



Agenda Report

June 17, 2019

TO: Honorable Mayor and City Council
FROM: Department of Public Works
SUBJECT: AMENDMENTS TO FISCAL YEAR 2019 CAPITAL IMPROVEMENT PROGRAM BUDGET

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed actions are not "projects" as defined in the California Environmental Quality Act (CEQA), Public Resources Code Section 21065 and Section 15378(b)(4) and (5) of the State CEQA Guidelines and, as such, are not subject to environmental review; and
2. Amend the Fiscal Year (FY) 2019 Capital Improvement Program (CIP) Budget and the FY 2019 Operating Budget as detailed in Attachment A of this report.

BACKGROUND:

Throughout the fiscal year, the Department of Public Works in conjunction with other impacted departments review active Capital Improvement Program (CIP) projects to determine if budgetary changes are needed. Staff has completed this report detailing needed budget adjustments and contract amendments. The budgetary changes to the projects are listed below.

1. **Annual Citywide Street Resurfacing and ADA Improvement Program FY 2019 (73325)** – The Department of Public Works recommends unappropriating \$1,339,000 in Surface Transportation Program funds from this project. These federal funds were awarded for the Resurfacing of Orange Grove Boulevard that was originally slated to be done in FY 2019 as part of this project. However, to allow for PWP to install water mains along this stretch of road, the resurfacing project was put on-hold for one year. These funds are being appropriated to the *Annual Citywide Street Resurfacing and ADA Improvement Program – FY 2020* upon adoption of the FY 2020 CIP Budget, and therefore, need to be removed from this project.

2. **Resurfacing and Slurry Seal FY 2017-2019 (73920)** – The Department of Public Works recommends appropriating \$26,244 in CalRecycle Grant funds to this project. The City has been awarded this grant by the state annually for the last five years. The grant helps to fund the use of Rubberized Asphalt Concrete (RAC) which has been a part of the City's resurfacing program since 1998.
3. **Building Maintenance FY 2016 – 2020 (71902)** – The Department of Public Works recommends appropriation \$100,000 in General Fund from the Department's FY 2019 Operating Budget in account 10122067 to this project. This appropriation will fund updates to the two restrooms in the Fleet Maintenance area of the City Yards. The scope of work will include painting, and replacing tiles, fixtures, and restroom stalls. This project has been included in the annual workplan for the last few years. However due to unanticipated high priority projects that were added to the annual workplan, the restroom project was put on hold. This appropriation will allow this project to be completed in FY 2020.
4. **Citywide Sports Facilities Improvements and Installations (78044)** – The Department of Public Works recommends unappropriating \$500,000 in Residential Impact Fees from the West District. These funds were appropriated to this project in February 2019 for improvements at La Pintoresca Park. A new project *La Pintoresca Park Improvements* was created in the FY 2020 CIP Budget that will encompass this scope of work and will receive an appropriation of \$750,000 in Residential Impact Fees. As a result, these funds are no longer needed on this project and will be returned to fund balance.
5. **Villa Parke Community Center Improvements (78061)** – The Department of Public Works recommends unappropriating \$790,000 in Private Capital from this project and decreasing the budget by a like amount. The Private Capital was appropriated to this project in FY 2012 and was to be sourced from fundraising efforts that never took place. In FY 2015, General Fund dollars were appropriated to this project to replace the Private Capital. The Private Capital was removed from the project page but never officially unappropriated from the project in the financial system. This action will correct the project budget.
6. **Hahamongna – Oak Grove Area Improvements (77506)** – The Department of Public Works recommends unappropriating \$821,590 in Proposition A (Parks) 1996 Funds and reduce the project budget by a like amount. This project was fully funded at \$1,864,348 in Proposition A (1992 and 1996) grants. The scope of work on this project is being reevaluated and a portion of these funds are no longer needed for this project. The funds are being appropriated as part of the FY 2020 CIP budget to the *Implement Master Plan – Hahamongna Watershed Park – Berkshire Creek Area Improvements (77509)* project which is moving forward and will be completed in FY 2020.
7. **Devil's Gate Tunnel Water Supply (1043)** - The Water and Power Department recommends unappropriating \$1,186 in Water Funds from the *Non-Potable Water Project (1013)* and appropriating it to the *Devil's Gate Tunnel Water Supply (1043)* project. In FY 2016, the State mandated meter installations for all groundwater

production, including water through the tunnels. The completed work exceeded original estimates and there has been no project activity since FY 2016 due to the absence of tunnel water. The project will remain open in support of the *Non-Potable Water Project* (1013).

