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Title: Receive the Water Utilities Capital Improvement Program presentation

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CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Receive the Water Utilities Capital Improvement Program presentation

DEPARTMENT: Water Utilities

SUBMITTED BY: Darrell Blenniss, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The Naperville Water Utilities provide high quality, reliable, and critical services. Serving more than 43,500 customers with a population over 145,000, the infrastructure associated with these services is vast, complex, and needs to be carefully coordinated across several City departments. Adequate annual capital investment is necessary to ensure these services are maintained and public health is not compromised.

In 2020, the City engaged consultants to assist in the preparation of updated capital asset evaluations for both the water distribution/supply systems and the wastewater treatment facility at Springbrook. These asset evaluations have identified the need for additional investment for the infrastructure associated with these services.

Further, a consultant was hired to prepare a new rate study as the planning horizon for the last study ends in 2021. Every rate study involves a complex set of assumptions that need to be reviewed to ensure adequate revenues for operations and the achievement of important policy goals. One of the major assumptions to be reviewed is the necessary level of capital investment.

On April 7 the staff presentation covered the capital program for the wastewater collection and

pumping system. The April 20 presentation reviewed the water distribution and supply system. The third and final presentation is May 4.

All three presentations are also being shared with the Public Utilities Advisory Board and are intended to aid the Council in providing direction on capital spending levels for future rate models in conjunction with the rate study being conducted this year.

DISCUSSION:

The May 4 presentation will provide an overview of the wastewater treatment facility at Springbrook. Data will be discussed that shows additional capital investment is needed to meet regulatory compliance requirements and achieve service level goals.

FISCAL IMPACT:

The appropriate level of capital investment will be reviewed as part of the rate study.