

**AGENDA  
CITY OF RANCHO PALOS VERDES  
NOTICE OF MEETING OF THE OVERSIGHT COMMITTEE  
FOR THE WATER QUALITY FLOOD PROTECTION PROGRAM  
MAY 21, 2015  
COMMUNITY ROOM  
30940 HAWTHORNE BOULEVARD  
RANCHO PALOS VERDES**

**7:00 PM      CALL TO ORDER**

1. Roll Call
2. Flag Salute
3. Approval of Agenda
4. Public Comments (This section of the agenda is for audience comments for items **NOT** on the agenda.)
5. Approval of Draft Minutes for the meeting conducted May 7, 2015 (5 minutes)
6. Public Hearing for FY15-16 Storm Drain User Fee Rate (90 minutes)
7. Election of Vice Chair (5 minutes)
8. Public Outreach Events (15 minutes)
9. Adjournment

*American with Disabilities Act.* In compliance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the City Clerk's Office at 310 544-5208 at least 48 hours prior to the meeting.

*NOTE:* Staff reports are available for inspection at City Hall, 30940 Hawthorne Boulevard during regular business hours, 7:30 A.M. to 5:30 P.M. Monday – Thursday and 7:30 A.M. to 4:30 P.M. on Friday. Materials related to an item on this Agenda submitted to the Committee after distribution of the agenda packet are available for public inspection in the Finance Department at 30940 Hawthorne Boulevard, Rancho Palos Verdes during regular business hours.

Written materials, including emails, submitted to the City are public records and may be posted on the City's website. Accordingly, you may wish to omit personal information from your oral presentation or written materials as it may become part of the public record regarding an agenda item.

Materials related to an item on this Agenda submitted to the Oversight Committee after distribution of the agenda packet are available for public inspection at the front counter of the lobby of the City Hall Administration Building at 30940 Hawthorne Boulevard, Rancho Palos Verdes during normal business hours.

You can also view the agenda and staff reports at the City's website [www.rpvca.gov](http://www.rpvca.gov).



**DRAFT MINUTES**  
**STORM DRAIN OVERSIGHT COMMITTEE MEETING**  
**CITY OF RANCHO PALOS VERDES**

**May 7, 2015**

**CALL TO ORDER**

At 7:01 P.M. Chair Sala called the meeting to order at the Community Room at City Hall, 30940 Hawthorne Blvd., for the purpose of conducting business pursuant to the agenda.

**ROLL CALL**

Present: Sala, Lyon, Kim, Rodich

Absent: Johnson

Also present were Acting Director of Finance Downs and Public Works Principal Civil Engineer Dragoo. There were no members of the public in the audience

**PLEDGE OF ALLEGIANCE**

Chair Sala requested the flag salute be led by Member Rodich.

**PUBLIC COMMENTS**

There were no comments from the public.

**APPROVAL OF THE AGENDA**

Hearing no discussion or objection, Chair Sala ordered approval of the Agenda as distributed.

**ACTION:** Agenda was approved.

## **Storm Drain Oversight Committee Meeting – Draft Minutes**

**May 7, 2015**

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### **APPROVAL OF MINUTES FROM APRIL 9, 2015 MEETING**

Chair Sala asked Committee Members if there were any changes or discussion of the draft minutes. Hearing no discussion or objection, Chair Sala ordered approval of the April 9, 2015 minutes as distributed.

**ACTION:** Minutes were approved.

### **ANNUAL STORM DRAIN USER FEE REPORT**

Staff provided a brief oral update of information for the Committee. Principal Civil Engineer Dragoo delivered a PowerPoint presentation summarizing the Master Plan of Drainage. Staff answered Committee Member questions.

Member Rodich distributed, as late correspondence, a memorandum summarizing his analysis and understanding of various expenditure and cash balance amounts reported by Staff.

The Committee discussed information presented by Staff, preparation of the 2015 Annual Report to City Council, and Member Rodich's observations.

Staff agreed to provide Chair Sala and Member Lyon with the Word files for various staff reports, as well as the Committee's 2014 Annual Report, to facilitate preparation of the draft 2015 Annual Report.

**ACTION:** None taken.

### **ADJOURNMENT**

Having reached the end of the agenda Chair Sala asked for any discussion regarding adjournment. Member Lyon moved for adjournment, and Member Kim seconded the motion. Chair Sala, hearing no objections, ordered the meeting adjourned at 8:52 P.M.



## **MEMORANDUM**

**TO: HONORABLE CHAIR & MEMBERS OF THE  
OVERSIGHT COMMITTEE FOR THE WATER QUALITY  
& FLOOD PROTECTION PROGRAM**

**FROM: KATHRYN DOWNS, ACTING DIRECTOR OF FINANCE**

**DATE: MAY 21, 2015**

**SUBJECT: PUBLIC HEARING FOR FY15-16 STORM DRAIN USER  
FEE RATE**

Staff Coordinators: Ron Dragoo, PE, Principal Civil Engineer  
Andy Winje, PE, Senior Engineer

### **RECOMMENDATION**

1. Receive and file the Five-Year Storm Drain Plan, excerpts from the draft 2015 Five-Year Financial Model (Model) and draft 2015 Five-Year Capital Improvement Plan (CIP), and the Rate Engineer's draft FY15-16 report.
2. Conduct a public hearing to consider a recommendation to the City Council regarding an increase of the Storm Drain User Fee (Fee) to the maximum rate of \$96.85 per Equivalent Residential Unit (ERU).
3. Prepare the Oversight Committee's Annual Report to City Council.

### **EXECUTIVE SUMMARY**

This public hearing was noticed in the Palos Verdes Peninsula News on May 14<sup>th</sup>.

The Oversight Committee must make a recommendation to the City Council regarding the FY15-16 Fee. The City Council is currently scheduled to conduct its public hearing to consider the Fee on June 16<sup>th</sup>.

The maximum Fee rate for FY15-16 has been calculated as \$96.85/ERU, based upon a 0.1% increase of the Consumer Price Index. The City Council may set the FY15-16 Fee rate at any amount between \$0.00/ERU and \$96.85/ERU. Staff recommends the maximum Fee rate of \$96.85/ERU for FY15-16.

## **PUBLIC HEARING FOR FY15-16 STORM DRAIN USER FEE RATE**

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The proposed FY15-16 budget of \$1,566,116 for the storm drain program includes:

- Point repairs of \$900,000;
- Storm drain lining of \$340,836;
- Storm drain maintenance and minor repairs of \$245,544; and
- Administration of \$79,736.

In August 2015, the City Council will consider a request from Staff to carryover unspent appropriations for storm drain improvements. The FY14-15 budget for the storm drain program is \$7,655,282. To date, a total of \$3,842,762 has been spent or committed (contracts and purchase order amounts not yet invoiced). Therefore, Staff expects that the unspent appropriations to carryover may be \$3,812,520 (\$7,655,282 less \$3,842,762). If City Council approves the carryover request and the proposed FY15-16 budget, then the total FY15-16 budget for the storm drain program will be \$5,379,839.

FY15-16 is the last year of Fee collection approved by voters; yet there is a total estimate of about \$33.6 million of unfunded storm drain improvements, and likely millions more unfunded for water quality compliance. Staff recommends that the City proceed with a mail-ballot election of property owners in February-March 2016 to extend the Fee. The City Council is expected to consider the next step in that process on June 2<sup>nd</sup>, which is the Rate Engineer's proposal to review potential changes to impervious factors and areas using a sample 100 parcels for a cost of \$12,500.

For the Oversight Committee's review, the following documents have been attached to this report:

- Draft 2015 Five-Year Storm Drain Plan;
- Draft 2015 Five-Year Model excerpts for the General Fund, CIP Fund, and Water Quality Flood Protection (storm drain) Fund;
- Draft 2015 Five-Year Capital Improvement Plan excerpts for storm drain improvements; and
- The Rate Engineer's draft FY15-16 report including maximum Fee rate calculation.

### **BACKGROUND**

#### **Fee and Oversight Committee Established**

In 2005, owners of properties utilizing the City's storm drain system approved the Fee, based upon a 30-year plan for storm drain improvements, maintenance, and administration with estimated costs totaling about \$50 million. In 2007, the City's voters approved a measure to sunset the Fee after 10 years, and establish an Oversight Committee of City residents to monitor annual expenditures of the program.

#### **Annual Duties**

The City's Municipal Code (Section 3.44.080) outlines the Committee's annual task.

## PUBLIC HEARING FOR FY15-16 STORM DRAIN USER FEE RATE

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*“The committee shall hold at least one public hearing and issue a report, on at least an annual basis, to inform city residents and the city council regarding how storm drain user fee revenues are being spent and to make recommendations to the city council regarding future expenditures of the storm drain user fee revenues. In addition, the oversight committee shall make a recommendation to the city council regarding whether to collect the storm drain user fee for the upcoming fiscal year, and, if so, the rate per ERU for that fiscal year. In making its recommendation to the city council, the oversight committee shall consider the current and projected revenues of the city for the upcoming fiscal year, including but not limited to, property taxes, sales taxes and transient occupancy taxes; the current and projected expenditures of the city for the fiscal year, including, but not limited to, proposed expenditures in connection with the city's storm drain system; the balance, if any, in the water quality and flood protection program enterprise fund, and the current and projected general fund reserves. The oversight committee shall forward its report and recommendations to the city council prior to the annual public hearing on the storm drain user fee that will be conducted by the city council.”*

The Oversight Committee met on April 9, 2015 and May 7, 2015 to receive information about Fee collections, storm drain expenditures, planned expenditures for the next five years, and future storm drain and water quality needs that have not yet been funded.

The City's Municipal Code (Section 3.44.040) requires the City Council to hold an annual public hearing, then determine whether to collect the Fee for the upcoming year and the rate per ERU. The Municipal Code (Section 3.44.020) further states:

*“in any year the city council may do any and all of the following: (i) repeal this Chapter 3.44; (ii) reduce the rate per ERU for the storm drain user fee below the maximum rate; or (iii) increase the rate per ERU for the storm drain user fee up to or below the maximum rate if it has been previously set below such rate. In no event shall the city council increase the storm drain user rate per ERU in excess of the maximum rate without approval by a majority vote of the property owners subject to the storm drain user fee.”*

### History of Fee Rates and Collections

	Maximum	Actual
	Rate per ERU	Rate per ERU
FY06-07	\$ 86.00	\$ 86.00
FY07-08	\$ 87.72	\$ 87.72
FY08-09	\$ 89.47	\$ 89.47
FY09-10	\$ 89.47	\$ 89.47
FY10-11	\$ 90.72	\$ 90.72
FY11-12	\$ 92.53	\$ 92.53
FY12-13	\$ 94.38	\$ 92.53
FY13-14	\$ 96.27	\$ 96.27
FY14-15	\$ 96.75	\$ 96.75

## PUBLIC HEARING FOR FY15-16 STORM DRAIN USER FEE RATE

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	Actual
	Collections
FY06-07	\$ 1,188,439
FY07-08	\$ 1,221,825
FY08-09	\$ 1,251,733
FY09-10	\$ 1,263,572
FY10-11	\$ 1,312,230
FY11-12	\$ 1,319,109
FY12-13	\$ 1,312,989
FY13-14	\$ 1,360,907

Staff currently estimates total Fee collections of \$1,382,713 for FY14-15.

