



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814

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Meeting Date: 2/15/2011

Report Type: Consent

Title: FY2010/11 Adjustments to the Utilities Capital Improvement Program (CIP) Budgets

Report ID: 2011-00064

Location: Citywide

Recommendation: Adopt a Resolution: 1) adding eight new projects to the FY2010/11 CIP; 2) canceling two existing projects to the FY2010/11 CIP; 3) adjusting appropriations in 33 CIP budgets with Water Fund (6005); 4) adjusting appropriations in 25 CIP budgets with Sewer Fund (6006); 5) adjusting appropriations in 21 CIP budgets with Storm Drainage Fund (6011); 6) adjusting appropriations in 2 CIP budgets with Solid Waste Fund (6007); and 7) amending the revenue and expenditure budgets for the completed Howe Avenue 54 inch Water Transmission Main Project (ZI56).

Contact: Bill Busath, Interim Engineering Manager, 808-1434, Department of Utilities

Presenter: None

Department: Department of Utilities

Division: Engineering Administration

Dept ID: 14001311

Attachments:

1-Description/Analysis

2-Background

3-Resolution

City Attorney Review

Approved as to Form
Janeth D. San Pedro
2/9/2011 3:49:53 PM

City Treasurer Review

Prior Council Financial Policy Approval or
Outside City Treasurer Scope
Janelle Gray
1/31/2011 1:52:25 PM

Approvals/Acknowledgements

Department Director or Designee: Marty Hanneman - 2/1/2011 2:05:35 PM

Assistant City Manager: John Dangberg - 2/9/2011 11:07:07 AM

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. The Department is recommending allocation adjustments to 81 projects in the Water, Sewer, Storm drainage and Solid Waste funds.

Concurrently, the Department is recommending the creation of eight new projects and the cancellation of two existing projects to ensure financial resources are allocated based on the priority and necessity of the projects. In addition to these changes, the Department is recommending amending the revenue and expenditure budgets for the completed Howe Avenue 54 inch Water Transmission Main Project (ZI56) to reflect additional grant funds received for reimbursement of project costs.

Additional information on the projects is included in the Background Section.

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, Storm Drainage and Solid Waste Capital Improvement Programs to better manage existing resources. The recommended funding adjustments will be supported by the Base CIP Reserves in the Water, Sewer, and Storm Drainage programs.

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

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 (FY2010/11) review and proposed adjustments meet those objectives.

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.

The proposed adjustments are to reallocate funding from some existing projects to other projects that are ready to proceed but lack sufficient appropriations. DOU is recommending the creation of eight new projects for replacements of sump switchgear and rehabilitations and repairs of facilities to improve reliability of the pump stations and DOU facilities, and to add funding to the System-wide Level Monitors Preliminary Design project.

The Department is also recommending the cancellation of two existing projects due to new project alternatives and new assessment of the projects. Project Z14006900 (Distribution System Pressure Monitoring) was to monitor water system pressures in South Sacramento. This function will be accomplished as part of project Z14005400 (Shasta Park Reservoir and Pump Station) so that a separate project will not be necessary. Project Z14007600 (North B St SRWTP to 18th St) was for scheduled pipeline replacement, due to the age and material type of the pipeline. However, based on an assessment of the pipeline conditions, the pipeline appears to be in good condition and this project will not be necessary at this time.

The Howe Avenue 54 inch Water Transmission Main Project (Z156) is a multi-funded project, funded by the State Department of Water Resources' (DWR) Proposition 13 grant (Resolution 2003-880) under Other Capital Grant Fund (3704), the City's Water fund (6005), and a CIP Reimbursable Fund (3702). The Project was completed several years ago but the Department received additional grant funds in the amount of \$324,108 for reimbursement of the project costs. The revenue and expenditure budgets need to be amended to reflect this additional grant reimbursement, so that the funding from the Water Fund (6005) can be reduced and returned to the Base CIP Reserve – Water Fund (Z14000700).

RESOLUTION NO. 2011 –

Adopted by the Sacramento City Council

February 15, 2011

APPROVING FY2010/11 ADJUSTMENTS TO THE UTILITIES CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET

BACKGROUND

- A. As part of the ongoing management of the Department of Utilities' Capital Improvement Program (CIP), a periodic review and reallocation of the available financial resources is performed to continue providing capital improvements in a timely and efficient manner. This process results in recommended budget adjustments on a project-by-project basis to ensure that progress continues on priority projects.
- B. Concurrently, the Department recommends the creation of new projects and the cancellation of existing projects as needed to ensure that financial resources are allocated based on the priority and necessity of the projects.

