

# *Capital Improvements*

## **CAPITAL IMPROVEMENTS BUDGET POLICY**

For capital budgeting purposes, the Utility staff uses a strategic weighting scale to determine priorities for each of the scheduled projects. Criteria used to prioritize capital projects include regulatory requirements; aging and condition; overloaded or overtaxed infrastructure; environmental impacts; reliability; drought, customer service; other agency driven projects (street and highway construction); growth and new development; new water supplies, financial impacts; and operational efficiency. The Utility defines a capital expenditure as an asset with an individual cost of \$5,000 or more and an estimated useful life in excess of one year.

Due to state procurement laws and the nature of capital improvement expenditures, it generally takes more than one fiscal year to completely spend one year's appropriations. By law, EPWU cannot award a project unless it is fully funded. However, many large projects have multiple year and/or multiple phase construction periods. El Paso Water Utilities uses several benchmarks of efficiency to ensure capital budget integrity. These include timely completion clauses, aggressive efforts to minimize change orders, and tracking the progress of the overall **capital improvement plan (CIP)**. On an annual basis, staff members from Engineering, Planning, Operations, and Finance update the CIP. The final CIP document stretches from a mid-year update out to a ten year planning horizon. It incorporates all known or likely to occur variables based on growth, maintenance of the current system, and addresses issues including new and/or probable regulatory requirements or political directives.

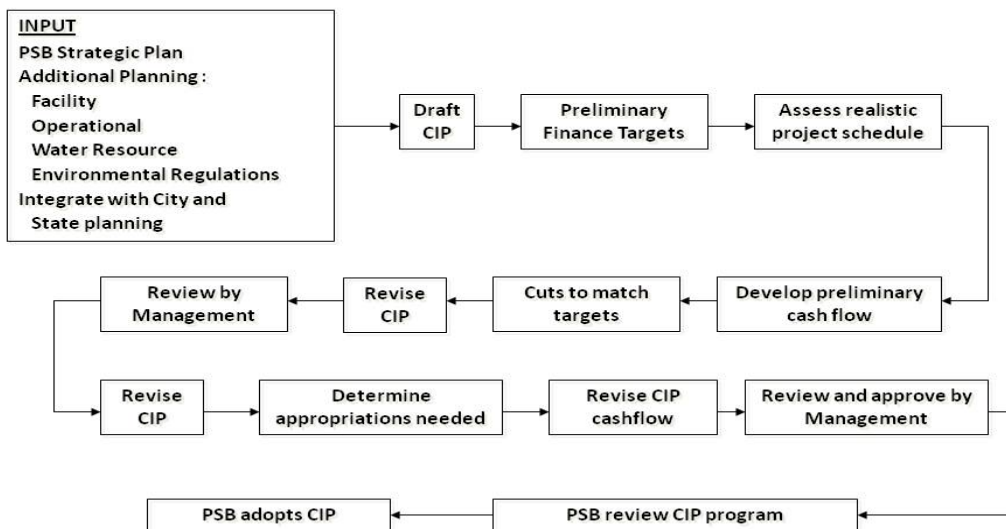
The following is a typical schedule for the development of a CIP budget:

- ❑ March 1 – fiscal year begins
- ❑ April to May – strategic planning updates to the 10 year capital plan
- ❑ August – Project managers gather information for 1<sup>st</sup> draft CIP budget
- ❑ September – draft CIP budget reviewed by Management and Finance
- ❑ October – revisions made to draft and presented to President/CEO

- ❑ November – Management approves capital budget and Finance assigns necessary funding
- ❑ November to December – budget workshops to review the operating and capital budget requests with the Public Service Board and the public can comment
- ❑ December – PSB approves and adopts the final combined operating and capital budget for the fiscal year beginning next March 1

This simplified flowchart graphically represents the entire capital budgeting process. In addition, operating costs related to new infrastructure is incorporated in the financial plan. There are numerous opportunities for staff updates, public input, and revisions, so this chart is a representative snapshot of a truly dynamic process.

## Annual Capital Improvement Program



## BUDGET TRENDS IN FY 2010 – 2011

While the bulk of capital improvement efforts are geared towards serving the growth of the city, including water resource development, the Utility still pays diligent attention to replacement and rehabilitation of the total system. Phased improvements to reservoirs, pump stations, lift stations, treatment plants, and distribution and collection lines are a critical part of the capital improvement program. This allows the Utility to boast over a 99.99% reliability rating and shows why the TCEQ again rated the Utility a “Superior Water System.” Of the approximately \$50 million invested in plant and system improvements and additions in FY 2010-2011, the Utility spent \$3 million for new

distribution water lines and pumping equipment, and \$7 million in rehabilitation of existing water infrastructure. On the wastewater side, the Utility spent \$12 million in new collection systems and pumping facilities, and \$16 million in rehabilitation of existing wastewater infrastructure. Finally, the Utility's geographic information system continues to expand and allow staff to take advantage of cutting edge tools in addressing Utility issues and priorities.

### **FY 2011 – 2012: MEETING FUTURE DEMANDS**

Because some capital projects were delayed in FY 2010-11, almost half of the capital projects for FY 2011-12 are already funded through prior years' appropriations. Out of the \$88.0 million capital budget, \$43.6 million is from new appropriations. The capital budget continues to address water supply issues, continued population growth and water demand, rehabilitation of water and wastewater infrastructure, and new water, wastewater and reclaimed water facilities to meet demand:

- To meet the demands of growth both inside and outside the city, several projects are included in the FY 2011-12 capital budget. One of these is the Eastside PSA project in the East, which was started in FY 2008-09, and includes a series of elevated reservoirs and distribution lines. The continued expansion of the eastside interceptor system and the installation of an interceptor on the westside are also included in this year's budget.
- The continuation of the installation of a new 48" water line that replaces a deteriorated 36" water line in the central and west parts of town. Besides the needed replacement of this very old line, it will allow the movement of water from Central to West and West to Central, thus providing additional reliability to the system. The total cost of this four year project is \$30 million, of which \$6 million will be spent in FY 2011-12.
- The Utility did include \$8 million for a solar project to provide renewable energy and reduce the carbon footprint at the desalination plant. However, a triple bottom line analysis will be performed to determine whether or not to proceed with this project.
- The Utility will also spend \$2.8 million for the design and construction of digester-gas scrubber and cogeneration plant that will greatly reduce air pollutants and produce electricity.

