



W2.3

DEPARTMENT OF  
UTILITIES  
  
BUSINESS SERVICES

CITY OF SACRAMENTO  
CALIFORNIA

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June 1, 1998

**APPROVED**  
BY THE CITY COUNCIL

**JUN 9 1998**

OFFICE OF THE  
CITY CLERK

City Council...  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** PROPOSED 1999-2003 SEWER FUND CAPITAL IMPROVEMENT PROGRAM;  
AMENDMENTS TO FY98 AND FY99 SEWER FUND CAPITAL IMPROVEMENT  
PROGRAM

**LOCATION AND COUNCIL DISTRICT:** Citywide

**RECOMMENDATION**

It is recommended that the City Council adopt the attached resolution to amend the FY98 Sewer Fund Capital Improvement Program.

**CONTACT PERSONS:** Michael Stamber, Business Services Manager, 433-6608  
Edward Otte, Administrative Analyst, 433-6600

**FOR COUNCIL MEETING OF:** June 9, 1998

**SUMMARY**

This report presents information on the proposed 1999-2003 Sewer Fund Capital Improvement Program, recommends changes to the proposed FY99 Sewer Fund Capital Improvement Program, and recommends that the City Council approve amendments to the FY98 Sewer Fund Capital Improvement Program. Final recommendations to the FY99 Sewer Fund Capital Improvement Program will be presented as part of the City Manager's Addendum on June 30, 1998.

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**COMMITTEE/COMMISSION ACTION:** None.

## **BACKGROUND INFORMATION**

The Sewer Fund provides for the maintenance, repair, and replacement of facilities for collecting, conveying, and pumping sanitary and combined sewage to the interceptor sewers of the Regional County Sanitation District. User fees finance both operating costs and capital improvements.

The Department of Utilities established the following goals that guide the planning and implementation of the Sewer Fund Capital Improvement Program:

- Provide for the safe and reliable collection and conveyance of wastewater.
- Ensure that the sewer collection and conveyance systems comply with all State and federal regulations.
- Ensure that expansion and extension of the sewer collection and pumping systems conform to the City's General Plan.
- Upgrade or replace existing sewer collection and pumping systems in conformance with the sewer system master plans.
- Increase reliability and reduce maintenance costs by upgrading or replacing inadequate or deteriorated systems.

All maintenance, rehabilitation, and development projects are scrutinized for conformance to the City's General Plan. Revisions to the City's General Plan are incorporated into the Department master planning process upon adoption by the Planning Commission and City Council. The planning efforts of the Department of Utilities for the Sewer Fund Capital Improvement Program have been detailed in the "Utility Infrastructure Report," November 1995, presented to the City Council in January 1996.

## **CURRENT CAPITAL IMPROVEMENT PROGRAM**

In order to ensure that the current Sewer Fund Capital Improvement Program (FY98) is meeting the needs of its residential and commercial customers, the Department has evaluated all of the projects in the current program and recommends that the City Council amend the FY98 Sewer Fund Capital Improvement Program as shown in the following table.

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Project Number	Project Title	Modified Budget 5/1/98	FY98 Budget Adjustments	Explanation for Budget Adjustment
WE86	Fiber Optic Telemetry	226,950	-42,907	Project completed
<b>XB18</b>	<b>Sewer Sys Rehab-PW</b>	0	90,000	New project to fund sewer work related to Public Works projects outside the CSS.
XD42	Combined Sewer Sys Reserve	783	106,720	
XD91	20th St Brick Main Replace	573,875	-29,199	Project completed
XE01	Base CIP Reserve	245,513	-47,093	
XM12	15th St Sewer Replac, N/L	168,750	-143,221	Project canceled due to construction of State office buildings at this location.
XM58	CSS Misc Rehab--PW	0	65,700	New project to fund sewer work related to Public Works projects inside the CSS.
<b>NET TOTAL CHANGE</b>			<b>0</b>	