### **DISCUSSION**

The Committee's annual report, which will be forwarded to the City Council for its June 16<sup>th</sup> public hearing, may include:

- 2015 activity of the Oversight Committee;
- A summary of FY14-15 Fee activity (including revenue collected and expenditures);
- Commentary regarding proposed expenditures for FY15-16;
- A recommendation regarding the Fee rate for FY15-16;
- A recommendation regarding a mail-ballot election of property owners requesting an extension of the Fee; and/or
- Any other comments or recommendations relevant to the program.

The financial information provided with this report is based upon the draft FY15-16 budget. The City Council is scheduled to provide further direction for the FY15-16 budget on May 19<sup>th</sup> (after publication of this report). Staff will forward the results of that direction to the Committee as late correspondence.

### **Ten-Year Program Results**

Ten-year program results include:

- Completion of San Ramon Canyon stabilization and McCarrell Canyon drainage improvements;
- Completion of many other drainage projects, such as those at Sunnyside Ridge, PVDE and La Vista Verde, the PVDE Switchbacks, Via Colinita, Miraleste Plaza, Seacove, Palos Verdes Bay Club, and Mossbank;
- Rehabilitating and lining more than 15,000 linear feet of pipe; and
- Performing cleaning and video inspection of all accessible and known City-owned storm drains. Some locations received multiple cleanings and inspections.

## PUBLIC HEARING FOR FY15-16 STORM DRAIN USER FEE RATE

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To date, a total of \$41.9 million of projects, maintenance and administration have been funded with:

- Fee revenue of \$11.6 million;
- Grant revenue of \$9.5 million; and
- General Fund contributions of \$20.8 million.

The program has corrected many deficiencies in the City's storm drain system; however, more improvements are needed.

### Unfunded Storm Drain Improvements

The draft 2015 Five-Year Capital Improvement Plan identifies 4 storm drain projects that have not yet been funded. The total cost estimate ranges from \$9.4 million to \$14.4 million, with midpoints as follows.

Altamira Canyon	\$ 3,475,000
Paintbrush Canyon	2,568,000
PVDE - Miraleste Canyon	2,850,000
San Pedro & Averill Canyons	3,000,000
<b>Unfunded Projects (midpoint)</b>	<b>\$ 11,893,000</b>

The 2015 Storm Drain Master Plan Update is in process of being finalized; and has identified estimated costs of about \$15 million to correct hydrologic (direction of movement) and hydraulic (flow capacity) deficiencies in the City's storm drain system. In addition, 18,352 linear feet of Corrugated Metal Pipe (CMP) is in need of "urgent" lining (average through severe defects). If \$4.8 million has been spent to date to line about 15,000 linear feet of pipe, then perhaps a preliminary cost estimate for "urgent" lining is roughly \$6 million. The final Master Plan document is expected to be available in June 2015. The information in the Master Plan and calculations of available funding will be used to determine the order and timing of when the projects can be constructed.

The storm drain program also included the installation of catch basin filters to reduce pollution from the City's storm drains. There are about 1,300 catch basins in the City. The City may be required to install screens on all of them. About 200 have been completed; and 1,100 still need to be addressed with a cost estimate range of \$600,000 to \$900,000 (midpoint of \$750,000).

Currently identified unfunded storm drain needs may be summarized as follows.

Unfunded Projects (midpoint)	\$ 11,893,000
Hydrologic & Hydraulic Deficiencies	15,000,000
"Urgent" Lining	6,000,000
Catch Basin Screens (midpoint)	750,000
<b>Unfunded</b>	<b>\$ 33,643,000</b>

## **PUBLIC HEARING FOR FY15-16 STORM DRAIN USER FEE RATE**

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The Committee may also wish to comment to the City Council on the new costs anticipated for storm water quality projects. New projects that may be required to remain in compliance with the MS4 Water Quality Permit have a greater magnitude than what has been budgeted for this program in the past, and will require a funding mechanism beyond the General Fund. Except for the catch basin screens already installed, funds from this program have been historically spent only on construction or rehabilitation of flood control projects. Clarifying that water quality projects could also be eligible for funding from a new storm drain user fee may be helpful in creating the necessary latitude to address both flood control and water quality projects with proceeds of the Fee.

Water quality projects are relatively new and there is limited industrial data to determine costs. However, at the recent community outreach meeting of the Peninsula Watershed Management Group (May 6, 2015, slides available on the City's website), three potential regional projects (in addition to projects already underway in the various cities) were identified that could help the Peninsula cities achieve permit compliance. The City has not committed to these specific projects, but they show the type of work the City (and other Peninsula cities) will need to commit to over the next decade to meet storm water quality standards. The cost of these three projects was estimated between \$90 and \$130 million. RPV's share would be 40 to 45%.

### City's Financial Information

The draft Model indicates the following fiscal impacts over the next five years.

- With minor corrections, the General Fund budget will continue to be balanced.
- The General Fund Reserve remains stable, and ranges from about \$12.2 million to \$12.5 million; which is about \$0.5 million to \$2 million in excess of the City Council's reserve policy of 50% of annual General Fund expenditures (rainy day fund).
- If no additional projects are programmed, the CIP Reserve (transient occupancy tax and other General Fund money transferred for infrastructure improvements) will grow to about \$20.5 million. However, the Infrastructure Management Advisory Committee is currently developing its system to prioritize projects; and is expected to make project recommendations to the City Council during 2016 (next year). Further discussion of the City's infrastructure needs is included below.
- If the City Council sets the FY15-16 Fee at the maximum rate, Staff expects the City will collect about \$1,384,096 of Fee revenue for the last year of the program; and that future storm drain improvements and maintenance will compete with other infrastructure for available General Fund money.

The draft 2015 CIP Unfunded Projects list includes infrastructure projects with total cost estimates ranging from \$19.5 million to 26.8 million (midpoint of \$23.1 million). This range does not include cost estimates for unfunded storm drain projects. City Council goals include landslide mitigation, and the draft FY15-16 budget includes development of a landslide strategic plan. Staff expects that improvements associated with a landslide

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strategic plan will have cost estimates in the millions. As noted above, water quality compliance costs are also expected to have cost estimates in the tens of millions.

Based on this information, the \$20.5 million that may available in the CIP Reserve over the next five years may be consumed with unfunded infrastructure improvements that do not include storm drains.

### Calculation of the Maximum FY15-16 User Fee Rate

Per the Municipal Code (section 3.44.020), the maximum annual rate per Equivalent Residential Unit (ERU) is increased *“by an amount equal to the change in the Consumer Price Index for all Urban Consumers for the Los Angeles, Riverside and Orange County areas (the "CPI"), including all items as published by the U.S. Bureau of Labor Statistics as of March 1 of each year, not to exceed a maximum increase of two percent per year.”*

The increase of CPI is published as of each month-end. Therefore, the CPI increase for the twelve months ended February each year has been used to calculate the maximum Fee increase. The CPI increased by 0.1% for the twelve months ended February 2015. Applying that same increase to the Fee, results in a maximum rate of \$96.85 per ERU for FY15-16.

The City Council may set the actual rate per ERU at any amount between zero and the maximum rate each year. Staff recommends the FY15-16 Fee rate be set at the maximum of \$96.85/ERU.

### Potential Extension of the User Fee

The required proceedings for an extension of the Fee are very similar to the proceedings undertaken by the City in 2005 to establish the Fee. An election is required, and the City Council has the option of holding a registered voter election or conducting a mailed ballot election of the affected property owners. The extension of the Fee must be approved by a two-thirds vote if the election is by the registered voters, and by a majority vote if the election is by the property owners. Staff recommends that the City conduct a property owner mailed ballot election as was done in connection with the approval of the existing Fee, because the property owners pay the Fee.

The process to extend the Fee via a mail-ballot election in spring 2016 can be summarized as follows.

- Preparation of Engineer’s Report – Complete by September 2015.
- Mail Notices of Public Hearing – December 2015.
- Conduct Public Hearing – February 2016.
- Ballot Period – February-March 2016.
- City Council adopts results of election; and, if the results are favorable, considers ordinance to extend the Fee – April 2016.

## **PUBLIC HEARING FOR FY15-16 STORM DRAIN USER FEE RATE**

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As noted above, the City Council is scheduled to consider the Rate Engineer's proposal for the first step in the process on June 2<sup>nd</sup>.

### **Attachments**

A – Draft 2015 Five-Year Storm Drain Plan

B – Draft 2015 Five-Year Model: Excerpts for General Fund, Capital Improvement Projects Fund, and Water Quality Flood Protection Fund

C – Draft 2015 Five-Year Capital Improvement Plan: Excerpts for Storm Drain Improvements

D – Harris & Associates Draft Annual Report for the Water Quality and Flood Protection Program Storm Drain User Fee FY 2015-16

**City of Rancho Palos Verdes  
Draft 2015 Five-Year Storm Drain Plan**

**Attachment A**

Ref. Area	Prior Years' Paid FY05-06 Thru FY13-14	FY14-15 Budget	FY14-15 Spent or Committed	(Memo only) Expected Carryover to FY15-16	FY15-16 Draft Budget	FY16-17 5YR Model	FY17-18 5YR Model	FY18-19 5YR Model	FY19-20 5YR Model	Total Budgeted Projected By Project	Remaining Projects (Original 38)
<b>Backbone Projects</b>											
2	McCarrell Canyon	7,487,716	501,995							7,487,716	
2	McCarrell Canyon, Tarragon Property Acquisition	1,403,500								1,403,500	
1	Sunnyside Ridge	417,361								417,361	
A	3 Lower San Ramon Canyon Stabilization	16,505,919	2,775,934	2,386,053						19,281,853	
5	PVDE Miraleste Canyon System	-								-	2,839,637
B	6 PVDE San Pedro Canyon System	251,878	7,996							259,874	2,438,992
C	Altamira Canyon Drainage Study	-	500,000	500,000						500,000	1,750,000
	Paintbrush Canyon Drainage Study	-							120,000	120,000	
										-	
<b>Pipe Lining</b>											
D	12 Storm Drain Lining	3,996,696	799,470	799,470	340,836	347,653	350,000	350,000	350,000	6,534,655	
										-	
<b>Capacity &amp; Secondary System Projects</b>											
E	7 Via Colinita & Roan Projects	210,329	231,095	231,095						441,424	
	Hawthorne Blvd. (closed FY10-11, re-allocated to the San Pedro Canyon Storm Drain Project)	-								-	
9	PVDE Lower Switchbacks	19,575								19,575	
F	6 South Hawthorne/Via Frascati	-	440,000	440,000						440,000	
11	Middlecrest Road Project	-								-	139,160
G	11 PVDS (East of Barkentine)	-	446,000	446,000						446,000	
H	11 PVDS at Sacred Cove	-	450,000	450,000						450,000	
										-	
<b>Filtration Systems</b>											
I	12 Catch Basin Filtration Devices	438,255	53,000	53,000						491,255	
2	30502 PVDW Catch Basin	8,600								8,600	
										-	
<b>Other Projects</b>											
2	McCarrell Canyon Interim, Barkentine/Seacove	135,000								135,000	
2	McCarrell Canyon Interim, Gabion & Timber Walls	119,213								119,213	
2	Palos Verdes Bay Club Interim Improvements	185,000								185,000	
10	PVDS Salvation Army Outlet	26,000								26,000	
6	Bronco Drive	66,000								66,000	
5	Noble View Canyon	27,000								27,000	
12	Citywide Interim, Other	7,400								7,400	
10	Alida Place Storm Drain Relocation	98,480								98,480	

