



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
February 9, 2010

Honorable Mayor and
Members of the City Council

Title: FY2009/10 Adjustments to the Utilities Capital Improvement Program (CIP)
Budgets

Location/Council District: All

Recommendation: Adopt a **Resolution:** 1) adding six new projects to the Fiscal Year (FY)2009/10 CIP; 2) creating eight multi-year operating projects; 3) adjusting appropriations in 30 CIP and Multi-Year Operation Projects with Water Funds (6005); 4) adjusting appropriations in 12 CIP and Operation budgets with Sewer Funds (6006); 5) adjusting appropriations in 13 CIP and Multi-Year Operating Projects with Storm Drainage Funds (6011); and 6) transferring \$350,000 from FY2009/10 Operating Budget to create and fund the Water Meter Replacement Program.

Contact: David L. Brent, Engineering Manager, 808-1420; Jamille Moens, Business Services Manager, 808-5988

Presenters: Not applicable

Department: Utilities

Division: Engineering Services

Organization No: 14001311

Description/Analysis

Issue: As part of the ongoing management of the Department of Utilities' (DOU's) Capital Improvement Program (CIP), a periodic review and reallocation of the available financial resources are made to provide capital improvements in a timely and efficient manner. This process results in recommended budget adjustments on a project-by-project basis to ensure progress continues on priority projects.

Concurrently, the department is recommending that certain projects be closed as CIP projects and reopened as Multi-Year Operating Program projects since the identified projects are program-focused and do not generate tangible assets. This will ensure that the CIP projects are focused on tangible assets and that long term operating projects are not overlooked in the budgeting process. In addition, the department is recommending that \$350,000 of plumbing supplies included in the approved FY2009/10 operating budget be transferred to the Water Meter Replacement Program Multi-Year Operating project (I14010500) in order to ensure funding for the replacement of aging water meters.

Policy Considerations: The recommendation to adjust the Utilities' CIP budget is consistent with the City's Strategic Plan goals of improving and expanding public safety and achieving sustainability and livability.

Environmental Considerations:

California Environmental Quality Act (CEQA): There are no environmental impacts associated with the budgetary adjustments. The appropriate level of environmental review, under CEQA, is performed in conjunction with the project planning and design stage of the capital improvement projects.

Sustainability Considerations: Not applicable.

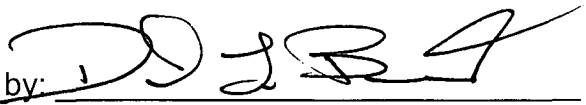
Other: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The reallocation of resources complies with City Council direction and ensures that projects move forward in a timely manner.

Financial Considerations: The changes recommended within this report will reallocate existing resources within the Water, Sewer, and Storm Drainage Capital Improvement Programs to better manage existing resources.

Emerging Small Business Development (ESBD): There are no goods or services being purchased as a direct result of this action.

Respectfully Submitted by: 

David L. Brent
Engineering Manager

Approved by: 

Marty Hanheman
Director of Utilities

Recommendation Approved:



Ray Kerridge
City Manager

Table of Contents:

Report	pg. 1
Attachments	
1 Background	pg. 4
2 Resolution	pg. 5

Attachment 1**Background Information**

As part of the management of the Capital Improvement Program (CIP), the Department of Utilities periodically reviews project budgets and timelines. This review process results in recommended budget adjustments on a project-by-project basis to ensure financial resources are allocated such that progress continues on priority projects. This year's (FY2009/10) review and proposed adjustments meet those objectives.

As part of DOU's ongoing CIP management program, adjustments are proposed to reallocate funding from some existing projects to other projects that are ready to proceed but lack sufficient appropriations. As part of this year's adjustments, DOU is also recommending the creation of six new projects. Four of these projects replace aging sewer infrastructure that will help assure compliance with State regulations and provide economic development. The additional project added to the Water Fund furthers the City's commitment to water conservation and conjunctive use of ground water. The drainage project has been added to begin rehabilitation of a drainage ditch to help prevent flooding in the southeast portion of the City.

