

AGENDA ITEM NO.
COUNCIL MEETING

APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

January 23, 2007

FROM: RENE A. RAMIREZ, Director *RR*
Department of Public Utilities

BY: LON M. MARTIN, Assistant Director *LM*
Department of Public Utilities

SUBJECT: APPROVE A RESOLUTION FOR THE REALLOCATION OF \$1,163,000 FROM THE PALM AND DAKOTA TRANSMISSION MAIN(S) PROJECT TO PROVIDE ADDITIONAL APPROPRIATIONS FOR THE DESIGN AND CONSTRUCTION OF THE 30-INCH WATER TRANSMISSION MAIN IN CHESTNUT AVENUE FROM SHAW TO SAMPLE AVENUE

KEY RESULT AREA

Resource Management

RECOMMENDATION

Staff recommends that the City Council:

1. Approve the resolution for the reallocation of \$1,163,000 from the Palm and Dakota Transmission Main(s) project to provide additional appropriations for the design and construction of the 30-inch water transmission main in Chestnut Avenue.

EXECUTIVE SUMMARY

Late last year California State University Fresno (CSUF) initiated construction of the Campus Pointe Development, which triggered the construction of the master planned 30-inch water transmission main in Chestnut Avenue. On January 9, 2007 Council authorized the Public Utilities Director to enter into a cost reimbursement agreement with CSUF to construct the 30-inch water transmission main. The Division budgeted in FY07, \$425,000 for engineering and permitting and \$1,571,500 for construction and inspection in FY08. The CSUF development project is condensing the construction timeline by one year requiring the Division to reallocate construction funding. The Division is requesting Council authorization of an administrative transfer of \$1,162,966 from WC00005 (the Palm and Dakota transmission main(s)) to WC00030 (30-inch water transmission main). The Palm and Dakota transmission main(s) project is not ready for construction this fiscal year allowing for the reallocation of funding. Both projects reside within the Water Enterprise Fund 40101. By simultaneously constructing the 30-inch water transmission main with the improvements to Chestnut Avenue, the Division will save construction dollars plus eliminate the need to demolish and reconstruct brand new street improvements.

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KEY OBJECTIVE BALANCE

Long-term planning and construction of the 30-inch water transmission main in Chestnut Avenue will allow for distribution of treated surface water throughout Fresno. Council action on this matter optimizes the three key objectives of customer satisfaction, employee satisfaction, and financial management by allowing the Division to expand its treated surface water delivery area, which affects the financial management by maximizing water treatment infrastructure. Customer satisfaction is achieved by expanding a reliable treated surface water supply reaching several thousand more customers. Employee satisfaction is derived from the fact that Division staff will have water supply redundancy, maximized treatment efficiency and a hydraulically sound water distribution system.

BACKGROUND

The Division has master-planned for the extension of the 30-inch water transmission main to distribute treated surface water from the surface water treatment facility (SWTF) in northeast Fresno. This SWTF has the capability of delivering more than one-third of the City's demand for drinking water but is restricted due to the smaller water mains south of Bullard Avenue. By delivering water further south the Division can maximize the SWTF operations and reduce the regional impact on groundwater.

As CSUF was preparing for the Campus Pointe development, City staff met with CSUF to discuss the need to construct the 30-inch water transmission main. Due to the massive reconstruction and widening of Chestnut Avenue it was determined that CSUF should incorporate this project into their development. A cost reimbursement agreement has been developed and approved as to form by the City Attorney's Office. On January 9, 2007 Council authorized the Public Utilities Director to enter into a cost reimbursement agreement with CSUF to construct the transmission main.

This agreement will reimburse CSUF only for actual design and construction expenses incurred. The agreement includes a one-year warranty, and all plans and specifications are required to be approved by the Public Works Director prior to construction. The Public Works Department will conduct construction inspections. Other special inspections (e.g., soil compaction) will be reimbursable if requested by the City.

The CSUF development accelerates the construction timeline for the 30-inch water transmission main project. The Palm & Dakota transmission main(s) project will not be ready for construction until FY08, which allows for its funding to be redirected to the 30-inch water transmission main project.

FISCAL IMPACT

A total of \$1,587,966 is needed for the project. \$1,300,000 will be designated to reimburse CSUF for construction and \$287,966 will be used for construction management and inspection services. An administrative transfer of \$1,162,966 from WC00005 (the Palm and Dakota transmission main(s)) to WC00030 (30-inch water transmission main) is necessary to construct this project this fiscal year. Both projects reside within the Water Enterprise Fund 40101.

Summary:

CSUF Construction -	\$1,300,000
Construction Management and Inspection -	<u>\$ 287,966</u>
Total Cost	\$1,587,966

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Funding:

30-inch water transmission main FY07 Budget - \$	425,000
Dakota and Palm Transmission Mains -	<u>\$1,162,966</u>
(Administrative Transfer)	
Total Funding	\$1,587,966

Attachments:

- Non-Annual Appropriations Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO APPROVING THE REALLOCATION OF \$1,163,000 FROM THE PALM AND DAKOTA TRANSMISSION MAINS PROJECT TO PROVIDE ADDITIONAL APPROPRIATIONS FOR THE DESIGN AND CONSTRUCTION OF A 30-INCH WATER TRANSMISSION MAIN IN CHESTNUT AVENUE FROM SHAW AVENUE TO SAMPLE AVENUE.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRESNO:

THAT \$1,163,000 within the appropriations set forth in PART III of the Annual Appropriation Resolution No. 2006-253 be and is hereby approved to be reallocated within the Water Enterprise Fund.

THAT account titles and numbers requiring adjustment by this Resolution are as follows:

Water Enterprise Fund

Appropriations:

Account: 51101 Permanent Salaries	\$ (19,900)
57507 Contract Construction	(1,128,600)
59117 Overhead	<u>(14,500)</u>
Fund: 40101	
Org Unit: 411501	
Project: WC00005	
KRA: 0103011000	
Total Appropriations	<u>\$ (1,163,000)</u>

Appropriations:

Account: 51101 Permanent Salaries	\$ 188,700
53402 Specialized Services/Tech	5,000
57507 Contract Construction	875,000
57507 Contract Construction	<u>94,300</u>
Fund: 40101	
Org Unit: 411501	
Project: WC00030	
KRA: 0602006000	
Total Appropriations	<u>\$ 1,163,000</u>

THAT the purpose is to adjust the allocation of funds in the Water Enterprise Fund to provide additional appropriations for the design and construction of a 30-inch water transmission main in Chestnut Avenue from Shaw Avenue to Sample Avenue.

CLERK'S CERTIFICATION

STATE OF CALIFORNIA }
COUNTY OF FRESNO } ss.
CITY OF FRESNO }

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the _____ Day of _____, 2007.

AYES:
NOES:
ABSENT:
ABSTAIN:

Mayor Approval: _____, 2007
Mayor Approval/No Return: _____, 2007
Mayor Veto: _____, 2007
Council Override Veto: _____, 2007

REBECCA E. KLISCH
City Clerk