**City of Rancho Palos Verdes  
Draft 2015 Five-Year Storm Drain Plan**

**Attachment A**

Ref. Area	Prior Years' Paid FY05-06 Thru FY13-14	FY14-15 Budget	FY14-15 Spent or Committed	(Memo only) Expected Carryover to FY15-16	FY15-16 Draft Budget	FY16-17 5YR Model	FY17-18 5YR Model	FY18-19 5YR Model	FY19-20 5YR Model	Total Budgeted Projected By Project	Remaining Projects (Original 38)	
	3 Tarapaca Landslide Study	6,377								6,377		
	6 PVDE Engineering Reserve	20,360								20,360		
	6 PVDE Inlets	-								-		
	10 Mossbank Storm Drain Rehabilitation	245,885								245,885		
	4 PVDS @ Altamira Canyon	-								-		
	5 Via Canada	89,334								89,334		
J	12 Marguerite Open Channel	64,040	330,685	13,015	317,670					394,725		
K	12 Point Repair Projects	-	150,000		150,000	900,000				1,050,000		
	<b>Miscellaneous Repairs &amp; Maintenance</b>									-		
	12 Miscellaneous Repairs	145,470								145,470		
	Storm Drain/Filtration Maintenance (includes Hawthorne, Montemalaga & Video											
L	12 Inspection/Cleaning)	785,153	725,286	347,306	266,029	245,544	250,455	250,000	250,000	2,756,438		
	<b>Subtotal Project &amp; Maintenance Costs</b>	<b>32,760,541</b>	<b>6,909,466</b>	<b>3,248,369</b>	<b>3,653,264</b>	<b>1,486,380</b>	<b>598,108</b>	<b>600,000</b>	<b>600,000</b>	<b>720,000</b>	<b>43,674,495</b>	<b>7,167,789</b>
	12 Purchase of Push Camera	11,813								11,813		
	12 Administration (contract/staff engineer)	1,227,446	162,200	170,033	80,939	70,525	72,217	73,878	75,651	1,762,856		
M	12 Drainage Master Plan Program	226,384	583,616	424,360	159,256					810,000		
	12 Storm Water Enterprise Asset Registry	-								-		
	12 Asset Maintenance Management System	-								-		
	12 Hydrologic, Hydraulic & Pollutant Modelling	-								-		
	12 Analysis & Prioritizing of Deficiencies	-								-		
	12 Capital Improvement Programming	-								-		
	12 Land Acquisition	19,750								19,750		
	<b>Total Program Costs</b>	<b>34,245,934</b>	<b>7,655,282</b>	<b>3,842,762</b>	<b>3,812,520</b>	<b>1,567,319</b>	<b>668,633</b>	<b>672,217</b>	<b>673,878</b>	<b>795,651</b>	<b>46,278,914</b>	<b>7,167,789</b>
<p><b>Note: This schedule reflects actual costs and does not include depreciation or capitalization of storm drain improvements, which are included in the City's financial statements.</b></p>												

	FACTOR	ACTUAL FY12-13	BUDGET FY13-14	ACTUAL FY13-14	VARIANCE FY13-14	REVISED BUDGET FY14-15	PROPOSED FY15-16	MODEL FY16-17	MODEL FY17-18	MODEL FY18-19	MODEL FY19-20
<b>PAGE 3</b>											
<b>GENERAL FUND REVENUE DETAIL</b>											
Property taxes	(e)	6,300,110	6,726,496	6,751,036	24,540	7,033,100	7,281,261	7,521,500	7,769,700	8,026,100	8,291,000
Property taxes In-Lieu of VLF Revenues	(e)	3,694,230	3,890,000	3,890,110	110	4,024,200	4,195,096	4,333,500	4,476,500	4,624,200	4,776,800
Property taxes In-Lieu of Sales Tax	(d)	453,908	534,000	536,579	2,579	544,300	279,198	0	0	0	0
Sales and use tax	(d)	1,589,104	1,640,000	1,642,381	2,381	1,671,500	2,068,936	2,460,800	2,588,800	2,718,200	2,854,100
Property transfer tax	(e)	371,373	416,000	385,600	(30,400)	416,900	395,000	403,700	417,500	431,800	446,500
Business license tax	(c)	737,481	715,000	764,494	49,494	728,700	777,490	795,400	814,500	833,200	853,200
Transient occupancy tax	(c)	3,790,359	3,948,700	4,250,086	301,386	4,669,500	5,026,400	5,142,000	5,265,400	5,386,500	5,515,800
Franchise taxes	(i)	1,906,613	1,779,000	1,998,213	219,213	2,063,200	2,101,000	2,149,300	2,200,900	2,251,500	2,305,500
Utility user tax	(i)	2,480,966	1,915,242	2,509,524	594,282	1,889,500	1,862,000	1,904,800	1,950,500	1,995,400	2,043,300
Golf tax	(c)	383,015	404,000	439,166	35,166	411,800	447,900	458,200	469,200	480,000	491,500
<b>SUBTOTAL TAXES</b>		<b>21,707,159</b>	<b>21,968,438</b>	<b>23,167,189</b>	<b>1,198,751</b>	<b>23,452,700</b>	<b>24,434,282</b>	<b>25,169,200</b>	<b>25,953,000</b>	<b>26,746,900</b>	<b>27,577,700</b>
Animal control fees	(g)	32,644	35,000	41,647	6,647	30,000	40,000	40,000	40,000	40,000	40,000
Right of way & parking permits	(g)	80,398	72,400	77,725	5,325	72,400	79,000	79,000	79,000	79,000	79,000
Building and safety permits & geology fees	(g)	1,518,490	1,317,500	1,380,431	62,931	1,517,500	1,552,000	1,552,000	1,552,000	1,552,000	1,552,000
Planning permits	(g)	354,010	317,000	392,068	75,068	397,500	428,600	428,600	428,600	428,600	428,600
Film permits	(g)	41,313	45,000	58,865	13,865	45,000	60,000	60,000	60,000	60,000	60,000
Massage Permits	(g)	144	0	0	0	0	0	0	0	0	0
<b>SUBTOTAL LICENSES &amp; PERMITS</b>		<b>2,026,999</b>	<b>1,786,900</b>	<b>1,950,736</b>	<b>163,836</b>	<b>2,062,400</b>	<b>2,159,600</b>	<b>2,159,600</b>	<b>2,159,600</b>	<b>2,159,600</b>	<b>2,159,600</b>
Miscellaneous court fines	(c)	105,186	105,000	118,185	13,185	107,000	107,000	109,500	112,100	114,700	117,500
False alarm fines		6,000	5,500	4,700	(800)	5,500	5,000	5,000	5,000	5,000	5,000
Tow fees	(c)	5,346	5,000	5,862	862	5,100	8,000	8,200	8,400	8,600	8,800
<b>SUBTOTAL FINES &amp; FORFEITURES</b>		<b>116,532</b>	<b>115,500</b>	<b>128,747</b>	<b>13,247</b>	<b>117,600</b>	<b>120,000</b>	<b>122,700</b>	<b>125,500</b>	<b>128,300</b>	<b>131,300</b>
Property & Monopole Leases	(c)	169,354	151,500	197,127	45,627	154,400	157,500	161,100	165,000	168,800	172,900
Facility rentals - PVIC	(c)	194,406	223,000	223,502	502	227,300	225,000	230,200	235,700	241,100	246,900
Facility rentals - Other	(c)	108,744	86,500	109,140	22,640	105,000	98,000	100,300	102,700	105,100	107,600
Parking lot fees		67,259	98,000	117,734	19,734	98,000	142,000	142,000	142,000	142,000	142,000
PVIC gift shop	(c)	100,806	134,000	111,986	(22,014)	136,600	120,000	122,800	125,700	128,600	131,700
Interest earnings	(h)	41,945	53,790	38,168	(15,622)	26,940	121,220	290,130	452,110	444,550	441,910
<b>SUBTOTAL USE OF MONEY &amp; PROPERTY</b>		<b>682,514</b>	<b>746,790</b>	<b>797,657</b>	<b>50,867</b>	<b>748,240</b>	<b>863,720</b>	<b>1,046,530</b>	<b>1,223,210</b>	<b>1,230,150</b>	<b>1,243,010</b>
Engineering fees	(g)	42,989	35,000	29,412	(5,588)	35,000	21,000	21,000	21,000	21,000	21,000
Recreation fees	(c)	18,254	18,700	17,650	(1,050)	18,700	25,000	25,600	26,200	26,800	27,400
Sale of Signs/Services	(g)	10,925	8,000	3,535	(4,465)	8,000	4,500	4,500	4,500	4,500	4,500
Administration of Successor Agency		62,139	80,000	60,750	(19,250)	100,000	38,000	0	0	0	0
Interfund charges for services	(a)	157,400	156,000	152,700	(3,300)	155,800	155,800	158,900	162,100	165,300	168,600
<b>SUBTOTAL CHARGES FOR SERVICES</b>		<b>291,707</b>	<b>297,700</b>	<b>264,047</b>	<b>(33,653)</b>	<b>317,500</b>	<b>244,300</b>	<b>210,000</b>	<b>213,800</b>	<b>217,600</b>	<b>221,500</b>
Grant income		44,437	27,000	32,083	5,083	0	0	0	0	0	0
<b>SUBTOTAL REVENUES FROM OTHER AGENCIES</b>		<b>44,437</b>	<b>27,000</b>	<b>32,083</b>	<b>5,083</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Donations	(c)	22,670	17,100	31,382	14,282	25,000	12,000	12,300	12,600	12,900	13,200
Repayment of City Loan to former RDA		0	0	0	0	72,915	38,307	38,307	38,307	38,307	38,307
Other miscellaneous	(c)	639,934	725,533	1,457,948	732,415	390,606	10,000	10,200	10,400	10,600	10,900
<b>SUBTOTAL OTHER REVENUES</b>		<b>662,604</b>	<b>742,633</b>	<b>1,489,330</b>	<b>746,697</b>	<b>488,521</b>	<b>60,307</b>	<b>60,807</b>	<b>61,307</b>	<b>61,807</b>	<b>62,407</b>
<b>TOTAL GENERAL FUND REVENUES</b>		<b>25,531,952</b>	<b>25,684,961</b>	<b>27,829,789</b>	<b>2,144,828</b>	<b>27,186,961</b>	<b>27,882,209</b>	<b>28,768,837</b>	<b>29,736,417</b>	<b>30,544,357</b>	<b>31,395,517</b>

