

# Storm Sewer Operating Fund

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**T***o provide for the acquisition, reconstruction, maintenance, and operation of the Storm Sewer system. Services provided through this fund are:*

- *Storm sewer maintenance and administration; and*
- *Storm sewer improvements.*

# Storm Sewer Operating Fund

## Budget Summary

	2014-2015 Adopted	2015-2016 Adopted	Change
Storm Sewer Maint. and Admin.	\$ 25,553,634	\$ 24,460,820	(4.3%)
Storm Sewer Improvements	\$ 11,930,000	\$ 9,000,000	(24.6%)

## Budget Highlights 2015-2016

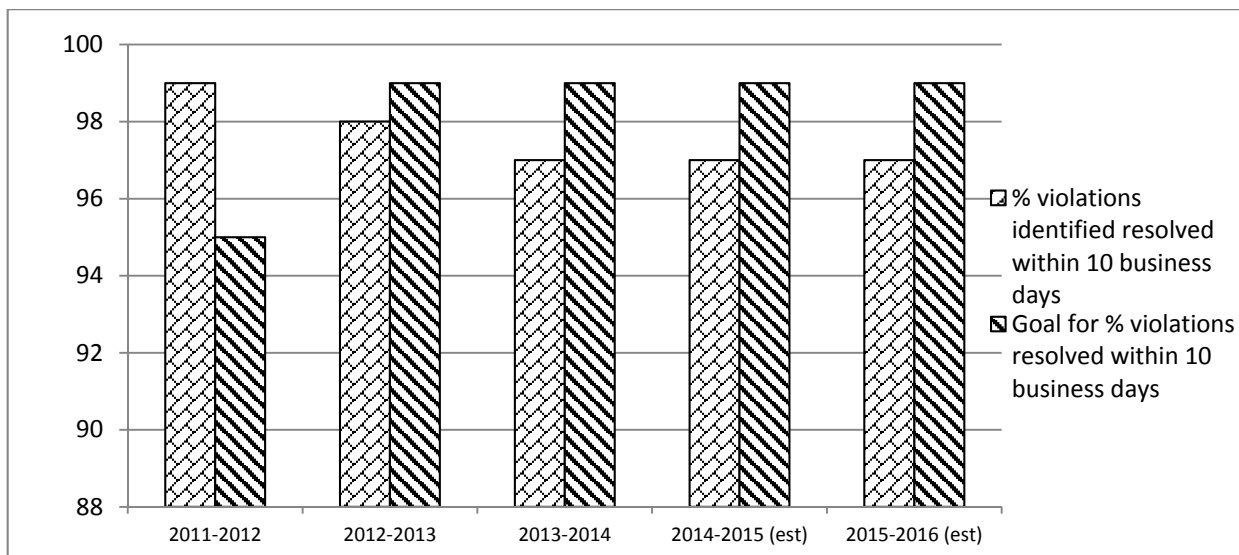
- ☐ Key activities for this fund in 2015-2016 include rehabilitation of storm sewer system infrastructure and installation of large trash capture devices. Water quality programming continues, including the expansion of initiatives to address the impact of trash in waterways.

☐ Funding for the Capital Improvement Program in 2015-2016 continues to provide for critical storm sewer system improvements and development of the multi-phase Storm Sewer Master Plan.
- ☐ Funding in 2015-2016 continues investments needed to meet requirements of the Stormwater Permit that became effective December 1, 2009. Permit negotiations are underway for the next Stormwater Permit, anticipated to be adopted in late 2015.

☐ Storm Sewer Service Charge rates remain at 2014-2015 levels, unchanged since 2011-2012, with no increases for 2015-2016.

