

# 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

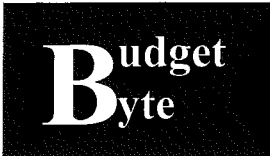
	2012-2013 Adopted	2013-2014 Adopted	Change
Storm Sewer Maint. and Admin.	\$ 24,010,843	\$ 24,240,798	1.0%
Storm Sewer Improvements	\$ 5,600,000	\$ 18,000,000	221.4%

## Budget Highlights 2013-2014

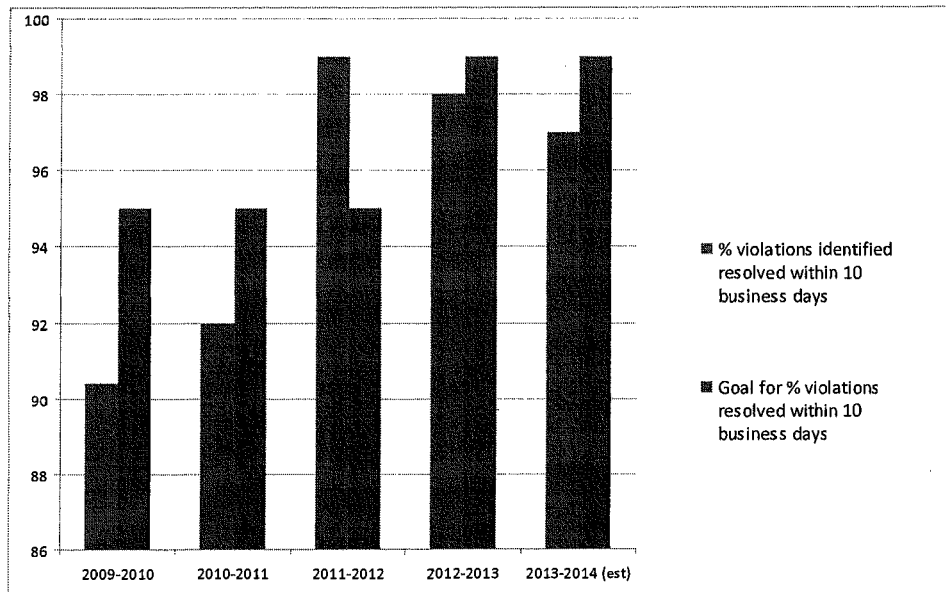
- Key activities for this fund in 2013-2014 include rehabilitation of storm sewer system infrastructure, replacement of some maintenance fleet, and funding for the storm drainage master plan. Water quality programming continues, including the expansion of initiatives to address the impact of trash in waterways.

Funding for the Capital Improvement Program in 2013-2014 continues to provide for critical storm sewer system improvements and development of the multi-phase Storm Sewer System Master Plan.
- Funding for 2013-2014 continues investments needed to meet requirements of the Stormwater Permit that became effective December 1, 2009. Permit negotiations will begin in 2013-2014 as the current permit expires on November 30, 2014.

Storm Sewer Service Charge rates remain at 2012-2013 levels with no increases for 2013-2014.



### 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; to improve the quality of the City's storm and surface water runoff to meet increasing federal, State, and regional regulatory requirements; and to 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 2012-2013, there is no rate increase for 2013-2014. Further, as described in the Storm Sewer System Capital Improvement Program, no rate increases are currently assumed through 2017-2018; 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 Planning, Building and Code Enforcement and Parks, Recreation and Neighborhood Services are also affected by the stormwater regulations.

The 2013-2014 transfer to the Storm Sewer Capital Fund totals \$18 million, which is an increase of \$12.4 million, compared to 2012-2013. This funding will provide for continued development of a multi-phase storm sewer master plan, design of two new storm pump stations, existing storm pump station rehabilitation and replacement, projects associated with the Alviso Storm Network Infiltration Control project, and other capital improvements.

