Environmental Protection

The peaceful Duck Pond at the Palo Alto Baylands

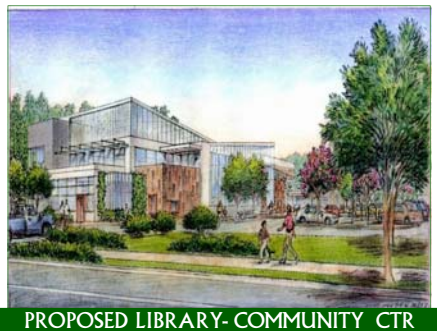
Civic Engagement for the Common Good

CITY COUNCIL MEETINGS

FIRE FIGHTERS SCHOOL PROGRAMS

Economic Health of the City

CITY HALL



PROPOSED LIBRARY- COMMUNITY CTR

CITY BUSINESSES

CITY OF PALO ALTO

Fiscal Years 2010 and 2011

ADOPTED CAPITAL BUDGET

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CITY OF PALO ALTO

Fiscal Years 2010-2011

Adopted Capital Budget

CITY COUNCIL

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Jack Morton, ***Vice Mayor***

John Barton Patrick Burt
Sid Espinosa Yoriko Kishimoto
Larry Klein Greg Schmid
Yiaway Yeh

James Keene
City Manager

Steve Emslie
Deputy City Manager

Lalo Perez
Director of Administrative Services

David Ramberg
Assistant Director of Administrative Services

Joe Saccio
Deputy Director of Administrative Services

Pat Burt
Finance Committee Chair

The government of the City of Palo Alto exists to promote and sustain a superior quality of life in Palo Alto. In partnership with the community, our goal is to deliver cost-effective services in a personal, responsive, and innovative manner.

The City of Palo Alto's Values

Quality - Superior delivery of services.
Courtesy - Providing service with respect and concern.
Efficiency - Productive, effective use of resources.
Integrity - Straight-forward, honest and fair relations.
Innovation - Excellence in creative thought and implementation.

It's a Matter of Pride!

CITY OF PALO ALTO
FY 2010 - 2011
BUDGET ACKNOWLEDGEMENTS

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BAY AREA GREEN BUSINESS PROGRAM

Capital Budget Award

California Society of Municipal Finance Officers

Certificate of Award
For

Excellence in Capital Budgeting

Fiscal Year 2008-2009

The California Society of Municipal Finance Officers (CSMFO) proudly presents this certificate to

City of Palo Alto

For meeting the criteria established to achieve the EXCELLENCE AWARD in the CAPITAL BUDGET CATEGORY.

February 17, 2009

Viki Copeland
CSMFO President

Pamela Arends-King, Chair
Budgeting & Financial Reporting

Capital Improvement Program

Organizational Chart

Public Works Dept
Managed Projects

ENGINEERING STREETS - 2.87
0.20-Sr Engineer
0.90-Engineer Tech III
0.10-Supv Insp/Surv PW
0.11-Surveyor PW
0.11-Surveying Asst
0.35-Administrator
0.50-Admin Assoc I
0.50-Admin Assoc III
0.10-Project Eng

PARKS AND LANDSCAPE - 2.70
1.0-Project Manager
1.0-Architect/Park Planner
0.30-Administrator
0.20-Admin Assoc I
0.20-Admin Assoc III

SIDEWALK CIP OPERATIONS - 7.10
3.00-Cement Finisher
1.00-Cement Finisher Lead
0.15-Deputy Director, PW Operations
0.20-Heavy Equiment Operator-L
0.50-Mgr Maint Operator
0.45-Sr Engineer
0.20-Supt PW Operations
0.10-Supv Inspector/Surveyor PW
0.90-Engineer Tech III
0.60-Assoc Engineer

STRUCTURES AND GROUNDS - 11.00
1.60-Sr Engineer
3.70-Project Engineer
2.70-Engineer
0.20-Mgr, Facilities Maint & Proj
0.50-Engineer Tech III
0.50-Project Manager
0.05-Supv Facility Mgmt
0.35-Administrator
1.10-Admin Assoc I
0.30-Admin Assoc III

TOTAL: 23.67 FTE

Community Services Dept
Managed Projects

CITY FACILITIES
0.28-Program Assistant

OPEN SPACE AND SCIENCE
0.10-Program Assistant

PARKS
0.52-Program Assistant

PAUSD ATHLETIC FIELDS IMPR
0.10-Program Assistant

TOTAL: 1.0 FTE

Utilities Dept
Managed Projects

1.0-Asst Director Util Engineering
1.0-Engineering Mgr - Electric
1.0-Program Assistant
4.0-Sr Electric Project Engineer.
3.0-Electric Project Engineer
2.0-Power Engineer
5.0-Util Engr Estimator
1.0-Util Engr Estimator-Lead
3.0-Engr Tech III
1.0-Coordinator, Utility Projects
1.0-Engineering Mgr - WGW
2.0-Administrative Assoc II
1.0-Supv Utl Constr-Inspection
4.0-Sr Project Engineer
6.0-Project Engineer
4.0-Engineer
3.0-Inspector, Field Svc

TOTAL: 43.0 FTE

FISCAL YEAR 2010 POSITION TOTALS:

General Fund	24.67
Enterprise Funds	43.00
Total Full-time	67.67

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Message

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City Council Transmittal Letter

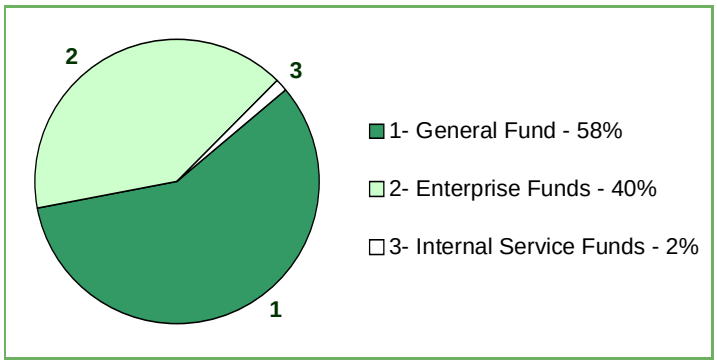
April 27, 2009

Honorable Mayor and Council Members:

INTRODUCTION

I am pleased to present the FY 2010 Proposed Capital Budget along with the FY 2011-2014 Proposed Capital Improvement Program (CIP) Plan for the City of Palo Alto. This document guides the City in the planning and scheduling of the city infrastructure improvement projects over the next half decade. The combined capital budget, which includes the General Fund, Enterprise Funds, and Internal Service Funds is $115 million for Fiscal Year 2010. The combined CIP Plan for Fiscal Years 2011 through 2014 is $203 million. The entire five-year plan totals $318 million. Details of the proposed capital budget by individual funds can be found in the "FY 2010-14 CIP Summary by Fund" section of this document.

FY 2010 PROPOSED CAPITAL PROJECTS BY FUND TYPE



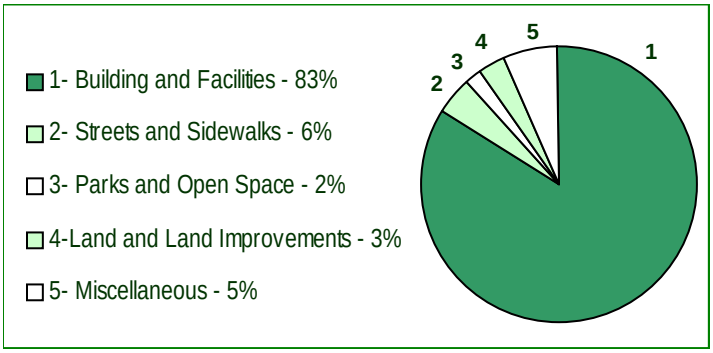
The FY 2010-2014 Proposed CIP Plan was developed in coordination with all City departments responsible for capital projects. As required by City Municipal Code, the Planning and Transportation Commission reviewed the Proposed CIP, and will submit its comments to the City Council prior to the plan's adoption.

GENERAL FUND

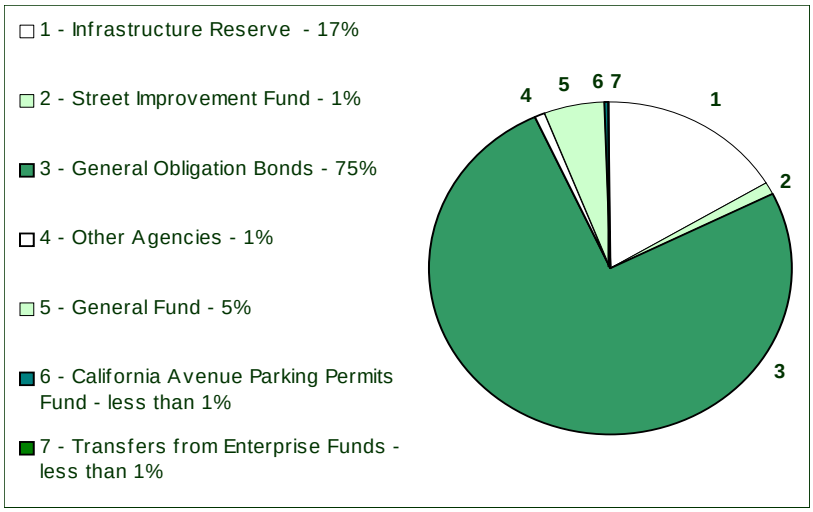
The FY 2010 Proposed Capital Budget for the General Fund is $66.8 million, $49 million higher than the 2010 Plan, approved in-concept in 2009. The increase is primarily due to two projects - the Mitchell Park Library and Community Center Project, and the Downtown Library Project.

Proposed infrastructure funding for Fiscal Year 2010 projects includes $56 million for buildings and facilities; $3 million for street maintenance and sidewalk repairs; and $1.4 million for parks and open space projects - a total of $60.4 million. In addition, there is $6.4 million for miscellaneous projects which includes the final installment

FY 2010 PROPOSED GENERAL FUND PROJECTS BY CATEGORY



FY 2010 PROPOSED GENERAL FUND - TOTAL FUNDING SOURCES



payment for the acquisition of the Los Altos Treatment Plant Site and the salaries and benefits of City staff assigned to manage the General Fund capital projects.

The Library and Community Center projects will be funded by the Measure N library bonds approved by City residents in November 2008. The bond issuance expected in the Spring of 2010 is to be in the amount of $57.1 million.

Other funding sources for the Capital Budget will come from a combination of the infrastructure reserve, gas tax monies, transfers from general fund, enterprise funds outside agencies and other various sources.

Staff identified only the highest priority projects for funding. In light of a diminishing Infrastructure Reserve (IR) balance and the economic downturn, some General Fund CIP projects such as the Cubberley Restroom Upgrades/ Riconada Park Improvements have been deferred to future years in the five-year CIP.

Fiscal Year 2010 Projects are summarized in "Table I" on the following page.

As the City faces another year of constrained resources, the commitment to the infrastructure program remains a top priority. As additional infrastructure needs are identified, however, it is becoming increasingly difficult to make headway in erasing the GFs Infrastructure Backlog. Concrete actions have been taken to fulfill Council's Top priorities. e.g. Environmental Protection.

While the current economic recession has limited cost funding sources, the downturn has created a favorable construction cost climate. Over the past year, the City has received almost 20 lower construction bids averaging 30 percent below staff estimates. This trend results from increased competition in the construction industry; unemployment rates; and declines in material prices. The effect of lower bids has resulted in savings of approximately $7.2 million for all City funds. Budgetary Cost estimates for each proposed FY 2010 project have been reviewed and updated to reflect the current construction climate and inflation rates.

In April 2008, staff provided Council with an update of the General Fund infrastructure backlog in the next twenty years (CMR: 167:08). The report indicated that $307 million (in 2008 dollars) is needed to address infrastructure repairs and renovations in the areas of streets, sidewalks, bridges, parks and open space, buildings and facilities. Another $148 million (in 2008 dollars) is needed to address future infrastructure needs at major City facilities such as building replacements at the Municipal Service Center (MSC), Fire Station 3 and 4, the Animal Shelter, replacement of the Civic Center plaza deck, and completion of Charleston Arastradero Corridor and Byxbee Park Phase II projects. Therefore, the estimated total cost of the backlog in the next twenty years is $455 million (in 2008 dollars). An update of

the General Fund infrastructure backlog will be presented to Council during the scheduled budget hearing.

In developing the FY 2010-2014 General Fund capital plan, staff started with an extensive list of projects that resulted in costs far exceeding $12.2 million approved in-concept for Fiscal Year 2010. Given the declining level of the IR, the list of projects was scaled back to a sustainable level. In addition to concern about the IR levels, current infrastructure staffing levels limit the number of capital projects that can be implemented. As a consequence of these constraints, an $11 million CIP is being recommended for FY 2010.

TABLE I

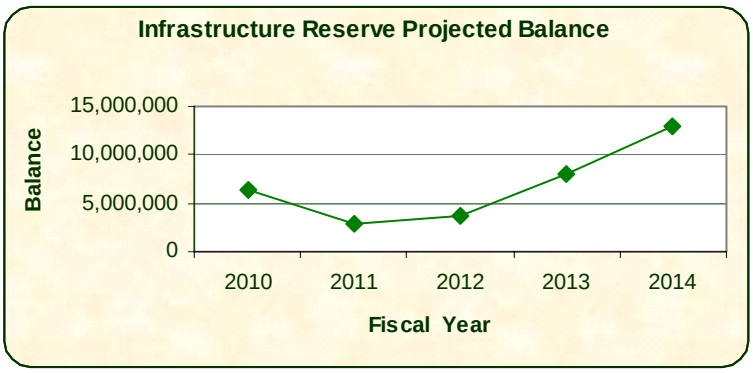
GENERAL FUND PROPOSED CIP PROJECTS
Highlights of Projects To be Initiated or Constructed in Fiscal Year 2010
Acquisition of Los Altos Treatment Plant Site - final payment (AS-08000)
Annual Sidewalk Maintenance Project (PO-89003)
Annual Street Maintenance Project (PE-86070)
Baylands Emergency Access Levee Repair (OS-09002)
Bicycle Boulevards Implementation (PL04010)
Bridge Rail, Abutment, and Deck Repairs (PE-10006)
Downtown Tree Grates (PO-10002)
Civic Center Infrastructure Improvements (PE-01002)
College Terrace Library Improvements (PE-05010)
Downtown Library Improvements (PE-09005)
Junior Museum and Zoo (JMZ) New Bobcat Habitat (AC-10000)
Mitchell Park Library and Community Center New Construction (PE-09006)
Rinconada Pool Plaster (PF-10001)
Ventura Community Center and Park (PE-10002)

INFRASTRUCTURE RESERVE

The IR was originally created in 1998 as a mechanism to accumulate funding required to complete a 10 year, $100 million infrastructure rehabilitation program that would repair or renovate existing buildings and facilities, streets and sidewalks, parks and open space, and transportation systems.

The IR is funded by a base transfer from the General Fund of $3.6 million a year. Furthermore, City Council directed staff to replenish the IR annually by adding $2.0 million to the $3.6 million base transfer. Part of the goal was achieved by allowing interest to accrue to this reserve. The balance of $1.0 million was to be achieved by transferring General Fund's surpluses at year-end. Due to projected declining balance, the City Council funded the IR by an additional $3 million a year, as a Top 3 priority in FY 2007, bringing total General Fund annual contribution to a targeted $8.6 million. Due to declining revenues in the General Fund in Fiscal Year 2010, the commitment to transfer $8.6 million is proposed to be reduced by $1 million. The amount of this transfer will be reevaluated in Fiscal Year 2010 midyear, and, depending on the economic health of the General Fund at that time, the transfer may need to be reduced further.

