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DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

1391-35TH AVENUE
SACRAMENTO, CA
95822-2911

DIVISION OF
FLOOD CONTROL AND SEWERS

916-449-5271

May 8, 1990

Budget & Finance/Transportation & Community Development Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: REPORT BACK ON REVISIONS TO PUBLIC WORKS CIP ISSUE STATEMENT #4

SUMMARY

Capital Improvement Project Issue Statement #4, The Impact of Major Increases in the Sewer Replacement Program, has been revised to reflect the implications of water quality regulatory initiatives.

BACKGROUND INFORMATION

During the April 17, 1990 joint committee hearings on Capital Improvement Projects under the Department of Public Works proposed 1990-91 budget, Councilperson Lyla Ferris requested that staff review and revise Capital Improvement Project Issue Statement #4, The Impact of Major Increases in the Sewer Replacement Program, to reflect the implications of water quality regulatory initiatives.

The revised issue statement (attached) notes the potential disadvantages of complete separation of the City's combined sanitary/storm sewer system. The revised statement also clarifies the objectives of contemplated projects to improve performance and reliability and to lower costs of maintaining the combined system.

FINANCIAL DATA

Not applicable.

POLICY CONSIDERATIONS

Not applicable.

MBE/WBE EFFORTS

Not applicable.

B&F/T&CD Committee
Revisions to CIP Issue Statement #4
May 8, 1990

RECOMMENDATION

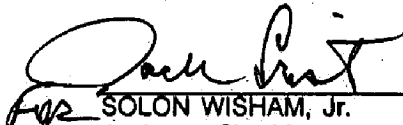
This item is for informational purposes only.

Respectfully submitted,




Albert McCollam, Division Manager
Flood Control and Sewers

APPROVED FOR COMMITTEE INFORMATION:



FOR SOLON WISHAM, Jr.
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May 8, 1990
Districts 1,3,4,5

CIP ISSUE STATEMENT #4

THE IMPACT OF MAJOR INCREASES IN THE SEWER
REPLACEMENT PROGRAM

This year's goals for the Sewer Fund's capital improvement program are (1) to repair and replace those sewer lines most in need of work and (2) to prepare a comprehensive plan for the overhaul and rebuilding of the Central City combined sewer system. To meet the first goal, twelve projects were selected for sewer or combination line replacement at various locations throughout the Central City at an estimated cost of \$1.705 million. To meet the second goal, a project is proposed that will allocate funds (450,000) for work by a consultant to prepare a master plan for the rebuilding of the combined system.

The improvement of the combined sewer system is of very high priority; a full report on the scope and estimated cost of this work was presented to the City Council in January 1989. The objectives of the improvements are to:

- replace aged and deteriorating sewers, to improve reliability and control growing maintenance costs;
- provide higher levels of drainage service (equivalent to that in other areas of the City) by installing larger capacity sewers;
- improve the reliability of key pumping facilities;
- minimize (to the extent feasible) water quality impacts of discharging sewage and stormwater to the Sacramento River.

The cost estimate to completely separate the total combined system is \$315 million. The estimated first year's cost is over \$11 million for this alternative, and this amount would increase in the out-years. Lower cost, but less comprehensive, project formulations have been identified and will be further considered. Alternative means to finance the project, such as debt financing or project phase-in, will be considered to spread the rate impact over a number of years.

The proposed master plan will refine the project formulation, develop cost options, and propose an implementation and financing plan. The master plan studies will consider whether complete (versus partial) separation of sewer and storm drainage flows is the best long term strategy for compliance with increasingly stringent state and federal programs for protecting the quality of receiving waters. Combined system discharges are now covered by a separate NPDES permit. An NPDES permit will be required for all the City's stormwater discharges and it may not be in the City's interest to fully separate the combined flows.

The proposed 1990-1991 Sewer CIP totals \$1.9 million. This amount, along with any operating budget increases, will translate into major (40% to 60%) rate increases. These rate increases have been previously identified for the City Council and will be described more thoroughly to the Council during the 1990-1991 operating budget hearings.

Revised 5/8/90