

Meeting Date: 9/24/2015

Report Type: Consent

Report ID: 2015-00759

Title: Department of Utilities Proposed Multi-Year Operating Projects (MYOP)

Location: Citywide

Recommendation: Pass a Resolution: 1) establishing eleven MYOPs; and 2) transferring available expenditure budgets from 17 Capital Improvement Program (CIP) projects totaling \$7.4 million to the newly established MYOPs, and close the CIPs upon the transfer of funds.

Contact: Daniel Choe, Supervising Financial Analyst, (916) 808-5988; Susan Goodison, Business Services Manager, (916) 808-8995, Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Fiscal Operations

Dept ID: 14001611

Attachments:

1-Description/Analysis

2-Resolution

City Attorney Review

Approved as to Form

Joe Robinson

9/15/2015 5:26:39 PM

Approvals/Acknowledgements

Department Director or Designee: Mike Malone - 9/9/2015 1:46:37 PM

Description/Analysis

Issue Detail: As a part of the ongoing management of the Utilities Capital Improvement Program (CIP), a periodic review and reallocation of the available financing resources is made to provide sufficient budgetary resources to capital projects so that they can be completed in a timely and efficient manner.

The DOU staff has reviewed the CIP and recommends that 16 capital projects be closed as CIP projects and that the balances transfer to new Multi-Year Operating Projects (MYOP). MYOPs are a relatively new financial tool used by the City and there are projects that were created before the MYOP structure was put into use in the City's financial system. These actions are requested since the identified projects are program-focused and do not generate tangible assets. This ensures that the CIP remains focused on tangible assets and separated from the long term operating projects that are reviewed and funded as part of the operating budgeting process.

Policy Considerations: Transferring projects from the Capital Improvement Program to Multi-Year Operating Projects is consistent with the DOU 2013-2017 Strategic Plan goals and objectives to effectively manage infrastructure assets ensuring reliable, clean, and safe water supply for the future.

Economic Impacts: None.

Environmental Considerations: The proposed budgetary actions are fiscal activities that do not constitute a "project" under the California Environmental Quality Act (CEQA), and for which no CEQA review is required (CEQA Guidelines section 15378(B)(4) and (5)).

Sustainability: Not Applicable.

Commission/Committee Action: Not Applicable.

Rationale for Recommendation: Transferring and closing the proposed capital projects and their available funds from CIP to MYOP will increase DOU compliance with City policies and GASB regulations by ensuring that projects are classified correctly.

Financial Considerations: This proposal includes the creation of 11 MYOPs and transferring budgets from 16 capital projects to these MYOPs in the amount of approximately \$6,950,630 as shown in Attachment 1. The 16 capital projects will be closed following the transfer of funds.

Local Business Enterprise (LBE): Not Applicable.

Attachment 1

Project Type	Project Description	Project Number	Bell Avenue Collector Sewer Fee (7101)	Storm Drainage (6011)	Wastewater (6006)	Wastewater Revenue Bonds 2013 (6320)	Water (6005)	Water Development Fee (6001)	Grand Total	
CIP	Asset Management Program	W14120500		(126,000)					(126,000)	
	Asset Management Program	X14002500		(4,923)	(117,945)				(122,867)	
	Asset Management Program	Z14003400					(339,604)		(339,604)	
	Basin 354 Sewer Master Plan	X14110600			(69,041)				(69,041)	
	Combined Master Planning Program	X14130300			(545,364)	(131,312)			(676,676)	
	Condition Assessment	X14130500			(354,308)	(100,366)			(454,674)	
	Condition Assessment	Z14006100					(2,066,277)		(2,066,277)	
	Conjunctive Use - Groundwater Wells	Z14009600					(244,743)		(244,743)	
	Flow Monitoring/Hydrology Program	X14120200		(1,181)	(215,946)	(322)			(217,448)	
	Leak Detection Program	Z14110300					(22,223)		(22,223)	
	Master Plan Basin 152	W14003700		(113,788)					(113,788)	
	On-Call CCTV Program	X14120400			(204,306)	(91,867)			(296,174)	
	Sump 87 Diversion Predesign	X14110500			(100,000)				(100,000)	
	TCE PCE Investigation	Z14001800					(465,392)		(465,392)	
	Wastewater Master Plan	X14130200		(73,000)	(96,740)	(789,305)	(79,314)	(653)	(1,039,012)	
	Water Supply Master Plan	Z14000500					(506,616)	(90,095)	(596,711)	
	MYOP	Water Master Planning Program	I14510200					506,616	90,095	596,711
Combined Master Planning Program		I14610300			545,364	131,312			676,676	
Condition Assessment		I14010200			354,308	100,366	2,066,277		2,520,951	
Conjunctive Use - Groundwater Wells Program		I14510100					244,743		244,743	
Drainage Master Planning Program		I14710100		113,788					113,788	
Flow Monitoring / Hydrology Program		I14610100		1,181	215,946	322			217,448	
Groundwater Abandonment/Protection Program		I14520100					465,392		465,392	
Leak Detection Program		I14530100					22,223		22,223	
On Call Cleaning & CCTV		I14630100			204,306	91,867			296,174	
Separated Master Planning Program		I14610200		73,000	96,740	958,346	79,314	653	1,208,053	
Asset Management Program (6005)		I14010100					339,604		339,604	
Asset Management Program (6006)		I14010100			117,945				117,945	
Asset Management Program (6011)		I14010100			130,923				130,923	
Grand Total				0	0	0	(0)	(0)	0	(0)