The chart to the right projects the IR balance over the FY 2010-2014 five-year plan:



This projection indicates that the IR can support the current five-year plan provided anticipated spending levels are maintained. The ability of the IR to support the FY 2010-2014 CIP Plan is dependent on future project and cost changes, and the economic health of the General Fund to sustain its transfers to the IR.

INFRASTRUCTURE MANAGEMENT PLAN

In Fiscal Year 1998, a consultant prepared what is known as the Adamson report. The City's infrastructure was inventoried and analysed to determine a rehabilitation and replacement schedule. The City Council then approved a 10-year plan, the Infrastructure Management Plan (IMP), that was estimated to cost $100 million.

The City has accomplished a significant amount of work since the IMP was established in 1998. Approximately $130 million was appropriated for IMP projects from Fiscal Year 1998 through Fiscal Year 2009; an average annual appropriation of $13 million. When compared to the "baseline" spending in fiscal year 1998 of $3.6 million, the City has done a considerable amount of work.

Historically, the presentation of capital projects in the budget document has distinguished between IMP and Non-IMP projects. During the FY 2008 CIP budget hearing, the City Council Finance Committee expressed its preference to combine the IMP and Non-IMP projects (and not make a distinction between the two) when presenting the Capital Plan. With the FY 2010-2014 CIP budget document, General Fund capital projects are now classified into the following categories: Land, Buildings and Facilities, Street and Sidewalks (which include Traffic and Transportation), Parks and Open Space, or Miscellaneous Equipment. The distinction between IMP and Non-IMP projects has ended.

TOP 3 PRIORITIES

One of the Council's Top 3 priorities - Environmental Protection - will receive $3.8 million in the FY 2010-2014 CIP Plan. This is in addition to the $22.3 million appropriated through Fiscal Year 2009.

Funding for capital projects corresponding to Council's top 3 priorities are shown in Table 2 below:

TABLE 2

Summary of New and Existing Projects
as Part of the City Council Top 3 Priorities

Project	FY 2009 and Prior Years Existing Budget	CIP FY 2010-2014 CIP Plan	Total
Environmental Protection			
Disinfection Facility Improvement Program Project (WQ-06014)	$21,470,000	$0	$21,470,000
Recycling in Business Districts (RF-09003)	$325,000	$0	$325,000
Diesel Truck Engine Emissions Retrofits (VR-07002)	$325,000	$360,000	$685,000
Open Space Lakes and Ponds Maintenance (OS-00002)	$164,062	$160,000	$324,062
Street Light System Conversion Project (EL-10009)	$0	$3,300,000	$3,300,000
Total	**$22,284,062**	**$3,820,000**	**$26,104,062**

There are projects that receive specific funding from the General Fund in the proposed FY 2010-2014 Capital Plan. These projects are related to health and safety or respond to City Council direction:

- Art in Public Places at a cost of $50,000 per year for five years (FY 2010-2014)
- Fire Apparatus Equipment Replacement at a cost of $69,000 (two years of consecutive funding; FY 2010 is the last year of funding)
- Street Light Improvements at a cost of $120,000 to $140,000 per year for five years (FY 2010-2014)
- Traffic Signal Upgrades at a cost of $155,000 in FY 2011 to $170,000 per year for four years (FY 2011-2014)
- Los Altos Treatment Plant Site Acquisition at $2.2 million (third and final payment in FY 2010)

Although the City is making progress on rehabilitating existing infrastructure, there are notable funding challenges where replacement of existing facilities or construction of new facilities is necessary. These projects cannot be completed until significant funding sources are identified.

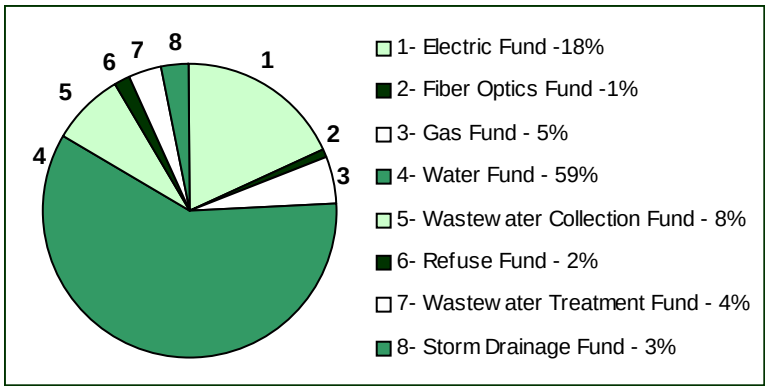
A summary of infrastructure backlog is provided in the "Unfunded Projects" section of this budget document.

Where outside funding opportunities exist, staff continues to leverage City resources with grants, impact fees, and other outside sources. With the passage of the American Recovery and Reinvestment Act of 2009, the City has the opportunity, for example, to apply for funding for streets and road repair. An estimated $1.2 million is available to the City through the Metropolitan Transportation Commission.

ENTERPRISE FUNDS CIP

The total proposed capital budget for the Enterprise Funds is $46.5 million in Fiscal Year 2010. The CIP for the City's Enterprise Funds remains a critical part of the infrastructure commitment to our citizen-customers. The Electric, Water, Gas, and Wastewater Collection funds continue to pursue an aggressive infrastructure improvement schedule in the proposed CIP. For example, the City continues to proactively repair and replace utility poles, electrical substations, gas and water mains, and the plant system necessary to maintain a reliable flow of electric, gas and water services to customers. This CIP budget contains proposed wastewater treatment projects that will strengthen the Regional Water Quality Control Plant Infrastructure serving Palo Alto and other participating local government partners.

FY 2010 ENTERPRISE FUNDS - CIP BY INDIVIDUAL FUND



The five-year plan also includes three projects in the Refuse Fund, all relating to the landfill closure in FY 2011.

In April 2005, Palo Alto property owners approved a proposed storm drain fee increase. These new revenues will provide

resources for the Storm Drain Improvements project. The 2010-2014 CIP proposed has been reviewed by the Council-appointed Storm Drain Oversight Committee. The Committee has noted that the Storm Drainage Fund will likely experience capital project funding shortfalls in the coming years. The anticipated shortfalls are a result of the discrepancy between higher construction costs for planned and completed capital projects (particularly the San Francisquito Creek Storm Water Pump Station project) and the modest Storm Drainage Fee increases allowed by the 2005 ballot measure (based on annual increases in the local Consumer Price Index (CPI) or 6%, whichever is less).

On August 2007, Council approved a $1.7 million loan by the General Fund to the Storm Drainage Fund to provide additional resources for the construction of the San Francisquito Creek Storm Water Pump Station project. The term of the loan requires that Storm Drainage Fund repay the General Fund within three years from the date of the loan with interest on the balance of the loan equivalent to the rate of return of the City's reserve balance. As of to date, the Storm Drainage Fund has paid $0.6 million, with $0.55 million scheduled to be paid in FY 2010.

A notable project in the Enterprise Fund is the Water Fund's "Emergency Water Supply Project" estimated to cost $40.2 million over a four-year construction period. The project will provide emergency water to the City should the San Francisco Public Utilities Commission aqueduct system be disrupted for any reason. It is anticipated that in addition to available reserves, Water Utility Revenue Bonds will need to be issued to finance this project.

INTERNAL SERVICE FUNDS

There are two Internal Service Funds that propose capital projects: the Technology and Vehicle Replacement Funds. The total proposed CIP budget for the Internal Service Funds in Fiscal Year 2010 is $1.6 million.

Technology projects enhance service delivery to the community and to City staff through the efficient and effective implementation of information technology.

Projects being proposed in Fiscal Year 2010 are as follows:

- A new Utilities customer billing system. All enterprise funds will share proportionately in the cost of this project
- Continuing improvements on the City's Geographic Information System (GIS).
- Annual replacement of items in the City's radio telecommunications infrastructure inventory, replacing the existing radio infrastructure with a new, regional 700MHz radio system in partnership with other cities and Santa Clara County. Stanford University, all Utilities Department enterprise funds and the Technology Fund reserve will share proportionately in the cost of this system

The Vehicle Replacement Fund has four proposed projects in Fiscal Year 2010 for a total of $0.7 million. One proposed project is the Diesel Truck Engine Emissions Retrofits in the amount of $360,000. A retrofit is required by California Air Resources Board (CARB). Also planned in FY 2010 is an upgrade of vehicle maintenance facility in the amount of $200,000.

PROJECT COORDINATION

As in the past, the City staff has reviewed all proposed Utility capital projects to ensure coordination with General Fund work. This is especially important for scheduled street maintenance and sidewalk replacement. In addition, staff evaluated potential Utility project impacts in special master planning areas and in City parks and open space. While no major conflicts were identified, plans for increased emergency water storage, for example, will require close coordination and review in the future, since work may take place in park areas and may involve public right-of-way issues.

CAPITAL BUDGET AWARD

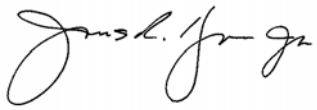
In December 2008, the City's 2009-2013 Capital Improvement Plan (CIP) Budget document received, for the third time, the "Excellence in Budgeting Award" from the California Society of Municipal Finance Officers (CSMFO). The award recognizes the CIP document as an outstanding public communication tool that conveys a wide range of information about the City's CIP projects. The award reflects the commitment of the City Council and staff to meeting the highest standards of governmental budgeting.

CONCLUSION

In these challenging economic times, the proposed Capital Plan was developed to meet Council's ongoing infrastructure priority while optimizing City resources on the highest priority projects. By allocating $66.8 million in General Funds, $46.5 million in Enterprise Funds and $1.6 million in Internal Service Funds in Fiscal Year 2010, I believe the City's priority are being addressed. Although challenges lie ahead, as always, we have made significant strides in bolstering the physical foundation of our community. It is anticipated that once the city clears the current recession, a funding augmentation plan for the General Fund Infrastructure can be recommended.

ACKNOWLEDGEMENTS

It is my pleasure to extend thanks to all City staff involved in preparing the 2010-2014 Proposed Capital Budget. This includes Mike Sartor, Sharon Macway, and Karen Smith in the Public Works Department; Greg Betts in the Community Services Department; Gayle Likens in the Planning and Community Environment Department; and Tomm Marshall in the Utilities Department. I would also like to thank Lalo Perez and Joe Saccio in the Administrative Services Department. A special acknowledgement goes to the Budget Office - Amy Javelosa-Rio for her work as the lead CIP Analyst, Sharon Bozman, Budget Manager, and Cherie McFadden, Graphic Designer, who also provided assistance.



James Keene

City Manager

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The Capital Budget Process and Document

The budget is a spending management plan for the City's financial resources. Through the use of these resources, services are provided to meet the needs and desires of Palo Alto's residents and businesses. The budget is also at the heart of the political process by which resources are allocated based on City Council priorities. The review of the proposed budget is structured around public hearings by the Finance Committee, which further incorporate public opinion into the process. The budget is therefore the vehicle for responding to the community's wishes, as well as an instrument for balancing inflows and outflows (revenues and expenditures) of revenues.

CITY COUNCIL TOP 3 PRIORITIES

At the start of the City's budget process, the City Council determines its main priorities for the following budget period. Through an open Council dialogue, the priorities guide both budget development and department priority-setting. The public has the opportunity to provide input into this process as well as during the budget review by the Finance Committee. The following are the Top 3 City Council priorities for Fiscal Year 2010:

- Environmental Protection
- Civic Engagement for the Common Good
- Economic Health of the City

BUDGET PREPARATION

The City's annual budget process begins in November and concludes in June. The operating and capital budgets are developed by the City Manager, in consultation with senior management and the Director of Administrative Services, utilizing five main sources of information:

- Community input
- City Council Top 3 Priorities
- Findings from the City's Long Range Financial Forecast which is updated annually and presented to the Finance Committee prior to the budget process
- Service level prioritization
- Comprehensive Plan which contains the City's official policies on land use and community design, transportation, housing, natural environment, business and economics, and community services

This information provides the basis for the development of the budget guidelines. The budget guidelines set the framework within which the City departments develop their budget plans.

The Capital Budget Process and Document

CAPITAL BUDGET CALENDAR

NOVEMBER:

Capital budget begins with the preparation of the capital budget guidelines and calendar by the Administrative Services Department - Budget Division. The budget guidelines are then distributed to all the departments.

DECEMBER:

Departments and committees review the prior year five-year capital plan. The General Fund CIP Committee reviews the General Fund capital budget. The capital budgets for the Enterprise and the Internal Service Funds are developed by the respective departments managing those operations: Utilities, Public Works, and Administrative Services. Changes to the CIP Plan might include: addition of new projects, deletion of planned projects, reprioritization of planned projects, and revision of project costs or timelines. Changes to the previous five-year plan are driven by the budget guidelines and the project needs as interpreted by the managing departments.

JANUARY:

Changes to the previous five-year plan are sent to the Budget Division and are then incorporated into the Proposed Plan.

FEBRUARY:

Staff reviews the plan for compliance of the proposed CIP project with the budget guidelines and also for any other CIP budget issues that may have emerged during the process. The Proposed Plan is presented by Budget Division staff to the Administrative Services Director. Changes initiated by the Director are communicated and discussed with the originating department. Any changes that result as part of this review process are incorporated into the Proposed Plan.

MARCH:

The Proposed Plan is presented to the Executive Leadership Team (comprised of the City Manager, City Department Heads, and Council-appointed Officers). The City Manager makes the final decision on the Proposed Plan. Changes initiated by the City Manager are incorporated into the Proposed Plan.

Budget staff performs reconciliation and cost-sharing allocation, and updates the publication and accounting financial systems.

APRIL:

The Proposed Plan document is compiled and edited. A new draft is printed and transmitted to the Planning and Transportation Commission (PTC). PTC reviews the Proposed Plan as it relates to the Comprehensive Plan.

MAY/JUNE:

The City Manager formally presents the Proposed Plan to the City Council and subsequently to the Finance Committee who conduct a series of public hearings. The Finance Committee presents its recommendation to the City Council. Final adoption occurs at a public hearing in June. All changes made during the public process are incorporated into the adopted budget document, which is distributed to City libraries as well as posted on the City's website.

CAPITAL PROJECT CRITERIA

The following elements must be present to qualify as a capital project:

- Must have a minimum cost of $50,000 for each stand-alone unit or combined project
- Must have a useful life of at least five to seven years (the purchase or project will still be functioning and not be obsolete at least five to seven years after implementation)
- Must extend the life of an existing asset or provide a new functional use for an existing asset for at least five years. Examples include an extensive roof rehabilitation that costs at least $50,000 and a build out to accommodate new workers that costs more than $50,000. These improvements are distinguished from ongoing maintenance work that may extend the life of the asset but is done on a routine basis, and from minor remodeling such as replacement of furniture or partitions

PROJECT PRIORITIZATION SELECTION CRITERIA

Since the budget process is an allocation of limited resources, capital projects are selected based on prioritization criteria established by the City's capital budget guidelines. Each project submission is selected based on any of the following seven criteria:

- Project involves a mission-critical need that, if not addressed, would impede operational effectiveness
- Project is the result of specific Council direction
- Project is legally required for compliance with codes or laws
- Project mitigates existing health and safety risks as identified by Public Works, Fire or Building Division inspectors, or prevents potential future health and safety risks
- Project has leverage funding through private/public partnership, government grants, development impact fees, special revenues or enterprise funds
- Project impacts the sustainability of the community - the ability of the community to meets its current needs without compromising the ability of future generations to meet their own needs
- Project meets community priorities or serve a Council-identified need of a segment of the community such as youth or seniors

The Capital Budget Process and Document

OPERATING BUDGET IMPACT

The City uses the life-cycle costing principle in planning for capital projects. All costs associated with a capital project including operations and maintenance are included in the operating budget. Where applicable, the CIP budget document identifies the amount of operating expense associated with the project.