The Ending Fund Balance for the Storm Sewer Operating Fund includes reserves totaling \$11.7 million to provide for anticipated future costs or contingencies. The reserves with the largest funding total include the Operations and Maintenance Reserve (\$6.9 million), which 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 in this fund. A Billing Transition Reserve (\$1.0 million) sets aside funding for the startup costs of transitioning to a new billing system. The Reserve for Permit Implementation (\$1.0 million) sets aside funding to address various elements of the Stormwater Permit.

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. The Stormwater Permit became effective December 1, 2009, and remains in effect through November 30, 2014. The Stormwater Permit aims to protect local creeks and the Bay

# Storm Sewer Operating Fund

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## Fund Overview

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by reducing pollutants in, and eliminating non-stormwater discharges into, the municipal storm sewer system and local waterways. Permit renewal negotiations will begin in 2013-2014.

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. In addition to ongoing funding already allocated toward stormwater programming over the last several budget cycles, a Permit Implementation Reserve of \$1.0 million is available to address various elements of the Stormwater Permit, such as projects or studies triggered by water quality monitoring and pump station monitoring requirements.

A significant investment being made to comply with the Stormwater Permit requirements is the retrofit of the storm system with trash capture devices. The trash controls will capture and prevent trash from entering the system and local creeks. The City's Trash Load Reduction Plan, which will specify the actions needed to reduce trash loading to creeks by 40% by 2014, was approved by the City Council and submitted to the Water Board on February 1, 2012.

# Storm Sewer Operating Fund

## Fund Summary

	2011-2012 Actual 1	2012-2013 Adopted 2	2013-2014 Adopted 3	% Change (2 to 3)
<b>Dollars by Sources</b>				
Beginning Fund Balance	\$ 16,748,766	\$ 18,976,895	\$ 25,659,429	35.2%
Assessments	32,011,729	32,069,000	32,025,494	(0.1%)
Interest and Other	83,261	42,500	83,417	96.3%
<b>Total</b>	<b>\$ 48,843,756</b>	<b>\$ 51,088,395</b>	<b>\$ 57,768,340</b>	<b>13.1%</b>
<b>Dollars by Uses</b>				
Storm Sewer Maint. & Administration	\$ 22,108,714	\$ 24,010,843	\$ 24,240,798	1.0%
Storm Sewer Improvements	6,000,000	5,600,000	18,000,000	221.4%
Ending Fund Balance				
Billing Transition Reserve	0	1,000,000	1,000,000	0.0%
Capital Program Reserve	0	12,000,000	0	(100.0%)
Employee Compensation Planning Reserve	0	0	235,700	N/A
Grant Match Reserve	0	500,000	500,000	0.0%
Operations and Maintenance Reserve	5,294,545	3,769,759	6,925,633	83.7%
Permit Implementation Reserve	4,010,000	2,000,000	1,000,000	(50.0%)
Reserve for Encumbrances	2,012,408	1,648,523	2,012,408	22.1%
Retirement Pre-Payment Reserve	58,000	58,000	0	(100.0%)
Unrestricted	9,360,089	501,270	3,853,801	668.8%
Ending Fund Balance Subtotal	20,735,042	21,477,552	15,527,542	(27.7%)
<b>Total</b>	<b>\$ 48,843,756</b>	<b>\$ 51,088,395</b>	<b>\$ 57,768,340</b>	<b>13.1%</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 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 include support services provided by various City departments, overhead to the General Fund, and fees charged by the County for collecting assessments.

## Budget Category Summary

Storm Sewer Maintenance and Administration	2011-2012 Actual 1	2012-2013 Adopted 2	2013-2014 Adopted 3	% Change (2 to 3)
System Maintenance	\$ 6,247,267	\$ 6,470,117	\$ 6,959,897	7.6%
Pollution Control	12,420,480	13,817,691	13,633,596	(1.3%)
Administrative Services	3,440,967	3,723,035	3,647,305	(2.0%)
<b>Total</b>	<b>\$ 22,108,714</b>	<b>\$ 24,010,843</b>	<b>\$ 24,240,798</b>	<b>1.0%</b>

Two major factors impact the expenditures in this category: 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 slight increase in the category is mainly the result of one-time funding in the Department of Transportation Non-Personal/Equipment for a Front Loader to be used to pick up debris deposited by street sweepers, partially offset by the elimination of one-time funding for structural trash controls, sewer maintenance equipment, and other one-time programs. Ongoing funding for trash control installation continues to be available in this fund in the Environmental Services Department Non-Personal/Equipment appropriation.