### Budget Byte

### Watershed Enforcement Program Industrial and Commercial Inspection Facility Violations



# Storm Sewer Operating Fund

## Fund Overview

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**T**he Storm Sewer Operating Fund was established to provide funding for the maintenance of the storm sewer system; improve the quality of the City's storm and surface water runoff to meet increasing federal, state, and regional regulatory requirements; and rehabilitate aging system infrastructure. In order to protect water quality in local streams and the South San Francisco Bay, the National Pollutant Discharge Elimination System (NPDES) stormwater permit requires the City to implement activities and controls to prevent pollutants from entering the storm sewer collection system and receiving waters.

The main sources of revenue for the Storm Sewer Operating Fund are Storm Sewer Service Charge fees collected from residents and businesses. Rates are calculated based on the relative quality and quantity of storm water runoff contributed by residential, commercial, and industrial properties. As in 2014-2015, there is no rate increase for 2015-2016. Further, as described in the Storm Sewer System Capital Improvement Program (CIP), no rate increases are currently assumed in the CIP; however, this may change based on a variety of factors including the recommendations of the Storm Sewer Master Plan (described below), unexpected infrastructure needs or cost fluctuations, and/or unanticipated storm sewer operating needs. The need for a rate increase will be reassessed annually and any necessary increases will be brought forward for City Council consideration as part of the annual proposed budget process.

The Environmental Services, Public Works, and Transportation Departments are responsible for maintenance and construction of the storm sewer system and pollution prevention and control activities. Other departments' activities, such as those of the Planning, Building and Code Enforcement and Parks, Recreation and Neighborhood Services Departments, are also affected by the stormwater regulations.

The 2015-2016 transfer to the Storm Sewer Capital Fund totals \$9.0 million, which is a decrease of \$2.9 million compared to 2014-2015, due primarily to the elimination of one-time project funds and the reprogramming of CIP project schedules. In addition to the installation of trash capture devices and Green Street infrastructure pilot projects, this funding will continue to provide for the development of a multi-phase Storm Sewer Master Plan and the design and construction of the Alviso storm pump station, among other capital improvement projects, such as the Outfall Rehabilitation and Alviso Storm Network Infiltration Control projects.

The Ending Fund Balance for the Storm Sewer Operating Fund includes earmarked reserves totaling \$10.8 million, excluding the Reserve for Encumbrances, to provide for anticipated future costs or contingencies. A Capital Program Reserve (\$4.0 million) sets aside funding that will be transferred to the CIP in future years. The Operations and Maintenance Reserve (\$3.9 million) sets aside monies for unanticipated or emergency needs related to the Storm Sewer System. This reserve is set to equal approximately two months of operating expenditures and transfers, excluding the transfer to the CIP, in this fund. The Permit Implementation Reserve (\$2.0 million) sets aside funding to address various elements of the Storm Sewer Permit. The Grant Match Reserve (\$500,000) sets aside funds for grant matching needs. Funds of \$366,000 are set aside for the Retiree Healthcare Solutions Reserve.

# Storm Sewer Operating Fund

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## Fund Overview

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On October 14, 2009, the San Francisco Regional Water Quality Control Board (Water Board) adopted the Municipal Regional Stormwater NPDES Permit (Stormwater Permit) for the San Francisco Bay Region to regulate 76 municipalities. The Stormwater Permit became effective December 1, 2009, and was scheduled to expire on November 30, 2014. The Stormwater Permit term has been extended while City staff along with other regional stormwater agencies engage in discussions with the Water Board to frame the requirements of the next Stormwater Permit, anticipated to be adopted in late 2015.

The Stormwater Permit aims to protect local creeks and the Bay by reducing pollutants in, and eliminating non-stormwater discharges into, the municipal storm sewer system and local waterways. The Stormwater Permit requires: new and expanded programs to reduce pollutants discharged through the storm sewer system, such as Polychlorinated Biphenyls (PCBs), mercury, pesticides, and trash; expanded water quality monitoring and regional studies; and rigorous data collection and reporting to demonstrate compliance. The permit also emphasizes integration of stormwater treatment and green street infrastructure through pilot projects.

