



REPORT TO COUNCIL

City of Sacramento

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Consent
March 27, 2007

Honorable Mayor and
Members of the City Council

Title: FY2006/07 Adjustments to the Utilities Capital Improvement Program (CIP)
Budgets

Location/Council District: City-Wide

Recommendation: Adopt a resolution to authorize the City Manager to amend the FY2006-2007 (FY07) Utilities CIP budgets (1) to add a new project FWTP HVAC Upgrade (PN: ZL81, Fund 413) in the amount of \$100,000 and (2) to defund various projects and (3) to appropriate funds to various projects as listed in the attached resolution.

Contact: David L. Brent, Engineering Manager, 808-1420; Charlene McKoy, Business Services Manager, 808-1462; Karen Lane, Program Manager, 808-8995

Department: Utilities

Division: Engineering Services

Organization No: 3331

Description/Analysis

Issue: The issue is the periodic review and reallocation of the available financial resources to provide capital improvements in a timely and efficient manner.

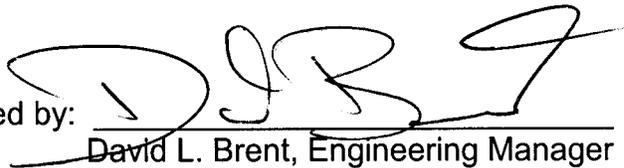
Policy Considerations: This report's recommendation is consistent with the City's Strategic Plan Goals of improving and expanding public safety and achieving sustainability and livability.

Environmental Considerations: There are no environmental impacts associated with the budgetary adjustments in the Water, Sewer, Solid Waste, and Storm Drainage Fund Capital Improvement Programs. The appropriate level of environmental review, under CEQA, will be performed in conjunction with the project planning and design stage of the capital improvement projects.

Rationale for Recommendation: The reallocation of resources ensure that projects move forward in a timely manner and are not allocated in projects that have stalled due to unforeseen circumstances.

Financial Considerations: The changes recommended within this report are (1) to reallocate existing resources within the Water, Sewer, Solid Waste and Storm Drainage Capital Improvement Programs to better manage existing resources and (2) to request additional funding from the Sewer and Storm Drainage Funds contingency reserves in the amounts of \$85,000 (Fund 414, Org. 7012) and \$9,330 (Fund 425, Org. 7012) respectively.

Emerging Small Business Development (ESBD): Not applicable. There are no goods or services being purchased as a direct result of this action.

Respectfully Submitted by: 
David L. Brent, Engineering Manager

Approved by: 
Gary A. Reents, Director of Utilities

Recommendation Approved:


Ray Kerridge
City Manager

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Attachment 1**Background Information:**

The Water, Sewer, Solid Waste, and Storm Drainage Enterprise Funds support the operations, maintenance, repair, rehabilitation, and improvements of the water, wastewater, and storm drainage systems and the collection, recycling, and disposal of waste products and green waste. The projects in the City Utilities Capital Improvement Program were selected using an asset management approach to systematically address infrastructure criticality, condition assessment, life cycle costing, and prioritized replacement timetables. Department management meets periodically to review the progress of the capital improvement programs and to assess the individual projects in order to ensure that financial resources are allocated so that progress continues on projects that require additional funding.

RESOLUTION NO.

Adopted by the Sacramento City Council

**FY2006/07 ADJUSTMENTS TO THE
UTILITIES CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET**

BACKGROUND

- A. The City’s Strategic Plan established a goal of enhancing and preserving neighborhoods; and the Department of Utilities established the goal of providing high quality, reliable, and cost-effective water supply, sewer and drainage systems.

- B. The Department of Utilities has evaluated the projects in the current programs for condition assessment and criticality to ensure that the current Capital Improvement Program is meeting the needs of its residential and commercial customers and is in conformance with the City’s Strategic Plan and the departmental goals.

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

Section 1. The FY07 Capital Improvement Program is hereby amended to add FWTP HVAC Upgrade (PN: ZL81, Fund 413).

Section 2. The City Manager is authorized to reduce appropriations in the following capital improvement projects and contingency reserves as shown:

ADA COMPLIANCE VARIOUS	CC01	415	(152,534)
TRASH RACK AT SEARS DITCH	WI56	425	(122,670)
SUMP 33 DETENTION BASIN	WJ96	425	(160,000)
U&S STS IN-LINE STORAGE	XM79	425	(70,000)
U&S STS IN-LINE STORAGE	XM79	414	(55,000)
S/T ALLEY SWR, 22ND-29TH	XN15	414	(150,000)
S/T ALLEY SWR, 22ND-29TH	XN15	425	(50,000)
SUMP 1 AUTOMATION	XN45	414	(150,000)
ST. FRANCIS-CLOSURE	YA07	415	(76,871)
GROUNDWATER REMEDIATION	YB36	415	(244,025)
SCADA SYSTEM UPGRADE	ZF36	413	(125,000)
WATER FACILITIES SECURITY	ZI96	413	(150,000)
I ST RIVET STL MN 5TH-11TH	ZJ51	413	(100,000)
SRWTP PROPERTY ACQUISITION	ZJ56	413	(361,000)
H ST RS TM REPL	ZJ86	413	(150,000)
RESIDENT WATER METER PRGM	ZK66	413	(219,000)
FWTP CLARIFIER MOTOR CNTRL	ZK81	413	(150,000)

FWTP MECHANICAL DEWATERING	ZL31	413	(800,000)
MAIN AVE TM BLCKRK-RIO LIN	ZL76	413	(200,000)
RWM-MISC REPAIR FY07	ZS06	413	(149,933)
SEWER FUND CONTINGENCY RESERVE	7012	414	(85,000)
STORM DRAINAGE FUND CONTINGENCY RESERVE	7012	425	(9,330)
<u>TOTAL OF ALL ADJUSTMENTS</u>			<u>(3,730,363)</u>

Section 3. The City Manager is authorized to appropriate funds to the following capital improvement projects and contingency reserves as shown:

BASIN 26 DETENTION	WI71	425	387,000
SUMP 129 ELECTRICAL	WL96	425	25,000
SEWER SYS REHABILITATION	XB16	414	150,000
BASIN 85 SEWER MASTERPLAN	XI16	414	120,000
S ST SEWER RELACE 9TH-11TH	XN34	414	170,000
DIRECT HAUL VEHICLES	YB61	415	108,000
FWTP SWITCHGEAR UPGRADE	ZJ96	413	200,000
SRWTP SWITCHGEAR RPL	ZK06	413	750,000
T-MAIN RPL 13TH ST H-Q ST	ZK76	413	450,000
T-MAIN REPL 6TH ST I-Q ST	ZL11	413	250,000
FWTP HVAC UPGRADE	ZL81	413	100,000
RWM-BOWMAN/WISCONSIN	ZS02	413	100,000
WATER FUND CONTINGENCY RESERVE	7012	413	554,933
SOLID WASTE FUND CONTINGENCY RESERVE	7012	415	365,430
<u>TOTAL OF ALL ADJUSTMENTS</u>			<u>3,730,363</u>