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SECTION – 25 UTILITIES

The Department of Utilities strives to provide high quality, reliable, and environmentally sensitive water, sewer, drainage, and solid waste services.

DESCRIPTION

The **Department of Utilities** provides and maintains water, sewer, solid waste, and storm drainage services and facilities. These services and facilities are provided for its customers, the ratepayers of the City, and are in place to safeguard the health and safety of the public, contribute to economic development, and improve the quality of life in our City. The Department currently has an authorized work force of 741 funded full time equivalent (FTE) positions and works in conjunction with other City departments, Sacramento County, regional, state and federal agencies in the development and rehabilitation of urban utility infrastructure.

MORE INFORMATION

Please see the following for more information about the Department of Utilities.

Web site - <http://www.cityofsacramento.org/utilities/>

PROGRAMS/SERVICES HIGHLIGHTS

The Department of Utilities is an enterprise operation primarily supported by user charges and is organized by function as follows:

Office of the Director:

The Office of the Director provides overall department policy, program, and planning goals. Key levels of service are to:

- Achieve compliance with all water, sewer, drainage, and solid waste regulatory requirements.
- Provide media relations, public education/outreach and legislative analysis for the department.
- Assist divisions with employee development and human resources functions.

Plant Services:

Plant Services operates and maintains facilities for water production, sewer and drainage pumping, and wet weather combined sewer treatment. Key levels of service are to:

- Provide reliable water, sewer, and drainage services to our customers.
- Maintain electrical and mechanical systems for water, sewer, and drainage pump stations, wells, reservoirs and treatment plants.
- Ensure drinking water regulatory compliance.

Engineering Services:

Engineering Services provides engineering support for capital projects, plant and field services units, and ensures compliance with state and federal regulations. Key levels of service are to:

- Effectively and efficiently manage capital projects.
- Plan long-range growth and maintenance of City infrastructure.
- Review private development projects to assure consistency with City standards and compliance with federal, state and local codes.
- Manage and oversee compliance with regulatory programs.

Field Services:

Field Services operates and maintains the water distribution system and sewer and drainage collection systems, as well as associated ditches and levees. Key levels of service are to:

- Provide reliable services to our customers.
- Provide timely emergency and non-emergency (water, sewer and drainage service) response during business hours and/or after hours.

Business Services:

Business Services provides fiscal support and customer service for the department. Key levels of service are to:

- Assist divisions with delivery of services within approved operating budget.
- Develop enterprise fund rates and long-term financing strategies.
- Maintain timely and accurate customer billing.
- Maintain timely customer call wait times.

Solid Waste Services:

Solid Waste Services provides garbage and commingled recycling collection, lawn and garden refuse collection and street sweeping. Key levels of service are to:

- Achieve compliance with regulatory requirements.
- Remove and reduce illegally dumped material from the public rights-of-way.
- Provide green waste collection service.
- Sweep residential streets and central business district per established schedules.

OBJECTIVES FOR FY2009/10

Water Conservation

- Pursue funding for expediting the state-mandated Meter Retrofit Program.
- Continue and expand local and regional outreach and education efforts.
- Examine revisions and continue monitoring and enforcement of existing conservation ordinances.

Utilities Rate Advisory Commission

- Continue development of recommendations to the Mayor and City Council and community outreach efforts on issues relevant to the setting of utility service rates.

Sustainable Waste Disposal

- Explore and evaluate in-region landfills for waste disposal.

Solid Waste Rate Stabilization

- Continue development of alternative collection, dispatch, and disposal strategies to improve efficiency and control costs.

Financing Strategies

- Explore long-range and alternative financing strategies for capital improvements and replacement of water, sewer, drainage and solid waste systems.

Asset Management Program Development

- Continued development of long-range Capital Improvement Program (CIP) and long-term CIP finance strategy.
- Utilize condition assessment technologies and the recently employed computer maintenance management systems to assess and document the condition of water, sewer and drainage infrastructure.
- Study and deploy cost effective alternatives to asset replacement.

Future Water Supply

- Continue planning and environmental review related to the evaluation of a new water supply to provide adequate redundancy and supply future growth.

Levels of Service

- Continue ongoing monitoring and reporting of Balanced Scorecard performance results.
- Based on benchmarking and performance results, initiate organizational assessments in areas identified for improvement.

Succession Planning

- Sustain employee professional development programs to plan for anticipated key retirements in the next one to five years.

APPROVED BUDGET/STAFFING CHANGES

Organizational Changes

- Transfer 1.0 funded FTE from the Community Development Department and 1.0 funded FTE from Parks and Recreation to Utilities to support the Sacramento Area Flood Control Agency (SAFCA). Additionally, eleven SAFCA positions were formerly included in the Sacramento County budget. Effective July 1, 2009, SAFCA staffing is being transferred to the City of Sacramento. The 13.0 FTE positions will be fully offset by funding from SAFCA.
- Transfer 2.0 funded FTE to Utilities from the Department of General Services for the Generator Program.
- Transfer 4.0 funded FTE from Utilities to the Department of General Services to provide support for the Sacramento City 311 Division.