A significant continuing investment being made to comply with the Stormwater Permit requirements is the retrofit of the storm system with trash capture devices. The devices capture and prevent trash from entering the system and local creeks. The City's Clean Waterways, Healthy City: Long-Term Trash Load Reduction Plan, which specifies the actions needed to reduce trash loading to creeks by 40% by 2014 (which the City accomplished), 70% by 2017, and "no adverse impact" by 2022, the submittal of which was authorized by the City Council, and was submitted to the Water Board on February 1, 2014.

# Storm Sewer Operating Fund

## Fund Summary

	2013-2014 Actual 1	2014-2015 Adopted 2	2015-2016 Adopted 3	% Change (2 to 3)
<b>Dollars by Sources</b>				
Beginning Fund Balance	\$ 25,647,462	\$ 17,221,813	\$ 15,838,899	(8.0%)
Assessments	32,157,007	32,100,000	32,570,505	1.5%
Interest and Other	248,097	63,343	124,000	95.8%
<b>Total</b>	<b>\$ 58,052,566</b>	<b>\$ 49,385,156</b>	<b>\$ 48,533,404</b>	<b>(1.7%)</b>
<b>Dollars by Uses</b>				
Storm Sewer Maint. & Administration	\$ 21,042,836	\$ 25,553,634	\$ 24,460,820	(4.3%)
Storm Sewer Improvements	18,000,000	11,930,000	9,000,000	(24.6%)
Ending Fund Balance				
Billing Transition Reserve	1,000,000	9,350	9,350	0.0%
Capital Program Reserve	0	0	4,000,000	N/A
Salaries and Benefits Reserve	0	91,409	0	(100.0%)
Grant Match Reserve	500,000	1,000,000	500,000	(50.0%)
Operations and Maintenance Reserve	6,964,527	6,038,000	3,945,962	(34.6%)
Permit Implementation Reserve	1,000,000	1,000,000	2,000,000	100.0%
Reserve for Encumbrances	1,413,240	975,468	1,413,240	44.9%
Retiree Healthcare Solutions Reserve	235,000	235,000	365,871	55.7%
Unrestricted	7,896,963	2,552,295	2,838,161	11.2%
Ending Fund Balance Subtotal	19,009,730	11,901,522	15,072,584	26.6%
<b>Total</b>	<b>\$ 58,052,566</b>	<b>\$ 49,385,156</b>	<b>\$ 48,533,404</b>	<b>(1.7%)</b>

# Storm Sewer Operating Fund

## Budget Category: Storm Sewer Maintenance and Administration

### Budget Category Overview

The Storm Sewer Maintenance and Administration category includes funding for Storm Sewer System Maintenance, Pollution Control, and Administrative Services. System Maintenance is performed by the Transportation, Public Works, and Environmental Services Departments. The Transportation and Public Works Departments repair damaged storm sewer pipes and maintain the system's infrastructure, while the Environmental Services Department coordinates stormwater regulatory programs and implements pollution control initiatives for the stormwater inspection program. Collectively, all three departments are responsible for the overall stormwater management program. Pollution Control includes the cost of efforts to ensure City compliance with the Stormwater Permit requirements. Administrative Services includes support services provided by various City departments, overhead to the General Fund, and fees charged by the County for collecting assessments.

### Budget Category Summary

<b>Storm Sewer Maintenance and Administration</b>	<b>2013-2014 Actual 1</b>	<b>2014-2015 Adopted 2</b>	<b>2015-2016 Adopted 3</b>	<b>% Change (2 to 3)</b>
System Maintenance	\$ 5,585,814	\$ 6,449,720	\$ 6,157,279	(4.5%)
Pollution Control	12,386,818	14,357,371	14,207,085	(1.0%)
Administrative Services	3,070,204	4,746,543	4,096,456	(13.7%)
<b>Total</b>	<b>\$ 21,042,836</b>	<b>\$ 25,553,634</b>	<b>\$ 24,460,820</b>	<b>(4.3%)</b>

