

2011 ANNUAL REPORT ON THE WQFP PROGRAM MAY 25, 2011

INTRODUCTION

An Oversight Committee was established by the Rancho Palos Verdes City Council in 2007 to annually review project expenditures and plans for the Water Quality and Flood Protection (WQFP) Program and to recommend a User Fee Rate for each fiscal year. The Committee consists of the following members:

Frank Lyon (Chairman)
John Constantino
John Curtis
Henry Ott
Lowell Wedemeyer

The Committee met several times with the City's Finance and Information Technology and Public Works staffs over the past couple months to review WQFP Program activities in FY 10-11 and planned projects and budgeted expenditures in FY 11-12. Staff also provided the Committee with their proposed Storm Drain Plan through FY 15-16, excerpts from the City's 2011 draft Five-Year Financial Model, the draft 2011 Capital Improvement Plan (CIP), and their recommendation for the FY 11-12 User Fee Rate.

This report conveys the Committee's conclusions and recommendations in accordance with their responsibilities designated by the City Council on May 5, 2009 and documented in RPV Municipal Code Section 3.44.080.

FY 10-11 EXPENDITURES

The approved WQFP Program expenditure plan (i.e. budget) for FY 10-11 totaled \$3.5 million. As of May 25, \$765,685 had been spent or committed and total fiscal year expenditures are estimated to be about the same. Major projects are described in the Schedule of Project Descriptions, as it was contained in the staff report dated May 25, 2011 (Attachment A), and fiscal year expenditures are summarized in the Storm Drain Plan through FY15-16 (Attachment B) which were prepared by Staff.

Staff advised the Committee that the large variance between the \$3.5 million budget and the estimated expenditures of about \$0.8 million is mainly due to:

- 1) The necessity to complete the investigation of design alternatives for the San Ramon Stabilization project presented in the Project Study Report that was prepared by Harris & Associates during FY10-11 that led to the selected design concept. Staff expected that both the Project Study Report would be completed (as it was) and the design and environmental phases would begin during FY 10-11 when the FY10-11 budget planning was conducted. The Committee has been advised by Staff that the design contract, in the amount not to exceed \$733,695, has been approved by the City Council, but was executed after Staff's last presentation, therefore, not included in the Committed column in Storm Drain Plan through FY15-16. The design contract was executed prior to finalizing this report.

2) The Storm Drain Lining project was delayed in order to refine and organize video files to achieve cost efficiencies. Staff has advised the Committee that the Storm Drain Lining project is expected to resume in early FY 11-12 with an expected cost in excess of \$1 million, using the FY10-11 appropriation of \$839,617 and the proposed FY11-12 budget amount.

3) The PVDE San Pedro Canyon project was revised to achieve budgetary compliance and cost efficiency.

4) The continuing update of the Drainage Master Plan program has been slowed to allow for further integration with the City's Geographic Information System ("GIS"). The GIS system is expected to be upgraded during FY11-12.

FY 10-11 User Fee collections through May 13 have totaled \$1,117,915.

The uncommitted fund balance remaining in the City's WQFP Program Fund as of June 30, 2011 is estimated to be about \$3.2 million. However, staff has advised the Committee that it expects that \$2.7 million of appropriations will be carried forward from FY10-11 to FY11-12 as described below.

The Committee believes that all WQFP Program costs to date, including User Fee revenues, have been properly spent to discover and mitigate storm drain problems in the City.

PLANS FOR FY 11-12

Staff presented the Committee with a proposed FY 11-12 Storm Drain expenditure plan (see Attachment B) of \$1.4 million, not including previously authorized but unspent funds. With the expected \$2.7 million to be carried forward from FY 10-11, total WQFP Program expenditures in FY 11-12 are projected to be about \$4.1 million.

Major planned projects in FY 11-12 are described in Attachment A.

All planned projects appear necessary and are being funded appropriately under the present circumstances.

USER FEE RATE FOR FY 11-12

On a 4-1 vote (Constantino dissenting), the Committee concurred with Staff's recommendation to increase the Storm Drain User Fee Rate by 2 percent up to \$92.53/ERU, the maximum allowed by law.

OTHER COMMENTS

1) The Committee continues to believe that currently planned resources are inadequate to address known storm drain repair needs in the City, and experience has shown that additional unknown needs will probably arise that may require immediate attention. The San Ramon Canyon Stabilization Project

alone is estimated to cost around \$19.4 million and definite sources for these costs are currently unknown. If funding from outside the City (i.e. grant funding) for the San Ramon project is not timely obtained, then reprioritization of all City capital improvement projects will be essential.

