



10.1A(3)

Department of Utilities  
Office of the Director

CITY OF SACRAMENTO  
CALIFORNIA

1395 35<sup>th</sup> Avenue  
Sacramento, CA 95822-2911  
phone (916) 264-1400  
fax (916) 264-1497/1498

May 28, 1999 **APPROVED**  
BY THE CITY COUNCIL

**JUN 8 1999**

OFFICE OF THE  
CITY CLERK

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** FY 1999-2000 PROPOSED STORM DRAINAGE BUDGET AND  
AMENDMENTS TO FY 1999 STORM DRAINAGE FUND CAPITAL  
IMPROVEMENT PROGRAM

**LOCATION AND COUNCIL DISTRICT:** Citywide

### RECOMMENDATION

It is recommended that the City Council adopt the attached resolution to approve amendments to the FY 1998-99 Capital Improvement Program.

**CONTACT PERSONS:** Michael Stamper, Business Services Manager, 264-1468

**FOR THE COUNCIL MEETING OF:** June 8, 1999

### SUMMARY

This report presents information on the FY 1999-2000 proposed Storm Drainage Fund Budget and recommends that City Council approve amendments to the FY 1998-99 Storm Drainage Capital Improvement Program.

**COMMITTEE/COMMISSION ACTION:** None.

### BACKGROUND INFORMATION

The Storm Drainage Fund is a self-supporting enterprise fund which supports storm drainage pumping operations, the storm drainage collection system, related engineering services, the City Operator Program, flood plain management, customer service and a significant capital improvement program. Revenues in this fund are derived primarily from



CITY OF SACRAMENTO  
DEPARTMENT  
OF UTILITIES

*Making a Difference in Your Neighborhood*

City Council  
June 8, 1999  
FY 1999-2000 PROPOSED STORM DRAINAGE BUDGET

user fees, which comprise 92% of total revenues. Interest income makes up the remaining 8% of revenues.

The operating environment for this utility service is influenced by increasing regulation by state and federal agencies, diminishing the extent of local control over service levels and associated costs. Stricter regulation has led to closer scrutiny of daily operations by the State Regional Water Quality Control Board (RWQCB) and increasingly stringent Environmental Protection Agency requirements for storm water quality monitoring. There is also a continuing need to conduct long-range drainage basin master planning leading to capital projects, for both existing and newly developing areas of the City. The need to meet regulatory requirements while also planning for the orderly economic development of the City continues to drive the spending plans for this utility enterprise.

**Goals for the Storm Drainage Utility:**

- Protect community health.
- Improve the stormwater collection system where feasible to minimize major storm event flooding in neighborhoods.
- Continue to implement a balanced approach to capital maintenance and improvement between system-wide and area specific projects.
- Comply with regulatory authority.
- Keep utility rate increases to a minimum while meeting the City's long and short term infrastructure needs.

**Major issues include:**

- Rehabilitating the central city's combined sewer and storm drainage system (CSS) at the least possible cost to ratepayers.
- Upgrading drainage service to areas outside of the CSS to meet citywide standards.
- Supporting regional flood control efforts.
- Improving drainage system reliability.
- Maintaining a prudent contingency reserve.

**FINANCIAL CONSIDERATIONS**

**FY 2000 Proposed Operations Budget**

The Department of Utilities Storm Drainage Fund has a current, authorized work force of 146 FTE and an operating budget of \$17.7 million. The Department proposes a staffing increase of 9.0 FTE with a net cost increase of \$1.2 million for the following reasons:

City Council  
June 8, 1999

## FY 1999-2000 PROPOSED STORM DRAINAGE BUDGET

- Cost of living labor and other inflationary cost adjustments such as fleet equipment rental and central support costs.
- Commercial and residential construction of North Natomas requires additional field crews for monitoring, operating, and maintaining the storm drainage infrastructure being constructed and placed in service. The Department recommends an additional drainage collection maintenance crew and supervisor with the necessary support equipment. The proposed increase in staffing is 5.0 FTE.
- To help keep pace with the increase in development related and large capital improvement projects, the Department recommends adding a Senior Engineer and two Associate Engineers to provide necessary project management and administrative support. There will be no operating budget impact; funding will be offset by development and the capital program. The proposed increase in staffing is 3.0 FTE.
- The Department is transferring the Field Services Division Manager and Secretary from Wastewater Collection (3342) to Drainage Collection (3343) and a Water and Sewer Superintendent in Plant Services from Drainage Maintenance (3326) to Water Production Operations (3321). The proposed net increase in staffing is 1.0 FTE.