	FACTOR	ACTUAL FY12-13	BUDGET FY13-14	ACTUAL FY13-14	VARIANCE FY13-14	REVISED BUDGET FY14-15	PROPOSED FY15-16	MODEL FY16-17	MODEL FY17-18	MODEL FY18-19	MODEL FY19-20
<b>PAGE 4</b>											
<b>GENERAL FUND EXPENDITURE DETAIL</b>											
City Council	(b)	137,802	149,100	137,169	11,931	129,800	129,590	132,600	135,800	138,900	142,200
City Manager	(b)	1,694,526	973,823	973,378	445	884,900	894,417	857,100	881,000	904,900	930,300
Legal Services	(b)	992,324	1,187,542	1,186,947	595	990,000	1,030,000	1,053,700	1,079,000	1,103,800	1,130,300
City Clerk	(b)	403,468	645,544	643,145	2,399	485,750	734,176	510,800	781,900	547,100	819,200
Community Outreach	(b)	93,588	83,769	80,017	3,752	131,849	79,640	81,500	83,500	85,400	87,400
RPVtv	(b)	119,478	154,687	153,443	1,244	168,600	220,599	225,700	231,100	236,400	242,100
Risk Management	(b)	0	475,000	467,248	7,752	400,000	475,000	485,900	497,600	509,000	521,200
Personnel	(b)	216,035	332,645	314,837	17,808	494,167	434,579	427,000	438,600	450,200	462,600
Finance	(b)	1,284,651	1,419,700	1,407,151	12,549	1,173,600	1,271,426	1,326,300	1,362,600	1,398,800	1,437,400
Information Technology - Data	(b)	377,980	548,800	356,593	192,207	600,800	962,413	978,200	1,002,400	1,026,300	1,051,700
Information Technology - Voice	(b)	80,834	99,300	72,238	27,062	96,000	80,000	81,800	83,800	85,700	87,800
<b>SUBTOTAL ADMINISTRATION</b>		<b>5,400,686</b>	<b>6,069,910</b>	<b>5,792,166</b>	<b>277,744</b>	<b>5,555,466</b>	<b>6,311,840</b>	<b>6,160,600</b>	<b>6,577,300</b>	<b>6,486,500</b>	<b>6,912,200</b>
Public Safety - Sheriff Services	(f)	4,154,039	4,177,601	4,177,601	0	4,306,900	4,877,100	4,999,000	5,293,383	5,425,700	5,561,300
Special Safety Programs	(b)	54,610	104,500	61,839	42,661	96,700	362,300	135,300	138,500	141,700	145,100
Animal Control	(b)	49,204	88,000	81,346	6,654	111,515	88,000	90,000	92,200	94,300	96,600
Emergency Preparedness	(b)	89,920	179,617	171,526	8,091	326,383	186,814	195,300	200,700	206,100	211,800
<b>SUBTOTAL PUBLIC SAFETY</b>		<b>4,347,773</b>	<b>4,549,718</b>	<b>4,492,312</b>	<b>57,406</b>	<b>4,841,498</b>	<b>5,514,214</b>	<b>5,419,600</b>	<b>5,724,783</b>	<b>5,867,800</b>	<b>6,014,800</b>
Public Works Administration (Staffing, Project Management and Engineering)	(b)	1,940,470	2,091,000	1,966,202	124,798	2,095,900	2,230,528	2,336,000	2,401,700	2,467,300	2,537,100
Traffic Management	(b)	219,000	100,000	76,611	23,389	412,000	335,000	317,100	324,700	332,200	340,200
Storm Water Quality (NPDES Compliance)	(b)	110,201	245,005	212,053	32,952	656,495	487,000	498,200	510,200	521,900	534,400
Public Building Maintenance	(b)	439,752	576,600	402,120	174,480	632,300	511,200	502,500	514,600	526,400	539,000
Parks, Trails & Open Space Maintenance	(b)	1,005,287	1,035,355	904,917	130,438	1,801,248	990,300	967,000	990,200	1,013,000	1,037,300
Sewer Maintenance	(b)	13,246	68,000	51,126	16,874	68,000	13,100	13,400	13,700	14,000	14,300
<b>SUBTOTAL PUBLIC WORKS</b>		<b>3,727,956</b>	<b>4,115,960</b>	<b>3,613,029</b>	<b>502,931</b>	<b>5,665,943</b>	<b>4,567,128</b>	<b>4,634,200</b>	<b>4,755,100</b>	<b>4,874,800</b>	<b>5,002,300</b>
Planning	(b)	1,337,343	1,334,360	1,311,995	22,365	1,584,811	1,256,515	1,319,700	1,357,500	1,395,300	1,435,500
Building & Safety Services	(b)	540,933	645,980	626,386	19,594	841,977	773,471	812,700	836,000	859,300	884,100
Code Enforcement	(b)	198,363	214,900	212,381	2,519	218,700	211,151	222,600	229,100	235,700	242,700
View Restoration/Preservation	(b)	366,351	381,300	335,870	45,430	388,700	294,642	308,600	317,300	326,000	335,200
Natural Community Conservation Planning (NCCP)		9,280	15,260	15,260	0	75,053	0	0	0	0	0
Geology (Privately Initiated Projects)	(g)	135,441	150,000	131,672	18,328	150,000	150,000	153,500	157,200	160,800	164,700
<b>SUBTOTAL COMMUNITY DEVELOPMENT</b>		<b>2,587,711</b>	<b>2,741,800</b>	<b>2,633,564</b>	<b>108,236</b>	<b>3,259,241</b>	<b>2,685,779</b>	<b>2,817,100</b>	<b>2,897,100</b>	<b>2,977,100</b>	<b>3,062,200</b>
Recreation Administration (Staffing, Park Rangers)	(b)	529,155	663,650	653,202	10,448	830,550	947,822	983,600	1,009,700	1,035,600	1,063,200
Recreation Facilities	(b)	469,492	469,600	463,195	6,405	524,500	0	0	0	0	0
Special Events	(b)	109,675	112,150	91,629	20,521	93,250	136,193	140,600	144,200	147,800	151,600
Pt. Vicente Interpretive Center (PVIC)	(b)	385,058	350,375	330,967	19,408	434,750	370,805	381,300	390,900	400,300	410,300
Abalone Cove Shoreline Park	(b)	0	0	0	0	0	64,087	65,600	67,200	68,700	70,300
Fred Hesse Jr. Park	(b)	0	0	0	0	0	165,893	170,900	175,200	179,400	183,900
Ladera Linda Community Center	(b)	0	0	0	0	0	64,153	66,500	68,300	70,100	72,000
Robert E. Ryan Park	(b)	0	0	0	0	0	92,609	95,400	97,800	100,100	102,600
Other Recreation Facilities	(b)	0	0	0	0	0	53,934	55,700	57,100	58,500	60,000
REACH	(b)	43,410	39,100	34,121	4,979	42,200	40,190	41,100	42,100	43,100	44,100
Recreation Support Services (Reception & Other)	(b)	0	0	0	0	49,500	68,845	70,900	72,700	74,500	76,400
<b>SUBTOTAL RECREATION &amp; PARKS</b>		<b>1,536,790</b>	<b>1,634,875</b>	<b>1,573,114</b>	<b>61,761</b>	<b>1,974,750</b>	<b>2,004,531</b>	<b>2,071,600</b>	<b>2,125,200</b>	<b>2,178,100</b>	<b>2,234,400</b>
<b>NON-DEPARTMENTAL</b>		<b>0</b>	<b>0</b>	<b>35,000</b>	<b>(35,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL GENERAL FUND EXPENDITURES</b>		<b>17,600,916</b>	<b>19,112,263</b>	<b>18,139,185</b>	<b>973,078</b>	<b>21,296,898</b>	<b>21,083,492</b>	<b>21,103,100</b>	<b>22,079,483</b>	<b>22,384,300</b>	<b>23,225,900</b>
<b>GENERAL FUND NET BEFORE TRANSFERS</b>		<b>7,931,036</b>	<b>6,572,698</b>	<b>9,690,604</b>	<b>3,117,905</b>	<b>5,890,063</b>	<b>6,798,717</b>	<b>7,665,737</b>	<b>7,656,934</b>	<b>8,160,057</b>	<b>8,169,617</b>

	FACTOR	ACTUAL FY12-13	BUDGET FY13-14	ACTUAL FY13-14	VARIANCE FY13-14	REVISED BUDGET FY14-15	PROPOSED FY15-16	MODEL FY16-17	MODEL FY17-18	MODEL FY18-19	MODEL FY19-20
<b>PAGE 5</b>											
<u>GENERAL FUND TRANSFER DETAIL</u>											
GENERAL FUND TRANSFERS IN:											
From Measure A Maint		82,000	105,000	67,441	(37,559)	289,855	105,000	105,000	105,000	0	0
From Public Safety Grants fund		100,000	100,000	100,000	0	100,000	100,000	100,000	100,000	100,000	100,000
From Waste Reduction		12,000	5,000	0	(5,000)	3,000	3,000	3,000	3,000	3,000	3,000
From Employee Benefits		0	0	0	0	0	0	0	0	0	0
Total General Fund Transfers In		194,000	210,000	167,441	(42,559)	392,855	208,000	208,000	208,000	103,000	103,000
GENERAL FUND TRANSFERS OUT:											
To CIP fund		4,975,256	6,221,311	6,522,697	(301,386)	5,873,884	5,026,400	5,142,000	5,265,400	5,386,500	5,515,800
To CIP fund for Residential Street Rehab		1,575,000	1,873,414	1,873,414	0	2,229,400	1,862,000	1,925,800	1,925,800	1,925,800	1,925,800
To Street Maintenance Fund	(b)	0	0	0	0	0	0	525,000	538,000	550,000	563,000
To CDBG		9,302	0	0	0	0	0	0	0	0	0
To Improvement Authority Portuguese Bend	(b)	106,000	70,000	70,000	0	40,000	57,000	58,000	59,000	60,000	61,000
To Improvement Authority Abalone Cove	(b)	0	20,000	20,000	0	35,000	37,000	38,000	39,000	40,000	41,000
To Abalone Cove Sewer District	(b)	10,700	50,700	50,700	0	50,700	80,700	83,000	85,000	87,000	89,000
To Habitat Restoration	(b)	90,000	150,000	150,000	0	157,000	125,000	128,000	131,000	134,000	137,000
To Subregion 1 Maintenance Fund	(b)	65,000	61,000	61,000	0	46,000	40,000	41,000	42,000	43,000	44,000
Total General Fund Transfers Out		6,831,258	8,446,425	8,747,811	(301,386)	8,431,984	7,228,100	7,940,800	8,085,200	8,226,300	8,376,600
Net Activity		1,293,778	(1,663,727)	1,110,234	2,773,960	(2,149,066)	(221,383)	(67,063)	(220,266)	36,757	(103,983)