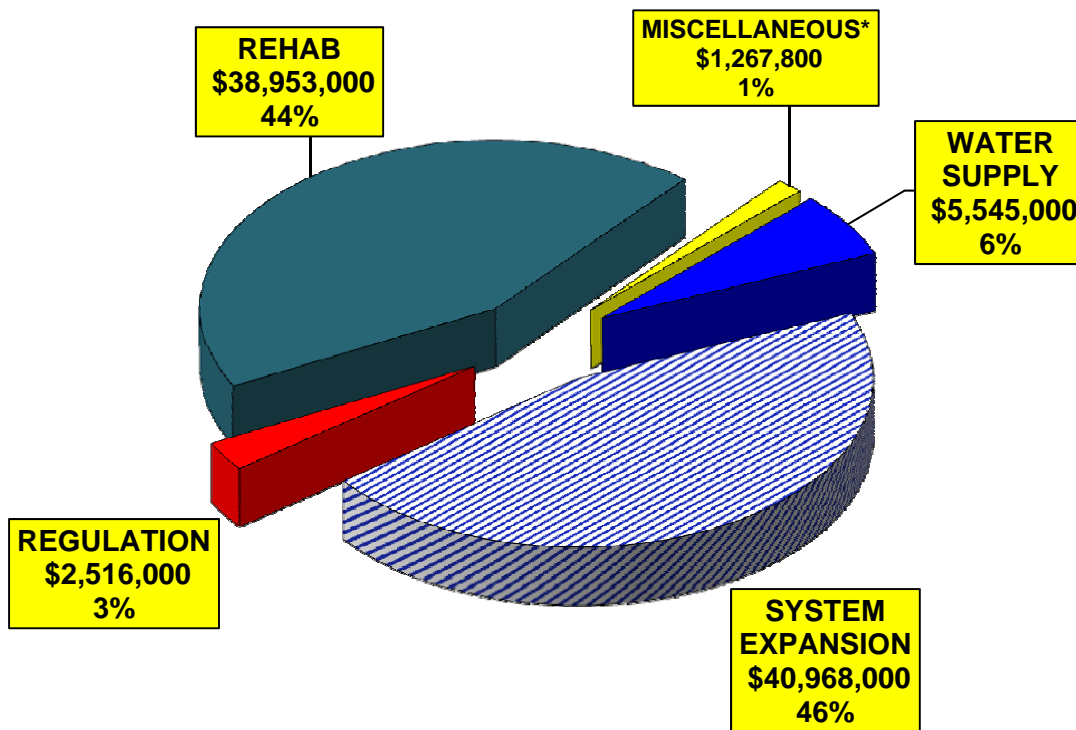
- The expansion of the North Central reclaimed water system will continue into FY 2011-12. \$1.8 million will be spent this year on these extensions, which are partially grant funded, and will serve existing and new schools, and parks.
- The Utility maintains the level of system rehabilitation and replacement, and compliance with existing and new federal and state regulatory mandates.

Other projects that make up the capital budget include planning, design, and construction phase work in all parts of town. Critical construction projects will begin or continue on the West Side while crucial planning, design and construction for East Side projects will go forward. Line replacement and rehabilitation will continue at a high level, with the most critical lines identified and repaired on a prioritized basis. The Utility continues to work in close conjunction with the City of El Paso and the Texas Department of Transportation in major street renovation and highway projects. As El Paso continues to assert its role as the most important city on the U.S.-Mexico border, more joint efforts with the Texas Department of Transportation, Texas Water Development Board, City of El Paso, and other governmental agencies will increase. Many of these projects are associated with state highways and associated rights-of-way, as El Paso remains a major thoroughfare into the 21st century.

# FY 2011-2012

## Capital Budget Summary

Combined Water + Wastewater +Miscellaneous  
Projected Expenditures\*

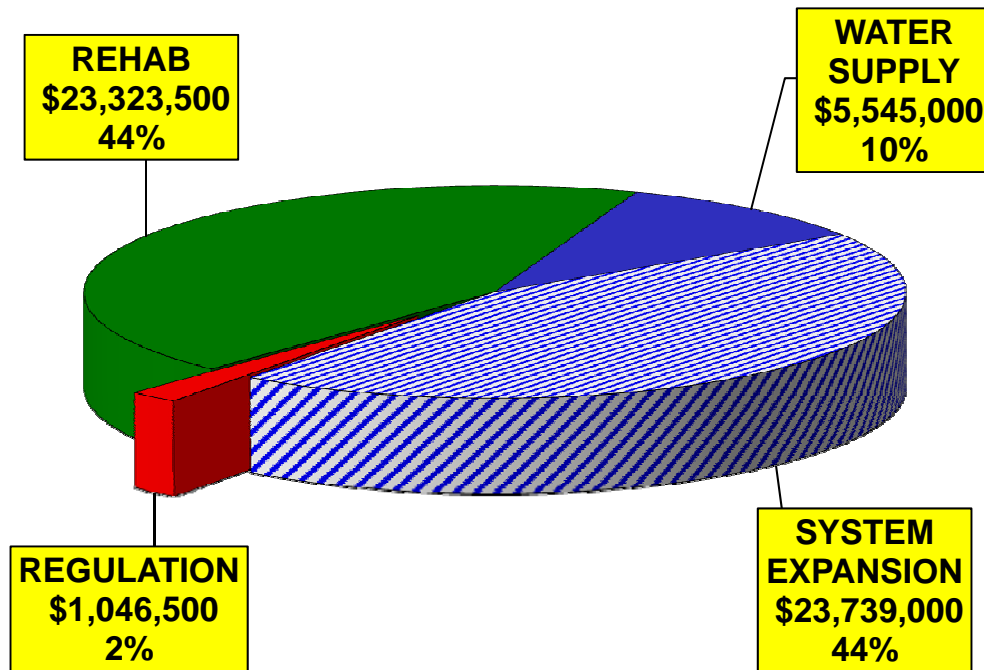


**Total Capital Budget**  
**\$89,249,800**

\*Miscellaneous amount from light office and vehicle sheets.