### **FY 1999 Current Capital Improvement Program**

In order to ensure that the Storm Drainage Fund Capital Improvement Program is meeting the needs of the system and 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 FY99 Storm Drainage Fund Capital Improvement Program to:

- Defund \$6 million from 22 completed or continuing projects
- Add \$4.1 million to 13 current projects
- Add \$1.3 million to reserves for future capital project requirements
- Restore \$570,008 to the Storm Drainage Fund contingency reserve.

The attached resolution details the projects and amounts to be defunded or amended.

### **FY 2000 Proposed Capital Improvement Program**

The total appropriations recommended for the FY 2000 Storm Drainage Fund Capital Improvement Program are \$12.7 million. The amount is \$3.3 million more than the FY99 Capital Improvement Program. The FY 2000 Storm Drainage 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: \$9.48 million is appropriated to

City Council  
June 8, 1999

## FY 1999-2000 PROPOSED STORM DRAINAGE BUDGET

- The Department of Utilities' budget proposal includes cost of living labor and other inflationary cost adjustments such as fleet equipment rental, central support costs, and chemicals.
- Commercial and residential construction of North Natomas requires additional field crews for monitoring, operating, and maintaining the storm drainage infrastructure being constructed and placed in service. The Department recommends an additional drainage collection maintenance crew and supervisor with the necessary support equipment. The proposed increase in staffing is 5.0 FTE.
- To help keep pace with the increase in development related and large capital improvement projects, the Department recommends adding a Senior Engineer and two Associate Engineers to provide necessary project management and administrative support. There will be no operating budget impact; funding will be offset by development and the capital program. The proposed increase in staffing is 3.0 FTE.
- The Department is transferring the Field Services Division Manager and Secretary from Wastewater Collection (3342) to Drainage Collection (3343) and a Water and Sewer Superintendent in Plant Services from Drainage Maintenance (3326) to Water Production Operations (3321). The proposed net increase in staffing is 1.0 FTE.

### **FY 1999 Current Capital Improvement Program**

In order to ensure that the Storm Drainage Fund Capital Improvement Program is meeting the needs of the system and 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 FY99 Storm Drainage Fund Capital Improvement Program to:

- Defund \$6 million from 22 completed or continuing projects
- Add \$4.1 million to 13 current projects
- Add \$1.3 million to reserves for future capital project requirements
- Restore \$570,008 to the Storm Drainage Fund contingency reserve.

The attached resolution details the projects and amounts to be defunded or amended.

### **FY 2000 Proposed Capital Improvement Program**

The total appropriations recommended for the FY 2000 Storm Drainage Fund Capital Improvement Program are \$12.7 million. The amount is \$3.3 million more than the FY99 Capital Improvement Program. The FY 2000 Storm Drainage 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: \$9.48 million is appropriated to

City Council

June 8, 1999

FY 1999-2000 PROPOSED STORM DRAINAGE BUDGET

construction projects not in the combined system, and \$2.3 million is appropriated to construction projects within the combined system.

Utilities staff have worked within the department and with many other city departments to identify more efficient and cost effective ways of providing service to our customers. No rate increase is proposed for storm drainage user fees for FY 1999-2000. The Storm Drainage Fund is forecast to end fiscal year 1998-99 with a modest fund balance which reflects a 1% growth in user fees. The following table itemizes the components of the storm drainage monthly service charge for a typical residential customer.

