



Public Works Department
Engineering Division

MEMORANDUM

Date: April 21, 2006
To: Storm Drain Oversight Committee
From: Joe Teresi (x2129)
Senior Engineer
Subject: Response to 4/5/06 Committee Inquiries

At its April 5, 2006 meeting, the Storm Drain Oversight Committee reviewed the preliminary FY 2006-07 Storm Drainage Fund budget. During the review, the committee posed several questions to staff regarding the budget documents. The following are staff's responses to those questions:

- 1. Committee requests a written statement that staff have a high level of confidence that the funds budgeted for the Clara Drive Storm Drain Project (CIP SD-06104) will be adequate to accomplish the intended scope of work.**

Staff has reviewed the budget for the Clara Drive Storm Drain Project (CIP SD-06104) and is confident that there will be adequate funding to complete the project as planned. Shortly before the 2005 storm drain election, the project cost estimate was updated by adjusting it in accordance with the current *Engineering News-Record (ENR)* Construction Cost Index for the San Francisco Bay Area. *Engineering News-Record* is a national trade publication that tracks costs and issues cost indices that reflect current material and labor cost trends. In addition, ample contingencies were placed in the preliminary project budgets to account for unanticipated design and construction conditions. The Clara Drive project is expected to be advertised for construction bids in Spring 2007. Bids for the Gailen/Bibbits Storm Drain Project (CIP SD-06103) and the Storm Drain System Replacement and Rehabilitation Project (CIP SD-06101) to be solicited during summer 2006 will provide valuable information to staff regarding the validity of the project cost estimates.

- 2. Committee requests a detailed list of storm drain system components to be funded in FY 2006-07 for replacement or repair as part of Storm Drain System Replacement and Rehabilitation Project (CIP SD-06101).**

Staff has not yet selected the list of storm drain pipelines to be replaced or repaired as part of the FY 2006-07 project. The pipelines will, however, fall into one of the two following categories: 1) deficient pipeline on a street scheduled for pavement resurfacing in the current or following year, or 2) corrugated metal pipeline. Staff is making a concerted effort to schedule its storm drain repair/replacement projects so as to be

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coordinated with the City's pavement resurfacing program. During the first couple of years, the backlog of storm drain repairs will be completed just prior to the street resurfacing. The ultimate goal is to complete storm drain repairs at least one year prior to the scheduled street resurfacing in order to simplify the coordination process. Recent experience has shown that corrugated metal pipes are in the worst condition throughout the storm drain system. Many of the bottoms of these metal pipes have rusted away due to prolonged contact with storm water, creating a threat of total collapse. Corrugated metal pipes throughout the City have been inventoried and targeted for replacement.

The following pipelines have or will be repaired or replaced as part of the FY 2005-06 Storm Drain System Replacement and Rehabilitation Project:

Completed in coordination with 2005 Street Resurfacing Project:

- a. Stanley Way near Walnut Drive – damaged pipe repaired
- b. Cowper Street between Forest and Homer Avenues – damaged pipe repaired
- c. Ventura Avenue – damaged pipe repaired
- d. Emerson Street between Colorado and El Dorado Avenues – damaged pipe repaired

Completed in coordination with 2005 Sidewalk Replacement Project:

- e. Rosewood Drive – corrugated metal siphon replaced with valley gutter
- f. Marshall Drive at Bruce Drive – corrugated metal siphon replaced with valley gutter
- g. Fielding Drive – corrugated metal siphon replaced with valley gutter

Repairs Planned for this summer in advance of 2006 Street Resurfacing Project:

- h. Porter Drive – damaged pipe to be repaired
- i. University Avenue between West Crescent and Center Drives – damaged pipe to be repaired
- j. Embarcadero Road between Cowper and Tasso Streets – damaged pipe to be repaired
- k. South of Forest Area (SOFA) streets – damaged pipes to be repaired

Repairs coordinated with Sanitary Sewer Rehabilitation Project 18:

- l. Guinda Street between Hamilton and Forest Avenues – corrugated metal pipe (CMP) to be replaced by high density polyethylene (HDPE) pipe via in-situ bursting technique

3. **Committee requests that staff determine whether the proposed Innovative Project (SD-06105) will result in long-term costs to the Storm Drainage Fund for sanitary sewer discharge fees.**

Staff has not yet determined whether or not the Storm Drainage Fund will be charged for discharges of storm water to the sanitary sewer system.

4. **Committee requests that staff research its project cost estimates, compare them with current and projected construction costs, and submit a report to the Committee for review no later than October 2006.**

Staff will submit report to the Committee by October 2006, as requested.

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- 5. Committee requests supplemental information on who (General Fund or Storm Drainage Fund) receives the interest on the Storm Drainage Fees pre-paid to the Storm Drainage Fund by the General Fund.**

The Storm Drainage Fund will not accrue interest income on the General Fund pre-payment made in FY 2006-07. The actual transfer from the General Fund to the Storm Drainage Fund will occur at the end of 2006-07. Therefore, the 2006-07 interest income associated with these funds will accrue to the General Fund, not the Storm Drainage Fund.

- 6. Committee requests information on how the \$60,000 interest income line item in the FY 2006-07 Storm Drainage Fund budget was calculated.**

The interest income budgeted for the Storm Drainage Fund in FY 06-07 is based on two factors: (1) the City's overall projected portfolio yield or interest income earnings, and (2) the anticipated average cash balance of the Storm Drainage Fund in FY 06-07. The anticipated average cash balance is used to determine what portion of the City's projected interest income earnings will accrue to the Storm Drainage Fund. During the year, interest income will be posted monthly based on actual earnings and actual cash balance of this fund.

- 7. Committee requests information on whether the General Fund will need to make supplemental payments to the Storm Drainage Fund if Storm Drainage rates increase by more than the assumed 2% in future years.**

A budget-to-actual adjustment will be made for the General Fund pre-payment at the end of each year to adjust for the difference between the actual expense incurred and the budgeted amount. The Utilities customer billing system will continue to keep track of the amount that would have been billed had the pre-payment not been made. This amount will be compared to the budgeted amount, and an adjustment will be made for the difference.

If you have any questions or need further information regarding the information provided, please contact me at (650) 329-2129.