# Storm Sewer Operating Fund

## Budget Category: Storm Sewer Maintenance and Administration

### Budget Category Summary

The following changes are included in 2013-2014 for the Storm Sewer System Maintenance, Pollution Control, and Administrative Services allocations:

<b>Adopted Allocation</b>	<b>2012-2013 Adopted</b>	<b>2013-2014 Adopted</b>	<b>Change</b>
<b>Storm Sewer System Maintenance</b>	<b>\$6,470,117</b>	<b>\$6,959,897</b>	<b>\$489,780</b>
<b>Base Adjustments</b> (One-time Prior Year Expenditures Deleted/Technical Adjustments to Costs of Ongoing Activities):			
• Department of Transportation (DOT) Non-Personal/Equipment	Miscellaneous Non-Personal/Equipment adjustments		(\$298,200)
	Fleet Replacements and Street Sweeping Signage		(\$174,000)
	Landscape Maintenance Vehicles		(\$105,000)
• DOT Personal Services	Eliminate one time funding of Street Sweeping Signage overtime		(\$99,000)
	Salary/benefit changes, position reallocations, and other changes		\$263,905
• IDC Contract	Reduction to reflect revised methodology for calculating distribution of city waste disposal		(\$5,925)
	<b>Subtotal Base Adjustments</b>		<b>(\$418,220)</b>
<b>Budget Proposals Approved</b>			
• DOT Non-Personal/Equipment	SCADA Implementation		\$300,000
	Fleet Replacement		\$200,000
	Front Loader		\$175,000
	Street Sweeper Replacement		\$150,000
	Street Sweeping Signage Installation		\$33,000
• DOT Personal Services	Street Sweeping Signage Installation Staffing		\$50,000
	<b>Subtotal Budget Proposals Approved</b>		<b>\$908,000</b>
<b>Total Storm Sewer System Maintenance</b>			<b>\$489,780</b>

# Storm Sewer Operating Fund

## Budget Category: Storm Sewer Maintenance and Administration

### Budget Category Summary

Adopted Allocation	2012-2013 Adopted	2013-2014 Adopted	Change
<b>Pollution Control</b>	<b>\$13,817,691</b>	<b>\$13,633,596</b>	<b>(\$184,095)</b>

Base Adjustments

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

• Public Works (PW)	Elimination of one-time funding for Trash Capture Devices	(\$220,000)
Personal Services	Salary/benefit changes, position reallocations, and other changes	\$33,355
• Environmental Services	Elimination of one-time funding for Trash Capture Devices	(\$200,000)
Department (ESD) Non-Personal/Equipment	Elimination of one-time Integrated Pest Management project funding	(\$75,000)
	Miscellaneous Non-Personal/Equipment changes	\$27,275
• DOT Non-Personal/Equipment	Fleet Replacements	(\$127,800)
	Landscape Maintenance Vehicles	(\$105,000)
• IDC Contract	Reduction to reflect revised methodology for calculating distribution of city waste disposal	(\$5,925)
• ESD Personal Services	Salary/benefit changes, position reallocations, and other changes	\$457,630
• Various Departments Personal Services	Salary/benefit changes, position reallocations, and other changes	\$33,486
• PW Non-Personal/Equipment	Public Works Capital Allocation Program adjustment	\$21,000
• Planning, Building and Code Enforcement (PBCE) Non-Personal/Equipment	Shared Resources (AMANDA Support)	\$4,135
	<b>Subtotal Base Adjustments</b>	<b>(\$156,844)</b>