<b>COMPONENTS OF A TYPICAL RESIDENTIAL STORM DRAINAGE CHARGE</b>	
<b>Program</b>	<b>Proposed</b>
Capital Improvement Projects	\$ 4.37
Storm Drainage Pumping Operations	1.94
Drainage Collection System	1.84
Central Support Costs	1.70
Engineering Services	.77
Customer Service, Administration, Retiree Payments	.36
Debt Service	.33
<b>TOTAL</b>	<b>\$ 11.31</b>

The following table provides the revenue and expenditure projections for the Storm Drainage Fund for the next five years. The five-year projection forecasts the need for rate increases of four percent over the next four years beginning in FY 2000-01. Projected future rate increases would be required to:

- support department goals that deal with major issues affecting the drainage system;
- fund increases in debt service;
- account for inflation and contractual commitments; and
- maintain a reasonable and prudent reserve.

To the extent that grants, low-interest loans, or cost-sharing agreements can be obtained, future rate increases could be mitigated.

City Council  
 June 8, 1999  
 FY 1999-2000 PROPOSED STORM DRAINAGE BUDGET

**STORM DRAINAGE FUND  
 REVENUE AND EXPENDITURE FORECAST  
 (\$ IN 000)**

<b>FIVE YEAR PROJECTION:</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
Rate Increase Projected	0%	4%	4%	4%	4%
<b>BEGINNING FUND BALANCE</b>	16,322	13,220	10,856	7,341	4,594
<b>REVENUES/OTHER SOURCES</b>					
Revenue	29,766	30,554	32,082	33,760	35,528
Revenue from Rate Increase**	0	1,097	1,156	1,218	1,285
Debt Proceeds	0	0	0	0	0
<b>Subtotal Rev/Other Sources:</b>	<b>29,766</b>	<b>31,651</b>	<b>33,238</b>	<b>34,978</b>	<b>36,813</b>
<b>EXPENDITURES</b>					
Operating Budget	19,208	19,631	20,345	21,091	21,864
Debt Service	947	2,747	3,196	3,421	3,421
CIP Budget	12,712	11,637	13,213	13,213	13,213
<b>Subtotal Expenditures:</b>	<b>32,867</b>	<b>34,015</b>	<b>36,754</b>	<b>37,725</b>	<b>38,498</b>
<b>ENDING FUND BALANCE</b>	<b>13,220</b>	<b>10,856</b>	<b>7,341</b>	<b>4,594</b>	<b>2,908</b>

**ENVIRONMENTAL CONSIDERATIONS**

The proposed budget amendments are exempt from the California Environmental Quality Act (CEQA) pursuant to Section 21080(b)(8) of the Public Resources Code. Future capital improvement projects will receive the appropriate level of environmental review, under CEQA, in conjunction with project planning and design.

**POLICY CONSIDERATIONS**

Title 36 of the Sacramento City Code allows the City Council to establish storm drainage rates and fees by resolution. However, the process to increase storm drainage user fees to fund additional operations and maintenance and CIP programs may be significantly altered in light of the passage in November 1996 of Proposition 218, the "Right to Vote on Taxes Act". If storm drainage fees are considered "property-related fees" subject to Proposition 218, a proposed fee increase would be required to be submitted to a vote and

City Council  
June 8, 1999  
FY 1999-2000 PROPOSED STORM DRAINAGE BUDGET

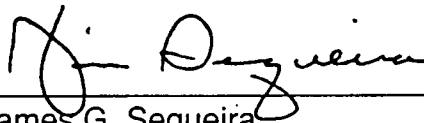
approved by either a majority vote of the affected property owners or, at the option of the City, a 2/3 vote of the electorate residing in the area where the fee is imposed.

Although no rate increase is proposed for next fiscal year, upward pressures on spending for operations, maintenance and the capital program, in addition to maintaining a consistent level of service and prudent reserve, rate increases will likely be required in future years.