2) The Committee recommends that a provision for funding long-term maintenance of the City's storm drain system beyond 2016, when the Storm Drain Fee sunsets, should be included in future Five-Year Financial Models.

Attachment A: Description of Storm Drain Projects

Attachment B: Storm Drain Plan through FY 15-16

ATTACHMENT A - SCHEDULE OF STORM DRAIN PROJECT DESCRIPTIONS

Project Name:	San Ramon Canyon Stabilization Project
Project Area:	Project Area 3
Budgeted Cost:	\$1,514,082
Contract Award:	\$608,300
Total/Estimated Costs:	\$19.4M (construction costs, unfunded)
Percentage Completion:	50% (pre-construction activities only)
Project Description:	
<p>City Council has authorized staff to pursue final design and CEQA clearances. Council directed staff to urgently develop plans to relocate the sanitary sewer currently located at the edge of the canyon. Council also affirmed their desire to have a "shelf-ready" early action plan (EAP) to stabilize the PVDE switchbacks. Design of the EAP is about 80% complete and could be built in about 3 months, if it's determined to be necessary. City Staff and Elected Officials are actively pursuing Federal funding opportunities and evaluating a State grant opportunity. The \$1,514,082 budget, shown above, includes money spent, budgeted and projected for portion of the project up to and including development of bid ready construction documents. It does not include construction of the sewer relocation, implementation of the EAP, or implementation of the ultimate project. Construction costs estimated to be \$19.4 million for the ultimate project, including the sewer relocation, have not been included in a funding plan. The EAP switchback project estimated to cost ~\$2M can hopefully be avoided. It has not been included in a financing plan at this time either.</p>	

Project Name:	Storm Drain Lining
Project Area:	Project Area 12
Budgeted Cost:	\$1,159,172
Contract Award:	TBD
Total/Estimated Costs:	\$3,632,787
Percentage Completion:	0%
Project Description:	
<p>As a result of the inspections performed on the large diameter storm drain pipes in FY 09-10, seven storm drain lines were determined to need some form of repair. One of the seven pipes, a one-hundred twenty inch diameter pipe running under PVDS, was repaired in the previous year, as an emergency repair when holes in the pipe were discovered during a follow up inspection. Three large diameter storm drains scheduled to be repaired in the FY 2009-10 lining program will be lined during FY10-11 and FY11-12. The remaining three large diameter pipes needing repairs will be inspected again this year and be scheduled for repairs based upon condition and urgency. In total, the twenty-six lines identified for lining last year, (three large diameter lines and the remaining twenty-three lines that are thirty inches and smaller) will be included in this year's program. Investigations are underway to identify additional drains requiring lining this year. Staff anticipates bringing this item to Council for award <u>this summer</u>. Unspent budget amounts rolled forward through FY 2011-12 and available for this work totals \$1,159,172.</p>	

Deleted: in May of this year

Exhibit B
2011 ANNUAL REPORT ON THE WQFP PROGRAM
ATTACHMENT A - SCHEDULE OF STORM DRAIN PROJECT DESCRIPTIONS

May 25, 2011
Page 2 of 4

Project Name:	Catch Basin Filtration Devices
Project Area:	Project Area 12
Budgeted Cost:	\$100,000
Contract Award:	\$27,000 for about 60% installed.
Final/Estimated Costs:	\$441,490
Percentage Completion:	60%
Project Description:	
<p>Retrofitting of catch basins with filtration screens in this area of the City is required by the Regional Board to address the trash problems at Lake Machado in Los Angeles. The City has until 2016 to install screens in the 111 catch basin contributing to this drainage. Sixty eight (68) catch basins have been retrofitted in FY 2010-11 at a cost of about \$27,000, a savings of 78% over original estimates. The City's compliance response is about 60%, so we are ahead of schedule. The remaining basins in this drainage are county owned and will require an MOU for maintenance with Los Angeles County. Installation of these will be performed after an MOU is authorized by both agencies. The remaining 40% of the basins will come at a higher cost due to involvement of LA County and cost for completing their flood permits. Based on this year's results and anticipated costs for the remaining 40%, \$105,000 in funds from original budget for Machado Lake basins (\$205,000) will be available for other programs.</p>	