- 8. Switchgear Upgrades for Power System Facilities (3090)** – The Water and Power Department recommends unappropriating \$250,000 in Power Funds from the *Substation Control and Protection Upgrades* (3208) project, and appropriating it to the *Switchgear Upgrades for Power System Facilities* project, increasing the budget by a like amount. The appropriation is needed to upgrade the 17kV Santa Anita West circuit breaker and additional substation battery upgrades. The FY 2019 work plan for *Substation Control and Protection Upgrades* (3208) has been delayed and will resume in FY 2020.
- 9. Wood Utility Pole Replacement/Reinforcement Program (3117)** – The Water and Power Department recommends unappropriating \$180,000 in Power Funds from the *4kV Distribution System Conversion* (3191) project, and appropriating it to the *Wood Utility Pole Replacement/Reinforcement Program* project, increasing the budget by a like amount. This appropriation will support additional Joint Pole Replacements that have been completed by Southern California Edison in compliance with new fire safety standards. The FY 2019 work plan for *4kV Distribution System Conversion* (3191) has been delayed due to the prioritization of emergency repairs to the Transmission and Distribution System, and terrain issues hindering construction on the Eagle Rock ER-1 circuit.
- 10. Power Distribution Capacity and Reliability Program (3161)** – The Water and Power Department recommends unappropriating \$550,000 in Power Funds from the *4kV Distribution System Conversion* (3191) project, and appropriating it to the *Power Distribution Capacity and Reliability Program* project, and increasing the budget by a like amount. Unplanned electrical equipment replacements were required in support of customer projects to ensure long-term reliable service after energizing, and poor conditions in equipment surrounding planned replacements indicated probable failure and required remediation. The FY 2019 work plan for *4kV Distribution System Conversion* (3191) has been delayed due to the prioritization of emergency repairs to the Transmission and Distribution System, and terrain issues hindering construction on the Eagle Rock ER-1 circuit.
- 11. Subtransmission System Enhancements (3205)** – The Water and Power Department recommends unappropriating \$425,000 in Power Funds from the *4kV Distribution System Conversion* (3191) project, and appropriating it to the *Subtransmission System Enhancements* project, increasing the budget by a like amount. Additional protection needs have been identified for the 34.5kV cross-town tie system to prevent system failure and blackout resulting from a single circuit fault. The FY 2019 work plan for *4kV Distribution System Conversion* (3191) has been delayed due to the prioritization of emergency repairs to the Transmission and Distribution System, and terrain issues hindering construction on the Eagle Rock ER-1 circuit.

12. Emergency Transmission and Distribution System Replacements (3222) – The Water and Power Department recommends unappropriating \$600,000 in Power Funds from the *4kV Distribution System Conversion (3191)* project, and appropriating it to the *Emergency Transmission and Distribution System Replacements* project, increasing the budget by a like amount. Summer heat waves, windstorms, and record rains have required additional appropriations for emergency replacements of failed underground switches, faulted conductors, failed transformers, and other equipment. The FY 2019 work plan for *4kV Distribution System Conversion (3191)* has been delayed due to the prioritization of emergency repairs to the Transmission and Distribution System, and terrain issues hindering construction on the Eagle Rock ER-1 circuit.

13. Azusa Hydro Upgrades and Replacements (3179) – The Water and Power Department recommends unappropriating \$166,000 in Power Funds from the *Power Facility Waste Water Treatment and Disposal (3158)* project, and appropriating it to the *Azusa Hydro Upgrades and Replacements* project, increasing the budget by a like amount. Emergency improvements to the Azusa Hydro Plant conduit to extend the metal liner between Tunnels 23 and 24 necessitated additional appropriations. The FY 2019 work plan for *Power Facility Waste Water Treatment and Disposal (3158)* is pending contract negotiations and expected to continue in FY 2020.

14. Power Transmission Program (3190) – The Water and Power Department recommends unappropriating \$275,000 in Power Funds from the *Power Facility Waste Water Treatment and Disposal (3158)* project, and appropriating it to the *Power Transmission Program*, increasing the budget by a like amount. LADWP is the operating agent for this capital project; Pasadena owns partial equity interest and is periodically invoiced for a shared cost allocation. Project estimates provided during the September 18, 2018 Pacific DC Intertie Advisory Committee Meeting have been revised and additional appropriations are needed to reimburse LADWP for work completed on the DC Electrode Land Replacement project, Sylmar Electrode Line Submarine Replacement project, and several upgrade and replacement projects at the Sylmar Converter Station. The FY 2019 work plan for *Power Facility Waste Water Treatment and Disposal (3158)* is pending contract negotiations and expected to continue in FY 2020.

COUNCIL POLICY CONSIDERATION:

All of the above projects and actions address City Council's goals to maintain fiscal responsibility and stability will be advanced through monitoring the Capital Improvement Program Budget and implementing necessary amendments. Also, by improving, maintaining, and enhancing public facilities and infrastructure.

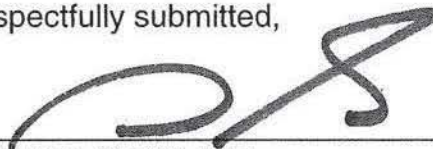
ENVIRONMENTAL ANALYSIS:

CEQA excludes from environmental analysis those actions that are not “projects” as defined by State CEQA Guidelines Section 15378. That section excludes from the definition of “project” the creation of government funding mechanisms and fiscal activities which do not yet commit the lead agency to any specific project, and also excludes organizational or administrative governmental activities that do not result in physical changes to the environment. The actions proposed herein are budgetary and part of the City’s normal administrative process as it takes early steps to prepare for the possibility of undertaking a project, and therefore they are not yet “projects” as defined by CEQA. As the City becomes more certain it will undertake one of the projects, and before it commits itself to the project, the appropriate environmental analysis will be conducted and brought to the appropriate City body for approval.

FISCAL IMPACT:

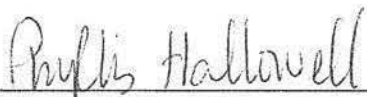
The cumulative result of these recommendations will decrease the FY 2019 CIP Budget by \$3,324,346. The specific funding sources for the budget amendments are listed on Attachment A.

Respectfully submitted,



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