CHANGES TO THE ADOPTED BUDGET

Administrative policies provide guidelines on budget transfers, the authorization necessary to implement transfers, and appropriations after the budget is adopted. Generally there are two types of budget transfers:

BUDGET ADJUSTMENT

Budgetary control, the level at which expenditures cannot legally exceed the appropriated amount, is exercised at the project level.

BUDGET AMENDMENT

This is an adjustment to the total project appropriated amount, that was not included in the original adopted budget. These supplemental appropriations are presented to City Council in an agenda report and must be approved by a two-thirds City Council vote. Unexpended appropriations at the end of the fiscal year are automatically carried over to the following year.

Reasons for initiating a Budget Amendment Ordinance (BAO) include:

- Recognizing unanticipated revenue, which was not projected in the budget, and appropriating associated expenditure in the year received
- Appropriating additional funds from reserves
- Transferring dollars from the operating budget to the capital budget or vice versa
- Transferring between projects

BUDGETARY BASIS

The budget is prepared in accordance with generally accepted accounting principles. The City's Governmental Fund (General Fund, Special Revenue Fund and Capital Project Fund) and Proprietary Fund Budgets (Enterprise Fund and Internal Service Fund) are developed using a modified accrual basis of accounting. Modified accrual basis of accounting recognizes revenues when measurable and available and records expenses when incurred. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough afterwards to pay liabilities of the current period.

The Capital Budget Process and Document

FUND STRUCTURE AND ACCOUNTING BASIS

The accounts of the City are made up of funds, which help to organize and account for restricted resources. A fund is defined as a fiscal and accounting entity with self-balancing set of accounts (comprised of assets, liabilities, fund equity, revenues, and expenditures), which are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with regulatory requirements.

The City has the following fund type categories:

GOVERNMENTAL FUND TYPES

The governmental funds include the General, Special Revenue, Debt Service, and Capital Project Funds. Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

PROPRIETARY FUND TYPES

The proprietary funds, which include the Enterprise and Internal Service Funds, are used to account for the City's business-type activities. Proprietary funds are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

FIDUCIARY FUND TYPES

The Fiduciary Funds account for assets held by the City in trust or as an agent for various assessment and community facilities districts. The City budget process does not include fiduciary funds.

AGENCY FUND TYPES

The Agency Funds are custodial in nature and do not involve measurement of results of operations. The City maintains three agency funds. The City budget process does not include agency funds.

DOCUMENT LAYOUT

The Capital Budget document provides readers with cost estimates, methods of financing, and recommended project schedules for the City of Palo Alto's Capital Improvement Program (CIP) for the next five years. Accordingly, the document includes descriptions, justifications, status, costs, managing departments, and other relevant facts for the City of Palo Alto's CIP projects for FY 2010 through FY 2014.

Projects are presented within this volume under the following categories:

The Capital Budget Process and Document

GENERAL FUND

- Land and Land Improvements
- Buildings and Facilities
- Parks and Open Space
- Streets and Sidewalks
- Miscellaneous

ENTERPRISE FUNDS

- Electric Fund
- Fiber Optics Fund
- Gas Fund
- Water Fund
- Wastewater Collection Fund
- Wastewater Treatment Fund
- Refuse Fund
- Storm Drainage Fund

OTHER FUNDS- INTERNAL SERVICE FUNDS

- Vehicle Replacement Fund
- Technology Fund

In addition to project descriptions, this volume includes detailed financial summaries for capital expense by fund. These summaries indicate the total cost of all projects for a particular fund by category and the source and amount of reimbursement revenues for each project over the next five years. Two additional financial summaries, contained within the General Fund section, provide a greater level of detail. The table titled "2010-14 Capital Improvement Projects Summary by Fund" is a high-level view of each fund's capital expense net of reimbursements over the next five years. The table titled "Capital Improvement Fund Financial Summary" lists in detail the sources of funding for General Fund capital projects.

A list of prior year CIP projects is also included for quick reference. This list is titled "FY 2009 Adopted CIP Projects" and is located after the financial summary tables.

Readers will also find maps within the general fund infrastructure management plan and utility fund sections that show where various infrastructure management plan projects, undergrounding, system rebuild, gas and water main replacement projects will occur over the next five years. Finally, a glossary of terms at the end of the volume helps readers understand frequently used terms.

UNDERSTANDING THE DETAILS

PROJECT NUMBERING SEQUENCE

The project number consists of seven characters. The first two are letters related to the managing department or fund. The next two digits relate to the fiscal year in which the project first received funding. The final three numbers are system generated. For example, with project PE-09006, the "PE" denotes Public Works Engineering, the "09" indicates Fiscal Year 2009 funding, and the "006" is the sequential project number. The Managing Department or Fund table below can be used as a reference for the two-character alpha portion of the project number.

Project Code	Managing Department or Fund
AC	Arts and Culture
AS	Adminsistrative Services
EL	Electric Fund
FO	Fiber Optics Fund
GS	Gas Fund
LI	Library
OS	Open Space
PD	Police Department
PE	Public Works Engineering
PF	Public Works Facilities
PG	Parks and Golf Course
PL	Planning
PO	Public Works Operations
RF	Refuse Fund
SD	Storm Drain Fund
TE	Technology Fund
WQ	Wastewater Treatment Fund
GS	Gas Fund
WS	Water Fund
WC	Wastewater Collection Fund

PROJECT INFORMATION

The project description pages include the following information:

- "New" or "Continuing" project category noted above the title or inside the CIP facts box
- Project Description and Justification sections - provide the scope of work and justification for the project
- Supplemental Information - provides additional information that may enhance the project description and justification. Supplemental information is provided for select projects when needed
- CIP Facts - provides key facts in an easy-to-locate box at the top of the page. Contains information on current project status, timeline, overall project completion, percent spent, managing department, and Comprehensive Plan references. It also contains information on impact analysis
- Overall Project Completion - percentage completed based on an estimate by project manager using his/her professional judgment
- Percent Spent - financial measure of the total amount spent. It is the ratio of actual cumulative expenses from the inception of the project through December 31, 2008
- Future Financial Requirements - the estimated expense of the project in future years. Costs are separated into pre-design, design, construction and "other" costs. Future project costs are estimated based on a combination of historical data of similar projects, assumptions about future inflationary

factors, and professional judgments deemed appropriate. An inflationary factor ranging from 5 percent to 10 percent may be applied to a project

- PY Budget - indicates the cumulative prior year budget amounts for the project
- PY Actuals - indicates the cumulative actual expense through December 31, 2008
- Sources of Funding - indicates fund(s) or external revenue source(s) that will be financing the project
- The Impact Analysis and Support - states the impact the project will have in any of four categories:

  - Environmental: describes visual or aesthetic impact on the environment, a description of that impact, and any efforts to mitigate it

  - Design Elements: describes design elements that will improve the visual or aesthetic elements of the project

  - Operating: describes estimates of the annual maintenance and operating costs associated with the project. Maintenance costs include: utilities, equipment maintenance or service, facilities maintenance or service, grounds/ landscape maintenance or service, custodial maintenance and others. Operating costs include, for example: new program salaries and benefits, and program supplies/materials costs

  - Telecommunications: describes estimated annual project costs for telecommunications equipment that are needed to implement the project
- Comprehensive Plan section - indicates how the project furthers the implementation of the Comprehensive Plan through the citing specific Comprehensive Plan policies and programs
- Managing Department - identifies the department that has responsibility for the project
- Board/Commission Review - City Council-appointed advisory board, commission or ad hoc committee that has oversight responsibility on a project. A project may be reviewed by more than one board or commission due to differing scope of authority assigned by the City Council. This body (bodies) provides the City Council input as to the merits of a project. The acronyms for each of these bodies are:

  PTC: Planning and Transportation Commission

  UAC: Utilities Advisory Commission

  SDOC: Storm Drain Oversight Committee

  HRB: Historic Resource Board

  ARB: Architectural Review Board

  PRC: Parks & Recreation Commission

  PAC: Public Arts Commission

  LAC: Library Advisory Commission

Summary of Capital Improvement Program Revenues

The City's "2009-19 Long Range Financial Forecast" (LRFF) was presented to the City Council Finance Committee in December 2008 (CMR: 467:08). The LRFF identified key issues that will guide the upcoming Fiscal Years 2010 and 2011 budget process and affect the City's future financial condition. It is a tool for Council's use in making policy decision regarding the allocation of resources. The LRFF, with its ten-year revenue and expense forecast, is the foundation upon which this budget is constructed.

LOCAL ECONOMY AND CITY'S BUDGET

Long Range Financial Forecast reflects a weakening economy during Fiscal Years 2009 and 2010 with a corresponding decline in several major revenue sources. It is anticipated that an economic recovery may begin sometime in Fiscal Year 2011.

A key point to be gleaned from the forecast information and the recent events is that the nation is in uncharted economic territory. Both policymakers and economists are uncertain about what lies ahead. The LRFF assumes a sizeable economic downturn during Fiscal Years 2009 and 2010. The assumption is based on the financial dislocations currently affecting the state, national and global economies and on outside expert forecasts.

On the local level, evidence is building that economically sensitive revenue sources such as sales, transient occupancy and documentary transfer taxes are trending downward. Sales taxes in the City of Palo Alto and surrounding cities have weakened in recent quarters; hotel days are moving downward; and growth in assessed property values is slowing. Based on these trends, the Fiscal Year 2009 was adjusted at midyear to reflect the downward trend of these revenues. Likewise, the proposed budget for Fiscal Years 2010 and 2011 reflects the declining revenues, and accordingly adjusts expenditures to align to revenues.

For a complete copy on the City's Long Range Financial Forecast, visit the City website at:http://www.cityofpaloalto.org/depts/asd/financial_reporting.asp.

CIP FUNDING SOURCES

The 2010-2014 Capital Improvement Program (CIP) Plan derives its funding from a variety of sources. The table on the following page provides a listing of those sources along with a comparison with the 2009-2013 CIP Plan.

Summary of Capital Improvement Program Revenues

Revenue Source ($000's)	2010-2014 CIP Plan	2009-2013 CIP Plan	Difference
Capital Fund			
Infrastructure Reserve	$43,964	$42,242	$1,722
Transfer from General Fund	$10,394	$7,148	$3,246
Transfer from Enterprise Funds	$343	$240	$103
Gas Tax	$4,150	$5,850	($1,700)
General Obligation Bonds	$68,800	$0	$68,800
Parking Permits	$67	$67	$0
Development Impact Fees	$880	$1,950	($1,070)
Street Cut Fees	$500	$500	$0
Other Agencies	$1,327	$645	$682
Total	**$130,425**	**$58,642**	**$71,783**
Enterprise Funds			
Utility Rate Charges	$122,991	$121,574	$1,417
Fees and Charges	$19,931	$21,029	($1,098)
Storm Drainage Fee	$9,651	$9,657	($6)
State Grants/Loans	0	$20,000	($20,000)
Transfers between Enterprise Funds	889	$43	$846
Utility Revenue Bonds	$22,500	$34,200	($11,700)
Cash Accumulated To Pay For the Landfill Closure and Post-Closure Care Liability	$6,700	$3,250	$3,450
Total	**$182,662**	**$209,753**	**($27,091)**
Internal Service Funds			
Fund Balance	$3,272	$4,115	($843)
Transfer from General Fund	0	$1,259	($1,259)
Transfer from Enterprise Funds	$2,386	$3,130	($744)
Stanford University	237	$610	($373)
Total	**$5,895**	**$9,114**	**($3,219)**
Grand Total	**$318,982**	**$277,509**	**$41,473**

INFRASTRUCTURE RESERVE

Infrastructure Reserve (IR) was originally created as a mechanism to accumulate funding required to complete a 10 year, $100 million infrastructure rehabilitation program (IMP) that would repair or renovate existing buildings and facilities, streets and sidewalks, parks and open space, and transportation systems. From time to time, the Council has used the IR to fund new capital projects. However, the Council has not changed the original policy to prioritize the care and maintenance of existing

infrastructure over the acquisition of new infrastructure, as adopted when the Infrastructure Management Plan was approved.

The need to maintain infrastructure on a systematic basis, requires IR to never be exhausted and act in perpetuity as the source of funding for General Fund infrastructure. The IR is funded by a base transfer from the General Fund of $3.6 million a year. Furthermore, City Council directed Staff to replenish IR annually by adding $2.0 million to the $3.6 million base transfer. Half of the goal was achieved by moving the IR into the Capital Project Fund and allowing interest to accrue to that fund. The remaining balance of $1.0 million was to be achieved by transferring General Fund's surpluses at year-end. Due to the projected depleting balance of the IR, the City Council made a Top 3 priority in 2007 funding the IR by an additional $3 million a year (adjusted by incremental factor of 7 percent), bringing total General Fund annual contribution to $8.6 million. Due to anticipated declining revenues in the General Fund in Fiscal Year 2010, the commitment of the General Fund to transfer $8.6 million is reduced by $2 million. The amount of this transfer will be reevaluated in Fiscal Year 2010 midyear, and depending on the economic health of the General Fund at that time, the adjustment could either restore the $ 2.0 million transfer or reduce the contribution further.

TRANSFER FROM GENERAL FUND

In addition to the $8.6 million annual commitment of the General Fund to the Infrastructure Reserve, the General Fund provides also funding for specific projects. Most of these projects recur annually. These projects include: Art in Public Places (AC-86017), Street Light Improvements (PO-05054), Traffic Signal Upgrades (PL-05030) and salary and benefits costs of city staff signed to manage capital projects. There are also projects that require one time funding from the General Fund; such as the Acquisition of Los Altos Treatment Plant Site project (AS-08000) which requires one time funding in Fiscal Year 2010.

TRANSFER FROM ENTERPRISE FUNDS

The City of Palo Alto has eight Enterprise Funds and each fund is a fiscal entity. Each Enterprise Fund shares the cost of the General Fund CIP project, if a project contributes to the Enterprise Fund's operations. In the 2010-2014 CIP Plan, Electric, Gas, Water, Fiber Optics, and Wastewater Collection Funds each contribute in the cost of the Civic Center Infrastructure Improvements (PF-01002), Municipal Service Center Improvements (PF-05002) and other miscellaneous projects.

GAS TAX

Gas Tax Fund accounts for revenues received from State gas tax, and Federal and State grants earmarked for street improvements. Use of this fund is restricted for maintenance of the road network system of the City. Gas tax supports CIP Project Street Maintenance (PE-86070) and Bicycle Boulevard Implementation (PL-04010). An operating transfer from the Gas Tax Fund to the Capital Fund reimburses the cost of these projects. Projection of Gas Tax revenues for Fiscal Year 2010 through Fiscal Year 2014 assumes the implementation of the State's proposal to defer payment from the Highway Users Tax Account (HUTA) Funds for seven months. The deferral of payment will result in lower gas tax revenues each year. Accordingly, the proposed appropriation for the Street Maintenance Project (PE-86070) is reduced to

align expenditures to revenues. The status of gas tax revenue payments from the State will be reviewed in Fiscal Year 2010 midyear. The result of the review may either increase or decrease revenues or appropriations for the Street Maintenance Project.

