2,500,000	\$ (3,631,072)	The total project cost is being reduced as the plant expansion was delayed due to slowdown in growth. The project scope is being reduced to address equipment redundancy issues, and the total project cost has been reduced to \$4.5 million with \$2 million planned for fiscal year 2010.
UT00130	Cotton Crossing Rd. Pressure Reducing Valve	\$ 324,256	\$ 276,943	\$ (47,313)	The scope of this project has been reduced as the Supervisory Control and Data Accumulation (SCADA) elements were eliminated.
UT00136	Zone 2/3 Booster Station	\$ 106,056	\$ 105,000	\$ (1,056)	Project cost lowered to account for final land cost
UT00143	16" Waterline 75 Ave/Thunderbird-Cholla	\$ 1,629,791	\$ 10,057	\$ (1,619,734)	This project has been deferred beyond the ten-year CIP as it currently does not appear to be required to meet an immediate operational need.
UT00144	30" Waterline Lkplant/Deer Valley-Rose Garden	\$ 487,348	\$ 487,782	\$ 434	Funding increased to cover final project costs
UT00148	Lake Plant Pkwy 24" Waterline / Dynamite to Loop 303	\$ 679,750	\$ 33,000	\$ (646,750)	The fiscal year 2009 project scope was reduced to cover completion of the design concept report only. Completion of the final project design was originally scheduled to occur in FY09 and this has been moved out to FY11 to coordinate with the roadway design.
UT00149	New River/Agua Fria USP	\$ 300,000	\$ 300,000	\$ -	
UT00151	21"/18" Sewer Line- LPP/Dynamite to Loop 303	\$ 455,465	\$ 30,000	\$ (425,465)	The fiscal year 2009 project scope was reduced to cover completion of the design concept report only. Completion of the final project design was originally scheduled to occur in FY09 and this has been moved out to FY11 to coordinate with the roadway design.
UT00160	Utility Billing System	\$ 646,752	\$ 100,000	\$ (546,752)	Funding was reduced to cover final project costs to integrate new billing system with the electronic document management system (EDMS)
UT00161	Tolleson WRD Sludge Basin Cleanup	\$ 413,174	\$ -	\$ (413,174)	Peoria is no longer funding projects at the Tolleson Wastewater Treatment Plant because Peoria wastewater is no longer treated at this plant.
UT00163	Tolleson WRF De-Chlorination Facilities	\$ 648,162	\$ -	\$ (648,162)	Peoria is no longer funding projects at the Tolleson Wastewater Treatment Plant because Peoria wastewater is no longer treated at this plant.