# FY 2011-2012 Capital Budget Summary

Projected Water Expenditures



**Total Water Capital Budget**  
**\$53,654,000**

**Public Service Board  
Capital Improvement Program  
Funding for Fiscal Year 2011-2012**

**WATER SYSTEM IMPROVEMENT**

Item #	Project	FY 2011-2012 Funding Request	FY 2011-2012 Projected Expenditures	PROPOSED FUNDING SOURCES FOR NEW MONEY PROJECTS								
				IMP	WSRC/IMP	ANX/FEES IMP	CP	IMPACT FEE	GRANT	BONDS	CIA	
<b>WATER SUPPLY FACILITIES</b>												
1102	Well Construction, Plugging & Test Holes	4,000,000	4,000,000				4,000,000					
1109	JDF Injection Wells	200,000	200,000	200,000								
1401	Water Rights, Including Land		1,015,000									
1402	Water Resources Plans	100,000	100,000	100,000								
1405	Watershed Management	80,000	80,000						80,000			
1406	Membrane Pilot-Winter Flows	150,000	150,000	150,000								
<b>DISTRIBUTION PUMPING EQUIPMENT</b>												
3002	Artcraft #1 NW-WFMP I.F.		405,000									
3028	Vista Del Sol 9 MGD Pump Station		1,620,000									
<b>DISTRIBUTION LINES</b>												
4049	Borderland 16"/24" Doniphan, Strahan, La Union I.F.	3,060,000	3,060,000	200,000			2,860,000					
4050 A	Eastside Planned Service Area (Paseo) I.F.		3,150,000									
4067	Ponderosa/Western Village (Grant)	225,000	225,000	225,000								
4068	Mayfair/Other External Services (Grant)	450,000	450,000						450,000			
4074	Schuman Estates (Grant)		225,000									
4075	Turf (Grant)	630,000	630,000						630,000			
4076	Loop 375-VDS PS to Montwood 24"	360,000	360,000	50,000			310,000					
4077	NE Franklin 24" Distribution Line I.F.	300,000	450,000					300,000				
4078	Resler, N of TransMountain 24"	1,760,000	2,160,000	200,000			1,560,000					
<b>REHABILITATION</b>												
5101	Meter Replacement	500,000	500,000	500,000								
5102	Primary Metering of Wells/PS		30,000									
5202	CD/Bond Paving Projects	2,240,000	2,340,000	2,240,000								
5212	Planned Pipeline Replacement	2,688,000	2,808,000	2,688,000								
5220	Spur 276, Doniphan to I-10 (TxDOT)	900,000	900,000	900,000								
5245	Paisano Valley 48" Trans Rplcm (DSM)		5,940,000									
5250	Central Business District Ph IV	450,000	450,000	450,000								
5257	Alameda Ph II Boone to Glenwood (TxDOT)	900,000	900,000	900,000								
5270	Zaragoza Road @ I-10/LP375 (TxDOT)	900,000	900,000	900,000								
5279	City-Wide Large Diam. Water Line Replacement (60"-24")	900,000	900,000				900,000					
5280	Mesa St., Resler-Alto Mesa (24")		2,250,000									
5281	North Desert (24")	792,000	792,000				792,000					
5282	Cathodic Protection Monitoring	180,000	180,000	180,000								
5301	Well Rehabilitation Operations		675,000									
5406	Reservoir Rehabilitation	293,000	293,000	293,000								
5510	Small Plant Upgrades	761,000	761,000	761,000								
5511	Plant Emergency & Small Upgrades	225,000	225,000	225,000								
5512	Disinfect. Byproduct Rule/Surface Water Rule Compl	900,000	900,000				900,000					
5313	Activated Carbon	1,289,000	1,289,000	1,289,000								
5636	Various Valves Replacement		90,000									
<b>NEW CUSTOMERS</b>												
6100	Meters	350,000	350,000									350,000
6200	Fire Hydrants	350,000	350,000	175,000								175,000
6300	Supplement for Oversize Lines	100,000	100,000	100,000								
6400	Supplement for Individual Payments	100,000	100,000	100,000								
6500	Extension from Contribution Payments	50,000	50,000									50,000
6600	Taps Paid from Contribution Payments	45,000	45,000									45,000
<b>SUPPORT FACILITIES</b>												
7001	Central Lab		91,000									
7002	Process Automation/SCADA		254,000									
<b>OTHER MAJOR CAPITAL PROJECTS</b>												
8011	M.I.S. Systems	919,000	919,000	919,000								
8012	Rehab of PSB Properties	820,000	820,000	820,000								
8013	Regulatory Engine Updates	100,000	200,000	100,000								
8018	Security Upgrades-Water Facilities		45,000									
8023	Economic Dispatch System	750,000	900,000	750,000								
8024	KBH Solar Panels	8,000,000	8,000,000								8,000,000	
8025	Radio Equipment		27,000									
<b>TOTAL WATER</b>				<b>15,415,000</b>	<b>0</b>	<b>0</b>	<b>11,322,000</b>	<b>300,000</b>	<b>1,160,000</b>	<b>8,000,000</b>	<b>620,000</b>	

**El Paso Water Utilities/Fiscal Year 2011-2012 Annual Budget**  
**APPROVED WATER PROJECTS**

**PROGRAM: Well Construction, Plugging & Test Holes**

CIP #1102

PROGRAM CATEGORY      Supply Wells

PROJECT      Construct and develop seven (7) water supply wells in the El Paso service area. Wells will be completed in the Lower Valley, Hueco Bolson and in the Canutillo Well field. Completion depth of the wells will vary from 600 to 1000 feet depending on their location. Wells are expected to produce 600 to 1500 gpm, depending on location. Complete five to seven test holes in the El Paso service area. The hydrogeologic data collected from these test holes will be used as the basis of design for future water supply wells in the El Paso service area.

Total Funding Request	\$4,000,000
Funding Sources	CP 4,000,000
FY 2011-12 Projected Expenditures	\$4000,000 (Construction)
Total Project Cost	\$30,000,000
Impact on Operating Budget	Negligible < \$5,000

**PROGRAM: JDF Injection Wells**

CIP #1109

PROGRAM CATEGORY      Water Supply

PROJECT      Construction of facilities to provide commercial electric power for JDF Surface Injection Facilities. Design and construction of electric power line extension from the McGregor Range Camp to the JDF Surface Injection Facilities (injection wells).

Total Funding Request	\$200,000
Funding Sources	IMP \$200,000
FY 2011-12 Projected Expenditures	\$200,000 (Construction)
Total Project Cost	\$200,0000
Impact on Operating Budget	Negligible < \$5,000

**PROGRAM: Borderland 16"/24" Doniphan, Strahan, La Union I.F.**

CIP #4049

PROGRAM CATEGORY      Water Transmission

PROJECT      Borderland 16"/24" Doniphan, Strahan, La Union I.F. – Part of the Northwest System Upgrade to meet future growth on the Westside. The project will construct a 24-inch transmission main paralleling existing Doniphan system from Canutillo Buter Station and Reservoirs down south to Lindbergh Reservoir and pump Station.