**ESBD CONSIDERATIONS**

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

Respectfully submitted,



James G. Sequeira  
Director of Utilities

RECOMMENDATION APPROVED:



Robert P. Thomas  
City Manager

APPROVED:



Jack R. Crist  
Deputy City Manager

APPROVED  
BY THE CITY COUNCIL

JUN 8 1999

RESOLUTION NO. 99-293  
OFFICE OF THE  
CITY CLERK

ADOPTED BY THE SACRAMENTO CITY COUNCIL

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

RESOLUTION TO AMEND THE FY99 STORM DRAINAGE FUND  
CAPITAL IMPROVEMENT PROGRAM

BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:

1. The FY99 Storm Drainage Fund Capital Improvement Program is hereby amended as follows:

CIP No.	Project Title		FY99 Budget Adjustment
LK03	Marconi Stn/Hagginwood Berm	425 - 500 - LK03 - 4820	-309,745
WA51	Misc. Drainage Improvmt	425 - 500 - WA51 - 4820	-71,990
WG51	Bercut Drive Util Repair	425 - 500 - WG51 - 4820	-56,000
WG61	Scada System Upgrade	425 - 500 - WG61 - 4820	-100,000
WH31	Drain Imp C St 40th-Meister	425 - 500 - WH31 - 4820	-129,500
WH36	Sump 128 Generator/Switch	425 - 500 - WH36 - 4820	-86,684
WH66	Basin 26 Master Planning	425 - 500 - WH66 - 4820	-70,000
WH81	Sac Rvr Trees/Elderberry	425 - 500 - WH81 - 4820	-51,736
WI01	Basin 68 Imp - Sump Inflow Structure	425 - 500 - WI01 - 4820	-550,000
WI06	DI Replacements FY99	425 - 500 - WI06 - 4820	-399,809
WI16	Outfall Relocation COE Projects	425 - 500 - WI16 - 4820	-500,000
WI46	Basin 31 Improv - Overall Design	425 - 500 - WI46 - 4820	-300,000
WI51	Sump 33/22 Influent Sluice	425 - 500 - WI51 - 4820	-50,000
XC42	13th St. Sewer - F to J Streets	425 - 500 - XC42 - 4820	-300,000
XD91	20th St Brick Main Replace	425 - 500 - XD91 - 4820	-108,571
XM03	Alley Swr Alhambra/30-N/O	425 - 500 - XM03 - 4820	-64,707
XM16	25th St Brick Mn F/G All-N	425 - 500 - XM16 - 4820	-317,307
XM21	20th St Swr, Broadway-2nd	425 - 500 - XM21 - 4820	-71,107
XM34	Lagormarsino Drain Imp	425 - 500 - XM34 - 4820	-128,172
XM60	K/L Alley Swr, 16th-17th	425 - 500 - XM60 - 4820	-86,250
ZF21	Utilities Technology Imprv	425 - 500 - ZF21 - 4820	-348,147

FOR CITY CLERK USE ONLY

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

DATE ADOPTED: \_\_\_\_\_ 8



CIP No.	Project Title	CIP No.	FY99 Budget Adjustment
WC66	Discharge Monitoring	425 - 500 - WC66 - 4820	66,887
WD56	NPDES Stormwater Program	425 - 500 - WD56 - 4820	90,000
WG06	Floodplain Management	425 - 500 - WG06 - 4820	242,000
WG56	Sump 35 Pump Station	425 - 500 - WG56 - 4820	132,221
WH91	Permanent Mounted Generators	425 - 500 - WH91 - 4820	325,000
WH96	Basin 68 Imp - Deten to SRWWTP	425 - 500 - WH96 - 4820	550,000
WI11	Basin 31 Imp - Outfall to CSUS	425 - 500 - WI11 - 4820	350,000
WI66	Haggin Oaks Detention	425 - 500 - WI66 - 4820	309,811
XM10	Alley Swr, 27/28 & J/K	425 - 500 - XM10 - 4820	231,873
XM23	Sump 1/1A/Pioneer Reservoir	425 - 500 - XM23 - 4820	-1,935,436
XM24	Sump 2 Rehabilitation	425 - 500 - XM24 - 4802	1,434,200
XM50	24th St Sewer Repl, S - W	425 - 500 - XM50 - 4820	237,150
XM56	H/I Alley Swr, 16th-17th	425 - 500 - XM56 - 4820	111,408
XM75	L St Sewer, 5th - 6th	425 - 500 - XM75 - 4820	54,000
WE71	Base CIP Reserve-Drainage	425 - 500 - WE71 - 4414	1,177,182
XD42	Combined Sewer Sys Reserve	425 - 500 - XD42 - 4414	153,421
Total CIP Adjustments			-570,008

