



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
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Meeting Date: 8/9/2012

Report Type: Consent

Title: Amending the Expenditure Budget for the Drainage Channel Improvement Project (W14130400).

Report ID: 2012-00669

Location: Citywide

Recommendation: Passa Resolution authorizing the City Manager to increase the expenditure budget in the amount of \$950,000 to the Drainage Channel Improvement Program (W14130400) from the Drainage Fund Reserves (Fund 6011).

Contact: Bill Busath, Interim Engineering Manager, (916) 808-1434; Colin Bettis, Admin Analyst, (916) 808-1467, 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
 Joe Robinson
 8/1/2012 11:51:19 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
 Russell Fehr
 7/24/2012 2:22:03 PM

Approvals/Acknowledgements

Department Director or Designee: Dave Brent - 7/31/2012 12:16:15 PM



Description/Analysis

Issue: On February 7, 2012, the City Council approved an agreement with the Sacramento Area Flood Control Agency (SAFCA) (City Agreement No. 2012-0162) for cost sharing of the Unionhouse Creek Channel Improvements project. This agreement obligates the City to provide project funding of up to \$1.75 million for the project, subject to reimbursement of a portion of this funding from grant funds that SAFCA has applied for. The Department of Utilities (DOU) already has \$800,000 budgeted for this purpose, and this report requests budget approval for the additional \$950,000 of City funding.

Policy Considerations: The recommendation to provide budgetary approval to fund the project is consistent with the City's Strategic Plan goals of improving and expanding public safety and achieving sustainability and livability.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): The Environmental Services Manager has determined that the proposed action is exempt from CEQA under Section Number 15378 of the CEQA Guidelines. Budget approvals for the DOU's CIP are an ongoing administrative and fiscal activity that is not a project under CEQA Section 15378.

Sustainability: Not applicable

Commission/Committee Action: Not applicable

Rationale for Recommendation: The requested budget action complies with City Council direction and ensures that the project will move forward in a timely manner.

Financial Considerations:

Under Agreement 2012-0162, SAFCA will fund the design and CEQA compliance for the project, for an amount up to \$200,000. The Agreement provides that if such costs exceed \$200,000, the parties will meet and confer to determine the allocation of such excess costs. Under the Agreement, the City agreed to front the project construction costs anticipated when the Agreement was approved, including the cost of SAFCA's construction contract management and any environmental or other mitigation required for project construction, in a maximum amount of \$1.75 million.

SAFCA also has applied for and received a California Department of Water Resources grant pursuant to the Proposition 1E Integrated Regional Water Management (IRWM) Stormwater Flood Management grant program (Grant) to help fund the construction of the project, in an amount of up to \$976,000. Agreement 2012-0162 requires that SAFCA administer this grant and that this money shall be paid to the City to offset the project construction costs that the City will front to SAFCA.

When Agreement 2012-0162 was approved, SAFCA had not yet bid the project construction, and SAFCA and City anticipated, based on the engineer's estimate of project cost, that the

City would receive the full amount of the grant (\$976,000) to offset the City's up-front funding of \$1.75 million, which would have resulted in a net cost to the City of \$774,000. Since that time, SAFCA bid the project, and bids came in higher than expected. As a result, most of the grant funding will be needed to pay for the additional construction cost and the City will receive significantly less reimbursement from the grant funding. DOU staff have reviewed the construction bids and determined that although the bids were higher than expected, the low bid is reasonable and represents an accurate cost for construction of the project.

The DOU already has \$800,000 budgeted for the Drainage Channel Improvements Program (W14130400). This report requests additional budgetary appropriation to W14130400 in the amount of \$950,000 from the Drainage Fund Reserve (Fund 6011) so that SAFCA can proceed with the project.

City staff anticipates coming to the City Council within the next several months for approval of a revised cost sharing agreement with SAFCA that reflects a reduced reimbursement to the City from the grant funds, as well as a separate agreement with Sacramento Regional Transit (RT) for RT's funding of a portion of the project, which would provide additional revenue to the City to partially offset the City's up-front funding of \$1.75 million. Staff will include a recommendation to amend the budget for the project to reflect the reimbursements from SAFCA and RT once the agreements are finalized.

At this time, staff estimates that the net cost to the City for the project will increase from \$774,000 to approximately \$1,200,000, assuming anticipated offsetting revenue from RT of approximately \$550,000.

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



Background Information

In 2007- 08, the U.S. Army Corps of Engineers (ACE) constructed a portion of the South Sacramento County Streams Project 1B2, which is part of the larger South Sacramento County Streams Project, consisting of improvements to Unionhouse Creek, from Franklin Boulevard to the confluence with Morrison Creek, to provide 100-year flood protection to areas of the City adjacent to such Levee. The rest of the planned improvements to Unionhouse Creek, east of Franklin Boulevard were not completed; as a result, areas of the City adjacent to Unionhouse Creek east of Franklin Boulevard have less than 100-year flood protection.

The City and Sacramento Area Flood Control Agency (SAFCA) are proposing to construct Unionhouse Creek flood control improvements from Franklin Boulevard east to the confluence of Unionhouse Creek and Strawberry Creek (the “Project”), to provide a minimum of 100-year flood protection to the areas of the City of Sacramento along both banks of Unionhouse Creek and remove most of the residents of the area from the FEMA A 99 flood zone designation in which they currently reside.

SAFCA will design and construct the Project, consisting of channel widening from Franklin Boulevard eastward to Center Parkway, and concrete lining from Center Parkway eastward to the confluence of Strawberry and Unionhouse Creek.



RESOLUTION NO. 2012 –

Adopted by the Sacramento City Council

AMENDING THE EXPENDITURE BUDGET FOR DRAINAGE CHANNEL IMPROVEMENT PROJECT (W14130400)

BACKGROUND

- A. On February 7, 2012, the City Council approved an agreement with the Sacramento Area Flood Control Agency (SAFCA) (City Agreement No. 2012-0162) for cost sharing of the Unionhouse Creek Drainage Channel Improvement project. This agreement obligates the City to provide project funding of up to \$1.75 million for the project, subject to reimbursement of a portion of this funding from grant funds that SAFCA has applied for.

- B. City staff anticipates coming to the City Council within the next several months for approval of a revised cost sharing agreement with SAFCA that reflects a reduced reimbursement to the City from the grant funds, as well as a separate agreement with Sacramento Regional Transit (RT) for RT's funding of a portion of the project which would provide additional revenue to the City to partially offset the City's up-front funding of \$1.75 million. Staff will include a recommendation to amend the budget for the project to reflect the reimbursements from SAFCA and RT once the cost sharing agreements are finalized.

- C. The Department of Utilities already has \$800,000 budgeted for this project within Project W14130400 – Drainage Channel Improvements Program, and has requested authority to increase the expenditure budget in the amount \$950,000 from the Drainage Fund Reserve (Fund 6011) so that SACFA can proceed with the project.

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

Section 1. The City Manager or the City Manager's designee is authorized to increase the expenditure budget in the amount of \$950,000 in the Drainage Channel Improvement Project (W14130400) from the Drainage Fund Reserve (Fund 6011).