The Water, Sewer, and Storm Drainage Enterprise Funds support the operations, maintenance, repair, rehabilitation, and improvements of the water, wastewater, and storm drainage systems, respectively. The projects in DOU's CIP are selected using an asset management approach to systematically address infrastructure criticality, condition assessment, life cycle costing, and prioritized replacement timetables. Projects in the CIP are typically a mix of rehabilitation and replacement projects, and improvement and regulatory projects primarily funded by rate payers, connection fees, or mitigation fees, depending on the fund.

RESOLUTION NO. 2010 –

Adopted by the Sacramento City Council

February 9, 2010**APPROVING FY2009/10 ADJUSTMENTS TO THE
UTILITIES CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET****BACKGROUND**

- A. The City's Strategic Plan established a goal of enhancing and preserving neighborhoods; the Department of Utilities supports this goal by providing high quality, reliable, and cost-effective water supply, sewer and drainage systems.
- B. The Department of Utilities has evaluated the projects in the current programs for condition assessment and criticality to ensure that the current CIP is meeting the needs of its residential and commercial customers and is in conformance with the City's Strategic Plan and the departmental goals.
- C. The Department of Utilities proposes the creation of CIP and Multi-Year Operating Program projects for the purpose of assuring dedicated funding for the capital infrastructure and dedicated funding for operating projects related to specific regulatory or long term programs.

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

- Section 1. The FY2009/10 Utilities CIP is amended to include the following new projects:
- X14010050 Capitol/L Alley 17th-18th Sewer/Water Replacement
 - X14010051 R/S St Alley Sewer 23rd to 24th
 - X14010052 T Street Alley Sewer 19th to 21st
 - X14010053 Sump 2 MCC Replacement, Ph 2
 - Z14009600 Conjunctive Use - Groundwater Wells
 - W14005000 PG&E Ditch Improvements
- Section 2. The following New Multi-Year Operating Program Projects shall be established:
- I14010100 Flood Control Planning
 - I14010200 FY10-FY14 National Pollutant Discharge Elimination System Stormwater Program
 - I14010300 Sacramento River Source Water Protection
 - I14010301 Sacramento River Keep Our Waters Clean Program
 - I14010400 American River Source Water Protection
 - I14010401 American River Keep Our Waters Clean Program

- I14010500 Water Meter Replacement Program
- I14010600 Water Service Failure Replacement Program

Section 3. The City Manager is authorized to adjust appropriations in the Water Fund (6005) CIP and Multi-Year Operating Program projects as shown below:

PROJECT	Fund	Budget Adj.
X14010050 CAPITOL/ L ALLEY 17-18 SWR/WTR REP	6005 Water Fund	125,000
Z14000500 WATER SUPPLY MASTER PLAN	6005 Water Fund	75,000
Z14000600 SAC RVR SOURCE WTR	6005 Water Fund	(64,390)
Z14000601 SAC RVR - KOWC PROGRAM	6005 Water Fund	(30,000)
Z14001100 AMR RVR SOURCE WTR	6005 Water Fund	(10,430)
Z14001101 AMER RVR - KOWC PROGRAM	6005 Water Fund	(25,000)
Z14001501 DISTRIBUTION FLUSHING PROGRAM	6005 Water Fund	(130,000)
Z14002400 SAC RVR WTR RELIAB STUDY	6005 Water Fund	(150,000)
Z14003200 CAMERAS AT RESERVOIRS	6005 Water Fund	(225,976)
Z14003800 T-MAIN RPL 13TH ST H-Q ST	6005 Water Fund	(1,000,000)
Z14004400 T-MAIN REPL 6TH ST I-Q ST	6005 Water Fund	(700,000)
Z14004800 FWTP MECHANICAL DEWATERING	6005 Water Fund	(437,375)
Z14005000 T-MAIN JIBBOOM ST STEEL MN	6005 Water Fund	2,584,000
Z14005100 T-MAIN 45TH ST, R-X STS	6005 Water Fund	(300,000)
Z14005400 SO SAC 4MG RESERVOIR	6005 Water Fund	125,000
Z14005600 MAIN AVE TM BLCKRK-RIO LIN	6005 Water Fund	(1,800,000)
Z14006000 TP REHAB DESIGN	6005 Water Fund	1,500,000
Z14006100 PIPE COND ASSESSMT	6005 Water Fund	(200,000)
Z14006900 DIST SYS PRESSURE MONITORING	6005 Water Fund	(200,000)
Z14007600 NORTH B ST - SRWTP TO 18TH ST	6005 Water Fund	(350,000)
Z14008100 AUTO WATER METER READ	6005 Water Fund	(775,000)
Z14009100 LOWER AR STUDY PROGRAM	6005 Water Fund	(200,000)
Z14009300 AMI : METER READING	6005 Water Fund	775,000
Z14009600 CONJUNCTIVE USE - GW WELLS	6005 Water Fund	385,000
Z14000700 BASE CIP RESERVE - WATER	6005 Water Fund	42,351
I14010300 SAC RVR SOURCE WTR	6005 Water Fund	64,390
I14010301 SAC RVR - KOWC PROGRAM	6005 Water Fund	30,000
I14010400 AMERICAN RVR SOURCE WATER	6005 Water Fund	10,430
I14010401 AMERICAN RIVER -KOWC PROGRAM	6005 Water Fund	25,000
I14010600 WATER SERVICE FAILURE REPLACEMENT PROGRAM	6005 Water Fund	857,000
TOTAL WATER FUND 6005		0

