

# 22

## **SECTION – 22** **Utilities**

## Utilities

*The Department of Utilities provides dependable, high quality water, storm drainage, and wastewater services in a fiscally and environmentally sustainable manner.*

The **Department of Utilities** (DOU) provides and maintains water, wastewater, and storm drainage services and facilities for its customers, city ratepayers. These services are crucial to safeguard the health and safety of the public, support economic development, protect the environment, and improve the quality of life in our city. DOU works in conjunction with other City departments as well as regional, state, and federal agencies in the maintenance, development, and rehabilitation of water resources infrastructure.

DOU is organized into three operating divisions, which allows for increased collaboration across business functions and enables the DOU to focus efforts on customer priorities. Additionally, there are three sections under the Office of the Director reflecting the commitment to local and regional policy involvement, education and stakeholder outreach, and planning for current and future generations by protecting, preserving and enhancing water resources, the environment, and the community.

Detailed five-year forecasts for each of the utility enterprise funds are included in the Overview section of this document. Below are recent accomplishments and current initiatives that meet the requisite characteristics of a 3.0 city: innovation, infrastructure improvement, and/or inclusion.

### INNOVATION

- Replace with alternative fuel, or hybrid vehicles, where feasible.
- Utilize GIS tools to increase efficiencies in operations and maintenance.
- Invest in equipment and training for emergency preparation.
- Participate in a Low Impact Development demonstration project with California State University, Sacramento (CSUS) that will reduce the impact of storm water runoff on the American River.

### INFRASTRUCTURE

- Accelerate installation of residential water meters so all residents can track water conservation and strive to achieve conservation goals.
- Invest in rehabilitation and renewal of ground water wells to help meet water supply needs during dry years.

### INCLUSION

- Hold focus groups and neighborhood meetings to discuss infrastructure improvements in neighborhoods and provide outreach to the community on any rate adjustments.
- Partner with local high schools, community colleges and CSUS to provide opportunities for student internships, especially for disadvantaged youth.

**BUDGET CHANGES**

Program	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE
Operations	Add a 0.50 Customer Service Representative and 1.0 Utility Construction Coordinator and vehicle for support, inspection and oversight for Capital Improvement Projects. A portion of the costs will be offset by CIP reimbursements.	Water	81,621	187,988	1.50
Operations	Add 2.0 Operations and Maintenance Specialists, 1.0 Senior Plant Operator and 1.0 Water Quality Chemist along with vehicles to support weekend staffing associated with water distribution, water treatment plant operation, and water quality testing. A portion of the costs will be offset by a reduction in overtime.	Water	257,379	497,311	4.00
Water Conservation	Add a Customer Service Representative for Implementation of web portal for water conservation and increase budget for other drought related activities.	Water	234,009	567,773	1.00
CIP Engineering	Add 2.0 Engineering Technician III, 3.0 Associate Civil Engineers and 1.0 Administrative Analyst to support acceleration of the residential water meter installation program. A portion of the costs will be offset by CIP reimbursements.	Storm Drainage	412,365	659,607	6.00
Operations	Add a Process Control Systems Specialist and vehicle for increased security measures at utility facilities and increase budget for estimated costs related to Proposition 218 rate proposals for Storm Drainage fund.	Storm Drainage	-	468,415	1.00
<b>Total Change</b>			<b>\$ 985,374</b>	<b>\$ 2,381,094</b>	<b>13.50</b>

**Department Budget Summary**

Utilities Budget Summary	FY2013/14 Actuals	FY2014/15 Approved	FY2014/15 Amended	FY2015/16 Approved	Change More/(Less) Approved/Amended
Employee Services	49,027,870	53,809,402	53,796,452	57,802,637	4,006,185
Other Services and Supplies	26,327,581	42,617,799	33,419,047	42,141,074	8,722,027
City Property	1,325,861	5,224,786	1,497,670	4,792,446	3,294,776
Transfers	(176,933)	-	-	-	-
Labor and Supply Offset	2,139,388	564,002	386,403	109,925	(276,478)
Operating Transfers	17,339,792	18,084,913	18,084,913	18,108,794	23,881
<b>Total</b>	<b>95,983,559</b>	<b>120,300,902</b>	<b>107,184,485</b>	<b>122,954,876</b>	<b>15,770,391</b>

Note: The significant budget increases in property, and services and supplies are the result of fleet and multi-year operating project (MYOP) funding that are moved from the operating budgets to the MYOPs after adoption of the budget.