	FACTOR	ACTUAL FY12-13	BUDGET FY13-14	ACTUAL FY13-14	VARIANCE FY13-14	REVISED BUDGET FY14-15	PROPOSED FY15-16	MODEL FY16-17	MODEL FY17-18	MODEL FY18-19	MODEL FY19-20
<b>PAGE 6</b>											
<b>GENERAL FUND SUMMARY</b>											
Beginning Fund Balance		19,957,249	14,508,251	14,508,251	0	15,618,485	13,469,419	13,248,036	13,180,973	12,960,707	12,997,465
Plus: Revenues		25,531,952	25,684,961	27,829,789	2,144,828	27,186,961	27,882,209	28,768,837	29,736,417	30,544,357	31,395,517
Less: Expenditures		(17,600,916)	(19,112,263)	(18,139,185)	973,078	(21,296,898)	(21,083,492)	(21,103,100)	(22,079,483)	(22,384,300)	(23,225,900)
Plus: Transfers In		194,000	210,000	167,441	(42,559)	392,855	208,000	208,000	208,000	103,000	103,000
Less: Transfers Out		(6,831,258)	(8,446,425)	(8,747,811)	(301,386)	(8,431,984)	(7,228,100)	(7,940,800)	(8,085,200)	(8,226,300)	(8,376,600)
Extraordinary Item		(6,742,776)	0	0	0						
Ending Fund Balance		14,508,251	12,844,524	15,618,485	2,773,960	13,469,419	13,248,036	13,180,973	12,960,707	12,997,465	12,893,482
Less Non-Spendable, Restricted, Committed & Assigned:											
Long-Term Advance to RDA (Principal Only)		0	0	0	0	0	0	0	0	0	0
Continuing Appropriations		401,989	0	1,042,056	(1,042,056)	0	0	0	0	0	0
Inventory & Other		137,994	737,203	737,203	0	737,203	737,203	737,203	737,203	737,203	737,203
Unassigned Fund Balance (Available for Spending)		13,968,268	12,107,321	13,839,226	1,731,904	12,732,216	12,510,833	12,443,770	12,223,504	12,260,262	12,156,279
Policy Reserve Threshold (50% of Expenditures)		8,800,458	9,556,132	9,069,593	(486,539)	10,648,449	10,541,746	10,551,550	11,039,742	11,192,150	11,612,950
Excess/(Deficient) General Fund Reserves		5,167,810	2,551,190	4,769,634	2,218,443	2,083,767	1,969,087	1,892,220	1,183,763	1,068,112	543,329

	FACTOR	ACTUAL FY12-13	BUDGET FY13-14	ACTUAL FY13-14	VARIANCE FY13-14	REVISED BUDGET FY14-15	PROPOSED FY15-16	MODEL FY16-17	MODEL FY17-18	MODEL FY18-19	MODEL FY19-20
<b>PAGE 8</b>											
<b>CIP FUND DETAIL (Fund-330)</b>											
Revenues											
Capital Grants & Contributions		138,678	5,701,627	1,691,697	(4,009,930)	3,238,785	450,270	1,985,000	710,000	0	0
Interest earnings	(h)	44,678	20,400	25,415	5,015	16,700	102,300	372,600	612,700	682,700	558,000
<b>Total CIP Fund Revenue</b>		<b>183,356</b>	<b>5,722,027</b>	<b>1,717,112</b>	<b>(4,004,915)</b>	<b>3,255,485</b>	<b>552,570</b>	<b>2,357,600</b>	<b>1,322,700</b>	<b>682,700</b>	<b>558,000</b>
Expenditures											
<b>Total CIP Fund Expenditures (see Exhibit C)</b>		<b>2,511,671</b>	<b>5,412,562</b>	<b>4,113,027</b>	<b>1,299,535</b>	<b>22,683,025</b>	<b>2,595,300</b>	<b>8,359,000</b>	<b>7,860,000</b>	<b>11,165,000</b>	<b>4,982,000</b>
<b>CIP FUND NET BEFORE TRANSFERS</b>		<b>(2,328,315)</b>	<b>309,465</b>	<b>(2,395,915)</b>	<b>(2,705,380)</b>	<b>(19,427,540)</b>	<b>(2,042,730)</b>	<b>(6,001,400)</b>	<b>(6,537,300)</b>	<b>(10,482,300)</b>	<b>(4,424,000)</b>
Transfers In											
From General fund		4,975,256	6,221,311	6,522,697	301,386	5,873,884	5,026,400	5,142,000	5,265,400	5,386,500	5,515,800
From General fund for Residential Street Rehab		1,575,000	1,873,414	1,873,414	0	2,229,400	1,862,000	1,925,800	1,925,800	1,925,800	1,925,800
From Water Quality Flood Protection		0	362,360	0	(362,360)	362,360	0	0	0	0	0
From Waste Reduction fund		0	0	0	0	0	0	0	0	0	0
From Measure R fund for Arterial Street Rehab		0	564,000	0	(564,000)	1,564,000	0	0	1,600,000	0	1,200,000
From Measure A Capital/Maintenance fund		150,000	0	0	0	0	0	0	0	0	0
From Proposition C fund for Arterial Street Rehab		78,208	1,298,719	350,184	(948,535)	1,191,743	0	200,000	200,000	200,000	200,000
From Proposition A fund for Arterial Street Rehab		0	412,000	0	(412,000)	460,000	0	0	100,000	0	100,000
From Bikeways fund for Residential Street Rehab		1,536	95,257	95,257	0	0	82,000	0	0	0	82,000
From Quimby fund		0	993,000	0	(993,000)	50,000	150,000	0	0	0	0
From EET fund for ADA Projects		0	350,000	0	(350,000)	450,000	200,000	0	0	0	0
From Donor Restricted Contributions fund		0	0	0	0	0	455,000	0	0	0	0
From Beautification fund		0	473,690	0	(473,690)	473,690	0	0	0	0	0
From Building Replacement Fund		0	0	0	0	944,709	0	0	0	0	0
<b>Total Transfers In</b>		<b>6,780,000</b>	<b>12,643,751</b>	<b>8,841,552</b>	<b>(3,802,199)</b>	<b>13,599,786</b>	<b>7,693,400</b>	<b>7,349,800</b>	<b>9,091,200</b>	<b>7,512,300</b>	<b>9,023,600</b>
Transfers Out to WQFP for subsidy	(b)	8,293,009	0	0	0	820,000	0	500,000	512,000	523,800	536,400
<b>Total Transfers Out</b>		<b>8,293,009</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>820,000</b>	<b>0</b>	<b>500,000</b>	<b>512,000</b>	<b>523,800</b>	<b>536,400</b>
<b>CIP FUND SUMMARY</b>											
Beginning Fund Balance		15,406,941	11,565,617	11,565,617	0	18,011,254	11,363,500	17,014,170	17,862,570	19,904,470	16,410,670
Plus: Revenues		183,356	5,722,027	1,717,112	(4,004,915)	3,255,485	552,570	2,357,600	1,322,700	682,700	558,000
Less: Expenditures		(2,511,671)	(5,412,562)	(4,113,027)	1,299,535	(22,683,025)	(2,595,300)	(8,359,000)	(7,860,000)	(11,165,000)	(4,982,000)
Plus: Transfers In		6,780,000	12,643,751	8,841,552	(3,802,199)	13,599,786	7,693,400	7,349,800	9,091,200	7,512,300	9,023,600
Less: Transfers Out		(8,293,009)	0	0	0	(820,000)	0	(500,000)	(512,000)	(523,800)	(536,400)
<b>Fund Balance</b>		<b>11,565,617</b>	<b>24,518,833</b>	<b>18,011,254</b>	<b>(6,507,579)</b>	<b>11,363,500</b>	<b>17,014,170</b>	<b>17,862,570</b>	<b>19,904,470</b>	<b>16,410,670</b>	<b>20,473,870</b>
Minimum Emergency Projects Reserve		3,000,000		3,000,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
<b>Excess Reserve for Future Projects</b>		<b>8,565,617</b>		<b>15,011,254</b>		<b>8,363,500</b>	<b>14,014,170</b>	<b>14,862,570</b>	<b>16,904,470</b>	<b>13,410,670</b>	<b>17,473,870</b>

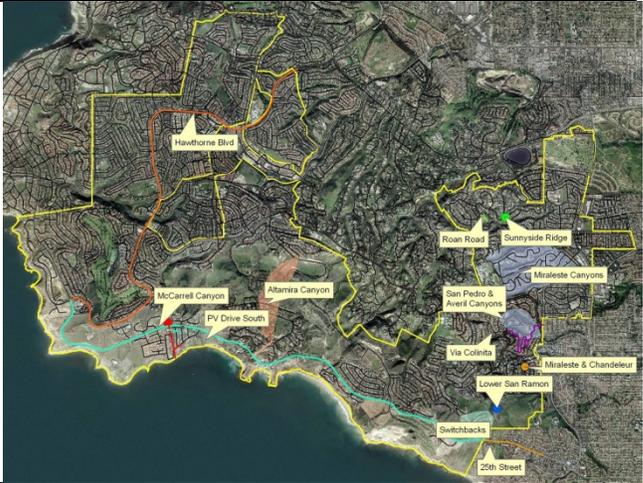
	FACTOR	ACTUAL FY12-13	BUDGET FY13-14	ACTUAL FY13-14	VARIANCE FY13-14	REVISED BUDGET FY14-15	PROPOSED FY15-16	MODEL FY16-17	MODEL FY17-18	MODEL FY18-19	MODEL FY19-20
<b>PAGE 34</b>											
<b>WATER QUALITY &amp; FLOOD PROTECTION (Fund-501)</b>											
Revenues											
State Grants		2,136,775	0	6,114,956	6,114,956	1,387,967	0	0	0	0	0
Storm Drain User Fee	(a)	1,312,989	1,329,000	1,360,907	31,907	1,355,600	1,384,096	0	0	0	0
Interest earnings	(h)	9,762	1,500	10,982	9,482	600	7,800	15,100	18,400	13,500	8,700
Total Revenue		3,459,526	1,330,500	7,486,845	6,156,345	2,744,167	1,391,896	15,100	18,400	13,500	8,700
Total Expenses		594,183	12,461,636	658,431	4,949,256	7,655,282	1,566,116	669,102	672,998	674,977	797,076
WQFP FUND NET BEFORE TRANSFERS		2,865,343	(11,131,136)	6,828,414	11,105,601	(4,911,115)	(174,220)	(654,002)	(654,598)	(661,477)	(788,376)
Fund Transfer In											
From CIP Fund		8,293,009	0	0	0	820,000	0	500,000	512,000	523,800	536,400
Total Transfer In		8,293,009	0	0	0	820,000	0	500,000	512,000	523,800	536,400
Fund Transfer Out - to CIP Fund		0	362,360	0	362,360	362,360	0	0	0	0	0
Total Transfer Out		0	362,360	0	362,360	362,360	0	0	0	0	0
<b>WQFP NET ASSET SUMMARY:</b>											
Beginning Unrestricted Net Position		3,531,615	9,727,246	9,727,246	0	5,317,323	863,848	689,628	535,626	393,028	255,351
Plus: Revenues		3,459,526	1,330,500	7,486,845	6,156,345	2,744,167	1,391,896	15,100	18,400	13,500	8,700
Less: Expenses		(594,183)	(12,461,636)	(658,431)	11,803,205	(7,655,282)	(1,566,116)	(669,102)	(672,998)	(674,977)	(797,076)
Plus: Transfer In		8,293,009	0	0	0	820,000	0	500,000	512,000	523,800	536,400
Less: Transfers Out		0	(362,360)	0	362,360	(362,360)	0	0	0	0	0
Net (Increase)/Decrease in Capital Assets		(4,962,721)	0	(11,238,337)	0	0	0	0	0	0	0
Unrestricted Net Position		9,727,246	(1,766,250)	5,317,323	18,321,910	863,848	689,628	535,626	393,028	255,351	3,375

## STORM WATER SYSTEM

The 2004 Update to the 1998 Master Plan of Drainage identified 38 potential projects, excluding storm drain lining, that staff would need to address in the City's storm drain system. Staff has addressed all or portions of these projects and has added other projects to the lists. A new Master Plan of Drainage was commissioned to provide a comprehensive and current analysis of the drainage needs in the City in consideration of the work already done and new engineering standards promulgated by the LA County Flood Control District. The new Master Plan will be finalized in 2015. Staff expects the new Master Plan will identify additional projects to correct pipes with deficient capacity, poor physical condition, or both.