Project Name:	Miscellaneous Repairs & Storm Drain Filtration Maintenance
Project Area:	Project Area 12
Budgeted Cost:	\$194,817
Contract Award:	N/A
Total/Estimated Costs:	TBD
Percentage Completion:	0%
Project Description:	
<p>As a result of this program and the following maintenance activities, the City of Rancho Palos Verdes has not received a single "after-hours" callout to address a rain related emergency during the past three years.</p> <ul style="list-style-type: none"> ➤ All of the filters in the 29 catch basins with filtration devices installed in the City are scheduled to be replaced; ➤ The City contracts with LA County for annual clearing of City-owned catch basins. The County process is cumbersome and makes financial planning and required reporting difficult. Staff is evaluating use of private contractors for future years; ➤ Large Diameter Storm Drain Maintenance projects have been identified on PVDE, Hawthorne Blvd., and Indian Peak Rd. and will be repaired through the lining project this year; ➤ 44 storm drain outlets are identified and scheduled to be cleaned and repaired throughout the City this year; ➤ Cleaned and video inspected 26 sections of CMP (about 13%) in FY2009-10; ➤ Scheduled to clean and video inspect additional CMP in PVDE area in FY2010-11; ➤ \$50,000 has been reprogrammed to the Via Canada project for FY 2011-12 in anticipation of construction necessary to make system corrections. 	

Exhibit B
2011 ANNUAL REPORT ON THE WQFP PROGRAM
ATTACHMENT A - SCHEDULE OF STORM DRAIN PROJECT DESCRIPTIONS

May 25, 2011
 Page 3 of 4

Project Name:	Drainage Master Plan Program
Project Area:	Project Area 12
Budgeted Cost:	\$720,000
Contract Award:	\$31,723 (to date)
Total/Estimated Costs:	\$840,000
Percentage Completion:	0%
Project Description:	
<p>The City is upgrading its GIS platform and PW Staff will continue improving GIS data and best practices to maximize use for stormwater management planning. Available as-built drawings have been scanned and linked to existing GIS database. Links to inspection video is underway.</p> <p>Staff has engaged a Master Plan Program Management consultant to guide our efforts to develop a current, sustainable and useful management tool. Staff anticipates engaging a data verification contractor in late spring or early summer to verify atlas data in the field and with County records. Additional work anticipated for next year includes collection of additional data from other agencies, addition of hydrology and hydraulic modeling tools integrated into the GIS platform, determination of deficient facilities and prioritization of corrective projects.</p>	

Project Name:	Roan Systems
Project Area:	Project Area 7
Budgeted Cost:	\$242,500
Contract Award:	TBD
Total/Estimated Costs:	\$446,728
Percentage Completion:	0%
Project Description:	
<p>The Via Colinita portion of this project is being addressed under the San Pedro Canyon Storm Drain project and \$50,000 will be transferred to that project in FY2011-12. The remaining portion is for addressing the physical deficiencies in the Roan road area system</p>	

Exhibit B
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ATTACHMENT A - SCHEDULE OF STORM DRAIN PROJECT DESCRIPTIONS

May 25, 2011
Page 4 of 4

Project Name:	San Pedro Canyon Storm Drains
Project Area:	Project Area 6
Budgeted Cost:	\$570,000 (Re-allocated from Hawthorne Blvd. project.)
Contract Award:	TBD
Final/Estimated Costs:	TBD
Percentage Completion:	0%
Project Description:	
<p>This project in San Pedro Canyon lies east of PVDE and is crossed several times by residential streets. This project has become a priority due to observed flooding in the area, sediment and debris accumulation in potentially undersized debris basins and degraded pipes and inlet/outlet structures. Staff has engaged a consultant to provide hydrologic and hydraulic analyses and design recommendations, including construction drawings. New County standards for hydrology assumptions complicate the design process from replacement in kind to upsizing of pipes which has downstream consequences. Staff is working with consultant to develop solutions to address known or anticipated capacity issues based on field observations, with a mind to restrict hydromodification (i.e. effects on downstream areas). Analysis and design work is expected to begin this year and carry into next followed by construction of improvements.</p>	