GENERAL OBLIGATION BONDS

On November 4, 2008, residents of the City of Palo Alto approved Measure N, an initiative to issue $76 million of General Obligation bonds to provide funds over the next decade to rebuild the Mitchell Park Library and adjacent Community Center (PE-09006), renovate and expand the Main Library (PE-11000), and renovate the Downtown branch (PE-09005).

PARKING PERMITS

Parking permit revenues are generated from parking facilities within the University and California Avenue business districts. These revenues support the maintenance of these parking facilities and other related capital projects. Projects supported by these revenues include Ted Thompson Garage Improvements project (PF-06001).

DEVELOPMENT IMPACT FEES

The development impact fees are collected from new development and provide funding for the City's infrastructure related to parks, community centers, and libraries. The City Attorney provides guidance on whether a project would qualify for funding. The Capital project supported by development impact fees in 2010-2014 CIP Plan is Park Restroom Installations project (PE-06007).

STREET CUT FEES

Street cut fees are collected from entities that excavate the City's right-of-way. Excavations in paved streets owned and maintained by the City degrade and shorten the life of the streets. This degradation increases the frequency and the cost necessary for the resurfacing, maintenance, and repair of the streets. Street cut fees collected are designated for the Street Maintenance Project (PE-86070).

OTHER AGENCIES

The City partners with local agencies to provide support to certain capital projects. The Palo Alto Unified School District (PAUSD) provides 50 percent funding for the School Playing Field Irrigation project (PG-98001) and Tennis and Basketball Court Resurfacing project (PG-06001) while Stanford University contributes 25 percent of the cost of Fire apparatus Equipment Replacement project. The Friends of the Junior Museum and Zoo (JMZ) is providing one-time funding for the Junior Museum and Zoo New Bobcat Habitat project (AC-10000).

ENTERPRISE FUNDS

UTILITY RATE CHARGES

Enterprise Funds operate on a full cost recovery basis. Accordingly, all costs related to operations and capital projects are recovered through the customers. Utility rate charges are received by the utility funds as revenue.

USER FEES AND CHARGES

Certain CIP projects in the Enterprise Funds are supported by user fees. Included in this category are certain charges to telecommunication companies pertaining to undergrounding projects. For the 2010-2014 CIP Plan, three undergrounding projects are planned and the estimated reimbursements from Telecommunication companies during this period are $2.2 million.

The summary of projects funded by user fees and the description of each user fee are summarized in the table below:

Enterprise Fund	Project Name	User Fee	2010-2014 CIP Plan Revenues	Description
Fiber Optics Fund	Fiber Optic Customer Connections FO-10000 (formerly EL-06006)	Fiber Optic License Fees	$1,000,000	Fiber optic license fees cover installation of fiber optic infrastructure for new service connections. For a list of other services refer to Utility Rate Schedule EDF-1.
Electric Fund	Electric Customer Connections (EL-89028)	Connection Fees	$4,250,000	Connection fees cover services for installation, transformers, meters for new customer, upgrading of existing customers and temporary service connection. For a list of other services refer to Utility Rate Schedule E-15.
Gas Fund	Gas System Extensions (GS-80017)	Connection Fees	$3,550,000	Connection fees cover services for distribution system extension, service connection, meter charges and relocation. For a list of other services refer to Utility Rate Schedule G-5.
Water Fund	Water System Extensions (WS-80013)	Connection Fees	$3,501,000	Connection fees cover services for distribution system extension, service connection, meter charges, capacity fees and fire hydrants. For a list of other services refer to Utility Rate Schedule W-5.
Wastewater Collection Fund	Sewer System Extensions (WC-80020)	Connection Fees	$3,702,000	Connection fees cover services for collection system extension, service connection, relocation of facilities and manholes. For a list of other services refer to Utility Rate Schedule S-5.

Summary of Capital Improvement Program Revenues

STORM DRAINAGE FEE

In April 2005, property owners approved an increase of $10 per month (for a typical single-family residential ratepayer) in the Storm Drainage Fee through a mail ballot process conducted in accordance with Proposition 218. The ballot measure allowed modest Storm Drainage Free increase, based on an annual local consumer price index (CPI) is 6 percent, whichever is less. In Fiscal Year 2010, no fee increase was proposed as CPI was zero. The increased revenue from the higher fee will fund a set of high-priority storm drain CIP projects. The fee increase will "sunset" after 12 years, unless reauthorized by another property owner ballot process. The City Council appointed the Storm Drain Oversight Committee to ensure compliance with the provisions of the ballot measure.

STATE GRANTS/LOANS

The City's Wastewater Treatment Fund in the 2008-2012 CIP Plan had a proposed Disinfection Facility Improvement Program project (WQ-06014) for $26 million. This project cost of $20 million was carried over to the 2009-2013 CIP Plan. Funding of this project may come from financing options which most likely will include State of California grants and loans.

UTILITY REVENUE BONDS

The Water Fund has a proposed Emergency Water Supply project (WQ-08002) with an estimated cost of $40 million. There are plans to issue utility revenue bonds estimated at $35 million in fall 2009 to finance this project. The remaining balance of the project cost will be funded by the water rate stabilization reserve.

CASH ACCUMULATED TO PAY FOR THE LANDFILL CLOSURE AND POST-CLOSURE CARE LIABILITY

State and Federal laws and regulations require that the City place a final cover on the remaining open areas of the Palo Alto Refuse Disposal Site when it disontinues accepting waste and to perform certain maintenance and monitoring functions at the site after closure. At the end of each year, the estimated cost for the landfill closure and post-closure care is recognized as a liability in the Refuse Fund's financial statements. The Refuse Fund has accumulated cash to pay for this liability.

INTERNAL SERVICE FUNDS

FUND BALANCE

The Internal Service Funds (ISF) have included in their fund balance an undesignated portion which is available for appropriation. This available balance can be designated to support certain capital projects. After Council approval, the undesignated fund balance is reduced by the new appropriations' amount.

The Vehicle Replacement Fund has four proposed CIP projects included in the 2010-2014 CIP Plan totaling $0.7 million of all of which will be funded from the fund balance. Likewise, the Technology Fund

has nine projects totaling $5.2 million; $2.5 million will be funded by the Technology Fund balance and the remaining by transfers from various funds.

TRANSFER FROM GENERAL FUND

The General Fund provides funding for its share of the CIP Projects in the Internal Service Fund (ISF). ISF (comprised of Vehicle Replacement, Printing and Mailing, and Technology Funds) allocate all CIP project costs between General Fund and Enterprise Funds. This transfer represents the General Fund share of the ISF CIP projects charge back allocation. Operating transfers are reflected as revenue on the ISF financial summary.

TRANSFER FROM ENTERPRISE FUND

Similar to the General Fund, Enterprise Funds also bear their portion of the allocated costs from the ISF. This transfer represents the Enterprise Funds share in the ISF CIP projects charge back allocation. Operating transfers are reflected as revenues on the ISF financial summary.

STANFORD UNIVERSITY

Stanford University pays portion of the cost of certain CIP projects in the Technology Fund as part of the agreement between Stanford University and the City to provide public safety services to Stanford University.

Debt Policy and Obligations

The City of Palo Alto recognizes the need for spending a prudent amount every year for ongoing capital replacement and rehabilitation needs. An ongoing capital improvement plan is vital to ensuring the future viability of services, therefore it is a priority of the City to fund its regular and ongoing capital needs on a "pay-as-you-go" basis. There are, however, special or extraordinary capital improvement projects in which it is appropriate to consider debt financing. A set of guidelines is included below to support the decision-making process, and is not intended to be used as a set of rigid rules for issuing debt.

DEBT POLICY GUIDELINES

Debt financing is only appropriately considered for capital improvements and not for operating budget items. Annual debt service payments should not exceed 10 percent of the annual expenditure budget of the General Fund. The term of the debt issuance should not exceed the useful life expectancy of the asset acquired, constructed, or improved.

It is appropriate to consider debt financing under the following circumstances:

- The project financing can be paid for directly by the users of the facility. One example is capital improvements made to the City's golf course, where debt service payments can be made from the green fees paid by golfers. A second example is capital improvements paid for by assessments to property owners, such as a parking assessment for a downtown parking garage
- For enterprise funded projects, if a significant backlog of capital improvements has developed, and if that backlog cannot be addressed through the ongoing capital budget without having a significant impact on utility rates
- If funding for a large project (or grouping of similar projects) would have a significant negative impact on the availability of funding for other ongoing capital needs
- Capital leases may be considered for purchases of large pieces of equipment

LEGAL DEBT LIMIT

Based upon the assessed valuation of $18.9 billion for the fiscal year ending June 30, 2008, the City is limited to general obligation indebtedness of $0.7 billion. As of June 30, 2008, the amount of debt applicable to the debt limit is zero.

DEBT OBLIGATIONS

Summaries of City of Palo Alto debt activity for Fiscal Year 2009 are provided in the following sections. There are plans to issue General Obligation Bonds currently estimated at $55 million and Special Revenue Bonds currently estimated at $35 million in Fiscal Year 2010.

	Original Issue Amount	Balance June 30, 2008	Retirements	Balance June 30, 2009	Current Portion
Governmental Activity Debt:					
General Long Term Obligations:					
1998 Golf Course Certificates of Participation,					
4.00-5.00%, due 09/01/2018	$7,750	$4,750	$335	$415	$335
2002A Civic Center Refinancing Certificates of Participation,					
2.00-4.00%, due 03/01/2012	3,500	1,540	365	1,175	365
2002B Downtown Parking Improvements Certificates of Participation					
4.55-6.00%, due 03/01/2022	3,555	2,115	100	2,015	100
Total Governmental Activity Debt	**$14,805**	**$8,405**	**$800**	**$3,605**	**$800**
Business-type Activity Debt:					
Enterprise Long Term Obligations:					
Utility Revenue Bonds,					
1995 Series A, 5.00-6.25%, due 06/01/2020	$8,640	$5,649	$330	$5,319	$330
1999 Refunding, 3.25-5.25%, due 06/01/2024	17,735	14,215	480	13,735	480
2002 Series A, 3.00-5.00%, due 06/01/2026	26,055	20,470	780	19,690	780
Energy Tax Credit Bonds,					
2007 Series A, 0%, due 12/15/2021	1,500	1,400	100	1,300	100
State Water Resources Loan,					
2007, 0%, due 6/30/2029	9,000	9,000		9,000	
Less: unamortized discount/ issuance cost		(1,053)	(74)	(979)	
	$62,930	**$49,681**	**$1,616**	**$48,065**	**$1,690**

DEBT OBLIGATION DESCRIPTIONS

1998 Golf Course Certificate of Participation (COPS): In August 1998, the City's Public Improvement Corporation issued Golf Course Improvement COPS, Series 1998 in the amount of $7.75 million to retire the 1978 Golf Course Lease Revenue Bonds, and to finance various improvements at the Palo Alto Public Golf Course, including upgrading five fairways and various traps, trees and greens, constructing new storm drain facilities, replacing the existing irrigation system, upgrading the driving range, and installing new cart paths. The 1998 COPs are secured by lease revenues received by the Public Improvement Corporation from golf course revenues or other unrestricted revenues of the City. Principal and interest are payable semi-annually each March 1 and September 1.

2002A Civic Center Refinancing COPS: On January 16, 2002 the City issued $3.5 million of COPS to refund the City's 1992 COPS which were subsequently retired. Principal payments for the 2002A COPs are due annually on March 1 and interest payments semi-annually on March 1 and September 1, and are payable from lease revenues received by the Palo Alto Public Improvement Corporation from the City from available funds.

Debt Policy and Obligations

2002B Downtown Parking Improvement Project COPS: On January 16, 2002 the City issued $3.6 million of COPS to finance the construction of certain improvements to the non-parking area contained in the City's Bryant /Florence Garage complex. Principal payments are due annually on March 1 and interest payments semi-annually on March 1 and September 1 from 4.55 percent - 6.5 percent, and are payable from lease revenues received by the Palo Alto Public Improvement Corporation from the City from available funds.

On January 25, 2005, the City defeased $0.9 million of the 2002B Downtown Parking Improvements Certificates of Participation. The City placed $1.0 million in surplus cash from the Civic Center Refinancing and Downtown Parking Improvement Project Construction account in an irrevocable trust to provide for future debt payments.

1995 Utility Revenue Bonds, Series A: The City issued Utility Revenue Bonds on February 1, 1995 to finance certain extensions and improvements to the City's Storm Drainage and Surface Water System. The Bonds are special obligations of the City payable solely from and secured by a pledge of and lien upon the revenues derived by the City from the funds, services and facilities of all Enterprise Funds except the Refuse Fund. Principal payments are payable annually on June 1 and interest payments semi-annually on June 1 and December 1. A $2.9 million 6.25 percent term bond is due June 1, 2020. In lieu of a reserve fund, the Bonds are secured by a Surety Bond issued by AMBAC Indemnity Corporation.

1999 Utility Revenue and Refunding Bonds, Series A: The City issued Utility Revenue Bonds on June 1, 1999 to refund the 1990 Utility Revenue Refunding Bonds, Series A and the 1992 Utility Revenue Bonds, Series A, and to finance rehabilitation of the Wastewater Treatment System's two sludge incinerators. The 1990 Utility Revenue Refunding Bonds, Series A and the 1992 Utility Revenue Bonds, Series A, were subsequently retired.

The 1999 Bonds are special obligations of the City payable solely from and secured by a pledge of and lien upon certain net revenues derived by the City's Sewer System and its storm and surface water system (the "Storm Drain System"). As of June 30, 2001, the 1999 Bonds had been allocated to and were repayable from net revenues of the following enterprise funds: Wastewater Collection (10.2 percent), Wastewater Treatment (64.6 percent) and Storm Drain (25.2 percent). Principal payments are payable annually on June 1 and interest payments semi-annually on June 1 and December 1. A $3.125 million 5.25 percent term bond, and a $5.12 million 5.25 percent term bond are due June 1, 2021 and 2024, respectively. In lieu of a reserve fund, the Bonds are secured by a Surety Bond issued by AMBAC Indemnity Corporation.

2002 Utility Revenue Bonds, Series A: On January 24, 2002 the City issued Utility Revenue Bonds to finance certain improvements to the City's water utility system, and the City's natural gas utility system. Principal payments are due annually on June 1 and interest payments are due semi-annually on June 1 and December 1 from 3 percent to 5 percent. The 2002 Revenue Bonds are secured by net revenues generated by the Water Services and Gas Services Funds.

2007A Electric System Clean Renewable Energy Tax Credit Bonds. On November 1, 2007 the City issued $1.5 million in Clean Renewable Energy Bonds under a program of the United States Department of Energy. The bonds do not bear interest. In lieu of receiving interest payments from the City, the owners of the bonds receive a federal income tax credit. The City issued the bonds to finance the cost of acquiring and installing approximately 250 kilowatts of solar photovoltaic panels to produce electricity at the Lucy Evans

Baylands Interpretive Center, the Cubberley Community Center, and the City Municipal Services Center. The bond principal payments are secured by net revenues generated by the Electric Fund.

State Water Resources Loan : In October 2007, the City approved the $9.0 million loan agreement with State Water Resources Control Board (SWRCB) to finance the City's Mountain View/Moffett Area reclaimed water pipeline project. Under the terms of the contract, the City has agreed to repay $9.0 million to the State in exchange for receiving $7.5 million in proceeds to be used to fund the Project. The difference between the repayment obligation and proceeds amounts to $1.5 million and represents in-substance interest on the outstanding balance. Loan proceeds are drawn down as the project progresses and debt service payments commence on June 30, 2010. As of June 30, 2008, the City received a total loan amount of $5.6 million.