Total Funding Request	\$3,060,000
Funding Sources	CP 2,860,000    IMP \$200,000
FY 2011-12 Projected Expenditures	\$3,060,000 (Construction)
Total Project Cost	\$30,060,000
Impact on Operating Budget	Negligible < \$5,000

**El Paso Water Utilities/Fiscal Year 2011-2012 Annual Budget**  
**APPROVED WATER PROJECTS**

**PROGRAM: Ponderosa/Western Village (Grant)**

CIP #4067

PROGRAM CATEGORY      Distribution

PROJECT      Completing the Project now for EPWU to formally take over the system. Plan is to check for leaks in pipeline along La Junta Street and replace the line if necessary. Also need to plug and seal the two old wells last operated by the original Ponderosa Western Village Water Supply Corporation (PWVWSC). Replacement of the original system's infrastructure was performed in three phases using funds from TX Dept. of Rural Affairs, EPWU, revenues from PWVWSC, and El Paso County.

Total Funding Request	\$225,000
Funding Sources	IMP \$225,000
FY 2011-12 Projected Expenditures	\$225,000 (Construction)
Total Project Cost	\$225,000
Impact on Operating Budget	Negligible < \$5,000

**PROGRAM: Mayfair/Other External Services (Grant)**

CIP #4068

PROGRAM CATEGORY      Distribution

PROJECT      Construct additional service mains and distribution lines to provide water to this unincorporated community now served by a combination of individual, residential wells and a private well system. Funds were approved for design and construction by the U.S. Department of Agriculture (USDA), Rural Development Division, under application by El Paso County, with EPWU as Program Manager. EPWU worked with Congressman Reyes' office and El Paso County to apply for and obtain approx. \$2.3 million dollars in USDA grant and loan funds for engineering design, specifications, and construction. Brown & Caldwell is near design completion for bidding.

Total Funding Request	\$450,000
Funding Sources	IMP \$450,000
FY 2011-12 Projected Expenditures	\$450,000 (Construction)
Total Project Cost	\$450,000
Impact on Operating Budget	Negligible < \$5,000

**El Paso Water Utilities/Fiscal Year 2011-2012 Annual Budget**  
**APPROVED WATER PROJECTS**

**PROGRAM: Turf (Grant)**

CIP #4075

PROGRAM CATEGORY      Distribution

PROJECT      Replacement of 5,500 feet of undersized and inadequate water line along Turf Rd. in Turf Estates with new 12 to 16 inch diameter pipeline with fire hydrants to serve approximately 200 residences.

Total Funding Request	\$630,000
Funding Sources	<i>Grant \$630,000</i>
FY 2011-12 Projected Expenditures	\$630,000 (Construction)
Total Project Cost	\$630,000
Impact on Operating Budget	Negligible < \$5,000

**PROGRAM: Loop 375-VDS PS to Montwood 24"**

CIP #4076

PROGRAM CATEGORY      Distribution

PROJECT      The Vista Del Sol PS to Montwood Transmission Main will convey water to annex area east of Loop 375.

Total Funding Request	\$360,000
Funding Sources	<i>CP \$310,000    IMP \$50,000</i>
FY 2011-12 Projected Expenditures	\$360,000 (Construction)
Total Project Cost	\$360,000
Impact on Operating Budget	Negligible < \$5,000

**PROGRAM: NE Franklin 24" Distribution Line I.F.**

CIP #4077

PROGRAM CATEGORY      Distribution

PROJECT      A network of water distribution to be constructed to serve new development within Franklin East Pressure Zones service areas.

Total Funding Request	\$300,000
Funding Sources	<i>IF \$300,000</i>
FY 2011-12 Projected Expenditures	\$300,000 (Construction)
Total Project Cost	\$300,000
Impact on Operating Budget	Negligible < \$5,000

**El Paso Water Utilities/Fiscal Year 2011-2012 Annual Budget**  
**APPROVED WATER PROJECTS**

**PROGRAM: Resler, N of Transmountain 24"**

CIP #4078

PROGRAM CATEGORY      Distribution

PROJECT      A network of water distribution line to be constructed to serve new development within the area.

Total Funding Request	\$1,760,000
Funding Sources	<i>CP \$1,560,000 IMP \$200,000</i>
FY 2011-12 Projected Expenditures	\$1,760,000 (Construction)
Total Project Cost	\$1,760,000
Impact on Operating Budget	Negligible < \$5,000

**PROGRAM: LARGE METER REPLACEMENT/REPAIRS**

CIP #5101

PROGRAM CATEGORY      Rehabilitation

PROJECT      LARGE METER REPLACEMENT/REPAIR – Part of the maintenance program, to repair, test and replace obsolete meters in order to minimize loss of revenues due to inaccurate reading.

Total Funding Request	\$500,000
Funding Sources	IMP 500,000
FY 2011-12 Projected Expenditures	\$500,000 (Construction)
Total Project Cost	Annual Maintenance Program, Varies
Impact on Operating Budget	Negligible < \$5,000

**PROGRAM: CD/Bond Paving Projects**

CIP #5202

PROGRAM CATEGORY      Rehabilitation

PROJECT      CD/Bond Paving Projects – Water Mains to be relocated due to City Street and Drainage Improvement Projects.

Total Funding Request	\$2,240,000
Funding Sources	IMP \$2,240,000
FY 2011-12 Projected Expenditures	\$2,240,000 (Construction)
Total Project Cost	\$2,240,000
Impact on Operating Budget	Negligible < \$5,000

**El Paso Water Utilities/Fiscal Year 2011-2012 Annual Budget**  
**APPROVED WATER PROJECTS**

**PROGRAM: PLANNED (ROUTINE) PIPELINE REPLACEMENT**

CIP # 5212

PROGRAM CATEGORY      Rehabilitation

PROJECT      PLANNED (ROUTINE) PIPELINE REPLACEMENT – A multi-year, multi-phased maintenance program to upgrade the water distribution pipeline infrastructure and prevent line breaks in the system city-wide. About 50% of this program is performed by EPWU construction forces, and the other 50% through bid construction work. Work this fiscal year will include the design construction services for improvements required to address the main break problems in the Northeast portion of the city (Planned Water Line Replacement Phase VIII) - area is bounded by the Byron/Patriot Freeway and Van Buren/Yandell.

