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Title: * RESOLUTION of the Council of the City of Fresno Adopting the 2nd Amendment to the Annual Appropriation Resolution No. 2014-95 to appropriate \$900,000 in the 2010 Water Revenue Bond A-1 Fund for the Acquisition of Permanent Pipeline Right-of-Way Easement and Temporary Construction Easements for the Construction of the Raw Water Pipeline from the Friant-Kern Canal to the Northeast Surface Water Treatment Facility (requires 5 affirmative votes)

Sponsors: Department of Public Utilities

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Attachments: 1. Attachment-2nd Pipeline Right of Way SAM.pdf

Date	Ver.	Action By	Action	Result
8/28/2014	1	City Council	adopted	Pass

REPORT TO THE CITY COUNCIL

August 28, 2014

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SUBJECT

* RESOLUTION of the Council of the City of Fresno Adopting the 2nd Amendment to the Annual Appropriation Resolution No. 2014-95 to appropriate \$900,000 in the 2010 Water Revenue Bond A-1 Fund for the Acquisition of Permanent Pipeline Right-of-Way Easement and Temporary Construction Easements for the Construction of the Raw Water Pipeline from the Friant-Kern Canal to the Northeast Surface Water Treatment Facility (requires 5 affirmative votes)

RECOMMENDATION

Adopt a Resolution of the Council of the City of Fresno adopting the 2nd Amendment to the Annual Appropriation Resolution No. 2014-95.

EXECUTIVE SUMMARY

The Department of Public Utilities, Water Division, is finalizing the design of the Friant-Kern Raw Water Pipeline to deliver raw water from the Friant-Kern Canal to the Northeast Surface Water Treatment Facility (NESWTF). With bidding scheduled to begin in early 2015, acquisition of easements for this pipeline project is necessary. Funding for this expenditure was included as part of the FY 2014 Budget within the 2010 Water Revenue Bond A-1 Fund and it was estimated that the funds would be spent last fiscal year. However, no payments were made for the easements during FY 2014, so the funds are required to be carried over and appropriated for FY 2015.

BACKGROUND

Presently, the City's contracted delivery of surface water with the United States Bureau of Reclamation (USBR) for Central Valley Project (CVP) travels nearly 55 miles in open canals from Friant Dam (Millerton Lake) to the NESWTF. This water is susceptible to contamination from environmental debris, and accidental or malicious acts. The proposed project consists of the construction and operation of a 5.6-mile raw water pipeline (the first one-mile long segment of pipeline extending north from the NESWTF was constructed in 2007) that reroutes the CVP water directly to the NESWTF. This will eliminate nearly 47 miles from the conveyance distance and deliver water in an enclosed system that will greatly reduce the threat to water quality. Additional benefits of the project include reduced power consumption and chemical utilization, and increased operational reliability at the NESWTF. Project construction is expected to start in early 2015. As the pipeline will be constructed across numerous properties in unincorporated Fresno County, the acquisition of numerous permanent pipeline right-of-way easement and temporary construction easements is required. The funding for the acquisition payments was included in the FY 2014 Budget within the 2010 Water Revenue Bond A-1 Fund and it was estimated that the funds would be expended before the end of the fiscal year. However, there were delays in securing required regulatory permits and the expenditures were not made as planned in FY 2014, so the funds will need to be carried over to the FY 2015 Amended Budget.

ENVIRONMENTAL FINDINGS

This is not a "project" for purposes of California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), as it is a government fiscal activity, and section 15378(b)(5), as it is an administrative activity that will not result in direct or indirect physical changes to the environment.

LOCAL PREFERENCE

Local preference was not implicated because no construction or services contract was awarded.

FISCAL IMPACT

This action will not have any impact to the General Fund or the Water Enterprise Fund. Appropriations for the acquisition of these easements were included in the Division's FY 2014 Capital Improvement Program budget within the 2010 Water Revenue Bond A-1 Fund (40118). However, this funding was not used in FY 2014 and is being reappropriated to FY 2015 through this action.

The debt service for these bonds was included in the 2006 rate plan adopted by Council on February 27, 2007, and was carried forward in the rate plan adopted by the Council on August 15, 2013, through Resolution No. 2013-143.

Attachment: 2nd Amendment to the Annual Appropriation Resolution No. 2014-95