### Attachment: Funding Adjustment Table

Project #	Project Description	Adopted CIP Project Budget	Revised Project Estimate	Increase/ (Decrease)	Description of Change
UT00167	Emergency Sewer Rehab. Ph1 - Northern/91st Ave.	\$ 1,880,735	\$ 1,203,435	\$ (677,300)	All of the fiscal year 2010 project funding was moved into fiscal year 2009 to address emergency repairs. There were savings for this project because only \$1.2 million was needed for the repairs.
UT00170	West Agua Fria Water Lines	\$ 3,297,440	\$ 756,736	\$ (2,540,704)	Project scope reduced due to slowdown in Vistancia's construction activities. The new project estimate was provided by Vistancia.
UT00171	West Agua Fria Wastewater Lines	\$ 2,284,733	\$ 548,682	\$ (1,736,051)	Project scope reduced due to slowdown in Vistancia's construction activities. The new project estimate was provided by Vistancia.
UT00172	Twin Buttes 5 MGD WTP	\$ 1,779,139	\$ -	\$ (1,779,139)	The fiscal year 2009 budget was to fund the start of the design of the Twin Buttes Water Treatment Plant (WTP). As a result of slowed development, construction of the Twin Buttes WTP has been deferred beyond the ten-year CIP.
UT00173	Jomax Wastewater Reclamation Plant Expansion	\$ 226,025	\$ 327,322	\$ 101,297	Project cost increased to cover final construction and engineers costs
UT00178	16-inch Waterline - 75th Ave/Cholla - Olive Ave	\$ 143,904	\$ -	\$ (143,904)	This project is completed and there were cost savings on the project.
UT00191	Miscellaneous Local Waterline Improvements	\$ 260,221	\$ -	\$ (260,221)	Projects were not defined for fiscal year 2009; unused funds have been reprogrammed for future projects in the ten-year CIP.
UT00196	Beardsley WRF - Monitor Wells and Miscellaneous Upgrades	\$ 263,348	\$ 265,482	\$ 2,134	Funding increased to cover final project costs
UT00198	16" Waterline - Pinnacle Peak/73rd to New River	\$ 1,189,584	\$ 367,616	\$ (821,968)	Because cost to construct this project was nearly \$1 million greater than the project budget, the scope of this project was reduced to construct the portion of the waterline east of New River required by a development agreement.
UT00199	16" Waterline - Happy Valley/Lake Pleasant Blvd - Terramar	\$ 3,202,363	\$ 3,215,000	\$ 12,637	Funding increased to cover final project costs
UT00203	Miscellaneous Waterline Upgrades	\$ 250,523	\$ 252,200	\$ 1,677	Funding increased to cover final project costs
UT00204	In-fill Fire Hydrants	\$ 50,000	\$ 50,500	\$ 500	Funding increased to cover arts funding
UT00205	Regional GAC Regeneration Project	\$ 108,413	\$ -	\$ (108,413)	This project has been canceled because other agencies participating in this regional project are unable to contribute funding at this time.
UT00206	Well and Reservoir Reconditioning	\$ 1,653,662	\$ 1,443,346	\$ (210,316)	The scope of this project has been reduced because the Stone well site (UT00289) has been split out as a potential American Recovery and Reinvestment Act (ARRA) project.
UT00214	77th Ave and Jomax Sewer Interceptor	\$ 466,100	\$ 60,000	\$ (406,100)	The estimate for this project has been reduced as only \$60,000 is needed to reimburse Sonoran Mountain Ranch per the terms of their development agreement with the City.
UT00215	Data Network for Remote Utility Facilities	\$ 751,150	\$ 737,180	\$ (13,970)	Funding decreased to cover final project costs in FY09.
UT00232	Strategic Business/Technology Master Plan	\$ 138,108	\$ 138,018	\$ (90)	Funding decreased to cover final project.
UT00233	Lone Mtn Pkwy - 16/36-inch Water/Lk Pleasant-El Mirage	\$ 520,566	\$ -	\$ (520,566)	This project is for the design and construction of a waterline coordinated with Lone Mountain Parkway. Because the roadway project is not proceeding as scheduled due to development, this project has been postponed to FY11 & FY12.
UT00245	Agua Fria West Booster/PRV - Phase 1	\$ 716,871	\$ 200,000	\$ (516,871)	This design and land acquisition project is coordinated with the Lone Mountain Parkway waterline project. The waterline and design has been postponed; funding is available in FY14. Land has been acquired to take advantage of favorable market conditions.
UT00248	Butler Re-Charge Wells	\$ 247,500	\$ 250,000	\$ 2,500	Project costs increased to cover arts funding
UT00249	Loop 303 Water Line Crossings	\$ 2,798,559	\$ 2,939,671	\$ 141,112	The estimate for this project was increased based new cost estimates from the Arizona Department of Transportation (ADOT).
UT00254	Loop 303 Wastewater Line Crossings	\$ 1,327,861	\$ 1,206,589	\$ (121,272)	The estimate for this project was decreased based new cost estimates from ADOT.

### Attachment: Funding Adjustment Table

Project #	Project Description	Adopted CIP Project Budget	Revised Project Estimate	Increase/ (Decrease)	Description of Change
UT00255	Greenway WTP System mods. & chem. Tanks	\$ 511,512	\$ 516,627	\$ 5,115	Funding increased to cover final project costs
UT00257	Security Master Plan (split w/Water)	\$ 150,000	\$ 75,000	\$ (75,000)	This project was to completed with a city-wide security master plan. Because that study has been canceled, the scope of this project was reduced to completion of a vulnerability assessment of the wastewater system.
UT00258	Jomax WRF Temporary Operations Bldg.	\$ 297,000	\$ -	\$ (297,000)	This project has been canceled as a cost-saving measure.
UT00260	Edwards Tract Waterline Improvement	\$ 347,711	\$ -	\$ (347,711)	This project was to have been constructed with a street improvement project. This project scope has been expanded to include pavement restoration and the project has been rescheduled in the fiscal year 2010 CIP.
UT00261	PRV Station Upgrade Cactus and 91st	\$ 24,335	\$ -	\$ (24,335)	This project scope was tied to an intersection improvement project. As the intersection improvement project was not funded in fiscal year 2009, the PRV station upgrades has been canceled.
UT00265	Solar Power Pilot @ Beardsley - ARRA	\$ 400,000	\$ -	\$ (400,000)	The project is on hold pending the revised estimate reflects updated engineer's estimates. This project has been submitted for ARRA funding.
UT00277	Happy Valley Rd 8" Sewer Line/ 92nd to 97th	\$ 1,183,510	\$ 595,000	\$ (588,510)	The is City only funding \$595,000 of this sewer construction; a developer is funding the remaining \$588,510.
<b>TOTAL - Adopted FY2009 CIP</b>		<b>\$ 53,017,862</b>	<b>\$ 27,445,758</b>	<b>\$ (25,572,104)</b>	