FY2009/10 Approved Budget

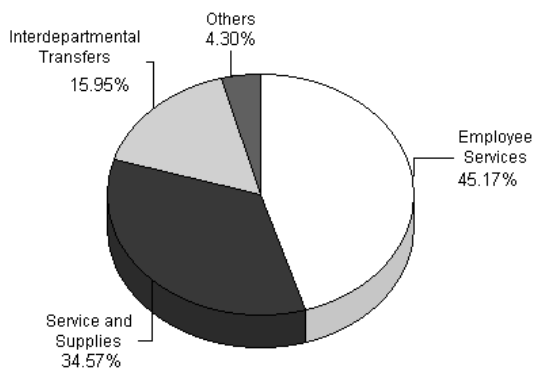
Department Budget Summary

Utilities Budget Summary	FY 2007/08 Actual	FY 2008/09 Approved	FY 2008/09 Amended	FY 2009/10 Approved	Change More/(Less) Approved/Amended
Funded Positions (FTE)	741.00	741.00	741.00	752.00	11.00
Budgeted Expenditures					
Debt Service	589,119	553,851	589,121	1,484,031	894,910
Employee Services	63,784,675	68,214,657	67,993,098	74,688,365	6,695,267
Interdepartmental Transfers	21,917,940	4,960,742	22,732,042	26,373,900	3,641,858
Property	11,494,735	6,337,728	6,337,728	5,627,546	(710,182)
Service and Supplies	44,636,661	67,062,637	49,256,067	57,159,851	7,903,784
Total:	142,423,130	147,129,615	146,908,056	165,333,693	18,425,637

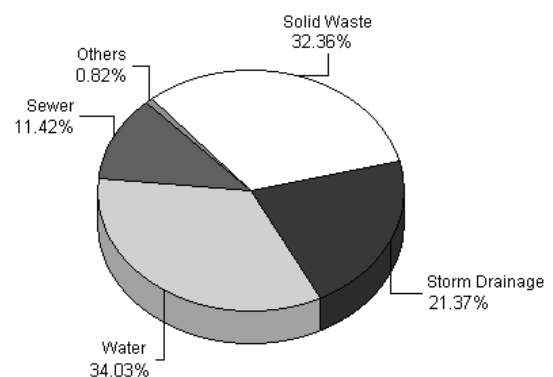
Funding Summary by Fund/Special District

Citywide Lndscpng&Lghting Dist	137,592	137,592	137,592	137,592	0
Community Center Fund	4,983	4,983	4,983	4,983	0
Fleet Management	0	0	0	188,090	188,090
General Fund	84,210	67,410	67,410	67,410	0
Golf Fund	3,171	3,171	3,171	23,940	20,769
N Natomas Lands Cfd 3	1,034,988	779,111	779,111	781,952	2,841
Neighborhood Water Quality Dst	24,162	24,162	42,350	23,978	(18,372)
Northside Subdiv Maint Dist	5,000	5,000	5,000	5,000	0
Parking Fund	1,359	1,359	1,359	1,359	0
Sewer Fund	17,307,462	16,675,454	16,675,454	18,881,283	2,205,829
Solid Waste Fund	47,856,749	50,951,777	50,951,777	53,499,253	2,547,476
State Route #160-Relinq	60,622	60,622	60,622	60,622	0
State Route 275	15,146	15,146	15,146	15,146	0
Storm Drainage Fund	31,070,321	31,423,892	31,399,084	35,339,247	3,940,163
Water Fund	44,785,485	46,948,056	46,726,497	56,264,338	9,537,841
Willowcreek Assmnt Md	31,880	31,880	38,500	39,500	1,000
Total:	142,423,130	147,129,615	146,908,056	165,333,693	18,425,637

Budgeted Expenditures - FY2009/10



Funding Summary - FY2009/10



FY2009/10 Approved Budget

Division Budget Summary

Utilities Division Budgets	FY	FY		FY	Change
	2007/08 Actual	Approved	Amended	2009/10 Approved	More/(Less) Approved/Amended
Business Services	5,868,191	4,982,651	4,982,651	5,925,497	942,846
Engineering Services	7,266,417	8,599,274	8,599,274	8,974,542	375,268
Field Services	32,063,162	31,522,844	31,522,844	34,309,208	2,786,364
Office of the Director	32,490,800	34,462,971	34,241,412	46,345,817	12,104,405
Plant Services	27,301,182	28,248,032	28,248,032	31,431,907	3,183,875
Solid Waste Services	37,433,378	39,313,843	39,313,843	38,346,722	(967,121)
Total:	142,423,130	147,129,615	146,908,056	165,333,693	18,425,637

Staffing Levels

Utilities Division FTEs	FY	FY		FY	Change
	2007/08 Actual	Approved	Amended	2009/10 Approved	More/(Less) Approved/Amended
Business Services	61.50	56.50	56.50	56.50	0.00
Engineering Services	84.50	89.50	89.50	87.50	(2.00)
Field Services	232.00	232.00	232.00	232.00	0.00
Office of the Director	13.00	13.00	13.00	29.00	16.00
Plant Services	157.00	157.00	157.00	161.00	4.00
Solid Waste Services	193.00	193.00	193.00	186.00	(7.00)
Total:	741.00	741.00	741.00	752.00	11.00

FY2009/10 APPROVED BUDGET AMENDMENTS

On June 23, 2009, City Council approved a revised two-year overall rate increase for a typical residential customer for City water, sewer, solid waste, and storm drainage service of 9%. No rate increase was adopted for storm drainage services. The approved rate increases effective July 1, 2009, are as follows:

	<u>FY 2009/10</u>	<u>FY 2010/11</u>
Water service rates:	15%	15%
Sewer service rates:	5%	5%
Solid Waste rates:	9%	9%

As a result of the reduced revenues, the Department of Utilities implemented the following operational and programmatic changes in the FY2009/10 Operating and Capital Program Budgets:

- Reduced funding for water meter program from 5% to 3%;
- Suspended water and sewer funding for economic development CIP;
- Reduced baseline CIP program;
- Suspended the Neighborhood Cleanup Program;
- Reduced illegal dumping program; and
- Reduced monthly street sweeping services to annual service.

See the Budget Overview section for the amended budget for each of the Utility funds (water, sewer, solid waste and storm drainage).