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Financial Summary

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2010-14 CIP Summary by Fund

($000) Fund Category	2009-10	2010-11	2011-12	2012-13	2013-14	Total
CAPITAL FUND	**$67,421**	**$17,442**	**$28,406**	**$8,599**	**$8,557**	**$130,425**
Total Reimbursements	(56,193)	(4,502)	(19,655)	(2,774)	(2,835)	**$(85,959)**
NET CAPITAL FUND	**$11,228**	**$12,941**	**$8,750**	**$5,825**	**$5,722**	**$44,466**
VEHICLE REPLACEMENT FUND	**$670**	**$0**	**$0**	**$0**	**$0**	**$670**
Total Reimbursements	0	0	0	0	0	**$0**
NET VEHICLE REPLACEMENT FUND	**$670**	**$0**	**$0**	**$0**	**$0**	**$670**
TECHNOLOGY FUND	**$943**	**$3,433**	**$283**	**$283**	**$283**	**$5,225**
Total Reimbursements	(589)	(1,699)	(133)	(133)	(133)	**$(2,687)**
NET TECHNOLOGY FUND	**$355**	**$1,734**	**$150**	**$150**	**$150**	**$2,539**
ELECTRIC FUND	**$8,535**	**$9,890**	**$9,365**	**$9,595**	**$9,465**	**$46,850**
Total Reimbursements	(1,025)	(940)	(1,695)	(1,800)	(1,860)	**$(7,320)**
NET ELECTRIC FUND	**$7,510**	**$8,950**	**$7,670**	**$7,795**	**$7,605**	**$39,530**
FIBER OPTICS FUND	**$400**	**$400**	**$400**	**$400**	**$400**	**$2,000**
Total Reimbursements	(200)	(200)	(200)	(200)	(200)	**$(1,000)**
NET FIBER OPTICS FUND	**$200**	**$200**	**$200**	**$200**	**$200**	**$1,000**
GAS FUND	**$2,389**	**$7,908**	**$7,621**	**$7,982**	**$5,175**	**$31,075**
Total Reimbursements	(738)	(700)	(710)	(720)	(730)	**$(3,598)**
NET GAS FUND	**$1,651**	**$7,208**	**$6,911**	**$7,262**	**$4,445**	**$27,477**
WATER FUND	**$27,414**	**$8,173**	**$5,067**	**$6,338**	**$5,617**	**$52,609**
Total Reimbursements	(23,249)	(4,259)	(767)	(709)	(718)	**$(29,701)**
NET WATER FUND	**$4,165**	**$3,914**	**$4,300**	**$5,629**	**$4,899**	**$22,908**

2010-14 CIP Summary by Fund

($000) Fund Category	2009-10	2010-11	2011-12	2012-13	2013-14	Total
WASTEWATER COLLECTION FUND	**$3,946**	**$3,960**	**$4,065**	**$4,175**	**$4,331**	**$20,477**
Total Reimbursements	(721)	(730)	(740)	(750)	(761)	**$(3,702)**
NET WASTEWATER COLLECTION FUND	**$3,225**	**$3,230**	**$3,325**	**$3,425**	**$3,570**	**$16,775**
REFUSE FUND	**$0**	**$7,650**	**$0**	**$0**	**$0**	**$7,650**
Total Reimbursements	0	(375)	0	0	0	**$(375)**
NET REFUSE FUND	**$0**	**$7,275**	**$0**	**$0**	**$0**	**$7,275**
WASTEWATER TREATMENT FUND	**$1,700**	**$2,550**	**$2,650**	**$2,700**	**$2,750**	**$12,350**
Total Reimbursements	0	0	0	0	0	**$0**
NET WASTEWATER TREATMENT FUND	**$1,700**	**$2,550**	**$2,650**	**$2,700**	**$2,750**	**$12,350**
STORM DRAINAGE FUND	**$1,370**	**$1,462**	**$2,174**	**$2,281**	**$2,364**	**$9,651**
Total Reimbursements	0	0	0	0	0	**$0**
NET STORM DRAINAGE FUND	**$1,370**	**$1,462**	**$2,174**	**$2,281**	**$2,364**	**$9,651**
TOTAL CIP COSTS (ALL FUNDS)	**$114,789**	**$62,868**	**$60,030**	**$42,353**	**$38,942**	**$318,982**
Total Reimbursements	(82,715)	(13,405)	(23,900)	(7,086)	(7,237)	**$(134,341)**
NET CIP COSTS	**$32,074**	**$49,464**	**$36,130**	**$35,267**	**$31,705**	**$184,640**

CIP General Fund Financial Summary

FUND SUMMARY

($000)	2007-08 Actuals	2008-09 Adopted Budget	2008-09 Adjusted Budget	2009-10 Adopted Budget	2009-10 Budget Change	2010-11 Adopted-in-Concept Budget	2010-11 Budget Change
Revenues							
Bond Proceeds	0	0	0	54,381	54,381	1,400	(52,981)
Other Agencies	96	303	521	768	247	55	(713)
State of California	2,003	0	1,011	136	(875)	0	(136)
Federal Grants	1,152	0	0	150	150	0	(150)
Stanford University	0	34	34	17	(16)	0	(17)
Investment Income	1,028	1,045	1,045	838	(207)	770	(68)
Other Revenue	261	400	400	0	(400)	0	0
SUBTOTAL REVENUES	**$4,540**	**$1,781**	**$3,010**	**$56,289**	**$53,280**	**$2,225**	**$(54,065)**
Operating Transfers In							
General Fund	11,807	12,131	14,648	9,900	(4,747)	10,248	348
Street Improvement Fund	756	1,170	485	750	265	850	100
Developers Impact Fee-Park Fund	620	320	1,090	0	(1,090)	220	220
Utility Funds	950	240	1,371	86	(1,285)	230	144
California Avenue Parking District Permits Fund	94	0	0	67	67	0	(67)
Charleston Arastradero Safety Impact Fees Fund	82	82	82	82	0	82	0
Law Enforcement Services Fund	100	0	0	0	0	0	0
SUBTOTAL OPERATING TRANSFERS IN	**$14,408**	**$13,942**	**$17,676**	**$10,885**	**$(6,791)**	**$11,630**	**$745**
TOTAL SOURCE OF FUNDS	**$18,948**	**$15,723**	**$20,686**	**$67,174**	**$46,489**	**$13,855**	**$(53,320)**
Expenses							
Salaries and Benefits	2,568	2,819	2,861	3,479	618	3,482	3
Capital Project Expenditures	19,058	17,404	26,605	63,943	37,338	13,960	(49,982)
Sustainability Contingency	0	400	400	0	(400)	0	0
SUBTOTAL EXPENSES	**$21,626**	**$20,622**	**$29,866**	**$67,421**	**$37,555**	**$17,442**	**$(49,979)**
Operating Transfers Out	118	0	2,551	0	(2,551)	0	0
TOTAL USE OF FUNDS	**$21,744**	**$20,622**	**$32,417**	**$67,421**	**$35,004**	**$17,442**	**$(49,979)**
NET TO (FROM) RESERVES	**$(2,795)**	**$(4,899)**	**$(11,731)**	**$(247)**	**$11,484**	**$(3,587)**	**$(3,341)**

CIP General Fund Financial Summary

FUND SUMMARY

($000)	2007-08 Actuals	2008-09 Adopted Budget	2008-09 Adjusted Budget	2009-10 Adopted Budget	2009-10 Budget Change	2010-11 Adopted-in-Concept Budget	2010-11 Budget Change
INFRASTRUCTURE RESERVE YEAR-END BALANCE	**$17,894**	**$11,594**	**$5,457**	**$5,210**	**$(247)**	**$1,623**	**$(3,587)**

2010-14 Capital Improvement Projects

($000) CIP Number	Project Title	2009-10	2010-11	2011-12	2012-13	2013-14	Total
KEY Shaded areas denote new projects **TBD** To Be Determined *Italicized* text indicates reimbursement							
Capital Fund							
Land and Land Improvements							
AS-08000	Acquisition of Los Altos Treatment Plant Site	2,216					**$2,216**
	General Fund	(2,216)					**$(2,216)**
AC-86017	Art in Public Places	50	50	50	50	50	**$250**
	General Fund	(50)	(50)	(50)	(50)	(50)	**$(250)**
NET TOTAL LAND AND LAND IMPROVEMENTS		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Buildings and Facilities							
PF-10000	Civic Center Chiller Drive Replacement	125					**$125**
	Enterprise Funds	(3)					**$(3)**
PE-09005	Downtown Library Improvements	3,500					**$3,500**
	Bonds	(3,500)					**$(3,500)**
PE-09010	Library & Community Center - Temporary Facilities	75					**$75**
PF-10002	Lot J Structure Repair	75					**$75**
PE-11000	Main Library New Construction and Improvements		1,400	16,900			**$18,300**
	Bonds		(1,400)	(16,900)			**$(18,300)**
PE-09006	Mitchell Park Library and Community Center New Construction	47,000					**$47,000**
	Bonds	(47,000)					**$(47,000)**
CC-10000	Replacement of Gym B Bleachers	56					**$56**
PE-10002	Ventura Community Center and Park	200	135				**$335**
PF-93009	Americans with Disabilities Act Compliance	75	150	150	100	100	**$575**

2010-14 Capital Improvement Projects

($000) CIP Number	Project Title	2009-10	2010-11	2011-12	2012-13	2013-14	Total
PF-07000	Art Center Electrical & Mechanical Upgrades		2,600				**$2,600**
PF-07002	Baylands Interpretive Center Improvement		267				**$267**
PF-01003	Building Systems Improvements	100	100	100	100	100	**$500**
PF-09000	Children's Theatre Improvements		100	500			**$600**
PE-09003	City Facility Parking Lot Maintenance		100	100	100	100	**$400**
PF-01002	Civic Center Infrastructure Improvements	4,176	1,546	1,460			**$7,182**
	Enterprise Funds	(84)	(31)	(29)			**$(144)**
PF-06004	Cubberley Restroom Upgrades		300				**$300**
CC-09001	Dimmer Replacement and Lighting System Replacement	145					**$145**
PF-02022	Facility Interior Finishes Replacement		80	80	80	80	**$320**
PF-05003	Foothills Park Interpretive Center Improvements		210				**$210**
PF-05002	Municipal Service Center Improvements		641				**$641**
	Enterprise Funds		(199)				**$(199)**
AC-09002	New Sound System for Lucie Stern Community Theatre		200				**$200**
	General Fund		(200)				**$(200)**
AC-09001	Replacement of Children Theatre Audio and Visual Monitoring Systems	100					**$100**
	General Fund	(50)					**$(50)**
	Others	(50)					**$(50)**
PF-10001	Rinconada Pool Plaster	200					**$200**
PF-00006	Roofing Replacement	150	165	150	150	150	**$765**
PF-06001	Ted Thompson Garage Improvements	67					**$67**

2010-14 Capital Improvement Projects

($000) CIP Number	Project Title	2009-10	2010-11	2011-12	2012-13	2013-14	Total
	California Avenue Parking Permits Fund	(67)					**$(67)**
PF-06002	Ventura Buildings Improvements		90	600			**$690**
NET TOTAL BUILDINGS AND FACILITIES		**$5,291**	**$6,254**	**$3,111**	**$530**	**$530**	**$15,716**
Parks and Open Space							
AC-10000	Junior Museum and Zoo (JMZ) New Bobcat Habitat	575					**$575**
	Others	(505)					**$(505)**
PE-11003	Monroe Park Improvements		250				**$250**
PE-11004	Scott Park Improvements		100				**$100**
OS-09002	Baylands Emergency Access Levee Repair	175					**$175**
PG-06003	Benches, Signage, Fencing, Walkways, and Perimeter Landscaping	100	100	150	150	150	**$650**
PE-06010	City Parks Improvements			330	440	200	**$970**
PE-07004	Cogswell Plaza Improvements		150				**$150**
OS-07000	Foothills Park Road Improvements		125	150			**$275**
PE-07001	Hopkins Park Improvement		95				**$95**
OS-09001	Off-Road Pathway Resurfacing and Repair		100	100	100	100	**$400**
OS-00002	Open Space Lakes and Ponds Maintenance	50		50		60	**$160**
OS-00001	Open Space Trails and Amenities	116	116	136	150	164	**$682**
PG-09002	Park and Open Space Emergency Repairs	75	75	75	75	75	**$375**
PE-06007	Park Restroom Installation		220	220	220	220	**$880**
	Development Impact Fees		(220)	(220)	(220)	(220)	**$(880)**
PE-08001	Rinconada Park Improvements		775				**$775**
PG-98001	School Playing Field Irrigation	100	85	100	100	125	**$510**

2010-14 Capital Improvement Projects

($000) CIP Number	Project Title	2009-10	2010-11	2011-12	2012-13	2013-14	Total
	Others	(50)	(43)	(50)	(50)	(63)	**$(255)**
PG-06001	Tennis and Basketball Court Resurfacing	55	55	55	55	55	**$275**
	Others	(13)	(13)	(13)	(13)	(13)	**$(63)**
NET TOTAL PARKS AND OPEN SPACE		**$679**	**$1,971**	**$1,084**	**$1,008**	**$854**	**$5,595**
Streets and Sidewalks							
PE-10006	Bridge Rail, Abutment, and Deck Repairs	300					**$300**
PL-11000	Highway 101 Pedestrian/ Bicycle Overpass/Under-pass Project	100					**$100**
PE-06006	Alma Street Landscape Improvements			316			**$316**
PL-04010	Bicycle Transportation Plan Implementation Project	50	50	50	50	50	**$250**
PL-05003	College Terrace Traffic Calming	50					**$50**
	General Fund	(50)					**$(50)**
PL-00026	Safe Routes to School		100	100	100	100	**$400**
	Gas Tax Fund		(100)	(100)	(100)	(100)	**$(400)**
PE-00104	San Antonio Medians	40	630				**$670**
PO-89003	Sidewalk Repairs	718	717	695	674	654	**$3,458**
PO-05054	Street Lights Improvements	120	125	130	135	140	**$650**
	General Fund	(120)	(125)	(130)	(135)	(140)	**$(650)**
PE-86070	Street Maintenance	1,939	1,804	1,804	1,804	1,804	**$9,154**
	Gas Tax Fund	(750)	(750)	(750)	(750)	(750)	**$(3,750)**
	State Grant	(136)					**$(136)**
PE-06011	Street Median Improve-ments			156	156	156	**$468**
PL-05030	Traffic Signal Upgrades		155	160	165	170	**$650**
	General Fund		(155)	(160)	(165)	(170)	**$(650)**
NET TOTAL STREETS AND SIDEWALKS		**$2,261**	**$2,450**	**$2,271**	**$1,934**	**$1,914**	**$10,830**

2010-14 Capital Improvement Projects

($000) CIP Number	Project Title	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Miscellaneous							
PO-10002	Downtown Tree Grates	300					**$300**
AS-10000	Salaries and Benefits - General Fund CIP Projects	3,479	3,482	3,539	3,645	3,754	**$17,898**
	General Fund	(1,182)	(1,217)	(1,254)	(1,291)	(1,330)	**$(6,273)**
AS-10001	Sustainability Contingency	400					**$400**
FD-09001	Fire Apparatus Equipment Replacement	69					**$69**
	General Fund	(52)					**$(52)**
	Stanford	(17)					**$(17)**
PD-07000	Mobile Command Vehicle	300					**$300**
	Federal Grant	(150)					**$(150)**
	Local Agency Grant	(150)					**$(150)**
NET TOTAL MISCELLANEOUS		**$2,997**	**$2,265**	**$2,285**	**$2,354**	**$2,424**	**$12,324**
CAPITAL FUND		**$67,421**	**$17,442**	**$28,406**	**$8,599**	**$8,557**	**$130,425**
TOTAL REIMBURSEMENTS		**$(56,193)**	**$(4,502)**	**$(19,655)**	**$(2,774)**	**$(2,835)**	**$(85,959)**
NET CAPITAL FUND		**$11,228**	**$12,941**	**$8,750**	**$5,825**	**$5,722**	**$44,466**
Vehicle Replacement Fund							
Miscellaneous							
VR-07001	Automated Motor Pool Reservation and Vehicle Key Management System	25					**$25**
VR-07002	Diesel Truck Engine Emissions Retrofits	360					**$360**
VR-06801	Replace City-wide Fuel Transaction and Inventory Management System	85					**$85**
VR-04010	Vehicle Maintenance Facility Upgrades	200					**$200**
NET TOTAL MISCELLANEOUS		**$670**	**$0**	**$0**	**$0**	**$0**	**$670**
NET VEHICLE REPLACEMENT FUND		**$670**	**$0**	**$0**	**$0**	**$0**	**$670**