Total Funding Request	\$2,688,000
Funding Sources	IMP \$2,688,000
FY 2011-12 Projected Expenditures	\$2,688,000 (Construction)
Total Project Cost	\$2,688,000
Impact on Operating Budget	Negligible < \$5,000

**PROGRAM: Spur 276, Doniphan to I-10 (TxDOT)**

CIP # 5220

PROGRAM CATEGORY      Rehabilitation

PROJECT      Spur 276, Doniphan to I-10 (TxDOT) – SPUR 276 re-alignment, relocation and adjustment as a part of the main lanes construction through undeveloped area that include PSB property.

Total Funding Request	\$900,000
Funding Sources	IMP \$900,000
FY 2011-12 Projected Expenditures	\$900,000 (Construction)
Total Project Cost	\$900,000
Impact on Operating Budget	Negligible < \$5,000

**PROGRAM: Central Business District Ph IV**

CIP # 5250

PROGRAM CATEGORY      Rehabilitation

PROJECT      Central Business District Ph IV – Phase IV consists of relocation and adjustment needed as a part of reconstruction of downtown streets.

Total Funding Request	\$450,000
Funding Sources	IMP \$450,000
FY 2011-12 Projected Expenditures	\$450,000 (Construction)
Total Project Cost	\$450,000
Impact on Operating Budget	Negligible < \$5,000

**El Paso Water Utilities/Fiscal Year 2011-2012 Annual Budget**  
**APPROVED WATER PROJECTS**

**PROGRAM: Alameda Ph II Boone to Glenwood (TxDOT)**

CIP # 5257

PROGRAM CATEGORY      Rehabilitation

PROJECT      Alameda Ph II Boone to Glenwood (TxDOT) – TxDOT future project from Boone to Loop 375.

Total Funding Request	\$900,000
Funding Sources	IMP \$900,000
FY 2011-12 Projected Expenditures	\$900,000 (Construction)
Total Project Cost	\$900,000
Impact on Operating Budget	Negligible < \$5,000

**PROGRAM: Zaragoza Road @ I-10/LP375 (TxDOT)**

CIP # 5270

PROGRAM CATEGORY      Rehabilitation

PROJECT      Zaragoza Road @ I-10/LP375 (TxDOT) – Relocation of water lines along Zaragoza Road in conjunction with a TxDOT bridge over existing railroad track north of Roseway Drive.

Total Funding Request	\$900,000
Funding Sources	IMP \$900,000
FY 2011-12 Projected Expenditures	\$900,000 (Construction)
Total Project Cost	\$900,000
Impact on Operating Budget	Negligible < \$5,000

**PROGRAM: CITY-WIDE LARGE DIAMETER WATER LINE REPLACEMENT**

CIP #5279

PROGRAM CATEGORY      Rehabilitation

PROJECT      CITY-WIDE LARGE DIAMETER WATER LINE REPLACEMENT - This is a program to establish asset management capabilities for the Utility's water lines. This program will allow the Utility to minimize the potential of major financial costs and disruptions to the overall system due to unforeseen failure of these pipelines. The next phase of the program includes creation of the asset database of water lines 16-inches and smaller in diameter within the El Paso Water Utilities' system. Future work includes evaluation of at risk waterlines and development of rehabilitation projects for waterlines that are determined to need selective rehabilitation.

Total Funding Request	\$900,000
Funding Sources	IMP \$900,000
FY 2011-12 Projected Expenditures	\$900,000 (Construction)
Total Project Cost	\$30,000,000
Impact on Operating Budget	Negligible < \$5,000

**El Paso Water Utilities/Fiscal Year 2011-2012 Annual Budget**  
**APPROVED WATER PROJECTS**

**PROGRAM: METERS**

CIP #6100

PROGRAM CATEGORY      New Customers

PROJECT                  METERS – Meters for new customers

Total Funding Request	\$350,000
Funding Sources	CIA \$350,000
FY 2011-12 Projected Expenditures	\$350,000 (Construction)
Total Project Cost	\$350,000 Annually
Impact on Operating Budget	None

**PROGRAM: FIRE HYDRANTS**

CIP #6200

PROGRAM CATEGORY      New Customers

PROJECT                  FIRE HYDRANT – New fire hydrant for developing area

Total Funding Request	\$350,000
Funding Sources	IMP 175,000      CIA \$175,000
FY 2011-12 Projected Expenditures	\$350,000 (Construction)
Total Project Cost	\$350,000 Annually
Impact on Operating Budget	None

**PROGRAM: SUPPLEMENT FOR OVERSIZED LINES**

CIP #6300

PROGRAM CATEGORY      New Customers

PROJECT                  SUPPLEMENT FOR OVERSIZED LINES – EPWU participation with developers to provide lines greater than 12-inch in diameter when required to meet master plan needs.

Total Funding Request	\$100,000
Funding Sources	IMP 100,000
FY 2011-12 Projected Expenditures	\$100,000 (Construction)
Total Project Cost	\$100,000 Annually increasing to \$125,000 in 3 years
Impact on Operating Budget	None

**El Paso Water Utilities/Fiscal Year 2011-2012 Annual Budget**  
**APPROVED WATER PROJECTS**

**PROGRAM: SUPPLEMENT FOR INDIVIDUAL PAYMENTS**

CIP #6400

PROGRAM CATEGORY      New Customers

PROJECT      SUPPLEMENT FOR INDIVIDUAL PAYMENTS – EPWU share of line extension cost to serve new customers.

Total Funding Request	\$100,000
Funding Sources	IMP 100,000
FY 2011-12 Projected Expenditures	\$100,000 (Construction)
Total Project Cost	\$100,000 Annually increasing to \$125,000 in 3 years
Impact on Operating Budget	None

**PROGRAM: EXTENSION FROM CONTRIBUTION PAYMENTS**

CIP #6500

PROGRAM CATEGORY      New Customers

PROJECT      EXTENSION FROM CONTRIBUTION PAYMENTS – Customer financed extension of lines. EPWU participation with developers to provide lines greater than 12-inch in diameter when required to meet master plan needs.