2. Funds in the amount of \$570,008 are restored to the Storm Drainage Fund Contingency Reserve (425-710-7012-4999).

\_\_\_\_\_  
MAYOR

ATTEST:

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

FOR CITY CLERK USE ONLY

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

DATE ADOPTED: \_\_\_\_\_ 9 \_\_\_\_\_

# RATE INCREASE PROPOSAL NOTIFICATION/WRITTEN PROTEST RESULTS

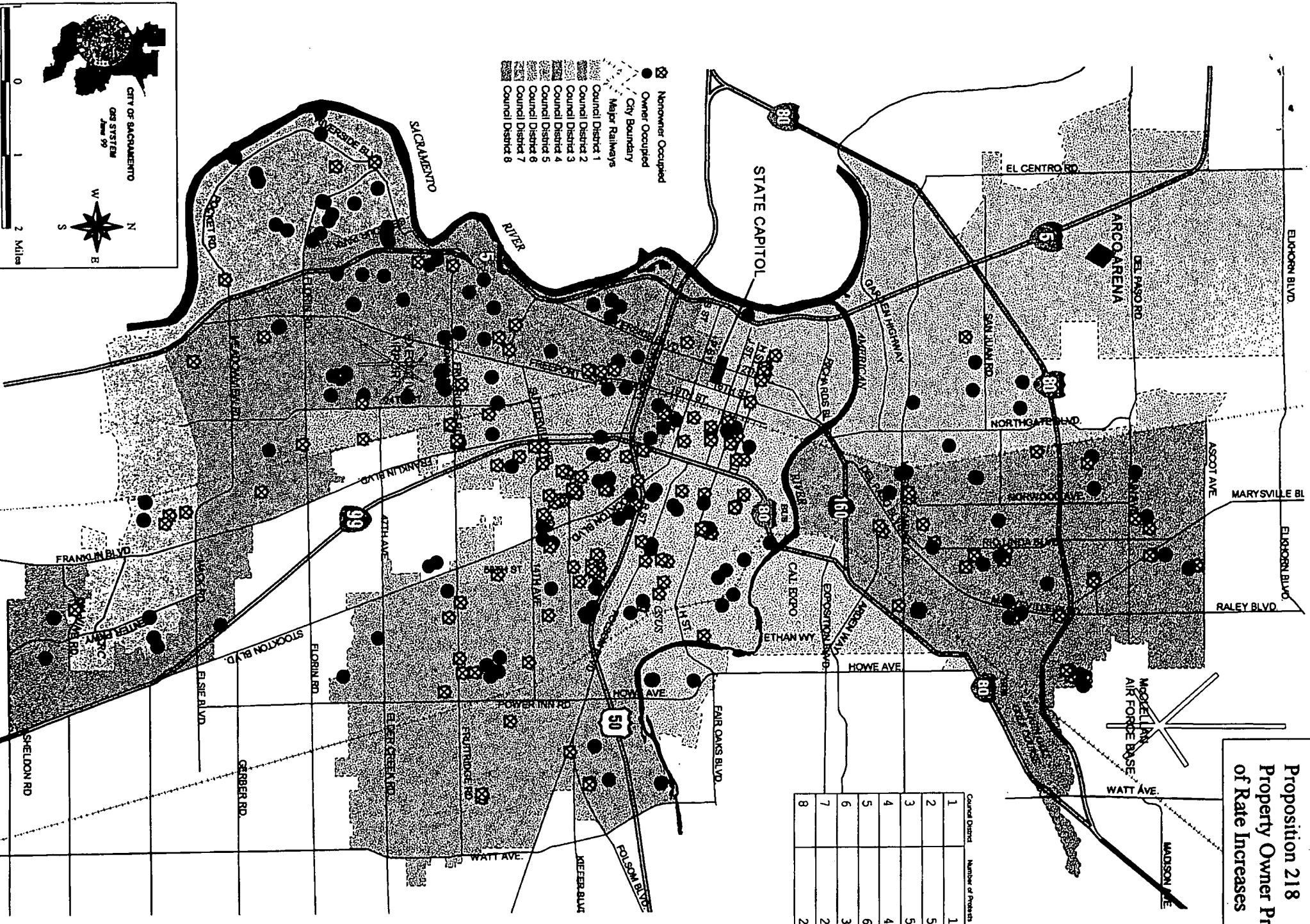
<b>Total Notices Mailed</b>	<b>112,590</b>	
<b>Undeliverable, Not able to forward</b>	<b>1,450</b>	<b>1.29%</b>
<b>Total Written Protests Received</b>	<b>310</b>	<b>.28%</b>