Three major factors impact the expenditures in this category: administrative services; pollution control programs mandated by the City's Stormwater Permit, as issued by the San Francisco Regional Water Quality Control Board; and the rehabilitation and maintenance needs of the storm sewer system. The decrease in the System Maintenance category from the 2014-2015 Adopted Budget to the 2015-2016 Adopted Budget is due primarily to salary and benefit changes and position reallocations in the Department of Transportation. The slight decrease in the Pollution Control category is the net result of several changes, the largest of which include: the elimination of one-time personal services costs for the installation of street sweeping signage added in 2014-2015; the reduction of non-personal/equipment costs for a vehicle purchase that was budgeted in 2014-2015 for the Zero Waste, Brookside, and Berryessa Flea Market pump stations; an ongoing elimination of personal services costs in the Parks, Recreation and Neighborhood Services Department; and the ongoing increase associated with additional staff support for the stormwater compliance program. The decrease in the Administrative Services category is due primarily to a base reduction for one-time project costs in 2014-2015 associated with the conversion of the utility Integrated Billing System (IBS) to a new Customer Information System (CIS).

# Storm Sewer Operating Fund

## Budget Category: Storm Sewer Maintenance and Administration

### Budget Category Summary

The following changes have been adopted for 2015-2016 in the Storm Sewer System Maintenance, Pollution Control, and Administrative Services allocations:

<b>Adopted Allocation</b>	<b>2014-2015 Adopted</b>	<b>2015-2016 Adopted</b>	<b>Change</b>
<b>Storm Sewer System Maintenance</b>	<b>\$6,449,720</b>	<b>\$6,157,279</b>	<b>(\$292,441)</b>

Base Adjustments

(One-time Prior Year Expenditures Deleted/Technical Adjustments to Costs of Ongoing Activities):

• International Disposal Corporation of California, Inc. (IDC) Contract	Contractual based inflation allowance	\$5,000
• Public Works (PW) Personal Services	Salary/benefit changes	\$833
• Department of Transportation (DOT) Personal Services	Salary/benefit changes, position reallocations, and other changes	(\$410,044)
• DOT Non-Personal/ Equipment	Street Sweeping Signage Installation	(\$105,500)
• Yard Trimmings/ Street Sweeping	One-time contractual based inflationary credit for Street Sweeping contract	(\$66,867)
	Correction of a technical error in the 2014-2015 Adopted Budget	\$6,500
• PW Non Personal/ Equipment	Public Works Cost Allocation Plan adjustment	(\$3,163)
<b>Subtotal Base Adjustments</b>		<b>(\$573,241)</b>

# Storm Sewer Operating Fund

Budget Category: Storm Sewer Maintenance and Administration

## Budget Category Summary

<b>Adopted Allocation</b>	<b>2014-2015 Adopted</b>	<b>2015-2016 Adopted</b>	<b>Change</b>
<b>Storm Sewer System Maintenance</b>			
<u>Budget Proposals Approved</u>			
• DOT Personal Services	Salary Program		\$146,983
	Bioretention Facility Maintenance Development	Temporary Staffing	\$35,467
	Management Strategic Program	Staffing	\$16,220
	City Service Yard Management	Staffing	\$36,010
• DOT Non-Personal/Equipment	Bioretention Facility Maintenance Development - Contractual Service for monitoring and maintenance		\$40,000
• PW Personal Services	Salary Program		\$6,120
	<b>Subtotal Budget Proposals Approved</b>		<b>\$280,800</b>
<b>Total Storm Sewer System Maintenance</b>			<b>(\$292,441)</b>