Project Name:	Via Canada Drainage Study
Project Area:	Project Area 6
Budgeted Cost:	\$125,000
Contract Award:	\$ 24,985
Final/Estimated Costs:	TBD
Percentage Completion:	20%
Project Description:	
<p>This project east of PVDE and north of Miraleste Canyon results from observed flooding at the bottom of Via Canada (cul-du-sac) during moderate to heavy rain events. This drain in question is County owned and the flooding issue was brought to their attention 10 years ago. Since no action has been taken, the impacted homeowners have requested the City do something. This project will study likely causes of the flooding at the bottom of the hill and develop solutions that work around the County system. The scope includes development of bid ready documents for corrective construction. An additional budget of \$100,000 was added for FY 2011-12 in order to implement the identified solutions. The \$100,000 addition comes from \$50,000 reductions to each of the Storm Drain Maintenance Projects item and the Via Colinita/Roan System Project (as described above). Therefore, there is no net increase to the budget by reprogramming these funds.</p>	

City of Rancho Palos Verdes
Storm Drain Plan through FY15-16

Area	Prior Years' Paid	(A) FY10-11 Budget	(B) FY10-11 Spent or Committed	(Memo only) (A less B) Expected Carryover FY11-12	FY11-12 Proposed	FY12-13 5YR Model	FY13-14 5YR Model	FY14-15 5YR Model	FY15-16 5YR Model	Total Budgeted Projected By Project	Remaining Projects (Original 38)	
Backbone Projects												
2	McCarrell Canyon	7,487,716								7,487,716		
	McCarrell Canyon, Tarragon Property											
2	Acquisition	1,403,500								1,403,500		
1	Sunnyside Ridge	417,361								417,361		
3	Lower San Ramon Canyon Stabilization	129,082	1,385,000	486,605						1,514,082	2,240,000	
5	PVDE Miraleste Canyon System	-								-	2,839,637	
6	PVDE San Pedro Canyon System	-	370,000		200,000					570,000	2,438,992	
4	Altamira Canyon	-								-	1,750,000	
										-		
										-		
Pipe Lining												
12	Phase I	532,000								532,000		
10	Phase II (Monero Storm Drain)	174,723								174,723		
2	PVDS (from Clipper to Seacove)	210,000								210,000		
10	Crest to Crestridge	59,700								59,700		
10	Hawthorne to Silver Arrow	130,000								130,000		
9	Tarapaca Drive	80,000								80,000		
5	Pontevedra Drive	317,792								317,792		
12	Storm Drain Lining, Other	1,142,978	839,617		319,555	324,642	329,881	335,278	340,836	3,632,787		
										-		
										-		
Capacity & Secondary System Projects												
7	Via Colinita & Roan System Projects	204,228			242,500					446,728		
	Hawthorne Blvd. (closed FY10-11, re-allocated to the San Pedro Canyon Storm Drain Project)	-	-							-		
2	Drain Project)	-								-		
9	PVDE Lower Switchbacks	-				485,000				485,000		
6	South Hawthorne/Via Frascati	-						440,000		440,000		
11	Middlecrest Road Project	-								-	139,160	
3	PVDS (North of Barkentine)	-					446,000			446,000		
										-		
										-		
Filtration Systems												
12	Catch Basin Filtration Devices	327,490	41,000	36,984	4,016	-	73,000	-	-	441,490		
2	30502 PVDW Catch Basin	8,600								8,600		
										-		
										-		
Other Projects												
	McCarrell Canyon Interim,											
2	Barkentine/Seacove	135,000								135,000		
	McCarrell Canyon Interim, Gabion & Timber											
2	Walls	119,213								119,213		
	Palos Verdes Bay Club Interim											
2	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		
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		25,000	24,985	15	100,000				125,000		
										-		
										-		
Miscellaneous Repairs & Maintenance												
12	Miscellaneous Repairs	145,470		12,474						145,470		
	Storm Drain/Filtration Maintenance (includes Hawthorne, Montemalaga & Video											
12	Inspection/Cleaning)	521,396	212,687	51,530	161,157	194,817	222,162	229,727	237,518	245,544	1,863,851	
Subtotal Project & Maintenance Costs												
		14,228,751	2,873,304	612,578	2,260,726	1,056,872	1,104,804	1,005,608	1,012,796	586,380	21,868,515	
											9,407,789	
12	Purchase of Push Camera	11,813									11,813	
12	Administration (contract/staff engineer)	622,011	146,314	128,107	18,207	147,517	152,418	157,080	161,792	166,646	1,553,778	
12	Drainage Master Plan Program	-	495,000	25,000	470,000	225,000	30,000	30,000	30,000	30,000	840,000	
Total Program Costs												
		14,862,575	3,514,618	765,685	2,748,933	1,429,389	1,287,222	1,192,688	1,204,588	783,026	24,274,106	
											9,407,789	
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.												