Staff has also conducted a thorough video inspection of the entire City-owned pipe inventory and has compiled the results for analysis. This will lead to identifying lining needs for the coming years. While it is not clear yet which pipes will be programmed for lining first, the need is clear. The following table depicts the overall observations made of the City-owned pipes. About 23% of the City's pipes (about 26,800 linear feet) have a condition rating of 3 or worse. Of this amount, about 18,300 linear feet are corrugated metal pipes (CMP) and would rank at highest priority for lining. In time, all CMP should be lined and reinforced concrete pipe (RCP) with condition defects will need to be addressed on an individual basis to determine if lining will resolve the issues.

<b>Storm Drain Video Inspection Summary</b>				
<b>Level Number</b>	<b>Condition</b>	<b>Linear Feet Inspected</b>	<b>% of Total</b>	<b>% CMP % RCP</b>
Level 0	Good	77,997	67%	15% CMP 85% RCP
Level 1	Light/minor defect	7,631	7%	30% CMP 70% RCP
Level 2	Moderate defect	4,059	3%	35% CMP 65% RCP
Level 3	Average defect	7,360	6%	40% CMP 60% RCP
Level 4	Heavy defect	6,966	6%	60% CMP 40% RCP
Level 5	Severe defect	12,475	11%	90% CMP 10% RCP
<b>Total Linear Footage</b>		<b>116,488</b>	<b>100%</b>	

<b>PROJECT:</b>	<b>STORM DRAIN LINING</b>				
<b>TYPE:</b>	Storm Drain System				
<b>LOCATION:</b>	Project Area 12				
<b>DEPARTMENT:</b>	Public Works				
<b>DESCRIPTION:</b>	All Corrugated Metal Pipe storm drain lines within the City have reached their design life expectancy and need to be lined to extend their life another 30+ years. CMP dating back to the 1940s has been discovered and requires rehabilitation, along with those most recently installed in the 1970s. A large number of drainage problems citywide can be overcome by relining deteriorated pipes and improving inlet and outlet structures.				
<b>PROJECT COST ESTIMATES (IF KNOWN)</b>					
<b>CATEGORY</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
ACQUISITION					
ENGINEERING/DESIGN					
CONSTRUCTION	\$340,836	\$347,653	\$350,000	\$350,000	\$350,000
PROJECT MANAGEMENT/OVERSIGHT					
LEGAL					
<b>TOTAL</b>	<b>\$340,836</b>	<b>\$347,653</b>	<b>\$350,000</b>	<b>\$350,000</b>	<b>\$350,000</b>
<b>IMPACT ON OPERATING BUDGET</b>					
Funding and/or Grant Information: WQFP user fees through FY15-16 and the CIP Reserve funds (General Fund money) thereafter. Ongoing maintenance costs should decrease, as pipes which have been lined generally require less maintenance, resulting in a cost savings. Because the Storm Drain User Fee sunsets in FY15-16, lining projects will compete with other infrastructure rehabilitation projects for funding from the CIP Reserve in the future.					
<b>JUSTIFICATION FOR INCLUSION ON 5 YEAR CIP</b>					
SAFETY	X	ECONOMY AND EFFICIENCY			
SUPPORTS ESSENTIAL CITY SERVICES	X	OUTSIDE FUNDING COMMITTED/ELIGIBLE			
SUPPORTS CITY COUNCIL GOALS	X	COMMUNITY QUALITY/SUSTAINABILITY			X
<b>OTHER PROJECT INFORMATION:</b>					
<b>LOCATION PHOTO</b>			<b>MAP</b>		
					

<b>PROJECT:</b>	<b>PAINTBRUSH CANYON DRAINAGE PROJECT STUDY REPORT</b>				
<b>TYPE:</b>	Storm Drain System				
<b>LOCATION:</b>	Project Area 11				
<b>DEPARTMENT:</b>	Public Works				
<b>DESCRIPTION:</b>	The Project Study Report is expected to include: 1) a study of the drainage area; 2) a study of the drainage needs; 3) multiple design alternatives; 4) identification of environmental requirements; 5) identification of right-of-way needs; and 6) a recommended scope for development of an engineering design leading to construction of drainage improvements. Any improvements to drainage in Paintbrush Canyon will be complex due to right-of-way and landslide issues.				
<b>PROJECT COST ESTIMATES (IF KNOWN)</b>					
<b>CATEGORY</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
ACQUISITION					
ENGINEERING/DESIGN					\$120,000
CONSTRUCTION					
PROJECT MANAGEMENT/OVERSIGHT					
LEGAL					
<b>TOTAL</b>					<b>\$120,000</b>
<b>IMPACT ON OPERATING BUDGET</b>					
Funding Information: WQFP user fees and CIP Reserve funds (General Fund money).					
<b>JUSTIFICATION FOR INCLUSION ON 5 YEAR CIP</b>					
SAFETY	X	ECONOMY AND EFFICIENCY			
SUPPORTS ESSENTIAL CITY SERVICES	X	OUTSIDE FUNDING COMMITTED/ELIGIBLE			
SUPPORTS CITY COUNCIL GOALS	X	COMMUNITY QUALITY/SUSTAINABILITY			X
<b>OTHER PROJECT INFORMATION:</b>					
Preventing runoff water from entering the landslide has been shown to directly affect land movement in landslide areas. This project is expected to help slow movement within the Portuguese Bend landslide, eventually affecting the land movement on Palos Verdes Drive South.					
					

<b>PROJECT:</b>	<b>STORM DRAIN POINT REPAIR PROJECTS</b>				
<b>TYPE:</b>	Storm Drain System				
<b>LOCATION:</b>	Citywide				
<b>DEPARTMENT:</b>	Public Works				
<b>DESCRIPTION:</b>	During the 2012 Storm Drain Lining and Rehabilitation Project, several pipes were unable to be lined due to local structural failure of the pipes. This project will provide funds to correct the deficient locations in these pipes to prepare them for lining in the future.				
<b>PROJECT COST ESTIMATES (IF KNOWN)</b>					
<b>CATEGORY</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
ACQUISITION					
ENGINEERING/DESIGN					
CONSTRUCTION	\$900,000				
PROJECT MANAGEMENT/OVERSIGHT					
LEGAL					
<b>TOTAL</b>	<b>\$900,000</b>				
<b>IMPACT ON OPERATING BUDGET</b>					
Funding Information: WQFP user fees.					
<b>JUSTIFICATION FOR INCLUSION ON 5 YEAR CIP</b>					
SAFETY	X	ECONOMY AND EFFICIENCY			
SUPPORTS ESSENTIAL CITY SERVICES	X	OUTSIDE FUNDING COMMITTED/ELIGIBLE			
SUPPORTS CITY COUNCIL GOALS	X	COMMUNITY QUALITY/SUSTAINABILITY			X
<b>OTHER PROJECT INFORMATION:</b>					
Many of these point repairs are difficult to access and may require acquisition of temporary or permanent access easements to address current and future maintenance needs. Locations include Santa Rena pipe inlet, Enrose Avenue CMP, Via Colinita north of Maine, Vista Mesa, and PVDE at Marion Drive.					
<b>LOCATION PHOTO</b>			<b>MAP</b>		
					

**STORM WATER SYSTEM  
UNFUNDED PROJECTS**

<b>PROJECT:</b>	<b>ALTAMIRA CANYON</b>				
<b>TYPE:</b>	Storm Drain System				
<b>LOCATION:</b>	Project Area 4				
<b>DEPARTMENT:</b>	Public Works				
<b>DESCRIPTION:</b>	<p>A project within lower Altamira Canyon to aid in slowing the damage being caused by storm water runoff through the entire reach of the Canyon is needed. The installation of Gabion-type erosion control structures within lower Altamira Canyon are needed to help control runoff velocities and minimize erosion within the canyon.</p> <p>This project includes the installation of protective measures to minimize further erosion in Altamira Canyon. This project could range from stabilization at bends in stream beds, with limited velocity controls, to channel stabilization.</p>				
<b>PROJECT COST ESTIMATES (IF KNOWN)</b>					
<b>CATEGORY</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
ACQUISITION					
ENGINEERING/DESIGN					
CONSTRUCTION					
PROJECT MANAGEMENT/OVERSIGHT					
LEGAL					
<b>TOTAL</b>					
<b>IMPACT ON OPERATING BUDGET</b>					
To be assessed.					
<b>JUSTIFICATION FOR INCLUSION ON 5 YEAR CIP</b>					
SAFETY	X	ECONOMY AND EFFICIENCY			
SUPPORTS ESSENTIAL CITY SERVICES	X	OUTSIDE FUNDING COMMITTED/ELIGIBLE			
SUPPORTS CITY COUNCIL GOALS	X	COMMUNITY QUALITY/SUSTAINABILITY			X
<b>OTHER PROJECT INFORMATION:</b>					
<p>Note: The Altamira Canyon project has been studied and analyzed over the past decades; however the need to minimize runoff from entering the ground in Altamira Canyon still remains. A project study report has been funded for FY14-15.</p> <p>This estimate does not include right-of-way costs. A previously designed and funded project was abandoned due to right-of-way issues and owners lack of support.</p> <p><b>Estimated Cost: \$1,600,000 - \$5,350,000</b></p>					

<b>PROJECT:</b>	<b>PAINTBRUSH CANYON DRAINAGE</b>				
<b>TYPE:</b>	Storm Drain System				
<b>LOCATION:</b>	Portuguese Bend				
<b>DEPARTMENT:</b>	Public Works				
<b>DESCRIPTION:</b>	The Paintbrush Canyon Drainage System project will capture runoff at the head of the Portuguese Bend landslide in three locations, transfer that runoff via surface-mounted High Density Polyethylene (HDPE) pipe under Palos Verdes Drive South, (through an existing steel tunnel), and continue the flow along the existing storm drain pipe alignment to the ocean.				
<b>PROJECT COST ESTIMATES (IF KNOWN)</b>					
<b>CATEGORY</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
ACQUISITION					
ENGINEERING/DESIGN					
CONSTRUCTION					
PROJECT MANAGEMENT/OVERSIGHT					
LEGAL					
<b>TOTAL</b>					
<b>IMPACT ON OPERATING BUDGET</b>					
TBD					
<b>JUSTIFICATION FOR INCLUSION ON 5 YEAR CIP</b>					
SAFETY	X	ECONOMY AND EFFICIENCY			
SUPPORTS ESSENTIAL CITY SERVICES	X	OUTSIDE FUNDING COMMITTED/ELIGIBLE			
SUPPORTS CITY COUNCIL GOALS	X	COMMUNITY QUALITY/SUSTAINABILITY			X
<b>OTHER PROJECT INFORMATION:</b>					
Preventing runoff water from entering the landslide has been shown to directly affect land movement in landslide areas. This project is expected to help slow movement within the Portuguese Bend landslide, eventually affecting the land movement at Palos Verdes Drive South. A project study report has been proposed for FY19-20.					
<b>Estimated Cost: \$2,568,000</b>					