RESOLUTION NO. 2015-

Adopted by the Sacramento City Council

APPROVING FY2015/16 BUDGET ADJUSTMENTS TO THE UTILITIES CAPITAL IMPROVEMENT PROGRAM & MULTI-YEAR OPERATING PROJECTS

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. In reviewing the projects within the CIP staff found 16 projects that do not meet the City's definition of a Capital Improvement, but meet the MYOP criteria under City Council Budget Resolution 2015-0169, Section 13.1.
- C. To bring these projects into compliance with City policies and accounting standards, staff proposes transferring funding from 16 CIPs to 11 new MYOP projects. The CIPs will be closed once the transfers are completed.

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

- Section 1 11 MYOPs are established for ongoing water, wastewater, and drainage operating projects as shown in Exhibit A.
- Section 2 The available expenditure budgets for 17 CIPs are transferred to the MYOPs as shown in Exhibit A and the CIPs will be closed once the transfers are completed.

Exhibit A

Project Type	Project Description	Project Number	Bell Avenue Collector Sewer Fee (7101)	Storm Drainage (6011)	Wastewater (6006)	Wastewater Revenue Bonds 2013 (6320)	Water (6005)	Water Development Fee (6001)	Grand Total
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	Asset Management Program	X14002500		(4,923)	(117,945)				(122,867)
	Asset Management Program	Z14003400					(339,604)		(339,604)
	Basin 354 Sewer Master Plan	X14110600			(69,041)				(69,041)
	Combined Master Planning Program	X14130300			(545,364)	(131,312)			(676,676)
	Condition Assessment	X14130500			(354,308)	(100,366)			(454,674)
	Condition Assessment	Z14006100					(2,066,277)		(2,066,277)
	Conjunctive Use - Groundwater Wells	Z14009600					(244,743)		(244,743)
	Flow Monitoring/Hydrology Program	X14120200		(1,181)	(215,946)	(322)			(217,448)
	Leak Detection Program	Z14110300					(22,223)		(22,223)
	Master Plan Basin 152	W14003700			(113,788)				(113,788)
	On-Call CCTV Program	X14120400			(204,306)	(91,867)			(296,174)
	Sump 87 Diversion Predesign	X14110500			(100,000)				(100,000)
	TCE PCE Investigation	Z14001800					(465,392)		(465,392)
	Wastewater Master Plan	X14130200		(73,000)	(96,740)	(789,305)	(79,314)	(653)	(1,039,012)
	Water Supply Master Plan	Z14000500					(506,616)	(90,095)	(596,711)
	MYOP	Water Master Planning Program	I14510200					506,616	90,095
Combined Master Planning Program		I14610300			545,364	131,312			676,676
Condition Assessment		I14010200			354,308	100,366	2,066,277		2,520,951
Conjunctive Use - Groundwater Wells Program		I14510100					244,743		244,743
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Asset Management Program (6006)		I14010100			117,945				117,945
Asset Management Program (6011)		I14010100			130,923				130,923
Grand Total			0	0	0	(0)	(0)	0	(0)