

Meeting Date: 1/12/2016

Report Type: Consent

Report ID: 2016-00021

Title: Adjustments to the FY2015/16 Capital Improvement Program (CIP) and to the Multi-year Operating Project (MYOP) Budgets

Location: Citywide

Recommendation: Pass a Resolution 1) amending the FY2015/16 MYOPs to create four new projects; and 2) authorizing the City Manager to make allocation adjustments to CIP and MYOP budgets in the Water, Wastewater, Storm Drainage, Water Revenue Bond, Wastewater Revenue Bond, and Water Grant Funds.

Contact: Bill Busath, Director, (916) 808-1434; Susan Goodison, Business Services Manager, (916) 808-8995; Daniel Choe, Supervising Financial Analyst, (916) 808-5988; Penny Buchman, Administrative Analyst, (916) 808-1481, Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Business & Integrated Planning

Dept ID: 14001661

Attachments:

1-Description/Analysis

2-Attachment 1

3-Resolution

4-Exhibit A (Allocation Adjustments)

City Attorney Review

Approved as to Form

Joe Robinson

1/5/2016 11:41:18 AM

Approvals/Acknowledgements

Department Director or Designee: Bill Busath - 12/29/2015 3:39:32 PM

Description/Analysis

Issue Detail: As part of the Department of Utilities' (DOU's) ongoing management of its Capital Improvement Program (CIP) and Multi-year Operating Projects (MYOPs), a periodic review is conducted and financial resources are reallocated to provide improvements in a timely and efficient manner. The review also enables financial resources to be allocated based on the priority as ranked in the DOU Capital Improvement Programming Guide. This process results in recommended budget adjustments to ensure progress continues on priority projects, including the establishment of projects.

Policy Considerations: The recommendation to adjust the CIP and MYOP budgets that the DOU manages is consistent with the DOU 2013-2017 Strategic Plan goals and objectives to effectively manage infrastructure assets and deliver reliable services. Adjustments to projects more than \$100,000 and establishment of CIPs or MYOPs must be approved by City Council.

Economic Impacts: Not applicable.

Environmental Considerations: Environmental Planning Services has reviewed the activity and determined that the proposed action is exempt from CEQA under Section Number 15378(b) of the CEQA Guidelines. The fiscal management of the DOU's CIP is an ongoing administrative fiscal activity and is not considered a project under CEQA Guidelines Section 15378(b).

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Reallocation of resources ensures that projects move forward in a timely manner and that financial resources are allocated based on the priority and necessity of the projects. The recommended budgetary adjustments are for 28 CIPs and eight MYOPs in Water (Fund 6005), Wastewater (Fund 6006), Storm Drainage (Fund 6011), Water Revenue Bonds Series 2013 (Fund 6310), Wastewater Revenue Bonds Series 2013 (Fund 6320), and Water Grant (Fund 6205) Funds. The CIPs to be adjusted were selected based on an asset management approach defined in the DOU Capital Improvement Programming Guide, which systematically addresses infrastructure criticality, condition assessment, life-cycle costing, and prioritized replacement timetables.

In addition, the creation of three new MYOPs is being recommended and establishment of one MYOP for the Keep Our Waters Clean Outreach Program.

MYOP	Name
I14020100	Arc Flash Hazard Analysis

I14040100 IT Program
I14040200 Energy Efficiency Program
I14520200 KOWC Outreach Program

Financial Considerations: The reallocation of existing resources to priority projects in the aforementioned funds will have a net zero effect within the funds as illustrated in Exhibit A. Only projects eligible to utilize bond or grant funding will receive those funds.

Local Business Enterprise (LBE): Not applicable.

