

Agenda Report

April 24, 2023

TO: Honorable Mayor and City Council

THROUGH: Finance Committee (April 24, 2023)

FROM: Department of Public Works

SUBJECT: AMENDMENTS TO FISCAL YEAR 2023 CAPITAL IMPROVEMENT PROGRAM

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 2023 Capital Improvement Program (CIP) Budget as detailed in Attachment A of this report.

BACKGROUND:

Throughout the Fiscal Year (FY), the Department of Public Works in conjunction with other impacted departments reviews active CIP projects to determine if budgetary changes are needed. Staff has completed this report detailing needed budget adjustments. The budgetary changes to the projects are listed below:

1. **Building Maintenance FY 2021 – 2025 (71903)** – The Department of Public Works recommends appropriating \$26,275 in Private Capital from Crown Castle to this project and increasing the budget by a like amount. Crown Castle pays this fee to the City for housing a cell tower at the City Yards. This funding has been dedicated to this project for use at the City Yards and is appropriated as funds are received. This funding will be used to towards ongoing security upgrades at the City Yards.
2. **Complete Streets Project – Avenue 64 from Colorado Blvd to South City Limits (75077)** – The Department of Public Works recommends appropriating \$400,000 in Safe, Clean Water Program (Measure W) – Local Return Fund to this project and increasing the budget by a like amount. This funding will allow for the installation of stormwater components which include two drywells, a bioswale, and various piping.

3. **Playhouse Village Park and Parking Lot (78083)** – The Department of Public Works recommends appropriating \$50,000 in Residential Impact Fees to this project and increasing the budget by a like amount. The budget shortfall is due to the installation of additional fencing in the dog run area and extending the monitoring of plants to ensure well established due to poor weather conditions. This action will allow this project to be closed.
4. **Miscellaneous Sidewalk Repair Program (73940)** – The Department of Public Works recommends appropriating \$142,853 in Private Capital to this project and increasing the budget by a like amount. These funds have been collected from property owners and developers as conditions of development or sales of the property. This appropriation will allow construction of this project to be completed in FY 2024.
5. **Traffic Signal at Orange Grove Blvd and Craig Ave (75097)** – The Department of Transportation (DOT) recommends unappropriating \$70,000 in Road Maintenance and Rehabilitation Account (SB1) funds from this project and returning it to fund balance. The remaining funds on this project are sufficient to complete the installation of the traffic signal at this intersection.
6. **Traffic Signal at Del Mar Blvd and Michigan Ave (75211)** - The Department of Transportation recommends transferring \$100,000 in American Rescue Plan Act (ARPA) funds from this project to the Complete Streets Project – Union Street Cycle Track (75087) project. This project will be fully funded with the receipt of Measure M competitive grant funds in 2024.
7. **Complete Streets Project – Union Street Cycle Track (75087)** – The Department of Transportation recommends unappropriating \$100,000 in Traffic Reduction Fee funds from this project and returning it to fund balance. The transfer of the ARPA dollars (in #6 above) fully funds this project. Construction is anticipated to be completed in first quarter of FY 2024.
8. **Complete Streets Project – Mountain St at Sierra Bonita Ave and Sinaloa Ave – Design Phase (75107)** – The Department of Transportation recommends unappropriating \$120,000 in Traffic Reduction Fee funds from this project and returning it to fund balance. Preliminary design has been completed, but due to higher than anticipated construction cost, the project is being put on hold until construction dollars can be identified.
9. **South Lake Ave Pedestrian Enhancements to Gold Line Station (75106)** – The Department of Transportation recommends appropriating \$650,000 to this project from the following funding sources: \$220,000 in Traffic Reduction Fee funds, \$200,000 in Street Occupancy funds, and \$230,000 in Road Maintenance Rehabilitation Account (SB1) funds and increasing the budget by a like amount. The South Lake Ave project advertised for bids twice: Bids were initially received on August 25, 2022, with the lowest bid 40 percent higher than Engineer's Estimate. The project scope was downsized and re-advertised for bids a second time. The lowest bid received on March 2, 2023, was 21 percent higher than Engineer's Estimate due to inflation and material

cost escalations. This appropriation will fund the budget shortfall and fully fund the project. Construction is expected to begin in FY 2024.

10. **Enhancements to Metro Gold (L) Line Allen Station (75514)** – The Department of Transportation recommends appropriating \$75,000 in Traffic Reduction Fee to this project and increasing the budget by a like amount. This project received a SCAG grant to implement a quick build pilot project using temporary materials to test and gain feedback on the elements of the longer-term permanent project. The cost estimate for the quick build came in above the grant amount from SCAG. This appropriation will allow the construction of the quick build project to begin.
11. **Distribution Mains (1080)** - The Water and Power Department recommends appropriating \$1,000,000 in Water Funds to this project from the following projects: \$76,687 from the legacy Distribution Mains (1001) project and \$923,313 from the Arroyo Seco Canyon Project (1040) and increasing the budget by a like amount. This transfer is necessary to continue the design and replacement of distribution mainlines. Appropriations remaining in the Arroyo Seco Canyon Project (1040) will be sufficient to complete the planning efforts for this phase of the project. Additional funds may be appropriated in future years for construction. The legacy Distribution Mains (1001) project is complete, and appropriations are no longer required.
12. **Deteriorated Pole Replacement Program (3233)** - The Water and Power Department recommends appropriating \$1,183,556 in Power Funds to this project from the following projects: \$656,156 from the Chester to Santa Anita 34kV Cable Replacement (3268) project, \$265,200 from the Water and Power Warehouse Modernization (3175) project, \$200,000 from the Distribution System Fault Indicators/Recorders/Digital Relays (3238) project, and \$62,200 from the Seismic Retrofit at Santa Anita Receiving Station (3255) project and increasing the budget by a like amount. This transfer is necessary to provide adequate funding due to cost increases for pole replacements. The additional expenditures are being driven by 1) numerous poles that are difficult to access and that have been identified as being in urgent need of replacement via the pole inspection program; 2) Southern California Joint Pole Committee (SCJPC) replacements, driven by other utilities, exceeding the budgeted number of replacements estimated for the year; and 3) an increase focus being placed on pole replacements, since a few of the other CIP work plans have been negatively impacted by supply chain issues.

