



# City of Sacramento City Council

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**Meeting Date:** 5/17/2011

**Report Type:** Consent

**Title:** Department of Utilities Proposed Multi Year Operating Projects

**Report ID:** 2011-00367

**Location:** Citywide

**Recommendation:** Adopt a Resolution establishing six multi-year operating projects effective FY2011/12.

**Contact:** Jamille Moens, Business Services Manager, (916) 808-5988, Department of Utilities

**Presenter:** None

**Department:** Department Of Utilities

**Division:** Fiscal and Administration Svcs

**Dept ID:** 14001611

**Attachments:**

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- 1-Description/Analysis
- 2-Resolution

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**City Attorney Review**

Approved as to Form  
Joe Robinson  
5/5/2011 9:46:29 AM

**City Treasurer Review**

Prior Council Financial Policy Approval or  
Outside City Treasurer Scope  
Russell Fehr  
4/27/2011 3:46:58 PM

**Approvals/Acknowledgements**

Department Director or Designee: Marty Hanneman - 5/4/2011 10:33:27 AM

Assistant City Manager: John Dangberg - 5/4/2011 6:00:09 PM



## Description/Analysis

**Issue:** Multi-year Operating Projects (MYOP) are used to manage financial resources for activities that are multi-year in nature but do not result in a capital improvement. The Department of Utilities (DOU) currently manages sixteen MYOP's for activities such as the National Pollutant Discharge Elimination System (NPDES) Stormwater program, survey update reports, source water protection programs, and sanitary wastewater overflow maintenance.

DOU is proposing the creation of six new multi-year operating projects for activities such as emergency and regulatory maintenance and repairs, conservation and outreach programs, solid waste container replacement, and compliance with the Combined Sewer System (CSS) NPDES Permit. In accordance with Resolution No. 2010-388, City Council approval is required for the establishment of multi-year operating projects. A list and description of the projects is included in the background attachment to this report.

**Policy Considerations:** The recommendation to establish six new multi-year operating projects 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 these budgetary adjustments. The appropriate level of environmental review for any project, under CEQA, will be performed in conjunction with the project planning and design.

**Sustainability:** No sustainability considerations for these budgetary adjustments.

**Commission/Committee Action:** Not applicable

**Rationale for Recommendation:** The creation of multi-year operating projects ensures dedicated funding for projects or activities that incur fluctuating expenses over multiple years, having the effect of rate stabilization.

**Financial Considerations:** This report is requesting the establishment of the MYOPs and no funding is being requested in the current fiscal year. The establishment and funding of these six projects will be effective for FY2011/12. Funding for the projects has been included as part of the Department of Utilities FY2011/12 proposed budget. The description of each project and estimated annual funding amounts are included in the table below:

<b>Project Number</b>	<b>Project Name</b>	<b>Fund</b>	<b>Estimated Annual Funding</b>	<b>Explanation of Project</b>
I14120100	LEGACY LANDFILL OPERATIONS	6007 Solid Waste	<b>200,000</b>	Cover expenses related to emergency maintenance, repair, and/or resolution of issues at the City's landfills (i.e., Gas plume, fire, etc.).
I14120200	SOLID WASTE OUTREACH	6207 SW Grants and Other Reimb Funds	<b>225,000</b>	State funding for outreach programs to promote recycling efforts and the proper disposal of City waste for recycling and Household Hazardous Waste education purposes.
I14120300	SAFCA LEVEE MAINTENANCE	6211 SD Grants and Other Reimb Funds	<b>462,000</b>	Regulatory maintenance on levees including repairs, corrosion control, mowing, building flood walls, and monitoring wells.
		6011 Storm Drainage	<b>250,000</b>	
I14120400	WATER CONSERVATION REBATES	6005 Water	<b>330,000</b>	Water conservation rebate program for high efficiency washers, toilets, etc.
		6205 W Grants and Other	<b>381,000</b>	
I14120500	SOLID WASTE CONTAINER REPLACEMENT	6007 Solid Waste	<b>1,580,683</b>	Funding for replacement of Solid Waste containers (garbage, recycle, green waste).
I14120600	CSS REGULATORY COMPLIANCE	6006 Sewer	<b>100,000</b>	Monitoring and programmatic costs required to comply with the CSS NPDES Permit.
		6011 Storm Drainage	<b>300,000</b>	
	TOTAL		<b>3,828,683</b>	

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



## RESOLUTION NO. 2011 –

Adopted by the Sacramento City Council

**May 17, 2011**

### APPROVING NEW MULTI-YEAR OPERATING PROJECTS EFFECTIVE FY2011/12

#### 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, drainage systems, and solid waste services.
- B. Multi-year operating projects are used to manage financial resources for activities that are multi-year in nature and are not capital improvement projects. They are used to ensure dedicated funding for projects or activities that incur fluctuating expenses over multiple years, having the effect of rate stabilization.
- C. The Department of Utilities has requested the creation of six multi-year operating projects in order to manage resources efficiently and effectively, and ensure dedicated funding for specific regulatory or long-term programs. The establishment and funding of the six projects will be effective for FY2011/12. The funding for the projects is included in the FY2011/12 proposed budget.

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

Section 1. Establishment of the following six multi-year operating projects is approved:

Project Number	Project Name	Fund	Estimated Annual Funding	Explanation of Project
I14120100	LEGACY LANDFILL OPERATIONS	6007 Solid Waste	<b>200,000</b>	Cover expenses related to emergency maintenance, repair, and/or resolution of issues at the City’s landfills (i.e., Gas plume, fire, etc.).
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		6011 Storm Drainage	<b>300,000</b>	
	<b>TOTAL</b>		<b>3,828,683</b>	