



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

www.cityofsacramento.org

File #: 2016-01581

January 10, 2017

Consent Item 26

Title: FY2016/17 Adjustments to the Department of Utilities Capital Improvement Plan (CIP) and Multi Year Operating Project (MYOP) Budgets

Recommendation: Pass a Resolution a) amending the FY2016/17 CIPs to create four new projects; and b) authorizing the City Manager to make allocation adjustments to CIP and MYOP Budgets in the Water, Wastewater, Storm Drain, Water Revenue Bonds, and Wastewater Revenue Bonds funds.

Location: Citywide

Contact: Susan Goodison, Business Services Manager (916) 808-8995; Daniel Choe, Supervising Financial Analyst (916) 808-5988; Penny Buchman, Administrative Analyst, (916) 808-1481, Department of Utilities

Presenter: None

Department: Department of Utilities

Attachments:

1-Description/Analysis

2-Attachment 1

3-Resolution

4-Exhibit A – Allocation Adjustments

Description/Analysis

Issue Detail: As part of the Department of Utilities (DOU) ongoing management of its Capital Improvement Program (CIP) and Multi-year Operating Projects (MYOPs), a periodic review is conducted and financial resources are reallocated to provide improvements in a timely and efficient manner. The review also enables financial resources to be allocated based on priority as ranked in the DOU Capital Improvement Programming Guide. This process results in recommended budget adjustments to ensure progress continues on priority projects, including the establishment of projects.

Policy Considerations: The recommendation to adjust the CIP and MYOP budgets that the DOU manages is consistent with the DOU 2013-2017 Strategic Plan goals and objectives to effectively manage infrastructure assets and deliver reliable services. Adjustments to projects more than \$100,000 and establishment of CIPs or MYOPs must be approved by City Council.

Economic Impacts: Not applicable.

Environmental Considerations: The Community Development Department, Environmental Services Manager has determined that the proposed activity is not a project pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15378(b). The fiscal management of the DOU's CIP is an ongoing administrative fiscal activity and is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Reallocation of resources ensures that projects move forward in a timely manner and that financial resources are allocated based on the priority and necessity of the projects. The recommended budgetary adjustments are for 35 CIPs and 13 MYOPs in the Water (Fund 6005), Wastewater (Fund 6006), Storm Drainage (Fund 6011), Water Revenue Bonds Series 2013 (Fund 6310), and Wastewater Revenue Bonds Series 2013 (Fund 6320) Funds. The CIPs to be adjusted were selected based on an asset management approach defined in the DOU Capital Improvement Programming Guide, which systematically addresses infrastructure criticality, condition assessment, life-cycle costing, and prioritized replacement timetables.

In addition, the creation of four new CIPs is being recommended.

CIP	Name
W14170100	Drainage Collection System Program - This Program will rehabilitate elements of the storm drainage system including storm drains, leads, manholes and mainline pipe by trenchless and traditional replacement methods.
X14170100	Combined Collection System Program - This Program will provide for the maintenance of the City's Combined Sewer System through rehabilitation of storm drains, leads, manholes, services, mainline pipe and other collection elements within City ROW or easements by trenchless and traditional replacement methods.
X14170500	Combined Sump and Treatment Program - This Program will provide for the maintenance of capital assets in the City's Combined Sewer System (CSS) pumping and treatment facilities and improvements as needed to stay in compliance with regulatory requirements.
Z14170100	DOU IT Program - This program is for planning and implementation of IT initiatives, coordination and management of IT resources and oversight on all programs, software and hardware upgrades, and consulting services.

Financial Considerations: The reallocation of existing resources to priority projects in the aforementioned funds will have a net zero effect within the funds as illustrated in Exhibit A. Only projects eligible to utilize bond funding will receive those funds.

Local Business Enterprise (LBE): Not applicable.