<b>SUMMARY OF PROTEST COMMENTS</b>	<b>TOTAL</b>
<b>No specific comment</b>	<b>169</b>
<b>Economic hardship; on a fixed income</b>	<b>52</b>
<b>Already pay enough</b>	<b>41</b>
<b>Services being under utilized</b>	<b>19</b>
<b>Rate increase excessive, unjustified, etc.</b>	<b>13</b>
<b>Service quality is poor</b>	<b>11</b>
<b>Eliminate supplement to the General Fund</b>	<b>5</b>



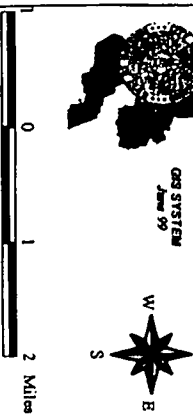
# Proposition 218 Property Owner Protests of Rate Increases

Council District	Number of Protests
1	13
2	53
3	55
4	47
5	66
6	33
7	24
8	23



- ⊗ Nonowner Occupied
- Owner Occupied
- - - City Boundary
- - - Major Railways
- ▨ Council District 1
- ▨ Council District 2
- ▨ Council District 3
- ▨ Council District 4
- ▨ Council District 5
- ▨ Council District 6
- ▨ Council District 7
- ▨ Council District 8

CITY OF SACRAMENTO  
GIS SYSTEM  
April '99



June 8, 1999

Dear honorable City Councilmen/women:

We Submitted the followings:

The persons who signed their names on this letter strongly OPPOSE the Uility Rate Increases effective on 7-1-1999:

Name	Address
Teresa Ruiz	3217 - U - ST. SACTO, CA 95817
Deborah De Tien	7593 Quincey Wy Sacto 95823
Cindy Britton	2420 27th St. Sacto 95818,
Jesus Britton	" " " "
Elcira Britton	" " " "
<del>Eric</del>	6860 Riverside Blvd Sacto 95831
Brian W Beckett	312 Riverside Way Sacto 95831
Eric <del>Wong</del>	6696 Orleans Way 95831
David <del>Wong</del>	" " " "
Cong Fong	853 <del>LAKEFRONT DR</del> LAKEFRONT DR 95831
Michelle Fong	853 Lakefront Dr-95831
Oliver Fong	6696 Orleans Way 95831
Christoph Sandy	6697 ORLEANS WAY 95831
<del>Harold</del>	6697 ORLEANS WAY 95831

June 8, 1999

Dear honorable City Councilmen/women:

We Submitted the followings:

The persons who signed their names on this letter strongly OPPOSE  
the Uility Rate Increases effective on 7-1-1999:

Name

Address

CAROLYN HAYLES

3081 GARDENVALE RD. SACTO. CA 95822

BETTY GARWEL

217 ARBOR CREST WAY SACTO, CA 95838

MARCELA X. CALVANT

7714 CRESCENTDALE WAY SACTO CA 95823

Lui Hung

7654 Greenlawn Dr. SACTO 95831

Mike Tang

6696 Orleans Way 95831