<b>PROJECT:</b>	<b>PVDE- MIRALESTE CANYON</b>				
<b>TYPE:</b>	Storm Drain System				
<b>LOCATION:</b>	Project Area 5				
<b>DEPARTMENT:</b>	Public Works				
<b>DESCRIPTION:</b>	Work within this project area includes storm drainage systems along Palos Verdes Drive East at the northern end of PVDE, South Coach, Rocking Horse, Clevis, North Colt, South Colt, Via Canada, and South Via Canada. This project includes the installation of a number of pipelines and re-setting surface drainage systems to drain into Miraleste Canyon.				
<b>PROJECT COST ESTIMATES (IF KNOWN)</b>					
<b>CATEGORY</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
ACQUISITION					
ENGINEERING/DESIGN					
CONSTRUCTION					
PROJECT MANAGEMENT/OVERSIGHT					
LEGAL					
<b>TOTAL</b>					
<b>IMPACT ON OPERATING BUDGET</b>					
TBD					
<b>JUSTIFICATION FOR INCLUSION ON 5 YEAR CIP</b>					
SAFETY	X	ECONOMY AND EFFICIENCY			
SUPPORTS ESSENTIAL CITY SERVICES	X	OUTSIDE FUNDING COMMITTED/ELIGIBLE			
SUPPORTS CITY COUNCIL GOALS	X	COMMUNITY QUALITY/SUSTAINABILITY			X
<b>OTHER PROJECT INFORMATION:</b>					
Estimated Cost: \$2,500,000 - \$3,200,000					

<b>PROJECT:</b>	<b>SAN PEDRO &amp; AVERILL CANYONS</b>				
<b>TYPE:</b>	Storm Drain Systems				
<b>LOCATION:</b>	Project Area 6				
<b>DEPARTMENT:</b>	Public Works				
<b>DESCRIPTION:</b>	Work within this project area would include storm drainage systems at Miraleste, South Miraleste, North Corsini, Via Colinita, La Vista, Vista Mesa, and a curb and gutter project on Via Frascati. This project would include the installation of a number of pipelines and regrading of roads and surface drainage systems to drain into the San Pedro and Averill Canyons. A project at Miraleste Plaza has been completed.				
<b>PROJECT COST ESTIMATES (IF KNOWN)</b>					
<b>CATEGORY</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
ACQUISITION					
ENGINEERING/DESIGN					
CONSTRUCTION					
PROJECT MANAGEMENT/OVERSIGHT					
LEGAL					
TOTAL					
<b>IMPACT ON OPERATING BUDGET</b>					
TBD					
<b>JUSTIFICATION FOR INCLUSION ON 5 YEAR CIP</b>					
SAFETY	X	ECONOMY AND EFFICIENCY			
SUPPORTS ESSENTIAL CITY SERVICES	X	OUTSIDE FUNDING COMMITTED/ELIGIBLE			
SUPPORTS CITY COUNCIL GOALS	X	COMMUNITY QUALITY/SUSTAINABILITY			X
<b>OTHER PROJECT INFORMATION:</b>					
Estimated Cost: \$2,700,000 - \$3,300,000					

<b>PROJECT:</b>	<b>CATCH BASIN SCREEN INSTALLATION</b>				
<b>TYPE:</b>	Storm Drain System				
<b>LOCATION:</b>	Citywide				
<b>DEPARTMENT:</b>	Public Works				
<b>DESCRIPTION:</b>	In order to comply with certain water quality regulations imposed by the Regional Water Control Board, the City will need to install catch basin screens to prevent trash and debris from entering the Santa Monica Bay and LA Harbor. It is not clear yet how many of the City's catch basins will require the retrofit or how intense the implementation scheme will be.				
<b>PROJECT COST ESTIMATES (IF KNOWN)</b>					
<b>CATEGORY</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
ACQUISITION					
ENGINEERING/DESIGN					
CONSTRUCTION					
PROJECT MANAGEMENT/OVERSIGHT					
LEGAL					
<b>TOTAL</b>					
<b>IMPACT ON OPERATING BUDGET</b>					
Funding Information: WQFP (Storm Drain User Fee) Fund and CIP Reserve funds (General Fund money).					
<b>JUSTIFICATION FOR INCLUSION ON 5 YEAR CIP</b>					
SAFETY	X	ECONOMY AND EFFICIENCY			
SUPPORTS ESSENTIAL CITY SERVICES	X	OUTSIDE FUNDING COMMITTED/ELIGIBLE			
SUPPORTS CITY COUNCIL GOALS	X	COMMUNITY QUALITY/SUSTAINABILITY			X
<b>OTHER PROJECT INFORMATION:</b>					
The City has installed these screens in about 100 catch basins (for the Machado Lake watershed) at a recent cost of about \$700 each (not including permitting). There are up to 1,200 catch basins remaining that may require this retrofit. <b>Estimate cost: \$600,000 - \$900,000.</b>					
					

## RPV Capital Improvement Plan - Unfunded Projects

Project	Page	Potential Funding	Safety Goal	City Council Priority	Cost Range	
					Minimum	Maximum
<b>Palos Verdes Drive South Landslide</b>						
Landslide Early Warning System	52				300,000	300,000
<b>Park Sites</b>						
Restroom at Del Cerro Park	54				250,000	300,000
Lower Point Vicente Park Improvement Project	55			X	2,400,000	2,400,000
Civic Center Skate Plaza	56	X			650,000	750,000
Coast Vision Plan - Trailhead/Overlook/Vista Point Development	57			X	800,000	1,040,000
Concrete Stairs at Ladera Linda & Hesse	58				140,000	180,000
<b>Public Buildings</b>						
Citywide ADA Transition Plan Implementation	60	X	X		4,520,000	4,520,000
Point Vicente Park Community Center	61	X			3,000,000	8,000,000
Corporation Storage Yard Relocation	62				300,000	300,000
<b>Right of Way</b>						
Hawthorne Blvd. Median Improvements (Via Rivera to City Hall)	64				250,000	250,000
Lower Point Vicente Park Access Modification Project (PVDW at PVIC)	65	X	X	X	250,000	300,000
Crenshaw Blvd Extension Parking Improvements	66		X		125,000	150,000
Hawthorne Blvd. Right of Way Beautification	67			X	2,200,000	2,600,000
Hawthorne Blvd. Bike Lane Gap Closure	68	X	X		1,200,000	1,500,000
Traffic Safety Improvements - PVDE at Miraleste Drive	69	X	X	X	200,000	300,000
Utility Undergrounding Crenshaw	70	X	X		1,200,000	2,000,000
Utility Undergrounding at 25th Street	71	X	X		1,000,000	1,100,000
Utility Undergrounding at Entrance to PVIC	72	X	X		150,000	200,000
Utility Undergrounding at PVDS and Terranea Way	73	X	X		150,000	200,000
<b>Trails</b>						
Preserve Trail Plan - New Trail Implementation	81	X		X	150,000	150,000
California Coastal Trail Improvements	82			X	223,000	223,000
<b>Totals (Min. and Max.)</b>					<b>\$ 19,458,000</b>	<b>\$ 26,763,000</b>





# Annual Report

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for the

## Water Quality and Flood Protection Program Storm Drain User Fee

FY 2015-16

For the

## City of Rancho Palos Verdes Los Angeles County, California

May 11, 2015

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FY 2015-16 Annual Report  
City of Rancho Palos Verdes  
Storm Drain User Fee

The undersigned respectfully submits the enclosed report as directed by the City Council.

DATED: May 11, 2015



\_\_\_\_\_  
BY: K. Dennis Klingelhofer  
R.C.E. No. 50255

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll thereto attached, was filed with me on the \_\_\_\_ day of \_\_\_\_\_, 2015.

Carla Morreale, City Clerk,  
City of Rancho Palos Verdes  
Los Angeles County, California

By \_\_\_\_\_

I HEREBY CERTIFY that the enclosed Engineer's Report, together with Assessment Roll thereto attached was finally adopted and confirmed by the City Council of the City of Rancho Palos Verdes, California, on the \_\_\_\_ day of \_\_\_\_\_, 2015.

Carla Morreale, City Clerk,  
City of Rancho Palos Verdes  
Los Angeles County, California

By \_\_\_\_\_

## INTRODUCTION

To insure a flow of funds for the Water Quality and Flood Protection Program, the City of Rancho Palos Verdes established a user fee in September 2005. This Fee ensures a fair and equitable levying of the costs of the Water Quality and Flood Protection Program.

Pursuant to Section 3.44.40 of the City's Municipal Code, at a public hearing, the City Council will consider whether to collect the Storm Drain User Fee for Fiscal Year 2015-16 (July 1, 2015 through June 30, 2016), and, if so, establish the rate per Equivalent Residential Unit for Fiscal Year 2015-16. In making its determinations, the City Council will take into account the current and projected revenues of the City for Fiscal Year 2015-16, including but not limited to, property taxes, sales taxes and transient occupancy taxes; the current and projected expenditures of the City for Fiscal Year 2015-16, including, but not limited to, proposed expenditures in connection with the City's storm drain system; the balance, if any, in the Water Quality and Flood Protection Program Enterprise Fund; and the current and projected General Fund reserves. In addition, the City Council will consider any report and recommendation submitted by the Oversight Committee established by the City Council in connection with the City's Water Quality and Flood Protection Program.

This report, as signed and presented to the Council for approval, has been prepared according to the methodology and rates approved by the City Council in 2005.

The Storm Drain User Fee is levied under the authority of the California Health and Safety Code Section 5471 et seq. (the "Code"). Payment of the fees for each parcel will be made in the same manner and at the same time as payments are made for property taxes for each property.

This report contains the necessary data required to establish the annual fee rates and is submitted for filing in the office of the City Clerk, where it shall remain open for public inspection.

### COST ESTIMATE

The estimated annual costs to fund the Water Quality and Flood Protection Program are provided below in Table 1.

**Table 1 – Estimated Annual Costs**

	Budget
<b>BEGINNING FUND BALANCE (7/1/15)</b>	\$863,848
<b>ESTIMATED REVENUES</b>	
Annual Fee Levy	\$1,434,984
Interest Earnings	\$600
CIP Transfer	\$0
City Contribution	\$0
	<b>\$1,435,584</b>
<b>ESTIMATED EXPENDITURES</b>	
Storm Drain Master Plan	\$0
Backbone Projects	\$900,000
Pipe Lining	\$340,836
Secondary Projects	\$0
Other Projects	\$0
Miscellaneous Repairs & Maintenance	\$245,544
Filtration Device Installation	\$0
Reserve for Anticipated Additional Costs	
Administration (contract/staff engineer)	\$79,736
	<b>\$1,566,116</b>
<b>ENDING FUND BALANCE (6/30/16)</b>	\$733,316

The ending fund balance constitutes a Reserve for Future Projects.

## ANNUAL FEE RATE CALCULATIONS

By definition, all properties that drain into the City’s storm drain system use the storm drain system. The amount of use attributed to each parcel is measurable by the amount of storm runoff contributed by the property, which is directly proportional to the amount of impervious area on a parcel (such as buildings and concrete). The more impervious area on a property, the more storm runoff the property generates. Vacant, unimproved parcels are still in their natural states and do not contribute any additional runoff to burden the system, therefore these parcels are not charged a storm drain fee.

Table 2 shows the estimated Impervious Percentages for single-family residential (SFR) properties of various size ranges. These Impervious Percentages are the estimated percent impervious cover on a property based on a ten percent data sampling of SFR parcels within the City of Rancho Palos Verdes when the fee was initially adopted.

