

City of Sacramento

Legislation Text

File #: 2019-00102, **Version:** 1

Title:

Fiscal Year (FY) 2018/19 Adjustments to the Department of Utilities Capital Improvement Plan (CIP) and Multi Year Operating Project (MYOP) Budgets and Addendum to the Environmental Impact Report

File ID: 2019-00102

Location: Citywide

Recommendation:

Adopt: 1) a Resolution adopting the addendum to the Environmental Impact Report for the Combined Sewer System (CSS) Rehabilitation and Improvement Plan for the CSS Sewer Main Replacement Blocks1-4 and the CSS Optimization Projects; and 2) a Resolution: a) authorizing the City Manager to make allocation adjustments to CIP and MYOP Budgets in the Water Impact Fee, Water, Wastewater, Storm Drain, and State Revolving Loan funds, and b) amending the CIP to approve specified high priority wastewater CIP projects for inclusion in the list of projects eligible for bond funding.

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Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Wastewater Bond Eligible High Priority Projects
- 3-Fiscal Year 18/19 Allocation Adjustments
- 4-Resolution (EIR)
- 5-Resolution (CIP/MYOP)

Description/Analysis

Issue Detail: As part of the Department of Utilities (DOU) 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 budget adjustments to ensure continued progress on priority projects and includes the establishment of projects. This process may also result in DOU's identification of certain high priority projects in its CIP Plan for inclusion in funding programs.

On March 29, 2016, the City Council approved rate increases for wastewater and water services. The increases in wastewater rates - 9% per year for FY2017 through FY2020 - will provide revenue needed to improve and rehabilitate the City's aging wastewater system infrastructure and to meet permit and environmental-compliance requirements related to the sewer systems. To implement these goals, the DOU has developed a four-year CIP that includes projects in five major programs:

- Combined Sewer System Rehabilitation and Replacement;
- Combined Sewer Improvement;
- Separated Sewer System Rehabilitation and Replacement;
- Separated Sewer Sump Rehabilitation; and
- Facility Electrical Rehabilitation.

Policy Considerations: The recommendation to approve high-priority projects for funding and adjust the CIP and MYOP budgets that DOU manages is consistent with the DOU 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: The Community Development Department, Environmental Services Manager has reviewed the projects for compliance with the California Environmental Quality Act (CEQA). The CSS Sewer Main Replacement Blocks 1-4 and the CSS Optimization projects have been determined to fall within the scope of the environmental impact report (EIR) prepared for the City's Combined Sewer System Rehabilitation and Improvement Plan (SCH: 96082013) that was certified by City Council in March 1997 (Resolution No. 97-123). The mitigation monitoring program that was adopted at that time will apply to the CSS Blocks 1-4 and Optimization projects. The CSS Blocks 1-4 and Optimization projects would not result in new significant environmental effects or a substantial increase in the severity of previously identified effects considered in the certified EIR. Pursuant to CEQA Guidelines Section 15162, a subsequent EIR is not required. This report recommends passage of the attached Resolution adopting the Addendum.

The Addendum, the EIR for the City's Combined Sewer System Rehabilitation and Improvement Plan, the Resolution (No. 97-123) certifying the EIR are available at the CDD's webpage at: <http://portal.cityofsacramento.org/Community-Development/Planning/Environmental/Impact-Reports>.

The Sump 87 Diversion, Grover/Eleanor Sewer Upsizing, Basin 85 Arcade Creek Siphon Rehabilitation, Rivera Drive Sewer Upsizing Phase 1, Kenworthy Way Easement Sewer Rehabilitation, Deeble Street Sewer Replacement Shallow Way to 24th, Capitol Mall Sewer Replacement Front to 2nd and the Freeport Sewer Improvement projects are pipeline projects that are under a mile in length and have been determined to be exempt from CEQA pursuant to CEQA Guidelines Section 15282(k).

Sump 85 Reconstruction, Sump Flow Meter Program, Sump 36 Electrical Rehab, Sump 81 Electrical Rehab, Sump 107 Electrical Rehab, Arc Flash Program, and CWTP Electrical Rehab MCC L projects have been determined to be exempt from CEQA pursuant to CEQA Guidelines Section 15301, 15302, and 15303.

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 24 CIPs and eight MYOPs in the Water (6005), Wastewater (6006), Storm Drainage (6011), Water Impact Fee (6001) and State Revolving Loan (6312) Funds.

Approval of the high-priority wastewater CIP projects listed in Attachment 2 is necessary to achieve the City's objectives of maintaining the integrity of the wastewater system and its continued compliance with environmental laws and improving the replacement cycle of key wastewater-system assets.

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 Attachment 3. Only projects eligible to utilize bond funds, impact fees, and state revolving loan funding will receive those funds.

Funding of the wastewater CIP will be achieved with a blend of cash and debt financing.

Local Business Enterprise (LBE): Not applicable.