**1999-2003 CAPITAL IMPROVEMENT PROGRAM**

The total appropriations recommended for the proposed FY99 Sewer Fund Capital Improvement Program are \$3,335,000. This amount is \$12,621,000 less than the FY98 Sewer Fund Capital Improvement Program. This reduction is the result of funding the Sump 1/1A/Pioneer Reservoir Improvement Project and the Sump 2 Improvements Project in FY98. In addition, the Department has achieved cost savings in its Sewer Fund capital projects construction costs over the past year and received approval to apply the net savings to additional projects to improve the sewer pumping and collection systems. The FY99 Sewer Fund Capital Improvement Program conforms to the directive of the City Council that at least 50% of funding be directed to projects outside the combined system: \$2,242,750 is requested for projects and programs outside the combined system, and \$1,092,250 is requested for combined system projects.

Six of the largest sewer projects for which funding is proposed in FY99 include:

- ◆ XG11 Sumps 134, 135, 136 Wet Well Lining: to replace the deteriorated lining of the sump wet wells.
- ◆ XG26 Pump Station Check Valves: to replace deteriorated check valves that prevent sewage from flowing back into the pumps after being pumped out.
- ◆ XM50 24<sup>th</sup> Street Sewer Replacement, from S Street to W Street: to replace approximately 1,680 feet of combined sewer main and upgrade associated drain inlets.

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- ◆ XM55 Terminal Way Sewer, 13<sup>th</sup> Street to 15<sup>th</sup> Street: to replace approximately 590 feet of deteriorating sewer main with new combination main.
- ◆ XM59 O/P Alley Sewer, from 22<sup>nd</sup> to 23<sup>rd</sup> Streets and on 23<sup>rd</sup> Street from P Street to the O/P Alley: to replace 800 feet of 8-inch sewer main and upgrade drain inlets and leads.
- ◆ XG41 Tinker Way Sewer Improvements: to replace 6-inch sewer pipe, services, clean outs, and two #3 maintenance holes.

Since publication of the proposed 1999-2003 Sewer Fund Capital Improvement Program in April 1998, there has been one change that resulted from the completion of plans and specifications for a current project (PN:XM38) to reconstruct the combined sewer line in the alley connecting 14<sup>th</sup> and 16<sup>th</sup> Streets, between U and V Streets. In order to move the project to the construction phase, the City Council approved the transfer of funds from current resources and the award of the contract. Therefore, the appropriations that had been proposed in the FY99 Capital Improvement Program are no longer needed. The changes in the five year plan are shown in the following table.

Project		Budget (in thousands)				
Number	Project Title	FY99	FY00	FY01	FY02	FY03
<b>SEWER FUND - 414</b>						
<b>Current Proposed</b>						
XM38	Alley Swr, 15-16-/U-V	33	0	0	0	0
XD42	Combined Sewer Sys Reserve	-70	325	825	1,333	1,333
<b>Revised Proposed</b>						
XM38	Alley Swr, 15-16-/U-V	0	0	0	0	0
XD42*	Combined Sewer Sys Reserve	-37	325	825	1,333	1,333

These changes result in no net change in the proposed 1999-2003 Sewer Fund Capital Improvement Program.

**FINANCIAL CONSIDERATIONS**

The proposed FY99 Sewer Fund Capital Improvement Program will be accomplished within currently available resources and does not require an increases in user fees. However, because the City must begin repayment of the State Revolving Fund loan on the Sump 1/1A project in FY99 and on the Sump 2 project in FY01, and in order to allocate and direct additional resources to the Sewer Fund Capital Improvement Program in future years because

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of the backlog of deferred maintenance, the Department anticipates the need for increases in user fees. The following table provides the revenue and expenditure projections for the Sewer Fund for the next five years. The five-year projection forecasts rate increases at two percent beginning FY01.

