



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
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Meeting Date: 2/21/2012

Report Type: Consent

Title: FY 2011/12 Adjustments to the Utilities Capital Improvement Program (CIP) Budget

Report ID: 2012-00109

Location: Citywide

Recommendation: Pass a Resolution 1) amending the FY2011/12 Utilities CIP to create 2 new projects and cancel 4 existing projects; and 2) authorizing the City Manager to make allocation adjustments to 52 CIP Budgets in the Water, Sewer, and Storm Drainage funds.

Contact: Bill Busath, Interim Engineering Manager, (916) 808-1434; Colin Bettis, Administrative Analyst, (916) 808-1467 - Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Cip Engineering

Dept ID: 14001321

Attachments:

1-Description/Analysis

2-Background

3-Resolution

City Attorney Review

Approved as to Form
Joe Robinson
2/8/2012 11:06:23 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
2/6/2012 12:29:22 PM

Approvals/Acknowledgements

Department Director or Designee: Dave Brent - 2/7/2012 12:28:54 PM

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 52 CIP Budgets in the Water, Wastewater, and Storm drainage funds.

Concurrently, the Department is recommending the creation of 2 new projects and the cancellation of 4 existing projects to ensure financial resources are allocated based on the priority and necessity of the projects. 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): The Environmental Services Manager has determined that the proposed project is exempt from CEQA under Section Number 15378(b) of the CEQA Guidelines. The fiscal management of the DOU's CIP is not considered a project under Section 15378.

Sustainability: 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, Wastewater, and Storm Drainage Capital Improvement Programs to better manage existing resources. The recommended funding adjustments will be supported by the Base CIP Reserves in the Water, Wastewater, 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 (FY2011/12) review and proposed adjustments meet those objectives.

The Water, Wastewater, 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 two new projects for the current fiscal year. The first project will allow for the construction of a new groundwater well to supplement the City's drinking water supply during dry years - Z14120200 (FWTP Groundwater Well). This project will be partially funded by a \$1,000,000 Prop 84 grant. The second project recommended will allow for the construction of a sedimentation removal system at the existing Sacramento River Water Treatment Plant Intake facility to avoid the current situation of sedimentation clogging the low lift pumps - Z14121000 (SRWTP).

The Department is also recommending the cancellation of four existing projects due to new project alternatives and new assessment of the projects. Project Z14110400 (Water System Security) was incorporated into Z14007900 (Water Facilities Security) to form a single comprehensive security CIP. Project Z14008100 (Water Meter Reading Automation) was incorporated into Project Z14009300 (AMI: Meter Reading). Project X14110300 (Flow Monitoring/Hydrology) was Determined to be unnecessary according to the most recent assessment. Project X14004600 (Sewer Service Lining 2010) was combined with X14003500 (Sewer Service Lining FY09).

The Department is also proposing notable adjustments to two projects. The notable adjustments are as follows: Project W14000900 (Basin 31 Detention at 65th and Broadway) had bids come in much lower than estimated and therefore had significant savings; Project W140050000 (PG&E Ditch Improvements) estimates came in higher than expected based upon a more detailed engineering evaluation of the alternative repair options and the requirement for meaningful repairs.



RESOLUTION NO. 2012 –

Adopted by the Sacramento City Council

February 21, 2012

APPROVING FY2011/12 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 Utilities FY2011/12 CIP is amended to include the following new projects:
 - Z14120200 FWTP Groundwater Well
 - Z14120300 SRWTP Intake Sediment Removal

- Section 2. Due to new project alternatives and a new assessment of the projects, the Utilities FY2011/12 CIP is amended to cancel the following projects though there has been no activity in them:
 - X14004600 Sewer Service Lining 2010
 - Z14008100 Water Meter Reading Automation
 - X14110300 Flow Monitoring/Hydrology
 - Z14110400 Water System Security