The Water and Power Warehouse Modernization (3175) project is under budget and the remaining appropriations are sufficient to complete the balance of the work plan for FY 2023. In addition, the Chester to Santa Anita 34kV Cable Replacement (3268), Distribution System Fault Indicators/Recorders/Digital Relays (3238), and Seismic Retrofit at Santa Anita Receiving Station (3255) projects are complete, and appropriations are no longer required.

13. **Distribution Switch Replacement Program (3231)** - The Water and Power Department recommends appropriating \$697,500 in Power Funds to this project from the Water and Power Warehouse Modernization (3175) project and increasing the budget by a like amount. This transfer is necessary due to an increase in the scope of

work related to the replacement of distribution switches that are in urgent need of replacement and in excess of the work plan targets. In addition, the additional switch replacements have resulted in other indirect work, such as cable replacements necessary during construction that has contributed to the increased expenditures. The Water and Power Warehouse Modernization (3175) project is under budget and the remaining appropriations are sufficient to complete the balance of the work plan for FY 2023.

- 14. Substation Modernization Program (3235)** - The Water and Power Department recommends appropriating \$730,000 in Power Funds to this project from the following projects: \$230,000 from the T.M. Goodrich Receiving Station Upgrades (3263) project, \$230,000 from the Station Transformer Upgrades (3259) project, \$230,000 from the Supervisory Control and Data Acquisition (SCADA) System Expansion (3245) project, and \$40,000 from the Power Quality Meter Upgrades (3250) project and increasing the budget by a like amount. This appropriation is necessary due to an increase in the original scope of work, including transformer health upgrades, at the following locations: Brookside 2, Chester 3, Glenarm 1 & 3, Oak Knoll 3 & 4, Wilson 1, Hastings 1 & 2, and Villa 1 & 2. The Supervisory Control and Data Acquisition (SCADA) System Expansion (3245) project work plan for FY 2023 is complete and appropriations are no longer needed. The T.M. Goodrich Receiving Station Upgrades (3263) project and the Station Transformer Upgrades (3259) project have been delayed and both projects have remaining appropriations. In addition, the Power Quality Meter Upgrades (3250) project is complete, and appropriations are no longer required.
- 15. Power System Equipment (3254)** - The Water and Power Department recommends appropriating \$133,347 in Power Funds to this project from the following projects: \$10,000 from the Power Quality Meter Upgrades (3250) project, \$100,000 from the legacy Distribution System Fault Indicators/Recorders (3035) project, and \$23,347 from the legacy Power System Cable and Transformer Test Equipment (3021) project and increasing the budget by a like amount. The increase is necessary to purchase an enhanced relay test set for the substation group to validate and test system protection settings and schemes. The Power Quality Meter Upgrades (3250) project, and legacy Power System Cable and Transformer Test Equipment (3021) and Distribution System Fault Indicators/Recorders (3035) projects are complete, and appropriations are no longer required.
- 16. Distribution System GIS Enhancements (3246)** - The Water and Power Department recommends appropriating \$66,521 in Power Funds to this project from the following projects: \$57,743 from the legacy Distribution System GIS Enhancements (3034) project and \$8,778 from the Power Distribution Master Plan (3209) project and increasing the budget by a like amount. This increase is necessary to support the transition to the Environmental Systems Research Institute, Inc. Utility Network. The Power Distribution Master Plan (3209) FY 2023 and legacy Distribution System GIS Enhancements (3034) projects are complete, and appropriations are no longer required.

17. DoIT Equipment Lifecycle Replacement FY 2020 – 2025 (71165) – The Department of Information Technology recommends unappropriating \$23,270 in Public Safety Augmentation Fund and returning it to fund balance. The Police Department appropriated \$92,095 to this project for the installation on WiFi at the Firing Range. This work was completed under budget. This action will return the money to fund balance.

COUNCIL POLICY CONSIDERATION:

All of the above projects and actions address City Council’s goals to maintain fiscal responsibility and stability and improve, maintain, and enhance public facilities and infrastructure.

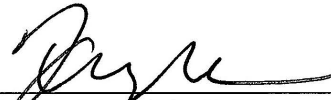
ENVIRONMENTAL ANALYSIS:

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:

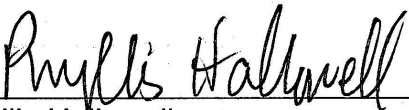
The cumulative result of these recommendations will increase the FY 2023 CIP budget by \$1,030,858. The specific funding sources for the budget amendments are listed on Attachment A. There is no impact to the General Fund.

Respectfully submitted,



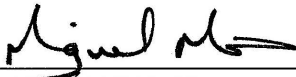
TONY OLMOS, P.E.
Director of Public Works

Prepared by:



Phyllis Hallowell
Management Analyst V

Approved by:



MIGUEL MARQUEZ
City Manager

Attachment A – Amendments to the FY 2023 – 2027 CIP Budget