Total Funding Request	\$50,000
Funding Sources	IMP 50,000
FY 2011-12 Projected Expenditures	\$50,000 (Construction)
Total Project Cost	\$50,000 Annually increasing to \$60,000 in 3 years
Impact on Operating Budget	None

**PROGRAM: TAPS PAID FROM CONTRIBUTION PAYMENTS**

CIP #6600

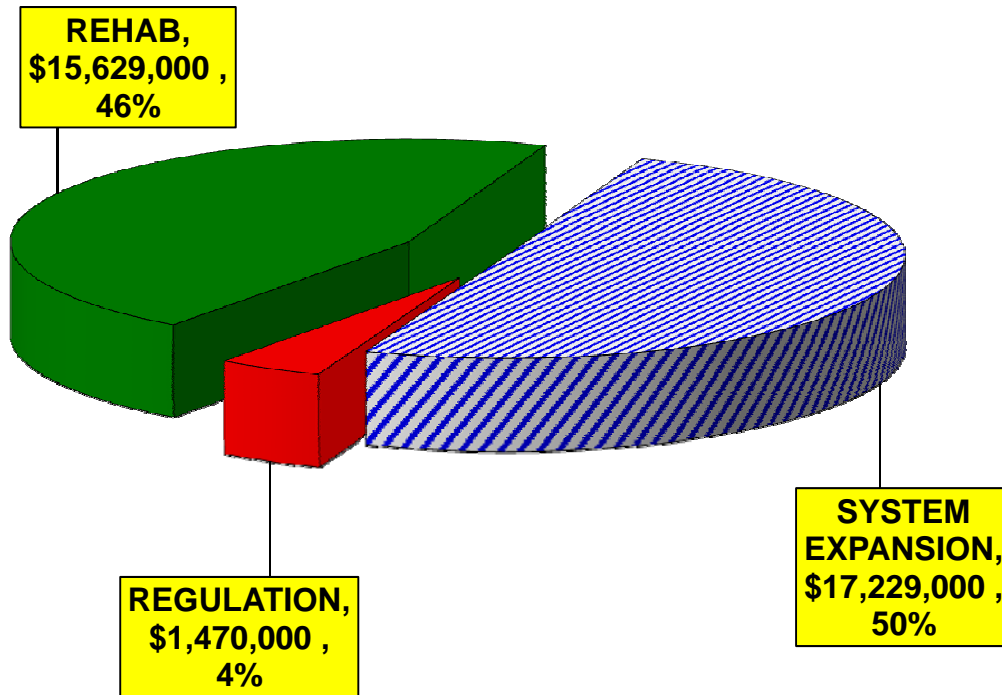
PROGRAM CATEGORY      New Customers

PROJECT      TAPS PAID FROM CONTRIBUTION PAYMENTS – Customer financed tap cost.

Total Funding Request	\$45,000
Funding Sources	CIA 40,000
FY 2011-12 Projected Expenditures	\$45,000 (Construction)
Total Project Cost	\$45,000 Annually increasing to \$50,000 in 3 years
Impact on Operating Budget	None

# FY 2011-2012 Capital Budget Summary

Projected Wastewater Expenditures  
(Including Reclaimed Water System)



**Total Wastewater Capital Budget**  
**\$34,328,000**

*El Paso Water Utilities*  
**Public Service Board**  
**Capital Improvement Program**  
**Funding for Fiscal Year 2011-2012**

**WASTEWATER SYSTEM IMPROVEMENTS**

Item #	Project	FY 2011-2012 Funding Request	FY 2011-2012 Projected Expenditures	PROPOSED FUNDING SOURCES FOR NEW MONEY PROJECT								
				IMP	WSRC/IMP	ANX/FEES IMP	CP	IMPACT FEE	GRANT	BONDS	CIA	
<b>COLLECTION SYSTEM</b>												
1100	Manholes	450,000	12,416,000									
1218A	Other East Interceptors (Area #8) I.F.		900,000									
1229A	Loop 375 East Interceptor System I.F.		5,274,000									
1243	Mowad - Westway Interceptor I.F.		5,225,000									
1244	Strahan Road Collector		540,000									
1247	Homestead/Hillcrest (Grant)	450,000	450,000						450,000			
<b>PUMPING AND FORCE MAINS</b>												
2003	Montwood/Edgemere Lift Station & Force Main I.F.	0	378,000									
<b>REHABILITATION</b>												
4101	Routine Line Rehabilitation		2,250,000									
4102	C.D./B. I. Projects		1,800,000									
4111	Manholes		45,000									
4143	Doniphan 24" Collector		693,000									
4144	CBD - Ph III	450,000	450,000	450,000								
4150	Alameda Phase II Boone to Glenwood		900,000									
4162	Zaragoza Road @ I-10/LP375 TxDOT		900,000									
4167	Country Club Sewer Lines	1,200,000	1,800,000	100,000			1,100,000					
4171	Spur 276, Doniphan to I-10		900,000									
4172	Boone Interceptor		180,000									
4173	Love Road Lines		900,000									
4208	Small Plant Upgrades	918,000	918,000	918,000								
4209	Plant Emergencies & Small Upgrades	540,000	540,000	540,000								
4217	RRB Aeration System Rehab		270,000									
4219	RRB Standby Gen Upgrade		135,000									
4307	Routine Lift Station Rehab (Sec 620) Emergency Cont.	261,000	261,000	261,000								
4309	Grouse Street Force Main Ph IV	400,000	900,000	400,000								
4314	Lone Star Force Main		495,000									
<b>NEW CUSTOMER FACILITIES</b>												
5100	Line Relocation		50,000									50,000
5200	Supplement for Oversize Lines	100,000	100,000	100,000								
5300	Supplement for Individual Payments	100,000	100,000	100,000								
5400	Lines Financed by Contribution	75,000	75,000									75,000
<b>OTHER MAJOR CAPITAL PROJECTS</b>												
8003	Security Upgrades - Sewer Facilities		23,000									
8004	Digester Gas (Grant)		2,750,000									
<b>TOTAL WASTEWATER</b>		<b>4,544,000</b>	<b>30,229,000</b>	<b>2,869,000</b>	<b>0</b>	<b>0</b>	<b>1,100,000</b>	<b>0</b>	<b>450,000</b>	<b>0</b>	<b>125,000</b>	

*El Paso Water Utilities*  
*Public Service Board*  
**Capital Improvement Program**  
**Funding for Fiscal Year 2011-2012**

