

Agenda Report

June 10, 2013

TO: Honorable Mayor and City Council
THROUGH: Finance Committee
FROM: Department of Public Works
SUBJECT: **JOURNAL VOUCHER AMENDING PROJECTS IN FISCAL YEAR 2013 CAPITAL IMPROVEMENT PROGRAM BUDGET**

RECOMMENDATION:

It is recommended that the City Council approve a journal voucher with a net increase of \$995,000 amending six projects in the Fiscal Year 2013 Capital Improvement Program (CIP) Budget as detailed in the Fiscal Impact section of this report.

BACKGROUND:

As part of the process to update the CIP budget, the Department of Public Works has completed this report detailing necessary budget adjustments. The budget adjustments are needed due to changes in the status of various capital projects. The budgetary changes to the projects are listed below and must be recognized through the City's journal voucher process to formalize the changes.

1. The Water and Power Department recommends removing funding from four projects (a – d) and transferring it to one project (e):
 - a. **Substation Capacitor Banks (3015)** – Unappropriate \$750,000 in Power Funds from this project so it can be transferred to the 4kV Distribution System Conversion CIP project (3191). This project provides for the replacement or upgrade of capacitors or other equipment at substations to augment reactive power needs of the power system. Staff had planned to begin a project to add capacitor banks to Glenarm Substation; however subsequent system models indicate the project can be postponed until fiscal year 2015 or later;
 - b. **Replacement and Upgrade of Electric Equipment and Facilities (3185)** – Unappropriate \$250,000 in Power Funds from this project so it can be transferred to the 4kV Distribution System Conversion CIP project (3191). Sufficient funds will remain in this project to complete all projects planned through fiscal year 2014;

- c. **Project and Work Management System (3140)** – Unappropriate \$500,000 in Power Funds from this project so it can be transferred to the 4kV Distribution System Conversion CIP project (3191). This project provides for development of systems to assist with time, cost, material and staff requirements and scheduling and workflow management of projects. Sufficient funds would remain in this project to complete all projects planned through fiscal year 2014;
 - d. **Distribution System Automation and Smart Grid (3192)** – Unappropriate \$500,000 in Power Funds from this project so it can be transferred to CIP project (3191). This project calls for implementation of distribution automation to enable remote and automated switching of distribution feeder switches, fault interrupters, circuit breakers and automated meter infrastructure. Sufficient funds will remain in this project to complete all projects planned through fiscal year 2014; and
 - e. **4kV Distribution System Conversion (3191)** - Appropriate \$2,000,000 from the Power Fund to this project. This project calls for the conversion of existing 4kV distribution systems to 17kV. Continuing low voltage problems primarily in the Hastings Ranch area necessitate the escalation of projects that were originally scheduled for future years. These projects will add additional capacity and redundancy in the northeastern part of the City.
2. **Preventive Maintenance - Asphalt Streets FY 2011 – 2015 (73901)** – The Department of Public Works recommends appropriating \$995,000 from Gas Tax Fund to this project. This project provides for the systematic resurfacing (asphalt overlay) and slurry sealing of asphalt streets at prescribed intervals. Resurfacing work is more extensive and thereby more expensive than slurry sealing. This project has two main funding sources – Gas Tax and Federal Surface Transportation Program (STP). Per Federal guidelines, STP can only fund approved resurfacing work on major arterials. During the FY 2011 - 2013 time period, the resurfacing project increased and additional street segments were completed. While the project balance could support this additional work, some of it was done on streets that did not meet STP eligibility requirements. The additional Gas Tax appropriation will cover the expenses related to that work.

COUNCIL POLICY CONSIDERATION:

All of the above projects and actions address the City Council's goals to maintain fiscal responsibility and stability and improve, maintain, and enhance public facilities and infrastructure. Also, all of the projects have been found consistent with the General Plan.

ENVIRONMENTAL ANALYSIS:

As work for each project moves through the City's approval process, the appropriate environmental analysis will be conducted and brought to the City Council.

FISCAL IMPACT:

The cumulative result of these recommendations will increase the FY 2013 CIP budget by \$995,000. The detailed change to each project is listed below.

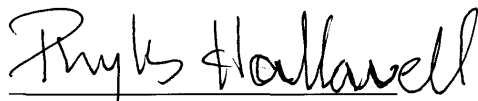
	Project/Fund Source	Appropriations Thru FY 2013	Changes	Revised Appropriation
1a.	Substation Capacitor Banks (3015) Power Fund	1,072,110	(750,000)	322,110
1b.	Replacement and Upgrade of Electric Equipment and Facilities (3185) Power Fund	3,028,718	(250,000)	2,778,718
1c.	Project and Work Management System (3140) Power Fund	2,264,767	(500,000)	1,764,767
1d.	Distribution System Automation and Smart Grid (3192) Power Fund	3,645,792	(500,000)	3,145,792
1e.	4kV Distribution System Conversion (3191) Power Fund	4,215,067	2,000,000	6,215,067
2.	Preventive Maintenance - Asphalt Streets FY 2011 - 2015 (73901) Gas Tax	4,100,000	995,000	5,095,000
	Net Change to Capital Budget		995,000	

Respectfully submitted,



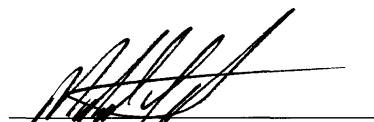
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