



DATE: May 19, 2020

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Increase Appropriations in the Public Works Department Wastewater Fund**

RECOMMENDATION

Increase appropriation of \$165,000 in the Public Works Department Wastewater Fund. (Five votes required)

BACKGROUND AND ANALYSIS

Public Works has incurred unanticipated utilities and contractor costs in the current fiscal year that have resulted in expenses trending to exceed the adopted budget.

The City operates two landfill gas-powered microturbines in the North Bayshore Area. One microturbine generates electricity to operate the Sewage Pump Station (SPS), which pumps wastewater from the City's collection system to the Regional Water Quality Control Plant in Palo Alto. The filtration equipment used to treat and compress landfill gas failed in 2019, interrupting the microturbine fuel source. Staff has an agreement for equipment repair, but the work was on hold due to shelter-in-place restrictions. Because the SPS microturbine is off-line, PG&E electricity expenses are expected to be approximately \$75,000 higher than budgeted for the fiscal year. Staff anticipates the gas treatment equipment repair will be completed in early Fiscal Year 2020-21.

There have also been higher-than-budgeted costs for wastewater system electric equipment maintenance. Electrician contractor services have been required during a long period of staff vacancy as a recently hired City Electrician has assumed maintenance responsibilities. The additional contractor services resulted in additional costs of approximately \$105,000 for the fiscal year, and the contract amendment was approved earlier this year. Staff anticipates electric equipment maintenance expenses will return to normal-budgeted levels in Fiscal Year 2020-21.

The higher-than-budgeted expenses for electricity and electric equipment maintenance totals approximately \$180,000. Due to minor cost savings in other operational areas, staff requests an appropriation of \$165,000.

FISCAL IMPACT

The requested appropriation will increase the Fiscal Year 2019-20 Public Works Department Wastewater Fund Budget by \$165,000. There is sufficient available balance in the Wastewater Fund for the requested increase in appropriations.

ALTERNATIVES

1. Do not approve the appropriation.
2. Provide other direction to staff.

PUBLIC NOTICING – Agenda posting.

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cc: APWD – Hosfeldt, WRM