**RECLAIMED AND BRACKISH WATER SYSTEM IMPROVEMENTS**

Item #	Project	FY 2011-2012 Funding Request	FY 2011-2012 Projected Expenditures	PROPOSED FUNDING SOURCES FOR NEW MONEY PROJECT								
				IMP	WSRC/IMP	ANX/FEES IMP	CP	IMPACT FEE	GRANT	BONDS	CIA	
<b>WASTEWATER REUSE DISTRIBUTION SYSTEM</b>		<b>2,230,000</b>	<b>4,099,000</b>									
6002	Haskell Street WWTP/ North Central		1,823,000									
6005	North West WWTP Phases II & III		23,000									
6006	Bustamante Phases II, III & IV		23,000									
6010	Newman 16" Reclaimed Water Line	2,070,000	2,070,000	200,000			1,870,000					
6011	Cathodic Protection System	160,000	160,000	160,000								
<b>TOTAL RECLAIMED AND BRACKISH WATER IMPROVEMENT</b>		<b>2,230,000</b>	<b>4,099,000</b>	<b>360,000</b>	<b>0</b>	<b>0</b>	<b>1,870,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMBINED SYSTEM IMPROVEMENTS</b>		<b>43,591,000</b>	<b>87,982,000</b>	<b>18,644,000</b>	<b>0</b>	<b>0</b>	<b>14,292,000</b>	<b>300,000</b>	<b>1,610,000</b>	<b>8,000,000</b>	<b>745,000</b>	

**El Paso Water Utilities/Fiscal Year 2011-2012 Annual Budget**  
**APPROVED WASTEWATER PROJECTS**

**PROGRAM: Homestead/Hillcrest (Grant)**

CIP #1247

PROGRAM CATEGORY      Collection System

PROJECT      Homestead/Hillcrest (Grant) – Planning and preliminary Engineering Design for first-time public Wastewater Service to approximately 1,500 households in the Montana Vista area of East El Paso County.

Total Funding Request	\$450,000
Funding Sources	Grant \$450,000
FY 2011-12 Projected Expenditures	\$450,000 (Construction)
Total Project Cost	\$450,000
Impact on Operating Budget	Negligible < \$5,000

**PROGRAM: CBD - Ph III**

CIP #4144

PROGRAM CATEGORY      Rehabilitation

PROJECT      CBD - Ph III – Relocation of wastewater utilities as a part of the Downtown Streets reconstruction.

Total Funding Request	\$450,000
Funding Sources	IMP \$450,000
FY 2011-12 Projected Expenditures	\$450,000 (Construction)
Total Project Cost	\$450,000
Impact on Operating Budget	Negligible < \$5,000

**PROGRAM: Country Club Sewer Lines**

CIP #4144

PROGRAM CATEGORY      Rehabilitation

PROJECT      Country Club Sewer Lines – Replacement of old and antiquated sewer line in west El Paso along Country Club Rd and Love Rd.

Total Funding Request	\$1,200,000
Funding Sources	IMP \$100,000                  CP \$1,100,000
FY 2011-12 Projected Expenditures	\$1,200,000 (Construction)
Total Project Cost	\$1,200,000
Impact on Operating Budget	Negligible < \$5,000

**El Paso Water Utilities/Fiscal Year 2011-2012 Annual Budget**  
**APPROVED WASTEWATER PROJECTS**

**PROGRAM: Grouse Street Force Main Ph IV**

CIP #4314

PROGRAM CATEGORY      Rehabilitation

PROJECT      Grouse Street Force Main Ph IV – Final phase of the force main replacement project. The force main is deteriorated due to Hydrogen Sulfides and prone to failure and had to be replaced.

Total Funding Request	\$400,000
Funding Sources	IMP \$400,000
FY 2011-12 Projected Expenditures	\$400,000 (Construction)
Total Project Cost	\$400,000
Impact on Operating Budget	Negligible < \$5,000

**PROGRAM: LINE RELOCATION**

CIP #5100

PROGRAM CATEGORY      New Customers

PROJECT      Line Relocation – Various line relocations and upgrades as they conflict with other public projects.

Total Funding Request	\$50,000
Funding Sources	CIA 50,000
FY 2011-12 Projected Expenditures	\$50,000 (Construction)
Total Project Cost	\$50,000 Annually
Impact on Operating Budget	None

**PROGRAM: SUPPLEMENT FOR OVERSIZED LINES**

CIP #5200

PROGRAM CATEGORY      New Customers

PROJECT      SUPPLEMET FOR OVERSIZED LINES – Payment to developers toward master plan lines installed greater than 12-inches or greater than necessary to serve their development.

Total Funding Request	\$100,000
Funding Sources	IMP \$100,000
FY 2011-12 Projected Expenditures	\$100,000 (Construction)
Impact on Operating Budget	None

**El Paso Water Utilities/Fiscal Year 2011-2012 Annual Budget**  
**APPROVED WASTEWATER PROJECTS**

**PROGRAM: Supplement for Individual Payments**

CIP #5300

PROGRAM CATEGORY      New Customers

PROJECT      SUPPLEMENT FOR INDIVIDUAL PAYMENTS – EPWU share of line extension cost to serve new customers.

Total Funding Request	\$100,000
Funding Sources	IMP 100,000
FY 2011-12 Projected Expenditures	\$100,000 (Construction)
Total Project Cost	\$100,000 Annually increasing to \$125,000 in 3 years
Impact on Operating Budget	None

**PROGRAM: LINE FINANCED BY CONTRIBUTION**

CIP #5400

PROGRAM CATEGORY      New Customers

PROJECT      LINE FINANCED BY CONTRIBUTION – New customer paid for sewer extensions.