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

Section 1. The FY2010/11 Utilities CIP is amended to include the following new projects:

- o Z14110900 Cast Iron Pipe Rehab
- o Z14111000 Fire Sprinklers Corp Yd Bldg 7 & 8
- o Z14111100 DOU Facility Roof Rehab
- o W14110600 Sump 39 Switchgear Replacement
- o W14110700 Sump 38 Switchgear Replacement
- o W14110800 Sump 152 Switchgear Replacement
- o W14110900 Miscellaneous Outfall Repairs
- o W14111000 System-wide Level Monitor Pre-design

Section 2. The FY2010/11 Utilities CIP is amended to cancel the following projects:

- o Z14006900 Distribution System Pressure Monitoring
- o Z14007600 North B St SRWTP to 18th St

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

Project	Fund	Budget Adjustment
W14001600 FY04-FY08 NPDES PROGRAM	6005 Water Fund	(35,367)
X14010050 CAPITAL / L ALLEY 17TH - 18TH ST	6005 Water Fund	25,000
Z14000201 Apartment Retrofits	6005 Water Fund	(499,597)

Z14000700	BASE CIP RESERVE-WATER	6005 Water Fund	(109,582)
Z14001000	SRWTP INTAKE TREE PLANTING	6005 Water Fund	(45,434)
Z14001400	FIBER OPTICS-DOU Fiber	6005 Water Fund	(21,381)
Z14001801	Well #117 Abandonment	6005 Water Fund	(24,810)
Z14002300	SRWTP PROPERTY ACQUISITION	6005 Water Fund	550,000
Z14002900	SRWTP SWITCHGEAR RPL	6005 Water Fund	(66,250)
Z14003200	CAMERAS AT RESERVOIRS	6005 Water Fund	(20,678)
Z14003800	T-MAIN RPL 13TH ST H-Q ST	6005 Water Fund	(49,250)
Z14004000	SOUTHEAST SACRAMENTO TMAIN	6005 Water Fund	(500,000)
Z14004400	T-MAIN REPL 6TH ST I-Q ST	6005 Water Fund	(87,534)
Z14005000	T-MAIN JIBBOOM ST STEEL MN	6005 Water Fund	(1,500,000)
Z14005100	T-MAIN 45TH ST, R-X STS	6005 Water Fund	(170,000)
Z14005500	FWTP LOW LIFT PUMP PH2	6005 Water Fund	(17,722)
Z14005600	MAIN AVE TM BLCKRK-RIO LIN	6005 Water Fund	(127,507)
Z14005900	TMAIN CITY COLLEGE RES	6005 Water Fund	(25,439)
Z14006000	TP REHAB DESIGN	6005 Water Fund	2,100,000
Z14006800	UNPLANNED CORRECTIVE MAINTENANCE	6005 Water Fund	20,000
Z14006900	DISTRIBUTION SYSTEM PRESSURE MONITORING	6005 Water Fund	(49,799)
Z14007400	9TH ST - K/L ALLEY TO CAPITOL MALL	6005 Water Fund	(13,381)
Z14007500	IST - 11TH TO 23RD STS	6005 Water Fund	200,000
Z14007600	NORTH B ST - SRWTP TO 18TH ST	6005 Water Fund	(50,000)
Z14008200	TMAIN: ALHAMBRA BLVD - HWY 50 TO BROADWAY	6005 Water Fund	(446,244)
Z14008900	FLORIN RES. ENGINE 2 REBUILD	6005 Water Fund	(20,361)
Z14010056	Apartment Meter Rplcmnt	6005 Water Fund	499,597
Z14110500	CHLORINE EMERG SHUTOFF #150 CYL WELLS	6005 Water Fund	(10,261)
Z14110600	FLORIN RESERVOIR ENGINE 3	6005 Water Fund	21,000
Z14110800	METER SHOP REHAB	6005 Water Fund	50,000
Z14110900	CAST IRON PIPE REHAB	6005 Water Fund	300,000
Z14111000	FIRE SPRKLRS CORP YD BLDG 7 & 8	6005 Water Fund	45,000
Z14111100	DOU FACILITY ROOF REHAB	6005 Water Fund	80,000
Total Net Fund 6005			0

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

Project	Fund	Budget Adjustment
X14000500 - BASE CIP RESERVE - SEWER 3261	6006 Sewer Fund	200,407
X14002500 - Sewer Asset Mgmt Program	6006 Sewer Fund	30,000
X14002700 - Rehab Project 2008	6006 Sewer Fund	(35,000)
X14003600 - FLOW MONITORING/HYDROLOGY	6006 Sewer Fund	10,000
X14003800 - IN-HOUSE FLOW MONITORING	6006 Sewer Fund	(24,662)
X14003900 - SUMP 85 INFLUENT REHAB	6006 Sewer Fund	183,000