# Storm Sewer Operating Fund

Budget Category: Storm Sewer Maintenance and Administration

## Budget Category Summary

<b>Adopted Allocation</b>	<b>Change</b>
<b>Pollution Control</b>	
<u>Budget Proposals Approved</u>	
• ESD Personal Services	ESD Staffing Realignment (\$30,698)
	Transfer of Energy Program to Public Works (\$17,119)
	Recycle Plus Billing Transition Project Staffing \$12,724
	Administrative Services Division Oversight \$6,567
• ESD Non-Personal/Equipment	Recycle Plus Billing Transition Project Staffing \$975
• PBCE Non-Personal/Equipment	Technology Training Funding \$300
	<b>Subtotal Budget Proposals Approved (\$27,251)</b>
<b>Total Pollution Control</b>	<b>(\$184,095)</b>

## Storm Sewer Operating Fund

Budget Category: Storm Sewer Maintenance and Administration

### Budget Category Summary

Adopted Allocation	2012-2013 Adopted	2013-2014 Adopted	Change
<b>Administrative Services</b>	<b>\$3,723,035</b>	<b>\$3,647,305</b>	<b>(\$75,730)</b>
<u>Base Adjustments</u>			
(One-time Prior Year Expenditures Deleted/Technical Adjustments to Costs of Ongoing Activities):			
• Overhead	Net change in overhead reimbursement resulting from staffing changes, compensation, and overhead rate adjustments		(\$181,445)
• Collection Fees	Technical adjustments to costs incurred for sewer fee collection		(\$131)
• Transfer to the City Hall Debt Service Fund	Increased allocation to the City Hall Debt Service Fund		\$76,927
• Various Departments Personal Services	Salary/benefit changes, position reallocations, and other changes		\$22,948
• Transfer to Maintenance District 15 Fund	Silver Creek Valley annexation and formation to enable the implementation and maintenance of streetscape improvements		\$22,118
• Transfer to Community Facilities District 13 Fund	Operation and maintenance of unique improvements for development of Guadalupe Mines		\$10,121
• Various Departments Non-Personal/ Equipment	Miscellaneous Non-Personal/Equipment changes		\$542
<b>Subtotal Base Adjustments</b>			<b>(\$48,920)</b>
<u>Budget Proposals Approved</u>			
• Workers' Compensation Claims	Workers' Compensation Claims Adjustment		(\$21,000)
• Overhead	Net change in overhead reimbursement resulting from staffing changes, compensation, and overhead rate adjustments		(\$5,810)
<b>Subtotal Budget Proposals Approved</b>			<b>(\$26,810)</b>
<b>Total Administrative Services</b>			<b>(\$75,730)</b>
<b>Total Storm Sewer System Maintenance, Pollution Control &amp; Administration</b>	<b>\$24,010,843</b>	<b>\$24,240,798</b>	<b>\$229,955</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, to enhance existing storm sewer capacity, and to 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

Storm Sewer Improvements	2011-2012 Actual 1	2012-2013 Adopted 2	2013-2014 Adopted 3	% Change (2 to 3)
Transfer to the Storm Sewer Capital Fund	\$ 6,000,000	\$ 5,600,000	\$ 18,000,000	221.4%
<b>Total</b>	<b>\$ 6,000,000</b>	<b>\$ 5,600,000</b>	<b>\$ 18,000,000</b>	<b>221.4%</b>

The following changes are included in the Storm Sewer Improvements category for 2013-2014:

Adopted Allocation	2012-2013 Adopted	2013-2014 Adopted	Change
<b>Storm Sewer Improvements</b>	<b>\$5,600,000</b>	<b>\$18,000,000</b>	<b>\$12,400,000</b>
<b>Budget Proposal Approved</b>			
<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 2014-2018 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.		\$12,400,000
<b>Subtotal Budget Proposals Approved</b>			<b>\$12,400,000</b>
<b>Total Storm Sewer Improvements</b>	<b>\$5,600,000</b>	<b>\$18,000,000</b>	<b>\$12,400,000</b>

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