2010-14 Capital Improvement Projects

($000) CIP Number	Project Title	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Technology Fund							
Technology							
TE-10000	Collections Software	80	8	8	8	8	**$112**
TE-10001	Utilities Customer Billing System Continuous Improvements	250	1,000				**$1,250**
	Enterprise Funds	(250)	(1,000)				**$(1,250)**
TE-99010	Acquisition of New Computers			75	75	75	**$225**
TE-02015	Citywide GIS Data, Infrastructure & Applications	259	200	200	200	200	**$1,059**
	Enterprise Funds	(172)	(133)	(133)	(133)	(133)	**$(704)**
TE-08002	Electronic Patient Care Report (ePCR)	20					**$20**
	Stanford	(5)					**$(5)**
TE-07000	Enterprise Application Infrastructure Upgrade (formerly CIS/SAP Transition)	135	75				**$210**
	Enterprise Funds	(90)	(50)				**$(140)**
TE-06001	Library RFID Implementation		800				**$800**
TE-05000	Radio Infrastructure Replacement	200	1,250				**$1,450**
	Enterprise Funds	(40)	(250)				**$(290)**
	Stanford	(32)	(200)				**$(232)**
TE-00010	Telephone System Replacement		100				**$100**
	Enterprise Funds		(66)				**$(66)**
NET TOTAL TECHNOLOGY		**$355**	**$1,734**	**$150**	**$150**	**$150**	**$2,539**
TECHNOLOGY FUND		**$943**	**$3,433**	**$283**	**$283**	**$283**	**$5,225**
TOTAL REIMBURSEMENTS		**$(589)**	**$(1,699)**	**$(133)**	**$(133)**	**$(133)**	**$(2,687)**
NET TECHNOLOGY FUND		**$355**	**$1,734**	**$150**	**$150**	**$150**	**$2,539**

2010-14 Capital Improvement Projects

($000) CIP Number	Project Title	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Electric Fund							
Distribution System - Customer Design and Connection Services							
EL-10008	Advanced Metering Infrastructure (AMI) System	210					**$210**
	Enterprise Funds	(140)					**$(140)**
EL-89028	Electric Customer Connections	1,800	1,900	2,000	2,100	2,205	**$10,005**
	Others	(750)	(800)	(850)	(900)	(950)	**$(4,250)**
NET TOTAL DISTRIBUTION SYSTEM - CUSTOMER DESIGN AND CONNECTION SERVICES		**$1,120**	**$1,100**	**$1,150**	**$1,200**	**$1,255**	**$5,825**
Distribution System - System Improvements							
EL-14000	Coleridge/Cowper/Tennyson 4/12 kV Conversion					40	**$40**
EL-08000	E. Charleston 4/12 kV Conversion	100	450				**$550**
EL-08002	E. Meadow/Alma/Loma 4/12 kV Conversion	500	500				**$1,000**
EL-13000	Edgewood / Wildwood 4 kV Tie				50	300	**$350**
EL-98003	Electric System Improvements	2,000	2,100	2,200	2,300	2,400	**$11,000**
	Others	(135)	(140)	(145)	(150)	(160)	**$(730)**
EL-02011	Electric Utility GIS	400					**$400**
EL-11004	Hewlett Subdivision Rebuild Los Trancos Road		400				**$400**
EL-09002	Middlefield / Colorado 4/12 kV Conversion	20	150	250			**$420**
EL-09000	Middlefield Underground Rebuild	75	550				**$625**
EL-11007	Rebuild Greenhouse Condo Area		150	350			**$500**
EL-12000	Rebuild UG District 12			80	1,000	200	**$1,280**
EL-11003	Rebuild UG District 15		350	400			**$750**
EL-09003	Rebuild UG District 17 (Downtown)	500					**$500**

2010-14 Capital Improvement Projects

($000) CIP Number	Project Title	2009-10	2010-11	2011-12	2012-13	2013-14	Total
EL-11006	Rebuild UG District 18		350				**$350**
EL-11008	Rebuild UG District 19	500					**$500**
EL-11005	Rebuild UG District 22	300					**$300**
EL-10006	Rebuild UG District 24	500	750				**$1,250**
EL-13002	Relocate Quarry Road/Hopkins Subtstations 60 kV Line (Lane A & B)				100	750	**$850**
EL-02010	SCADA System Upgrades	25	30	250	40	45	**$390**
EL-11000	Seale/Waverley 4/12 kV Conversion		35	350			**$385**
EL-11002	St. Francis/Oregon/Amarillo/Louis 4/12 kV Conversion		450				**$450**
EL-89044	Substation Facility Improvements	155	160	165	170	175	**$825**
EL-89038	Substation Protection Improvements	240	250	250	260	270	**$1,270**
EL-11001	Torreya Court Rebuild		100				**$100**
EL-08001	UG District 42 - Embarcadero Rd. (Between Emerson & Middlefield)				150	2,000	**$2,150**
	Others					(750)	**$(750)**
EL-11009	UG District 43 - Alma/ Embarcadero		150	2,000	500		**$2,650**
	Others			(700)			**$(700)**
EL-06002	UG District 45 - Downtown V	1,000	150				**$1,150**
EL-12001	UG District 46 - Charleston/ El Camino Real			150	2,000	150	**$2,300**
	Others				(750)		**$(750)**
NET TOTAL DISTRIBUTION SYSTEM - SYSTEM IMPROVEMENTS		**$6,180**	**$6,935**	**$5,600**	**$5,670**	**$5,420**	**$29,805**
General Services - Street Lights							
EL-10009	Street Light System Conversion Project	100	800	800	800	800	**$3,300**
NET TOTAL GENERAL SERVICES - STREET LIGHTS		**$100**	**$800**	**$800**	**$800**	**$800**	**$3,300**

($000) CIP Number	Project Title	2009-10	2010-11	2011-12	2012-13	2013-14	Total
General Services - Communications							
EL-89031	Communications System Improvements	110	115	120	125	130	**$600**
NET TOTAL GENERAL SERVICES - COMMUNICATIONS		**$110**	**$115**	**$120**	**$125**	**$130**	**$600**
ELECTRIC FUND		**$8,535**	**$9,890**	**$9,365**	**$9,595**	**$9,465**	**$46,850**
TOTAL REIMBURSEMENTS		**$(1,025)**	**$(940)**	**$(1,695)**	**$(1,800)**	**$(1,860)**	**$(7,320)**
NET ELECTRIC FUND		**$7,510**	**$8,950**	**$7,670**	**$7,795**	**$7,605**	**$39,530**
Fiber Optics Fund							
Commercial Telecommunications							
FO-10000	Fiber Optics Customer Connections (formerly EL-06006)	200	200	200	200	200	**$1,000**
	Others	(200)	(200)	(200)	(200)	(200)	**$(1,000)**
FO-10001	Fiber Optics Network System Improvements(formerly EL-06005)	200	200	200	200	200	**$1,000**
NET TOTAL COMMERCIAL TELECOMMUNICATIONS		**$200**	**$200**	**$200**	**$200**	**$200**	**$1,000**
FIBER OPTICS FUND		**$400**	**$400**	**$400**	**$400**	**$400**	**$2,000**
TOTAL REIMBURSEMENTS		**$(200)**	**$(200)**	**$(200)**	**$(200)**	**$(200)**	**$(1,000)**
NET FIBER OPTICS FUND		**$200**	**$200**	**$200**	**$200**	**$200**	**$1,000**
Gas Fund							
Miscellaneous							
GS-10002	General Shop Tooling	64					**$64**
	Enterprise Funds	(48)					**$(48)**
NET TOTAL MISCELLANEOUS		**$16**	**$0**	**$0**	**$0**	**$0**	**$16**
Distribution System - Customer Design and Connection Services							
GS-80017	Gas System Extensions	690	700	710	720	730	**$3,550**
	Others	(690)	(700)	(710)	(720)	(730)	**$(3,550)**
NET TOTAL DISTRIBUTION SYSTEM - CUSTOMER DESIGN AND CONNECTION SERVICES		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

2010-14 Capital Improvement Projects

($000) CIP Number	Project Title	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Distribution System - System Improvements							
GS-10003	Cathodic Current Interrupt-ers	300					**$300**
GS-11001	Gas Station 4 Rebuild		215				**$215**
GS-14000	GMR - Project 24					492	**$492**
GS-03007	Directional Boring Equip-ment		60		64		**$124**
GS-02013	Directional Boring Machine	40	185		45	250	**$520**
GS-80019	Gas Meters and Regulators	286	297	306	315	325	**$1,529**
GS-10000	Gas Station 3 Rebuild	207					**$207**
GS-09002	GMR - Project 19		5,800				**$5,800**
GS-10001	GMR - Project 20	644		5,970			**$6,614**
GS-11000	GMR - Project 21		457		6,150		**$6,607**
GS-12001	GMR - Project 22			468		3,200	**$3,668**
GS-13001	GMR - Project 23				482		**$482**
GS-03008	Polyethylene Fusion Equip-ment		32		34		**$66**
GS-03009	System Extensions - Unreim-bursed	158	162	167	172	178	**$837**
NET TOTAL DISTRIBUTION SYSTEM - SYSTEM IMPROVEMENTS		**$1,635**	**$7,208**	**$6,911**	**$7,262**	**$4,445**	**$27,461**
GAS FUND		**$2,389**	**$7,908**	**$7,621**	**$7,982**	**$5,175**	**$31,075**
TOTAL REIMBURSEMENTS		**$(738)**	**$(700)**	**$(710)**	**$(720)**	**$(730)**	**$(3,598)**
NET GAS FUND		**$1,651**	**$7,208**	**$6,911**	**$7,262**	**$4,445**	**$27,477**

Water Fund

Distribution System - Customer Design and Connection Services							
WS-80013	Water System Extensions	400	410	420	430	440	**$2,100**
	Others	(682)	(692)	(700)	(709)	(718)	**$(3,501)**
NET TOTAL DISTRIBUTION SYSTEM - CUSTOMER DESIGN AND CONNECTION SERVICES		**$(282)**	**$(282)**	**$(280)**	**$(279)**	**$(278)**	**$(1,401)**

2010-14 Capital Improvement Projects

($000) CIP Number	Project Title	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Distribution System - System Improvements							
WS-14001	WMR - Project 28					324	**$324**
WS-08002	Emergency Water Supply Project	22,500	3,500				**$26,000**
	Bonds	(22,500)	(3,500)				**$(26,000)**
WS-09000	Seismic Water Tank Valve	550					**$550**
WS-02014	W-G-W Utility GIS Data	100	100	100			**$300**
	Enterprise Funds	(67)	(67)	(67)			**$(200)**
WS-80015	Water Meters	203	209	215	222	229	**$1,078**
WS-07001	Water Recycling Facilities	265	500	750	2,000	1,150	**$4,665**
WS-80014	Water Service Hydrant Replacement	259	212	217	222	229	**$1,139**
WS-09001	WMR - Project 23	2,845					**$2,845**
WS-10001	WMR - Project 24	292	2,950				**$3,242**
WS-11000	WMR - Project 25		292	3,060			**$3,352**
WS-12001	WMR - Project 26			305	3,150		**$3,455**
WS-13001	WMR - Project 27				314	3,245	**$3,559**
NET TOTAL DISTRIBUTION SYSTEM - SYSTEM IMPROVEMENTS		**$4,447**	**$4,196**	**$4,580**	**$5,908**	**$5,177**	**$24,309**
WATER FUND		**$27,414**	**$8,173**	**$5,067**	**$6,338**	**$5,617**	**$52,609**
TOTAL REIMBURSEMENTS		**$(23,249)**	**$(4,259)**	**$(767)**	**$(709)**	**$(718)**	**$(29,701)**
NET WATER FUND		**$4,165**	**$3,914**	**$4,300**	**$5,629**	**$4,899**	**$22,908**
Wastewater Collection Fund							
Miscellaneous							
WC-09002	Root Treatment, Sediment, and Dewatering Container	30	30	30	33	33	**$156**
NET TOTAL MISCELLANEOUS		**$30**	**$30**	**$30**	**$33**	**$33**	**$156**
Distribution System - Customer Design and Connection Services							
WC-80020	Sewer System Extensions	321	330	340	350	361	**$1,702**
	Others	(721)	(730)	(740)	(750)	(761)	**$(3,702)**

2010-14 Capital Improvement Projects

($000) CIP Number	Project Title	2009-10	2010-11	2011-12	2012-13	2013-14	Total
NET TOTAL DISTRIBUTION SYSTEM - CUSTOMER DESIGN AND CONNECTION SERVICES		**$(400)**	**$(400)**	**$(400)**	**$(400)**	**$(400)**	**$(2,000)**
Distribution System - System Improvements							
WC-99013	Sewer Lateral/Manhole Rehab/Replacement	640	560	565	570	617	**$2,952**
NET TOTAL DISTRIBUTION SYSTEM - SYSTEM IMPROVEMENTS		**$640**	**$560**	**$565**	**$570**	**$617**	**$2,952**
Collection System - System Improvements							
WC-14001	WW Collection Sys. Rehab/ Aug. Project 27					320	**$320**
WC-12001	WW Collection Sys. Rehab/ Aug. Project 25			300	2,912		**$3,212**
WC-13001	WW Collection Sys. Rehab/ Aug. Project 26				310	3,000	**$3,310**
WC-09001	WW Collection Sys. Rehab/ Aug. Project 22	2,675					**$2,675**
WC-10002	WW Collection Sys. Rehab/ Aug. Project 23	280	2,750				**$3,030**
WC-11000	WW Collection Sys. Rehab/ Aug. Project 24		290	2,830			**$3,120**
NET TOTAL COLLECTION SYSTEM - SYSTEM IMPROVEMENTS		**$2,955**	**$3,040**	**$3,130**	**$3,222**	**$3,320**	**$15,667**
WASTEWATER COLLECTION FUND		**$3,946**	**$3,960**	**$4,065**	**$4,175**	**$4,331**	**$20,477**
TOTAL REIMBURSEMENTS		**$(721)**	**$(730)**	**$(740)**	**$(750)**	**$(761)**	**$(3,702)**
NET WASTEWATER COLLECTION FUND		**$3,225**	**$3,230**	**$3,325**	**$3,425**	**$3,570**	**$16,775**
Refuse Fund							
Miscellaneous							
RF-11001	Landfill Closure		6,700				**$6,700**
NET TOTAL MISCELLANEOUS		**$0**	**$6,700**	**$0**	**$0**	**$0**	**$6,700**
Collection System - System Improvements							
RF-10003	Drying Beds, Material Storage and Transfer Area		750				**$750**
	Enterprise Funds		(375)				**$(375)**