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

Project	Fund	Budget Adjustment
W14004700 – Impact Fee Sdy-Wtr, Swr, Drain	6005 Water Fund	10,000
Z14000200 – Commercial Meter Retrofit 3110	6005 Water Fund	(301,632)
Z14000700 – Base CIP Reserve-Water 3330	6005 Water Fund	(66,558)
Z14001000 – SRWT Intake Tree Planing 3330	6005 Water Fund	(9,405)
Z14002000 – Elkhorn 3MG Resvr	6005 Water Fund	(3,622)
Z14002400 – Sac Rvr Wtr Reliab Study 3332	6005 Water Fund	(267,452)
Z14002900 – SRWTP Switchgear Rpl 3350	6005 Water Fund	(1,495)
Z14004000 – Southeast Sacramento Tmain3350	6005 Water Fund	(60,000)
Z14005600 – Main Ave TM BLCKRK-RIO LIN3351	6005 Water Fund	(2,812)
Z14009000 – FWTP Womens Locker Rm/Shower	6005 Water Fund	(4,172)
Z14009300 – AMI: Meter Reading	6005 Water Fund	320,000
Z14009400 – Fire Hydrant & Gate Valve Repl	6005 Water Fund	100,000
Z14009500 – FWTP Chlorine Powell System	6005 Water Fund	(18,214)
Z14009600 – Conjunctive Use-Grndwtr Wells	6005 Water Fund	25,000
Z14010000 – Res Water Metering Program Rsv	6005 Water Fund	(18,368)
Z14110100 – Well Rehab Program	6005 Water Fund	3,215
Z14110200 – Florin Reservoir Motor Study	6005 Water Fund	1,277
Z14110400 – Water System Security	6005 Water Fund	(25,000)
Z14110500 – Chlorine Emerg Shutoff	6005 Water Fund	(50,000)
Z14110600 – Florin Reservoir Engine 3	6005 Water Fund	(762)
Z14110800 – Meter Shop Rehab	6005 Water Fund	170,000
Z14120200 – FWTP Groundwater Well	6005 Water Fund	175,000
Z14120300 – SRWTP Intake Sed Rmvl	6005 Water Fund	25,000
Total Net, Fund 6005		0

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

Project	Fund	Budget Adjustment
W14004700 – Impact Fee Sdy-Wtr, Swr, Drain	6006 Wastewater Fund	10,000
X14000200 – Pump Stations Radio Teleme3110	6006 Wastewater Fund	70,000
X14000500 – Base CIP Reserve	6006 Wastewater Fund	(2,816)
X14000800 – Bsn 55 II Reduction 2006 3350	6006 Wastewater Fund	(40,000)
X14002000 – Sump 134 Reconstruction 3351	6006 Wastewater Fund	(3,499)
X14003500 – Sewer Service Lining FY09	6006 Wastewater Fund	100,000
X14003600 – Flow Monitoring/Hydrology	6006 Wastewater Fund	(7,742)
X14004100 – Sanitary Sewer Mgmt Plan	6006 Wastewater Fund	(112)
X14004500 – Root Control Prgm 2010	6006 Wastewater Fund	(33,017)
X14004600 – Sewer Service Lining 2010	6006 Wastewater Fund	(100,000)
X14110100 – Root Control Contract 2011	6006 Wastewater Fund	7,186
X14110300 – Flow Monitoring/hydrology	6006 Wastewater Fund	(100,000)
X14110400 – Sewer Manhole Rehab 2011	6006 Wastewater Fund	100,000
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 3350	6011 Drainage Fund	(101,545)
W14000300 – Drain System Mstr Plan 3261	6011 Drainage Fund	1,111
W14000400 – Flood Control Planning 3340	6011 Drainage Fund	(9,680)
W14000700 – Basin 26 Detention 3330	6011 Drainage Fund	(2,204)
W14000900 – Basin 31 Dtentn 65 th BDWY	6011 Drainage Fund	(617,851)
W14001100 – Morrison Ck Four Access 3350	6011 Drainage Fund	(100,432)
W14001400 – Airport Ditch Lining 3350	6011 Drainage Fund	(250,000)
W14003800 – Pump Stn Outfall Repr Ph3 3330	6011 Drainage Fund	50,000
W14004700 – Impact Fee Sdy-Wtr, Swr, Drain	6011 Drainage Fund	10,000
W14005000 – PG&E Ditch Improvements	6011 Drainage Fund	490,000
W14110100 – Drainage Master Plans	6011 Drainage Fund	84,431
W14120300 – Boyce Drive Relief Pipeline	6011 Drainage Fund	300,000
W14120800 – Drain Inlet Replacement	6011 Drainage Fund	(250,000)
W14120900 – Exe Airport Ditch Culvert Repl	6011 Drainage Fund	(3,830)
W14121000 – River Park Drainage Rehab/Rep	6011 Drainage Fund	260,000
X14000200 – Pump Stations Radio Teleme3110	6011 Drainage Fund	140,000
Total Net, Fund 6011		0