Total Funding Request	\$75,000
Funding Sources	CIA 750,000
FY 2011-12 Projected Expenditures	\$75,000 (Construction)
Total Project Cost	\$75,000 Annually
Impact on Operating Budget	None

**Reclaimed Water**

**PROGRAM: Newman 16" Reclaimed Water Line**

CIP #6010

PROGRAM CATEGORY      Reclaimed

PROJECT      Newman 16" Reclaimed Water Line – Providing additional capacity for delivering additional reclaimed water to customers including EPE Newman Power Pant

Total Funding Request	\$2,070,000
Funding Sources	CP\$1,870,000 CP 200,000
FY 2011-12 Projected Expenditures	\$2,070,000 (Construction)
Total Project Cost	\$2,070,000
Impact on Operating Budget	None

**EL PASO WATER UTILITIES/PUBLIC SERVICE BOARD  
WATER AND WASTEWATER PROPOSED CAPITAL OUTLAY FOR  
LIGHT, OFFICE and MISCELLANEOUS EQUIPMENT  
FY 2011-2012**

<b>Item#</b>	<b>Section</b>	<b>Item</b>	<b>Proposed</b>
1	425	Tool Cabinets	\$ 5,000
2	470	Pump Vibration Tester	\$ 5,000
3	470	Hoisting System	\$ 24,500
4	520	FloDar Flow Meter, Flotote Flow Meter, Automatic Composite Sampler, Multi-gas Gas Meter	\$ 18,800
5	525	BOD Incubators @ \$4,300 each	\$ 8,600
6	525	Certified High Temperature Calibration Bath	\$ 11,000
7	525	Color Analyzer (Aquatint)	\$ 8,000
8	630	WTR III Wheeled/Tracked Transformer Transporters @ \$8,500 each	\$ 17,000
9	630	Roll of Gold 12-pin Cable	\$ 10,800
10	680	Engine-driven gasoline welder/generator	\$ 6,000
11	690	Laser Beam Pipe Aligners @ \$5,500 each	\$ 11,000
12	912	Sand Blasting Cabinet	\$ 5,100
13	915	Mounting and Dismounting Tire Machine	\$ 12,500
14	915	Refrigerant Recovery and Charge Machine	\$ 3,000
15	915	Automatic Transmission Fluid Exchanger Machine	\$ 4,000
<b>Total Light, Office and Miscellaneous Equipment</b>			<b>\$ 150,300</b>

**EL PASO WATER UTILITIES /PUBLIC SERVICE BOARD**  
SUMMARY OF PROPOSED CAPITAL OUTLAY FOR  
NEW AND REPLACEMENT AUTOMOTIVE AND CONSTRUCTION EQUIPMENT  
FY 2011-2012

Section	Unit#	Description	Mileage/Age Projected by Time of Replacement	Type of Vehicle	Estimated Cost
<b><u>UTILITY VEHICLES</u></b>					
320	90	1 Ton Van	157,533 / 9	2001 Ford E-350	20,000
420	4012	1/2 Ton Pick-up	242,646 / 4	2007 Ford F-150	15,500
440	402	3/4 Ton Utility	153,740 / 8	2002 Ford F-250	27,000
440	405	1/2 Ton Pick-up	147,386 / 10	2001 Dodge D-1500	15,500
440	458	1 Ton Utility	134,065 / 6	2004 Ford F-350	27,000
520	196	Compact Pick-up	158,322 / 9	2001 Ford Ranger	14,500
525	69	Compact Pick-up	171,347 / 5	2005 Ford Ranger	18,000
620	616	3/4 Ton Utility	130,173 / 9	2001 Ford F-250	27,000
620	679	3/4 Ton Utility	143,054 / 7	2003 Ford F-250	27,000
630	657	1 Ton Utility	193,406 / 6	2004 Ford F-350	27,000
630	663	1 Ton Utility	194,854 / 6	2004 Ford F-350	27,000
650	687	1/2 Ton Pick-up	142,703 / 9	2001 Ford F-150	15,500
720	New	Compact Pick-up	New		14,500
720	17	Compact Pick-up	143,850 / 9	2001 Ford Ranger	14,500
720	705	Compact Pick-up	158,875 / 8	2002 Ford Ranger	14,500
720	712	Compact Pick-up	147,219 / 5	2005 Ford Ranger	14,500
720	713	Compact Pick-up	133,710 / 9	2001 Ford Ranger	14,500
720	725	Compact Pick-up	150,194 / 5	2005 Ford Ranger	14,500
720	766	Compact Pick-up	127,181 / 12	1998 Ford Ranger	14,500
720	783	Compact Pick-up	170,839 / 7	2003 Ford Ranger	14,500
720	787	Compact Pick-up	146,377 / 5	2005 Ford Ranger	14,500
912	719	3/4 Ton Utility	126,767 / 11	1999 Dodge D-2500	27,000
912	723	1/2 Ton Pick-up	133,401 / 7	2003 Ford F-150	15,500
914	748	Compact Pick-up	138,949 / 7	2003 Ford Ranger	15,500
914	New	1 Ton Stake Bed	New		25,000
916	990	5 Ton Dump	206,669 / 10	2001 Sterling LT8500	82,000
917	77	1 Ton Stake Bed	145,408 / 9	2001 Ford F-350	25,000
917	125	3/4 Ton Utility	106,946 / 11	1999 Dodge D-2500	27,000
<b>ESTIMATED TOTAL VEHICLE COST, ENTIRE UTILITY</b>					<b>\$ 608,500</b>
<b><u>MAINTENANCE &amp; CONSTRUCTION EQUIPMENT</u></b>					
430	242	Trailer Compressor	386 / 17	1994 Sullair 185 CFM	16,000
440	214	Trailer Compressor	512 / 17	1994 Sullair 185 CFM	16,000
440	215	Trailer Compressor	690 / 17	1994 Sullair 185 CFM	16,000
440	292	Trailer Compressor	611 / 17	1994 Sullair 185 CFM	16,000
440	312	Trailer Compressor	661 / 17	1994 Sullair 185 CFM	16,000
440	332	Trailer Compressor	618 / 17	1994 Sullair 185 CFM	16,000
440	333	Trailer Compressor	665 / 17	1994 Sullair 185 CFM	16,000
470	291	Trailer Compressor	2,621 / 21	1988 I-R 250 CFM	16,000
630	674	Vacuum Jet Rodder	143,709 / 17	Vacuum Jet Rodder	285,000
690	367	Trailer Compressor	944 / 13	1997 Sullair 185 CFM	16,000
916	356	Trailer Flatbed	16	1993 A-A Kemel	15,000
916	362	Trailer Flatbed	16	1994 Eager BVR AP-10	7,500
PD		Utility Vehicle w/ Cage and Picking Unit			20,000
PD		Used Surrounds Mower w/ rotary decks			20,000
PD		John Deer attachment for tractor			10,000
PD		Lift for Equipment Maintenance			7,500
<b>ESTIMATED TOTAL EQUIPMENT COST</b>					<b>\$ 509,000</b>
<b>Estimated Total Vehicle and Equipment Cost</b>					<b>\$ 1,117,500</b>
<b>Less: Estimated Trade-in Value</b>					<b>\$ (39,000)</b>
<b>Net Cost to FY 2011-2012 Budget</b>					<b>\$ 1,078,500</b>