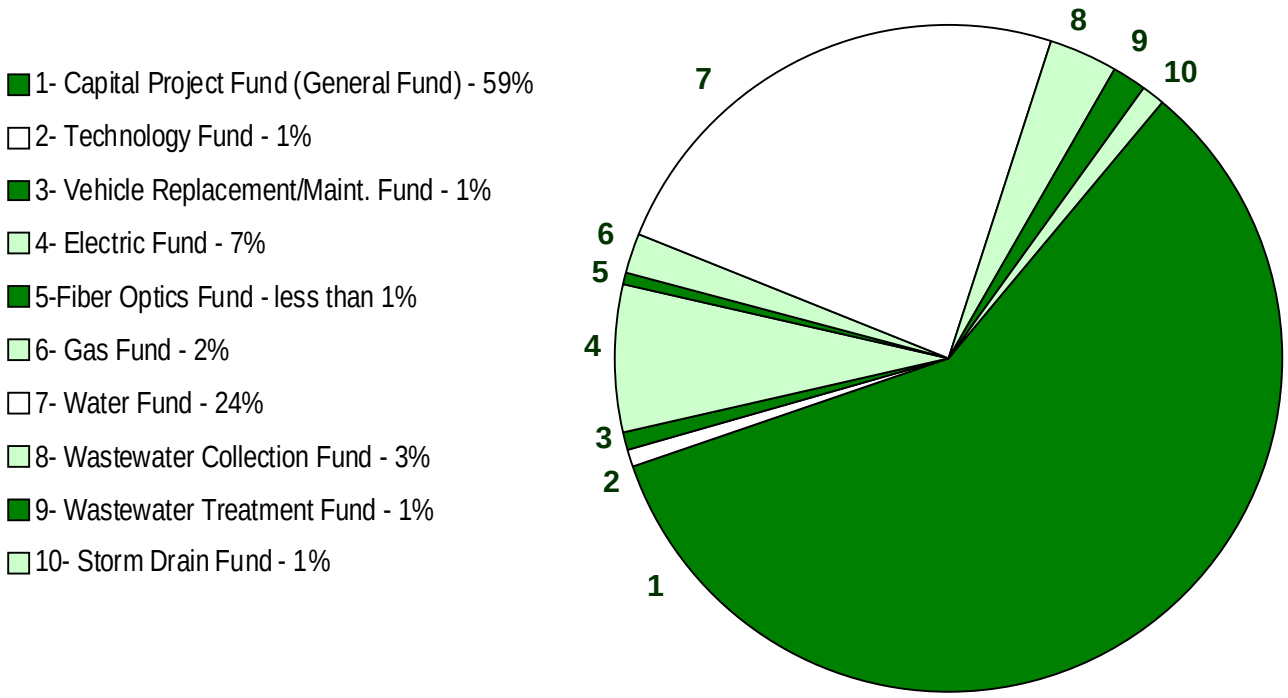
($000) CIP Number	Project Title	2009-10	2010-11	2011-12	2012-13	2013-14	Total
RF-10002	Flare Relocation Project		200				**$200**
NET TOTAL COLLECTION SYSTEM - SYSTEM IMPROVEMENTS		**$0**	**$575**	**$0**	**$0**	**$0**	**$575**
REFUSE FUND		**$0**	**$7,650**	**$0**	**$0**	**$0**	**$7,650**
TOTAL REIMBURSEMENTS		**$0**	**$(375)**	**$0**	**$0**	**$0**	**$(375)**
NET REFUSE FUND		**$0**	**$7,275**	**$0**	**$0**	**$0**	**$7,275**
Wastewater Treatment Fund							
Miscellaneous							
WQ-10001	Plant Master Plan	500					**$500**
NET TOTAL MISCELLANEOUS		**$500**	**$0**	**$0**	**$0**	**$0**	**$500**
Wastewater Treatment - System Improvements							
WQ-04011	Facility Condition Assessment & Retrofit		1,000	1,000	1,050	1,100	**$4,150**
WQ-80021	Plant Equipment Replacement	1,100	1,450	1,550	1,550	1,550	**$7,200**
WQ-80022	System Flow Meter	100	100	100	100	100	**$500**
NET TOTAL WASTEWATER TREATMENT - SYSTEM IMPROVEMENTS		**$1,200**	**$2,550**	**$2,650**	**$2,700**	**$2,750**	**$11,850**
NET WASTEWATER TREATMENT FUND		**$1,700**	**$2,550**	**$2,650**	**$2,700**	**$2,750**	**$12,350**
Storm Drainage Fund							
Collection System - System Improvements							
SD-13002	Matadero Creek Storm Water Pump Station and Trunk Lines Improvements					315	**$315**
SD-11101	Channing Avenue/Lincoln Avenue Storm Drain Improvements	820	895	1,590	1,680	1,430	**$6,415**
SD-06104	Connect Clara Drive Storm Drains to Matadero Pump Station						**$**
SD-10101	Southgate Neighborhood Storm Drain Improvements						**$**

2010-14 Capital Improvement Projects

($000) CIP Number	Project Title	2009-10	2010-11	2011-12	2012-13	2013-14	Total
SD-06101	Storm Drain System Replacement and Rehabilitation	550	567	584	601	619	**$2,921**
NET TOTAL COLLECTION SYSTEM - SYSTEM IMPROVEMENTS		**$1,370**	**$1,462**	**$2,174**	**$2,281**	**$2,364**	**$9,651**
NET STORM DRAINAGE FUND		**$1,370**	**$1,462**	**$2,174**	**$2,281**	**$2,364**	**$9,651**

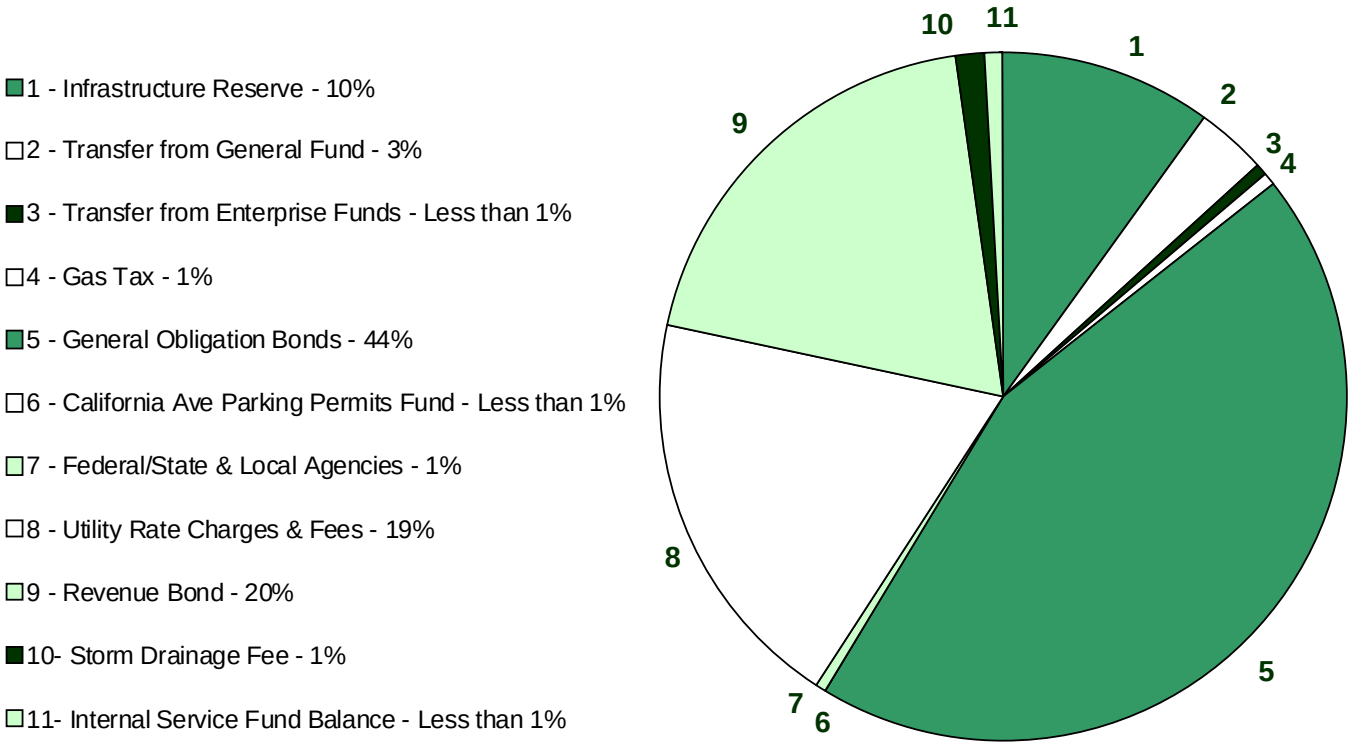
FY 2010 Capital Projects by Fund — Total Expenditures

$115 Million / Adopted FY 2010



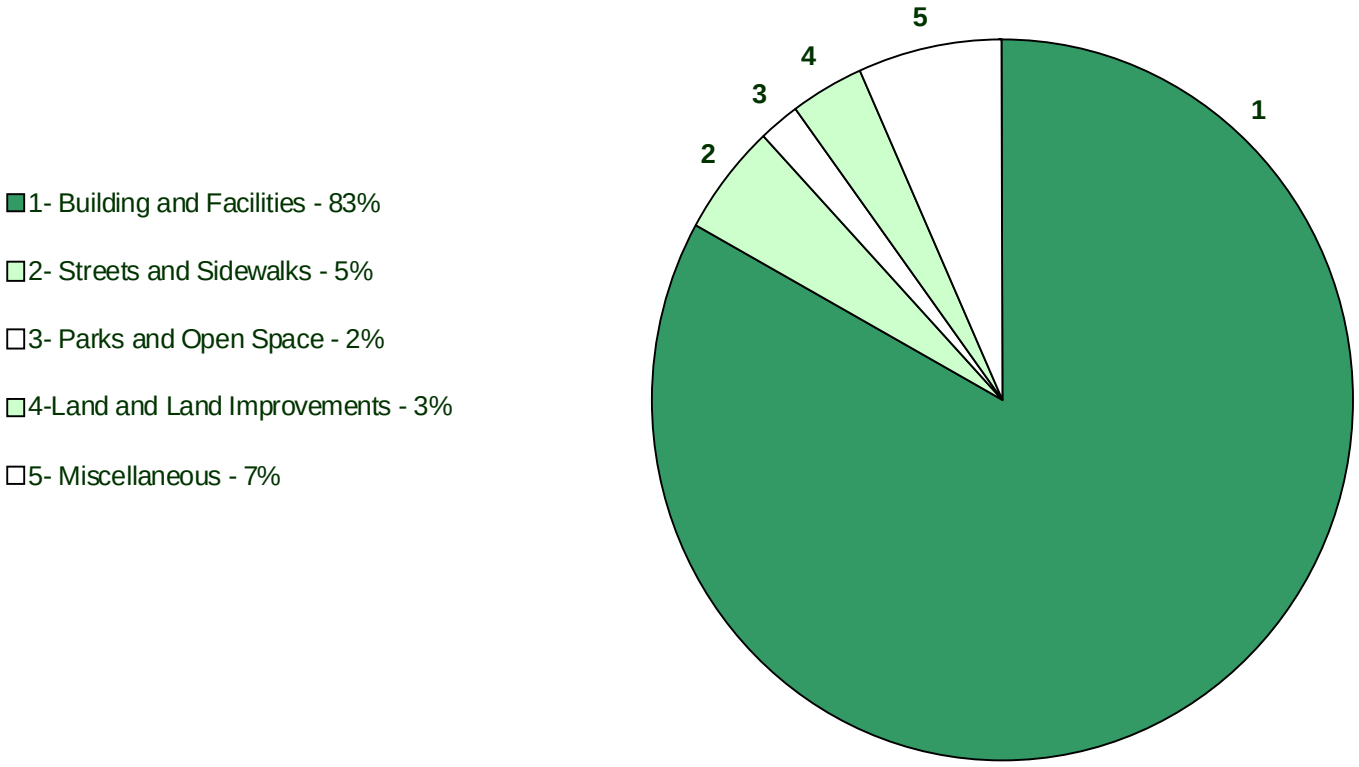
FY 2010 Capital Projects by Fund — Total Funding Sources

$115 Million / Adopted FY 2010



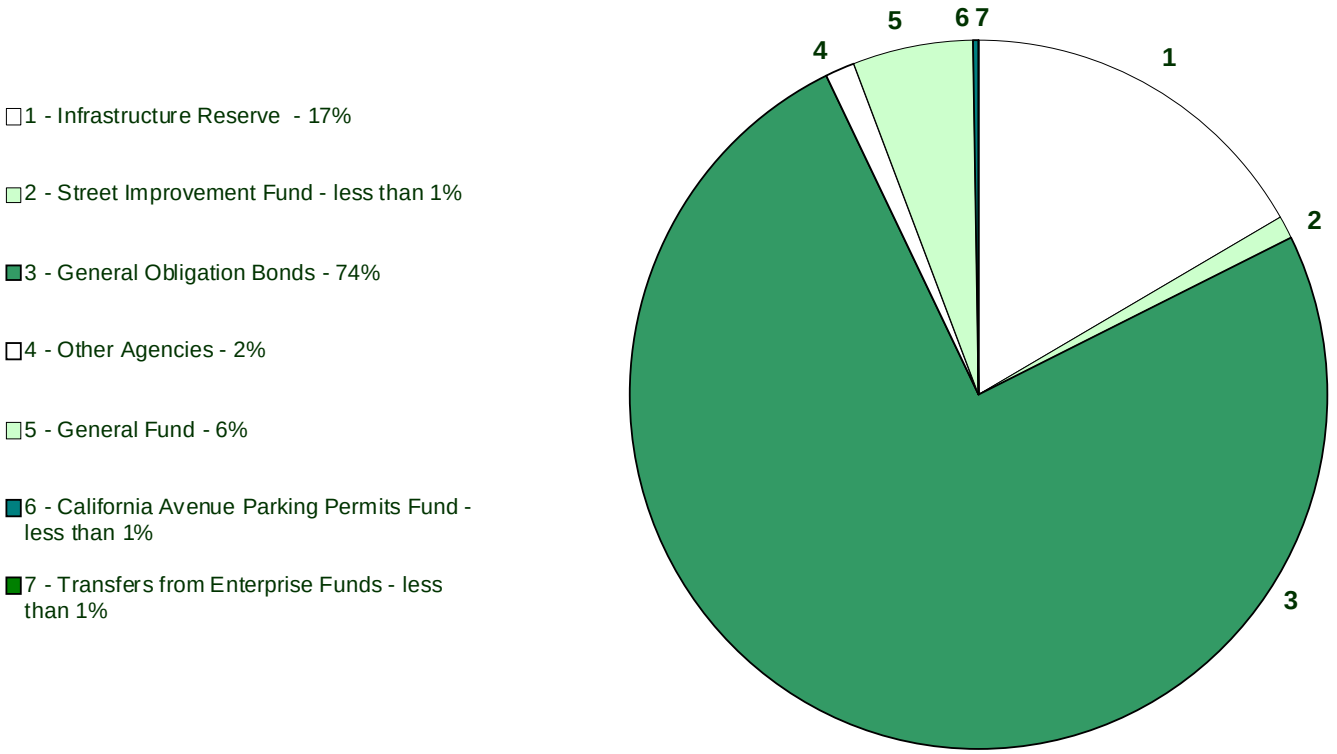
FY 2010 General Fund Capital Projects — Total Expenditures by Category