**SEWER FUND FIVE YEAR PROJECTION\***

FIVE YEAR PROJECTION	FY99	FY00	FY01	FY02	FY03
<b>BEGINNING BALANCE</b>	<b>6,736</b>	<b>7,684</b>	<b>8,915</b>	<b>9,007</b>	<b>8,279</b>
RATE INCREASE PROJECTED	0.00%	0.00%	2.00%	2.00%	2.00%
<b>REVENUES</b>					
User Fees	10,852	10,852	10,852	11,069	11,290
Revenue from Rate Increase**	0	0	217	221	226
Interest	612	624	637	649	662
Other	1,060	1,061	1,061	1,061	1,061
Regional Sanitation SRF payment	125	125	125	125	125
Bond Proceeds	0	0	0	0	0
<b>Total Revenues</b>	<b>12,649</b>	<b>12,662</b>	<b>12,892</b>	<b>13,126</b>	<b>13,365</b>
<b>EXPENDITURES</b>					
Operating	8,348	8,566	8,812	9,066	9,326
Debt Service	578	43	665	665	665
Capital Improvement Program	3,335	2,847	3,347	4,149	4,149
<b>Total Expenditures</b>	<b>12,261</b>	<b>11,456</b>	<b>12,824</b>	<b>13,880</b>	<b>14,140</b>
<b>Other Reimbursements</b>	<b>560</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>ENDING BALANCE</b>	<b>7,684</b>	<b>8,915</b>	<b>9,007</b>	<b>8,279</b>	<b>7,528</b>

\* Dollars expressed in thousands. \*\* Gross revenue

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**ENVIRONMENTAL DETERMINATION**

There are no new environmental impacts associated with the proposed Sewer Fund Capital Improvement Program. The appropriate level of environmental review, under CEQA, will be performed in conjunction with the project planning and design stage of future capital improvement projects.

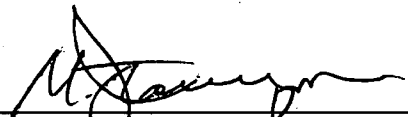
**POLICY CONSIDERATIONS**

The actions requested are consistent with Resolution 97-379, Section 9, para 9.6 and 9.7, approved by the City Council on June 24, 1997.

**MBE/WBE**

Not applicable. There are no goods or services being purchased as a direct result of this action.

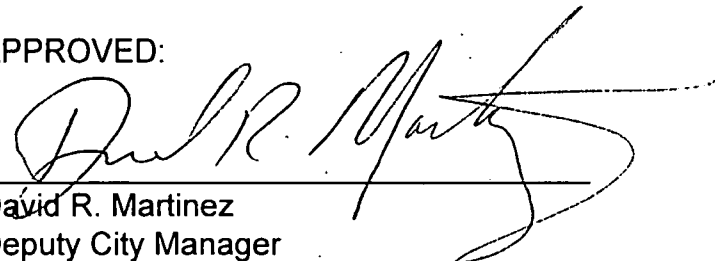
Respectfully submitted,

  
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FOR Jim Sequeira  
Director of Utilities

RECOMMENDATION APPROVED:

  
\_\_\_\_\_  
William H. Edgar  
City Manager

APPROVED:

  
\_\_\_\_\_  
David R. Martinez  
Deputy City Manager

# RESOLUTION NO. 98-254

ADOPTED BY THE SACRAMENTO CITY COUNCIL

**APPROVED**  
BY THE CITY COUNCIL

**JUN 9 1998**

ON DATE OF \_\_\_\_\_

OFFICE OF THE  
CITY CLERK

## RESOLUTION TO AMEND THE FY98 SEWER FUND CAPITAL IMPROVEMENT PROGRAM

### BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:

The FY98 Sewer Fund Capital Improvement Program is hereby amended as follows:

Project Number	Project Title		FY98 Budget Adjustments
WE86	Fiber Optic Telemetry	414-500-WE86-4820	-42,907
XB18	Sewer Sys Rehab-PW	414-500-XB18-4820	90,000
XD42	Combined Sewer Sys Reserve	414-500-XD42-4414	106,720
XD91	20th St Brick Main Replace	414-500-XD91-4820	-29,199
XE01	Base CIP Reserve	414-500-XE01-4414	-47,093
XM12	15th St Sewer Replac, N/L	414-500-XM12-4820	-143,221
XM58*	CSS Misc Rehab--PW	414-500-XM58-4820	65,700
TOTAL			0

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
FOR CITY CLERK USE ONLY

RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_