# Storm Sewer Operating Fund

## Budget Category: Storm Sewer Maintenance and Administration

### Budget Category Summary

<b>Adopted Allocation</b>	<b>2014-2015 Adopted</b>	<b>2015-2016 Adopted</b>	<b>Change</b>
<b>Pollution Control</b>	<b>\$14,357,371</b>	<b>\$14,207,085</b>	<b>(\$150,286)</b>

Base Adjustments

(One-time Prior Year Expenditures Deleted/Technical Adjustments to Costs of Ongoing Activities):

• DOT Personal Services	Salary/benefit changes, position reallocations, and one-time overtime adjustment	\$95,801
• IDC Contract	Increase in the solid waste disposal contract due to higher indexed prices	\$5,000
• Environmental Services Department (ESD) Personal Services	Salary/benefit changes, position reallocations, and other changes	(\$239,710)
• DOT Non Personal/ Equipment	Street Sweeping Signage and other adjustments	(\$180,000)
• Parks, Recreation and Neighborhood Services (PRNS) Personal Services	Funding source change	(\$178,976)
• Yard Trimmings/Street Sweeping Contract	Contractual reduction to the Yard Trimmings/Street Sweeping contract	(\$66,867)
	Correction of a technical error in the 2014-2015 Adopted Budget	\$6,500
• PRNS Non-Personal/ Equipment	Funding source change	(\$52,871)
• Various Departments Personal Services	Salary/benefit changes, position reallocations, and other changes	(\$8,398)
• Various Departments Non-Personal/ Equipment	Miscellaneous Non-Personal/Equipment adjustments	(\$8,189)
• ESD Non- Personal/ Equipment	Miscellaneous Non-Personal/Equipment adjustments	(\$1,259)
<b>Subtotal Base Adjustments</b>		<b>(\$628,969)</b>

# Storm Sewer Operating Fund

## Budget Category: Storm Sewer Maintenance and Administration

### Budget Category Summary

Adopted Allocation	2014-2015 Adopted	2015-2016 Adopted	Change
<b>Pollution Control</b>			
<u>Budget Proposals Approved</u>			
• ESD Personal Services	Salary Program		\$207,375
	Stormwater Compliance Program Staffing		\$91,689
• ESD Non-Personal/ Equipment	ESD Safety Review consultant services		\$90,000
	Stormwater Compliance Program Staffing		\$3,000
• DOT Personal Services	Salary Program		\$44,057
	City Service Yard Management Staffing		\$9,679
	Bioretention Facility Maintenance Staffing		\$9,533
	Management Strategic Program Staffing		\$4,359
• PW Personal Services	Salary program		\$16,540
• Planning, Building and Code Enforcement Department Personal Services	Salary Program		\$2,451
<b>Subtotal Budget Proposals Approved</b>			<b>\$478,683</b>
<b>Total Pollution Control</b>			<b>(\$150,286)</b>

# Storm Sewer Operating Fund

**Budget Category: Storm Sewer Maintenance and Administration**

## Budget Category Summary

<b>Adopted Allocation</b>	<b>2014-2015 Adopted</b>	<b>2015-2016 Adopted</b>	<b>Change</b>
<b>Administrative Services</b>	<b>\$4,746,543</b>	<b>\$4,096,456</b>	<b>(\$650,087)</b>

Base Adjustments

(One-time Prior Year Expenditures Deleted/Technical Adjustments to Costs of Ongoing Activities):

• Transfer to General Fund for Human Resources/ Payroll/ Budget Systems Upgrade	Net change in funding for Human Resources/Payroll/Budget Systems Upgrade	\$47,229
• Transfer to Community Facilities District 15	Net change in transfer to other District funds	\$26,920
• Various Departments' Personal Services	Salary/benefit changes, position reallocations, and other changes	\$8,189
• Information Technology Department Non-Personal/ Equipment	Miscellaneous Non-Personal/Equipment adjustments	\$3,466
• Collection Fees	Technical adjustments to costs incurred for sewer fee collection	\$1,409
• IBS Billing Transition	Net change in Customer Information System Transition	(\$953,150)
• Overhead	Net change in overhead reimbursement resulting from staffing changes, compensation, and overhead rate adjustments	(\$85,795)
• Transfer to the City Hall Debt Service Fund	Decreased allocation to the City Hall Debt Service Fund	(\$17,908)
<b>Subtotal Base Adjustments</b>		<b>(\$969,640)</b>