Because of the variations in condominiums and non-SFR properties, which include multi-family residential, institutional (such as churches and private schools) and government-owned properties, these properties were reviewed individually using the City GIS and Aerial photography to determine the actual Impervious cover for each parcel.

**Table 2 – SFR Impervious Percentages**

Land Use	Impervious Percentage	SFR Size Ranges
SFR1	74.0%	0.01 - 0.16 acres (~1 sf - ~7,012 sf)
SFR2	58.0%	0.161 - 0.20 acres (~7,013 sf - ~8,755 sf)
SFR3	48.5%	0.201 - 0.28 acres (~8,756 sf - ~12,239 sf)
SFR4	41.0%	0.281 - 0.54 acres (~12,240 sf - ~23,565 sf)
SFR5	34.5%	0.541 - 2.99** acres (~23,566 sf - ~130,680 sf)
SFR6	n/a*	3.0 acres and greater

\* the actual impervious percentage is used for each parcel.

\*\* the actual impervious percentage is used for SFR5 over 3/4 AC if less than originally noticed.

The amount each parcel uses the storm drain system is computed by the following formula:

$$(\text{Parcel Area}) \times (\text{Impervious Percentage}) = \text{Drainage Units}$$

The more Drainage Units a parcel has, the more storm run-off it generates, and the more it uses the storm drain system.

It is often convenient to relate other land uses to a developed single family home, instead of working exclusively with Drainage Units. Since 85% of the parcels within the City are designated as Single Family Residential (SFR) parcels, and the median number of Drainage Units is 0.118 for all SFR parcels, it makes sense to relate all parcels to this median residential property. Therefore, 0.118 Drainage Units is set equal to one Equivalent Residential Unit (ERU).

Parcels within the City that have runoff flowing out of the City without going through any City-maintained drainage infrastructure are not included in this fee. There are also a number of County-maintained pipes within the City. If properties drain exclusively to these pipes and the pipe system does not include any City-maintained infrastructure, then they are not included in the fee. These areas, which consist of approximately 3,047 parcels, are excluded from the Storm Drain User Fee.

For the purposes of this report, City-maintained infrastructure includes pipes, inlets, outlets, and natural drainage courses, and is also referred to as the “City’s storm drain system.”

**Inventory of Parcels**

Table 3, below, provides a summary of parcels by land use and shows the total estimated Drainage Units and ERUs for the City.

**Table 3 – Drainage Unit Summary Table**

Land Use	Parcels	Acreage	Imperv. Percent	Drainage Units	ERU	Prior Yr Drain Units	Percent Change in Drain Units over Prior Yr	Land Use Description
SFR1	1,114	162.569	74.0%	120.055	1,017.4233	120.056	0.00%	SFR: 0.01 - 0.16 acres (~0 sf - ~7,012 sf)
SFR2	1,899	349.683	58.0%	202.669	1,717.5829	202.768	-0.05%	SFR: 0.161 - 0.20 acres (~7,013 sf - ~8,755 sf)
SFR3	3,097	736.832	48.5%	357.420	3,029.0239	357.307	0.03%	SFR: 0.201 - 0.28 acres (~8,756 sf - ~12,239 sf)
SFR4	2,811	1108.43	41.0%	451.424	3,825.6320	450.244	0.26%	SFR: 0.281 - 0.54 acres (~12,240 sf - ~23,565 sf)
SFR5	952	746.759	34.5%*	214.802	1,820.3560	213.391	0.66%	SFR: 0.541 - 2.99 acres (~23,566 sf - ~130,680 sf)
SFR6	10	49.76	actual*	3.666	31.0677	3.666	0.00%	SFR: 3.0 acres and greater
CNDO	1,846	139.478	actual*	95.727	811.2726	95.727	0.00%	Condominiums
MFR	39	53.69	actual*	41.736	353.6949	41.736	0.00%	Multi-Family Residential
COM	47	144.935	actual*	75.717	641.6693	75.184	0.71%	Commercial
INST	20	114.24	actual*	64.669	548.0422	64.692	-0.04%	Churches, Private Schools, Institutions
GOV	47	490.238	actual*	120.454	1,020.7963	120.454	0.00%	Government-owned parcels
	11,882	4,096.62		1,748.339	14,816.5611	1,745.225	0.18%	

\* the actual impervious percentages have been used for parcels with these landuses which includes SFR5 parcels > .75 AC

The parcel areas for condominiums are calculated by dividing the total area of the condominium complex (which includes the common area) by the number of condominium units, and the total imperviousness of the entire complex is attributed to each individual condo parcel in the complex. (This divides the runoff of the entire complex to each of the individual units.) Because the condominium common areas are taken into consideration in this manner, they are exempt from the charge.

## Annual Fee Rate

Table 4 provides the calculation of the Maximum Annual Fee Rate for FY 2015-16 and shows the actual proposed Fee Rate.

**Table 4 –Annual Fee Rate**

	CPI Increase	CPI Rate	2% Rate	Max. Rate	Actual Rate
Base Year - FY 2006-07				\$86.00	\$86.00
FY 2007-08	3.8%	\$89.27	\$87.72	\$87.72	\$87.72
FY 2008-09	3.3%	\$90.61	\$89.47	\$89.47	\$89.47
FY 2009-10	0.0%	\$89.47	\$91.26	\$89.47	\$89.47
FY 2010-11	1.4%	\$90.72	\$91.26	\$90.72	\$90.72
FY 2011-12	2.3%	\$92.81	\$92.53	\$92.53	\$92.53
FY 2012-13	2.1%	\$94.47	\$94.38	\$94.38	\$92.53
FY 2013-14	2.2%	\$96.46	\$96.27	\$96.27	\$96.27
FY 2014-15	0.5%	\$96.75	\$98.20	\$96.75	\$96.75
<b>FY 2015-16</b>	0.1%	\$96.85	\$98.69	<b>\$96.85</b>	<b>\$96.85</b>

The maximum rate will increase automatically on an annual basis by an amount equal to the annual change in Consumer Price Index for all Urban Consumers (CPI) for the Los Angeles, Riverside, Orange County Areas including all items as published by the U.S. Bureau of Labor Statistics as of March 1 of each year (12 months ended February), not to exceed a maximum increase of two percent (2%) per year.

The actual rate to be levied each year will be as approved by the City Council at a public hearing, after they consider an Annual Fee Report outlining the estimated annual costs of the program.

Table 5 provides sample fee calculations for various land uses and parcel sizes based on the proposed Actual Fee Rate.

**Table 5 – Sample Calculations**

Land Use Designation	Parcel Area (sf)	Parcel Area (ac)	x	Est. Imperv. Percent	=	Drainage Units / 0.118	=	ERU's	FY 15-16 Annual Fee Rate/ERU \$96.85
SFR1	3,500	0.08	x	0.740	=	0.059 / 0.118	=	0.5000	\$48.43
SFR2	7,400	0.17	x	0.580	=	0.099 / 0.118	=	0.8390	\$81.26
SFR2	8,300	0.19	x	0.580	=	0.110 / 0.118	=	0.9322	\$90.28
SFR3	9,200	0.21	x	0.485	=	0.102 / 0.118	=	0.8644	\$83.72
SFR3	10,000	0.23	x	0.485	=	0.112 / 0.118	=	0.9492	\$91.93
SFR3	11,300	0.26	x	0.485	=	0.126 / 0.118	=	1.0678	\$103.42
SFR4	13,500	0.31	x	0.410	=	0.127 / 0.118	=	1.0763	\$104.24
SFR4	17,000	0.39	x	0.410	=	0.160 / 0.118	=	1.3559	\$131.32
SFR4	21,400	0.49	x	0.410	=	0.201 / 0.118	=	1.7034	\$164.97
SFR5	52,300	1.20	x	0.345	=	0.414 / 0.118	=	3.5085	\$339.80
CNDO*	1,307	0.03	x	0.800	=	0.024 / 0.118	=	0.2034	\$19.70
CNDO*	3,049	0.07	x	0.850	=	0.060 / 0.118	=	0.5085	\$49.25
Non-SFR	13,068	0.30	x	0.820	=	0.246 / 0.118	=	2.0847	\$201.90
Non-SFR	13,068	0.30	x	0.700	=	0.210 / 0.118	=	1.7797	\$172.36
Non-SFR	29,185	0.67	x	0.350	=	0.235 / 0.118	=	1.9915	\$192.88
Non-SFR	29,185	0.67	x	0.700	=	0.469 / 0.118	=	3.9746	\$384.94
Non-SFR	71,874	1.65	x	0.650	=	1.073 / 0.118	=	9.0932	\$880.68
Non-SFR	71,874	1.65	x	0.850	=	1.403 / 0.118	=	11.8898	\$1,151.53
Non-SFR	135,907	3.12	x	0.400	=	1.248 / 0.118	=	10.5763	\$1,024.31
Non-SFR	135,907	3.12	x	0.600	=	1.872 / 0.118	=	15.8644	\$1,536.47

0.118 = Drainage Units per median SFR ERU = Equivalent Residential Unit

\* Condominium parcel areas = the area of the entire complex divided by the total number of units in the complex.

The Preliminary Fee Roll, which is a listing of each parcel to be charged a fee and the maximum and actual fee for FY 2015-16, is on file in the office of the City Clerk.

### Appeals Process

If a property owner disagrees with the calculation of his or her fee, based on the parcel area and estimated impervious percentage assigned to the property, then the property owner may appeal the calculation as follows:

1. Property owner must provide written documentation explaining the reason why the charge should be changed. This documentation must include:
  - a. The name, phone number, mailing address, and email address, if available, of the property owner.

- b. The Assessor's Parcel Number (APN) of the property in question.
  - c. To-scale drawings of the property in question and the impervious areas located on it with accompanying calculations. The to-scale drawings shall include the square footage and labels for each impervious area (i.e. house, garage, driveway, patio, tool shed, carport, etc.).
2. If additional documentation is required or insufficient documentation was submitted, a representative of the Public Works Department or his or her designee (Staff) will notify the property owner in writing within two (2) weeks of receipt of the appeal.
  3. Once Staff has determined that sufficient documentation has been submitted, Staff will perform the initial review. Staff will notify the property owner in writing within four (4) weeks from the time sufficient documentation was submitted as to whether or not the fee amount will be changed.
    - a. If the determination is to change the fee amount, then the new fee amount will be documented within the City's fee database.
    - b. If the determination is that the fee should not be changed, the property owner can appeal Staff's decision to the Director of Public Works (Director). The appeal must be made in writing and returned no later than four (4) weeks from the date of mailing of Staff's initial review decision. The Director will notify the property owner in writing within four (4) weeks from the date of receipt of the appeal as to whether or not the fee amount will be changed.

If the Director's determination is that the fee should not be changed, the property owner can appeal this decision to the City Council. The appeal must be made in writing and returned no later than four (4) weeks from the date of mailing of the Director's appeal decision. The City Clerk shall fix a time and place for hearing the appeal and shall give notice in writing to the appellant in the manner prescribed in Section 3.16.090 for service of notice of hearing. The City Council's determination on the appeal shall be final.

Appeals will be accepted annually up until June 30 for inclusion on the following fiscal year's property tax roll submittal. However, if an appeal is granted by Staff, the Director or the City Council that does not permit inclusion for the following fiscal year's property tax roll submittal, a reimbursement will be provided to the property owner by the City.