Section 4. The City Manager is authorized to adjust appropriations in the Sewer Fund (6006) CIP as shown below:

PROJECT	Fund	Budget Adj.
W14004200 INVENTORY & O&M MGMNT CTR	6006 Sewer Fund	113,155
X14000100 SEWER SYS REHABILITATION	6006 Sewer Fund	(100,000)
X14000500 BASE CIP RESERVE - SEWER	6006 Sewer Fund	(200,000)
X14002700 REHAB PROJECT 2008	6006 Sewer Fund	(126,000)
X14010022 CSS IMPROVEMNT PLAN UPDATE	6006 Sewer Fund	125,000
X14010024 SUMP 2 MCC REPLACEMENT	6006 Sewer Fund	(735,000)
X14010025 CWTP MCC E REPLACEMENT	6006 Sewer Fund	(100,000)
X14010038 CSS MISCELLANEOUS	6006 Sewer Fund	(100,000)
X14010050 CAPITOL/ L ALLEY 17-18 SWR/WTR	6006 Sewer Fund	155,000
X14010051 R/S ALLEY SEWER 23RD TO 24 TH	6006 Sewer Fund	190,000
X14010052 T STREET ALLEY SWR 19TH-21ST	6006 Sewer Fund	42,845
X14010053 SUMP 2 MCC REPLACEMENT PH 2	6006 Sewer Fund	735,000
TOTAL NET FUND 6006		0

Section 5. The City Manager is authorized to adjust appropriations in the Storm Drainage Fund (6011) CIP and Multi-Year Operating Projects Program as shown below:

PROJECT	Fund	Budget Adj.
W14000400 FLOOD CONTROL PLANNING	6011 Drainage Fund	(220,000)
W14000900 BASIN 31 DTENTN 65TH BDWY	6011 Drainage Fund	(180,255)
W14002600 SUMP 157 ELECTRICAL REHAB	6011 Drainage Fund	(210,326)
W14003300 SUMP 157 TRASHRACKS	6011 Drainage Fund	150,000
W14003403 SUMP 65 ELECTRICAL REHAB	6011 Drainage Fund	(111,450)
W14003405 SUMP 112 ELECTRICAL REHAB	6011 Drainage Fund	120,000
W14004200 INVENTORY & O&M MGMNT CTR	6011 Drainage Fund	203,678
W14004600 FY10-FY14 NPDES STORMWATER PRGM	6011 Drainage Fund	(1,000,000)
W14005000 PG&E DITCH IMPROVEMENTS	6011 Drainage Fund	28,353
X14010024 SUMP 2 MCC REPLACEMENT	6011 Drainage Fund	(25,000)
X14010053 SUMP 2 MCC REPLACEMENT PH 2	6011 Drainage Fund	25,000
I14010100 FLOOD CONTROL PLANNING	6011 Drainage Fund	220,000
I14010200 FY10-FY14 NPDES STORMWATER PRGM	6011 Drainage Fund	1,000,000
TOTAL NET FUND 6011		0

Section 6. The City Manager is authorized to establish a Multi-Year Operating Program project for the Water Meter Replacement Program (I14010500) and transfer \$350,000 in Water Funds (6005) from the FY2009/10 Approved Budget for the Water Distribution Organization (Dept ID 14001411) service and supply budget to this project.