# Storm Sewer Operating Fund

## Budget Category: Storm Sewer Maintenance and Administration

### Budget Category Summary

<b>Adopted Allocation</b>	<b>2014-2015 Adopted</b>	<b>2015-2016 Adopted</b>	<b>Change</b>
<b>Administrative Services</b>			
<u>Budget Proposals Approved</u>			
• Customer Information System Transition	Rebudget: Customer Information System Transition		\$350,000
• Overhead	Net change in overhead reimbursement resulting from proposed staffing changes		\$49,525
• IT Personal Services	Salary Program		\$7,740
• Finance Department Personal Services	Salary Program		\$1,840
• Human Resources Department Personal Services	Salary Program		\$1,479
• IT Non-Personal/ Equipment	IBS License Reduction		(\$91,492)
• City Auditor Personal Services	Salary Program		\$461
	<b>Subtotal Budget Proposals Approved</b>		<b>\$319,553</b>
<b>Total Administrative Services</b>			<b>(\$650,087)</b>
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<b>Total Storm Sewer System Maintenance, Pollution Control &amp; Administration</b>	<b>\$25,553,634</b>	<b>\$24,460,820</b>	<b>(\$1,092,814)</b>

# Storm Sewer Operating Fund

## Budget Category: Storm Sewer Improvements

### Budget Category Overview

**T**he Storm Sewer Improvements category consists of capital projects to construct storm sewer systems that convey surface runoff in the City’s Urban Service Area to adjacent stream channels, enhance existing storm sewer capacity, and improve operations. These improvements will reduce the risk of potential flooding and drainage-related surface damage to adjacent properties while managing the quality of stormwater runoff.

Current projects include the installation of technology and infrastructure to maximize the efficiency of the storm sewer collection system and the reliability of pump stations, manage the quality of storm water runoff to minimize ponding in residential areas, and the continued development of a multi-phase storm sewer master plan.

### Budget Category Summary

<b>Storm Sewer Improvements</b>	<b>2013-2014 Actual 1</b>	<b>2014-2015 Adopted 2</b>	<b>2015-2016 Adopted 3</b>	<b>% Change (2 to 3)</b>
Transfer to the Storm Sewer Capital Fund	\$ 18,000,000	\$ 11,930,000	\$ 9,000,000	(24.6%)
<b>Total</b>	<b>\$ 18,000,000</b>	<b>\$ 11,930,000</b>	<b>\$ 9,000,000</b>	<b>(24.6%)</b>

The following changes have been adopted for 2015-2016 in the Storm Sewer Improvements category:

<b>Adopted Allocation</b>	<b>2014-2015 Adopted</b>	<b>2015-2016 Adopted</b>	<b>Change</b>
<b>Storm Sewer Improvements</b>	<b>\$11,930,000</b>	<b>\$9,000,000</b>	<b>(\$2,930,000)</b>

Budget Proposal Approved

<ul style="list-style-type: none"> <li>Transfer to the Storm Sewer Capital Fund</li> </ul>	Transfer to the Storm Sewer Capital Fund for capital improvements. Details regarding the Storm Sewer Capital Improvement Program (CIP) can be found in the 2016-2020 Adopted CIP. Transfer amounts from this Fund to the Capital Fund vary each year based on the projects programmed and the anticipated ending fund balance in that fund.	(\$2,930,000)
<b>Subtotal Budget Proposal Approved</b>		<b>(\$2,930,000)</b>
<b>Total Storm Sewer Improvements</b>		<b>(\$2,930,000)</b>

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