Attachment 1 Allocation Adjustments

Project	Project Description	Fund Number					Grand Total
		6005	6006	6011	6310	6320	
I14010200	FY10-14 NPDES Stormwater Program			(200,000)			(200,000)
I14010300	Sac River Source Water Protect Program	(25,000)					(25,000)
I14010400	American River Source Water Protect Program	(50,000)					(50,000)
I14010800	Condition Assesment		300,000				300,000
I14020100	Arc Flash Hazard Analysis	20,000	20,000	20,000			60,000
I14110100	Sewer System Mgmt Plan		(384,434)				(384,434)
I14120600	CSS Regulatory Program		(22,500)	(67,500)			(90,000)
I14170100	Drainage Master Plan			267,500			267,500
I14510200	Water Master Plan Program	20,000					20,000
I14520300	Sacramento River Source Water	25,000					25,000
I14520400	American River Source Water	50,000					50,000
I14610200	Separated Master Planning Program		70,000				70,000
I14620100	SSMP Eng/Regulatory Support		(100,000)				(100,000)
W14000200	Base CIP Contingency - Drainage			(268,402)			(268,402)
W14120100	GIS/CMMS Intergration Program	(6,680)	(183)	(6,598)			(13,461)
W14130600	Drainage Sump Replace/Rehab Program			180,000			180,000
W14170500 - New	Drainage Collection Rehab and Replacement			75,000			75,000
X14000100	Unplanned Corrective Maintenance		250,000				250,000
X14000500	BASE CIP CONTINGENCY - Sewer		2,600,183				2,600,183
X14002300	Pocket AD 2 Sewer Imnprvment		1,308,576			25,535	1,334,111
X14010000	Combined Sewer System Program		(7,692,671)			248,095	(7,444,576)
X14110400	Sewer Manhole Rehab		5,000			(13,064)	(8,064)
X14120100	Root Control Program		(13,642)				(13,642)
X14130400	Wastewater Flow Metering Program		150,000				150,000
X14130600	Wastewater Collection Pipe Replacement Program					(35,116)	(35,116)
X14130700	Wastewater Collection Pipe Lin Program		(529,329)				(529,329)
X14130800	Wastewater Collection Pipe Burst Program					(221,953)	(221,953)
X14131100	2/2A Rehab/Replace Program		250,000				250,000
X14131500	Facility Electrical Rehab Program		190,000				190,000
X14131600	Air Quality Generator Program		50,000				50,000
X14160500	Separated Sump & Treatment Facility Rehab/Replace Program		162,000				162,000
X14170100 - New	Combined Pipe Rehabilitation/Replacement Program		243,000				243,000
X14170500 - New	Combined Sump & Treatment Facility Rehab/Replace Program		24,000				24,000
Z14000700	Base CIP Contingency - Water	214,523					214,523
Z14001300	ADA Improvement Program	5,000	5,000				10,000
Z14001500	Drinking Water Quality Program	(113,110)					(113,110)
Z14003600	Information Technology Proj 3350	325,000	325,000			(3,497)	646,503
Z14006000	Water Treatment Rehab Design	(8,503)			(1,239,307)		(1,247,810)
Z14007700	Main Replacement 18th & North B to D & 19th	(59,000)					(59,000)
Z14007900	Water Facilities Security	(241,247)					(241,247)
Z14009400	Fire Hydrant & Gate Valve Replacement Program	400,000					400,000
Z14010000	Accelerated Residential Meter Program	(1,394,476)			1,259,584		(134,892)
Z14130200	FWTP REHAB	(25,000)					(25,000)
Z14130500	Reservoir Rehabilitation Program	615,277			(20,277)		595,000
Z14140100	Security & Emergency Preparedness Program	391,247	180,000				571,247
Z14140500	Drought FY2014	(353,031)					(353,031)
Z14140600	Facility Repair Program	210,000	210,000				420,000
Z14170100 - New	DOU IT Program		2,400,000				2,400,000
		0	0	0	0	0	0

RESOLUTION NO. 2017 –

Adopted by the Sacramento City Council

January 10, 2017

APPROVING BUDGET ADJUSTMENTS TO THE FY2016/17 CAPITAL IMPROVEMENT PROGRAM & MULTI-YEAR OPERATING PROJECTS

BACKGROUND

- A. As part of the Department of Utilities' ongoing management of its Capital Improvement Program (CIP) and Multi-year Operating Projects (MYOPs), a periodic review is conducted and financial resources are reallocated to provide improvements in a timely and efficient manner. This process results in recommended budgetary adjustments to ensure progress continues on priority projects as ranked in the Department of Utilities' Capital Improvement Programming Guide.
- B. As part of the periodic review and reallocation of the available financial resources, the addition of four new MYOPs is recommended.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. Four CIPs are established for ongoing water, wastewater, and drainage management as follows:

W14170100	Drainage Collection System Program
X14170100	Combined Collection System Program
X14170500	Combined Sump and Treatment Program
Z14170100	DOU IT Program

- Section 2. The City Manager or City Manager's designee is authorized to adjust appropriations in the Water (Fund 6005), Wastewater (Fund 6006), Storm Drainage (Fund 6011), Water Revenue Bond Series 2013 (Fund 6310), and Wastewater Revenue Bond Series 2013 (Fund 6320) Funds as shown in Exhibit A.