Attachment 1

Project	Project Description	Fund Number						Grand Total
		6005	6006	6011	6205	6310	6320	
I06013140	Fleet-Utilities (Water)	400,000						400,000
I14010200	National Pollutant Discharge Elimination System Permit			(961,236)				(961,236)
I14010300	Sacramento River Source Water Project	(204,003)			(21,849)			(225,852)
I14010400	American River Source Water Project	(91,041)			(32,875)			(123,916)
I14010500	Water Meter Replacement Program	(400,000)						(400,000)
I14020100	Arc Flash Hazard Analysis	50,000	50,000	150,000				250,000
I14040100	Information Technology Project	500,000	200,030	200,000				900,030
I14040200	Energy Efficiency Planning	200,000						200,000
I14520200	Keep Our Waters Clean Outreach Project	295,044			54,724			349,768
I14610100	Flow Monitoring / Hydrology						(2,190)	(2,190)
I14610200	Master Plan Sewer Modeling			3,000				3,000
I14710100	Master Planning Program			786,567				786,567
W14000200	Base Capital Improvement Plan Contingency - Drainage			(40,294)				(40,294)
W14004200	Inventory, Operations & Maintenance Management Center	217,524				(217,524)	(150,000)	(150,000)
W14004300	Storm Pump Station Failures			100,000				100,000
W14110700	Sump 38 Switchgear Replacement			80,000				80,000
W14120100	GIS/CMMS Integration						(6,679)	(6,679)
W14120600	Miscellaneous Ditch Repair			93,610				93,610
W14130200	Drainage Planning Program			(141,647)				(141,647)
X14000500	Base Capital Improvement Plan Contingency - Wastewater		5,013				905,319	910,332
X14010000	Combined Sewer System Capital	60,000				(25,934)		34,066
X14110400	Sewer Manhole Rehab						(20,000)	(20,000)
X14110700	Pipe Bursting		(205,000)					(205,000)
X14130600	Wastewater Collection Pipe Repair Program						(225,000)	(225,000)
X14131100	SUMP 2/2A Rehab/Repair Program						(117,994)	(117,994)
X14131300	Pioneer Reservoir Rehab/Repair Program		20,000				(50,000)	(30,000)
X14131400	Miscellaneous Facility Repair Program						(505)	(505)
X14131500	Facility Electrical Rehab Program	(50,000)	(50,000)	(100,000)			(38,690)	(238,690)
X14131600	Wastewater Plant Regulation Improvement Program			30,000			(124,274)	(94,274)
Z14000700	Base Capital Improvement Plan Contingency-Water	(684,150)				(857,605)		(1,541,755)
Z14001900	Utility Energy Efficiency	(500,000)						(500,000)
Z14003600	Information Technology Project	(500,000)	(20,043)	(200,000)			(169,987)	(890,030)
Z14006000	Treatment Plant Rehab Design	3,490,781				(3,490,781)		0
Z14009400	Fire Hydrant & Gate Valve Replacement	300,000				20,746		320,746
Z14010000	Residential Metering Program	(4,286,597)				5,000,000		713,403
Z14110100	Well Rehab Program					650,000		650,000
Z14130100	Florin Res Back Up Engine	797,384				(797,384)		0
Z14130200	Fairbairn Water Treatment Plant Rehab	202,500				(56,160)		146,340
Z14130500	Reservoir Rehab Program	202,558				(202,558)		0
Z14130600	Fluoride Equipment Rehab Program					(22,800)		(22,800)
Total Change by Fund:		\$0	\$0	\$0	\$0	\$0	\$0	\$0

RESOLUTION NO. 2015 –

Adopted by the Sacramento City Council

January 19, 2016

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

BACKGROUND

- A. As part of the Department of Utilities' ongoing management of its Capital Improvement Program (CIP) and Multi-year Operating Projects (MYOPs), a periodic review is conducted and financial resources are reallocated to provide improvements in a timely and efficient manner. This process results in recommended budgetary adjustments to ensure progress continues on priority projects as ranked in the Department of Utilities' Capital Improvement Programming Guide.

- B. As part of the periodic review and reallocation of the available financial resources, the addition of four new MYOPs is recommended.

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

Section 1. Four MYOPs are established for ongoing water, wastewater, and drainage management as follows:

- I14020100 - Arc Flash Hazard Analysis
- I14040100 - IT Program
- I14040200 - Energy Efficiency Program
- I14520200 - KOWC Outreach Program

Section 2. The City Manager or City Manager's designee is authorized to adjust appropriations in the Water (Fund 6005), Wastewater (Fund 6006), Storm Drainage (Fund 6011), Water Revenue Bond Series 2013 (Fund 6310), Wastewater Revenue Bond Series 2013 (Fund 6320), and Water Grant (Fund 6205) Funds as shown in Exhibit A.

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Exhibit A: Allocation Adjustments

Exhibit A Allocation Adjustments

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I14010300	Sacramento River Source Water Project	(204,003)			(21,849)			(225,852)
I14010400	American River Source Water Project	(91,041)			(32,875)			(123,916)
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W14004200	Inventory, Operations & Maintenance Management Center	217,524				(217,524)	(150,000)	(150,000)
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Total Change by Fund:		\$0	\$0	\$0	\$0	\$0	\$0	\$0