X14010012 - FLOOD GATES AT BLUE DIAMND3350	6006 Sewer Fund	(18,061)
X14010013 - S ST SEWER RELACE 9TH-11TH3350	6006 Sewer Fund	(1,399,156)
X14010014 - J/K ALLEY SEWER 9TH-11TH 3350	6006 Sewer Fund	(37,357)
X14010027 - 11TH ST SWR O/P-Q/R ALLEY3351	6006 Sewer Fund	(14,279)
X14010030 - J/K ALLEY SWR 22ND-23RD 3351	6006 Sewer Fund	(10,244)
X14010032 - 5TH ST SEWER UPSIZING U-R3351	6006 Sewer Fund	275,000
X14010035 - Condition Assmnt Large Css Pip	6006 Sewer Fund	(15,000)
X14010036 - S St Inline Storage 11Th-14Th	6006 Sewer Fund	1,145,000
X14010040 - E/F ALLEY SWR, 42ND-LA PURISSI	6006 Sewer Fund	(63,000)
X14010041 - 36/37 Alley Swr, P-R Streets	6006 Sewer Fund	(67,000)
X14010050 - CAPITAL/L ALLEY SWR 17TH-18TH	6006 Sewer Fund	15,000
X14010051 - R/S ST ALLEY SEWER, 23RD-24TH	6006 Sewer Fund	(16,000)
X14010053 - SUMP 2 MCC REPLACEMENT PH2	6006 Sewer Fund	(160,000)
X14010054 - 35TH/SANTA YNEZ SEWER	6006 Sewer Fund	30,000
X14010055 - O/P ALLEY SWR REPLACE, 13TH-14	6006 Sewer Fund	50,000
X14010065 - CSS Imprvmnt Plan Update Ph2	6006 Sewer Fund	25,000
Z14001400 FIBER OPTICS-DOU Fiber	6006 Sewer Fund	(34,588)
Z14003200 CAMERAS AT RESERVOIRS	6006 Sewer Fund	(48,453)
Z14003700 PLANT SERVICES CMMS	6006 Sewer Fund	(20,607)
Total Net Fund 6006		0

Section 5. The City Manager is authorized to adjust appropriations in the Storm Drainage Fund (6011) CIP projects as shown below:

Project	Fund	Budget Adjustment
W14000200 BASE CIP RESERVE-DRAINAGE	6011 Drainage Fund	249,202
W14000500 FLOODPLAIN MANAGEMENT	6011 Drainage Fund	(16,551)
W14000700 BASIN 26 DETENTION	6011 Drainage Fund	(36,119)
W14001100 MORRISON CK FOUR ACCESS	6011 Drainage Fund	25,000
W14001600 FY04-FY08 NPDES PROGRAM	6011 Drainage Fund	(636,000)
W14002100 STORM DRAIN SYS FAILURES	6011 Drainage Fund	(100,000)
W14003300 SUMP 157 TRASHRACKS	6011 Drainage Fund	200,000
W14003406 SUMP 94 ELECTRICAL REHAB	6011 Drainage Fund	(44,816)
W14003407 SUMP 51 ELECTRICAL REHAB	6011 Drainage Fund	(43,689)
W14003700 MASTER PLAN BASIN 152	6011 Drainage Fund	(50,000)
W14005000 PG&E DITCH IMPROVEMENTS	6011 Drainage Fund	300,000
W14110100 Drainage Master Plans	6011 Drainage Fund	(100,000)
W14110600 Sump 39 Switchgear Replacement	6011 Drainage Fund	100,000
W14110700 Sump 38 Switchgear Replacement	6011 Drainage Fund	100,000
W14110800 Sump 152 Switchgear Replacement	6011 Drainage Fund	50,000
W14110900 Miscellaneous Outfall Repairs	6011 Drainage Fund	100,000
W14111000 System-wide Level Monitors Pre-design	6011 Drainage Fund	50,000
X14010014 - J/K ALLEY SEWER 9TH-11TH 3350	6011 Drainage Fund	(10,747)
Z14001400 FIBER OPTICS-DOU Fiber	6011 Drainage Fund	(90,000)
Z14003200 CAMERAS AT RESERVOIRS	6011 Drainage Fund	(30,000)

Z14003701 FIELD SERVICES CMMS	6011 Drainage Fund	(16,280)
Total Net Fund 6011		0

Section 6. The City Manager is authorized to adjust appropriations in the Solid Waste Fund (6007) CIP projects as shown below:

Project	Fund	Budget Adjustment
Z14003200 CAMERAS AT RESERVOIRS	6007 Solid Waste Fund	21,616
Y14000900 - SW FACILITY REPAIR & REHAB	6007 Solid Waste Fund	(21,616)
Total Net Fund 6007		0

Section 7. The City Manager is authorized to make the following adjustments to reflect the additional grant reimbursement of \$324,108 for the Howe Avenue 54 inch Water T-Main Project (Z156):

Increase the revenue and expense budgets for Other Capital Grant Fund (3704) by \$324,108. Transfer \$324,108 expenditures from Water Fund (6005) to Other Capital Grant Fund (3704); reduce Water Fund's (6005) budget by \$324,108 and increase the Water Fund's (6005) budget in the Base CIP Reserve – Water Fund Project (Z14000700) by \$324,108.