Table of Contents

Exhibit A: Allocation Adjustments

Exhibit A Allocation Adjustments

Project	Project Description	Fund Number					Grand Total
		6005	6006	6011	6310	6320	
I14010200	FY10-14 NPDES Stormwater Program			(200,000)			(200,000)
I14010300	Sac River Source Water Protect Program	(25,000)					(25,000)
I14010400	American River Source Water Protect Program	(50,000)					(50,000)
I14010800	Condition Assesment		300,000				300,000
I14020100	Arc Flash Hazard Analysis	20,000	20,000	20,000			60,000
I14110100	Sewer System Mgmt Plan		(384,434)				(384,434)
I14120600	CSS Regulatory Program		(22,500)	(67,500)			(90,000)
I14170100	Drainage Master Plan			267,500			267,500
I14510200	Water Master Plan Program	20,000					20,000
I14520300	Sacramento River Source Water	25,000					25,000
I14520400	American River Source Water	50,000					50,000
I14610200	Separated Master Planning Program		70,000				70,000
I14620100	SSMP Eng/Regulatory Support		(100,000)				(100,000)
W14000200	Base CIP Contingency - Drainage			(268,402)			(268,402)
W14120100	GIS/CMMS Intergration Program	(6,680)	(183)	(6,598)			(13,461)
W14130600	Drainage Sump Replace/Rehab Program			180,000			180,000
W14170500 - New	Drainage Collection Rehab and Replacement			75,000			75,000
X14000100	Unplanned Corrective Maintenance		250,000				250,000
X14000500	BASE CIP CONTINGENCY - Sewer		2,600,183				2,600,183
X14002300	Pocket AD 2 Sewer Imnprvment		1,308,576			25,535	1,334,111
X14010000	Combined Sewer System Program		(7,692,671)			248,095	(7,444,576)
X14110400	Sewer Manhole Rehab		5,000			(13,064)	(8,064)
X14120100	Root Control Program		(13,642)				(13,642)
X14130400	Wastewater Flow Metering Program		150,000				150,000
X14130600	Wastewater Collection Pipe Replacement Program					(35,116)	(35,116)
X14130700	Wastewater Collection Pipe Lin Program		(529,329)				(529,329)
X14130800	Wastewater Collection Pipe Burst Program					(221,953)	(221,953)
X14131100	2/2A Rehab/Replace Program		250,000				250,000
X14131500	Facility Electrical Rehab Program		190,000				190,000
X14131600	Air Quality Generator Program		50,000				50,000
X14160500	Separated Sump & Treatment Facility Rehab/Replace Program		162,000				162,000
X14170100 - New	Combined Pipe Rehabilitation/Replacement Program		243,000				243,000
X14170500 - New	Combined Sump & Treatment Facility Rehab/Replace Program		24,000				24,000
Z14000700	Base CIP Contingency - Water	214,523					214,523
Z14001300	ADA Improvement Program	5,000	5,000				10,000
Z14001500	Drinking Water Quality Program	(113,110)					(113,110)
Z14003600	Information Technology Proj 3350	325,000	325,000			(3,497)	646,503
Z14006000	Water Treatment Rehab Design	(8,503)			(1,239,307)		(1,247,810)
Z14007700	Main Replacement 18th & North B to D & 19th	(59,000)					(59,000)
Z14007900	Water Facilities Security	(241,247)					(241,247)
Z14009400	Fire Hydrant & Gate Valve Replacement Program	400,000					400,000
Z14010000	Accelerated Residential Meter Program	(1,394,476)			1,259,584		(134,892)
Z14130200	FWTP REHAB	(25,000)					(25,000)
Z14130500	Reservoir Rehabilitation Program	615,277			(20,277)		595,000
Z14140100	Security & Emergency Preparedness Program	391,247	180,000				571,247
Z14140500	Drought FY2014	(353,031)					(353,031)
Z14140600	Facility Repair Program	210,000	210,000				420,000
Z14170100 - New	DOU IT Program		2,400,000				2,400,000
		0	0	0	0	0	0