**Department Budget Summary (continued)**

<b>Funding Summary by Fund/Special District</b>	<b>FY2013/14 Actuals</b>	<b>FY2014/15 Approved</b>	<b>FY2014/15 Amended</b>	<b>FY2015/16 Approved</b>	<b>Change More/(Less) Approved/Amended</b>
Community Center Fund	-	4,983	4,983	4,983	-
Fleet Management Fund	203,375	147,729	147,729	147,729	-
General Fund	8,138	122,410	122,410	122,410	-
Golf Fund	12,760	8,550	8,550	8,550	-
Landscaping and Lighting	59,169	80,000	80,000	80,000	-
N Natomas Lands CFD 3	437,159	319,733	319,733	319,733	-
Neighborhood Water Quality Dist	1,241	5,000	5,000	5,000	-
Northside Subdiv Maint Dist	-	1,000	1,000	10,000	9,000
Parking Fund	198	1,359	1,359	1,359	-
Recycling and Solid Waste	1,882,393	1,825,185	1,825,185	1,812,212	(12,973)
Storm Drainage Fund	24,781,435	32,713,079	29,520,831	31,998,749	2,477,918
Storm Drainage Grant Reimbursement	-	1,286,000	-	1,112,000	1,112,000
Township 9 CFD No. 2012-06	-	1,000	1,000	1,000	-
Wastewater Fund	19,645,801	26,679,379	21,055,111	26,009,647	4,954,536
Water Fund	48,939,030	57,038,665	54,075,988	61,169,700	7,093,712
Water Grant Reimbursement	-	51,224	-	136,198	136,198
Willowcreek Assmnt Md	12,859	15,606	15,606	15,606	-
<b>Total</b>	<b>95,983,559</b>	<b>120,300,902</b>	<b>107,184,485</b>	<b>122,954,876</b>	<b>15,770,391</b>

**Division Budget Summary**

<b>Utilities Division Budgets</b>	<b>FY2013/14 Actuals</b>	<b>FY2014/15 Approved</b>	<b>FY2014/15 Amended</b>	<b>FY2015/16 Approved</b>	<b>Change More/(Less) Approved/Amended</b>
Business & Integrated Planning Division	6,573,000	7,960,969	7,960,969	8,277,567	316,598
Engineering & Water Services Division	11,101,776	12,611,702	12,507,430	14,176,306	1,668,876
Office of the Director - DOU	28,041,545	44,413,068	31,594,200	43,185,100	11,590,900
Operations & Maintenance Division	50,267,238	55,315,163	55,121,886	57,315,904	2,194,018
<b>Total</b>	<b>95,983,559</b>	<b>120,300,902</b>	<b>107,184,485</b>	<b>122,954,876</b>	<b>15,770,391</b>

**Staffing Levels**

<b>Utilities Division Budgets</b>	<b>FY2013/14 Actuals</b>	<b>FY2014/15 Approved</b>	<b>FY2014/15 Amended</b>	<b>FY2015/16 Approved</b>	<b>Change More/(Less) Approved/Amended</b>
Business & Integrated Planning Division	66.00	72.18	72.18	71.18	(1.00)
Engineering & Water Services Division	115.50	115.72	115.72	125.72	10.00
Office of the Director - DOU	7.00	9.00	9.00	9.00	-
Operations & Maintenance Division	328.00	325.50	327.50	332.00	4.50
<b>Total</b>	<b>516.50</b>	<b>522.40</b>	<b>524.40</b>	<b>537.90</b>	<b>13.50</b>

**PERFORMANCE MEASURES**

**Engineering & Water Services Division**

Key Measure	FY14 Actual	FY15 Estimate	FY16 Target
# Water Meters Installed/year	2,781	7,100	17,200

(1) The augmentations associated with the meter program are not expected to increase the number of meters installed in FY16 but are expected to increase the number of meters installed in FY 17 through FY 21.

The number of water meters installed is monitored to gauge the City's progress toward meeting the State mandate that all water utility customers have meters installed no later than 2025. In February 2015 Council approved an acceleration of the City's meter program, which is expected to result in the City meeting the State mandate by December 2020. Water meter installation supports the City's Sustainability Master Plan by improving water conservation awareness through metered billing with a monthly statement of water usage to customers, enhances leak detection and furthers the City's progress toward implementing the CA Urban Water Conservation Council Best Management Practices.

**Operations & Maintenance Division**

Key Measure	FY14 Actual (1)	FY15 Estimate	FY16 Target
% Water Conservation Achieved (Year over Year)	6%	18%	25%

(1) For drought and State reporting purposes the City measures conservation achieved on a calendar year basis. For calendar year 2014, the City achieved 18.8% water conservation when measured against calendar year 2013.

The percentage of water conservation achieved citywide is not only a required performance measure to comply with State mandates for water conservation, but also a key performance indicator to measure effectiveness of the Department's water conservation outreach and enforcement efforts. The 25% target for FY16 is based not only on continuing efforts in relation to the drought, but also on the Department's goal to comply with the Governor's Executive Order of 2015.

Key Measure	FY14 Actual	FY15 Estimate	FY16 Target
# of Sanitary Sewer (Wastewater)Overflows	3.71 per 100 miles	2.53 per 100 miles	2.53 per 100 miles

(1) The terms of the consent decree described below require the City to reduce its SSO's to 5 per 100 miles of pipe by FY17.

The number of Sanitary Sewer Overflows ("SSO's") is measured to ensure regulatory compliance and to gauge the effectiveness of operational activities and capital improvements that have been implemented to achieve this compliance. The primary permit with respect to the Separated System is the Waste Discharge Requirements permit issued by the State Water Resources Control Board. The goal of this permit is to minimize sanitary sewer overflows from the separated system. Additionally, the City must also comply with the requirements of a consent decree entered into on January 9, 2012, in which the City agreed to meet specified SSO reduction standards by implementing specific operational activities and capital improvements through a multi-year funding plan. The consent decree requires that the City reduce its SSO's to 5 per 100 miles of pipe by FY 2017, which was achieved ahead of schedule.