$67.4 Million / Adopted FY 2010



FY 2010 General Fund Capital Projects — Total Funding Sources

$67.4 Million / Adopted FY 2010

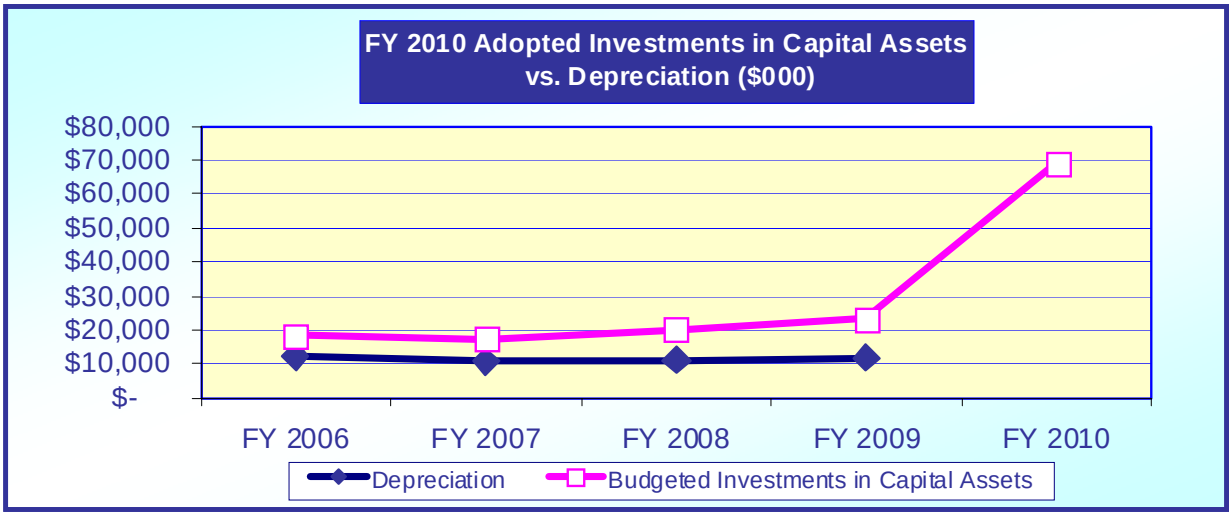


General Fund Capital Projects - Budgeted Investments in Capital Assets vs. Depreciation

HISTORICAL DEPRECIATION EXPENSE COMPARED TO BUDGETED INVESTMENTS IN CAPITAL ASSETS

	Depreciation				Budgeted Investments in Capital Assets				
Category	2006 Actual	2007 Actual	2008 Actual	2009 Projected	2006 Adopted	2007 Adopted	2008 Adopted	2009 Adopted	2010 Adopted
Land, Buildings and Improvements	3,106	1,533	1,631	1,713	6,438	4,757	3,229	9,682	58,311
Equipment and Miscellaneous	3,337	3,337	3,404	3,539	5,040	5,770	9,245	5,670	6,161
Roadway Network	5,594	5,582	5,778	6,067	4,332	4,001	5,432	4,775	3,317
Recreation and Open Space Network	279	309	363	380	2,486	2,742	2,391	3,066	1,247
TOTALS	**$12,316**	**$10,761**	**$11,176**	**$11,699**	**$18,296**	**$17,270**	**20,297**	**$23,193**	**$69,036**

NOTE: Depreciation is computed using the straight line method which means that cost of the asset is divided by its expected useful life in years. This methodology is consistent with generally accepted accounting principles applied in the preparation of the City's Comprehensive Annual Financial Report (CAFR). The City has assigned the useful lives listed below to capital assets:



Capital Projects		Years
Buildings and Structures		10-30
Equipment:		
Computer equipment		4
Office machinery & equipment		5
Machinery & equipment		10
Roadway network includes pavement, striping & legends, curbs, gutters & sidewalks, parking lots, traffic signage and bridges		5-40
Recreation and open space network includes major park facilities, park trails, bike paths and median		25-40

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2008-09 Adopted CIP Projects

Project Number	Project Title	2008-09 Adopted Budget Amount
	Capital Fund	
AS-08000	Acquisition of Los Altos Treatment Plant Site	2,313,073
PF-93009	Americans with Disabilities Act Compliance	150,000
PE-04014	Animal Services Center	600,000
PF-07000	Art Center Electrical & Mechanical Upgrades	1,450,000
AC-86017	Art in Public Places	50,000
PE-07009	Baylands Athletic Center Fencing, Dugout and Trailhead Parking Reno-	380,000
PG-06003	Benches, Signage, Fencing, Walkways, and Perimeter Landscaping	50,000
PL-04010	Bicycle Boulevards Implementation Project	50,000
PF-01003	Building Systems Improvements	100,000
PE-09003	City Facility Parking Lot Maintenance	330,000
AS-09000	City of Palo Alto Municipal Airport Transition Project	50,000
PE-07007	Cubberley Turf Renovation	100,000
PF-02022	Facility Interior Finishes Replacement	80,000
FD-09001	Fire Apparatus Equipment Replacement	69,000
OS-07000	Foothills Park Road Improvements	125,000
PE-09002	Greer Park Irrigation System Replacement and Phase IV	1,450,000
FD-09002	Jaws of Life Hurst Tool Replacement	65,000
PE-05010	Library - College Terrace Library and Child Care Center Improvements	4,000,000
PF-09001	Library - Downtown Library Mechanical and Electrical Upgrades	75,000
PF-07010	Library - Main Library Improvements	164,000
PE-09004	Los Altos Treatment Plant Master Plan Study	100,000
PF-09002	Lucie Stern Community Center and Theatre Exterior Paint	80,000
PE-08004	Lytton Plaza Renovation	300,000
PE-08005	Municipal Service Center Resurfacing	480,000
OS-09001	Off-Road Pathway Resurfacing and Repair	100,000
OS-00001	Open Space Trails and Amenities	80,000
PG-09002	Park and Open Space Emergency Repairs	75,000
PG-09003	Park Maintenance Shop Remodel	150,000
PE-06007	Park Restroom Installation	220,000
PF-00006	Roofing Replacement	250,000
PL-00026	Safe Routes to School	100,000
PG-98001	School Playing Field Irrigation	125,000
PO-89003	Sidewalk Repairs	1,620,000
PO-05054	Street Lights Improvements	120,000
PE-86070	Street Maintenance	2,195,000
PG-06001	Tennis and Basketball Court Resurfacing	130,000
PL-05030	Traffic Signal Upgrades	485,000
	TOTAL CAPITAL FUND	**$18,261,073**

2008-09 Adopted CIP Projects

Project Number	Project Title	2008-09 Adopted Budget Amount
	Vehicle Replacement Fund	
VR-09000	Scheduled Vehicle and Equipment Replacements	2,545,000
	TOTAL VEHICLE REPLACEMENT FUND	**$2,545,000**
	Technology Fund	
TE-99010	Acquisition of New Computers	75,000
TE-07003	Bill and Payment Processing	110,000
TE-02015	Citywide GIS Data, Infrastructure & Applications	258,632
TE-08002	Electronic Patient Care Report (ePCR)	20,000
TE-07000	Enterprise Application Infrastructure Upgrade (formerly CIS/SAP Transi-	435,000
TE-09001	Fiber Optic Communications to Remote Radio Sites	153,000
TE-09000	Public Safety Computer-Aided Dispatch Replacement	1,300,000
TE-05000	Radio Infrastructure Replacement	35,000
	TOTAL TECHNOLOGY FUND	**$2,386,632**
	Electric Fund	
EL-05001	Colorado Sw Sta 115kV Bus Installation	500,000
EL-89031	Communications System Improvements	88,000
EL-08000	E. Charleston 4/12kV Conversion	50,000
EL-08002	E. Meadow/Alma/Loma 4/12kV Conversion	100,000
EL-89028	Electric Customer Connections	1,800,000
EL-98003	Electric System Improvements	1,900,000
EL-02011	Electric Utility GIS	100,000
EL-09001	Evaluation of Local Cogeneration Opportunities	350,000
EL-06006	Fiber Optic Customer Connections (formerly EL-98002)	200,000
EL-06005	Fiber Optic Network System Improvements (formerly EL-98001)	200,000
EL-09003	Rebuild UG District 17 (Downtown)	600,000
EL-11008	Rebuild UG District 19	60,000
EL-11005	Rebuild UG District 22	1,000,000
EL-10006	Rebuild UG District 24	85,000
EL-89044	Substation Facility Improvements	150,000
EL-89038	Substation Protection Improvements	220,000
EL-06002	UG District 45 - Downtown V	2,000,000
EL-06003	Utility Control Center Upgrades	200,000
EL-09004	W.Charleston/Wilkie Way to South City Limit 4/12 kV Conversion	500,000
	TOTAL ELECTRIC FUND	**$10,103,000**
	Gas Fund	
GS-03007	Directional Boring Equipment	56,000

2008-09 Adopted CIP Projects

Project Number	Project Title	2008-09 Adopted Budget Amount
GS-07000	Elwell court Tenant Improvements	50,000
GS-80019	Gas Meters and Regulators	278,000
GS-09000	Gas Station 1 Rebuild	201,000
GS-80017	Gas System Extensions	660,000
GS-08011	GMR - Project 18	5,508,000
GS-09002	GMR - Project 19	432,000
GS-03008	Polyethylene Fusion Equipment	30,000
GS-03009	System Extensions - Unreimbursed	192,000
	TOTAL GAS FUND	**$7,407,000**
	Water Fund	
WS-08002	Emergency Water Supply Project	8,200,000
WS-09000	Seismic Water Tank Valve	250,000
WS-02014	W-G-W Utility GIS Data	65,000
WS-80015	Water Meters	197,000
WS-08001	Water Reservoir Coating Improvements	1,800,000
WS-80014	Water Service Hydrant Replacement	206,000
WS-80013	Water System Extensions	343,000
WS-07004	Water System Portable Emergency Generators	174,000
WS-08017	WMR - Project 22	2,730,000
WS-09001	WMR - Project 23	240,000
	TOTAL WATER FUND	**$14,205,000**
	Wastewater Collection Fund	
WC-09002	Root Treatment, Sediment, and Dewatering Container	30,000
WC-99013	Sewer Lateral/Manhole Rehab/Replacement	560,000
WC-80020	Sewer System Extensions	389,000
WC-08012	WW Collection Sys. Rehab/Aug. Project 21	2,700,000
WC-09001	WW Collection Sys. Rehab/Aug. Project 22	270,000
	TOTAL WASTEWATER COLLECTION FUND	**$3,949,000**
	Refuse Fund	
RF-09002	Byxbee Park Gas Collection Systems Upgrade	500,000
RF-10003	Drying Beds, Material Storage and Transfer Area	125,000
RF-10002	Flare Relocation Project	400,000
RF-09004	LATP Site Development Preparation	200,000
RF-09003	Recycling in Business Districts	325,000
RF-07001	Relocation of Landfill Facilities	500,000
	TOTAL REFUSE FUND	**$2,050,000**

2008-09 Adopted CIP Projects

Project Number	Project Title	2008-09 Adopted Budget Amount
	Wastewater Treatment Fund	
WQ-06014	Disinfection Facility Improvement Program	20,000,000
WQ-04011	Facility Condition Assessment & Retrofit	1,000,000
WQ-80021	Plant Equipment Replacement	1,350,000
WQ-80022	System Flow Meter	150,000
	TOTAL WASTEWATER TREATMENT FUND	**$22,500,000**
	Storm Drainage Fund	
SD-08101	Alma Street Storm Drain Improvements	785,000
SD-06105	Innovative Storm Drain Improvements	137,000
SD-06102	San Francisquito Creek Storm Water Pump Station	700,000
SD-06101	Storm Drain System Replacement and Rehabilitation	550,000
	TOTAL STORM DRAINAGE FUND	**$2,172,000**
	GRAND TOTAL	**$85,578,705**

Capital Fund Projects

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General Fund Overview - Capital Improvement Program

The infrastructure needs of the community continue to be one of the top priority items on City Council's agenda. The commitment to infrastructure underscores its importance to the future of the City and ensures that repair and replacement of the existing infrastructure occur on a regular schedule.

CLASSIFICATION OF CAPITAL IMPROVEMENT PROGRAM (CIP) PROJECTS

In Fiscal Year 1998, an outside consultant prepared a report known as the Adamson report. As a result of this report, the City's infrastructure was catalogued and ranked based on when the infrastructure needed to be upgraded or replaced and the cost for each item. At that time, the City Council established a 10-year plan (called the Infrastructure Management Plan) using the Adamson report to schedule and estimate the cost of needed projects.

This ten-year plan was projected to cost $100 million. However, many factors have contributed to change both the cost and timeline over time. Some factors include the competing requests for new infrastructure, staffing constraints, extended public review of some projects, and extended time frames required to complete major projects.

The Infrastructure Management Plan (IMP) approved by the City Council in 1998 consists of Buildings and Facilities, Streets and Sidewalks (which include traffic and transportation projects), and Parks and Open Space. The IMP, also known as City Works, emphasizes renovation and replacement of existing facilities according to Council policy. Since the initial IMP was approved in 1998, Council has approved the addition of new projects or staff has proposed expanding the scope of the original projects. Many of these additional projects or project expansions were due to health and safety issue or required legal mandates and were labeled Non-IMP. However, since the City Council Finance Committee expressed preference to combine the original IMP and Non-IMP projects, the distinction between these types of projects will no longer be presented.

To comply with the direction from the City Council Finance Committee, the 2010-14 CIP budget document now list projects by a classification as follows:

- Land and Land Improvements
- Buildings and Facilities
- Streets and Sidewalks (includes traffic and transportation)
- Parks and Open Space
- Miscellaneous

INFRASTRUCTURE RESERVE (IR)

The Infrastructure Reserve (IR) was originally created as a mechanism to accumulate funding required to complete a 10 year, $100 million infrastructure rehabilitation program (IMP) that would repair or renovate existing buildings and facilities, streets and sidewalks, parks and open

space, and transportation systems. The need to maintain infrastructure on a systematic basis, requires IR to never be exhausted and act in perpetuity as the source of funding for General Fund infrastructure.

From time to time, the Council has used the IR to fund new capital projects. However, the Council has not changed the original policy to prioritize the care and maintenance of existing infrastructure over the acquisition of new infrastructure, as adopted when the Infrastructure Management Plan was approved.

The IR is to be used primarily to fund the projects identified in the original Infrastructure Master Plan, or any other projects not identified in the plan but which are critical to the maintenance of existing infrastructure. Secondarily, should Council choose, the IR may be used for major capital projects involving the acquisition or renovation of infrastructure not previously included in the IMP.

Since the IR is to be used for priority capital projects that will be reviewed by the Council, no maximum reserve level is established. The General Fund committed an annual base transfer of $3.6 million to IR.

Unspent monies from capital projects will be returned to the IR and retained within the Capital Project Fund. Investment income from this reserve will also be retained within the IR to fund future capital project needs.

CIP BUDGET HIGHLIGHTS

The Fiscal Year 2010 Adopted Capital Fund CIP includes $67 million in project expenditures. $56 million of these projects will be funded by Measure N library bonds, grants, gas tax, impact fees, parking assessments and transfers from General Fund and various Enterprise Funds, and $11 million by the IR.

Below is a highlight of the Fiscal Year 2010 projects:

- Funding of $51 million for the construction of the Mitchell Park Library and Community Center and upgrades of the Downtown Library. Measure N bonds will provide funding for these projects.
- Funding of $4.2 million for the Civic Center Infrastructure Improvements Project - Phase 2. IR will provide funding for this project.
- Funding of $ 0.6 million for a new Junior Museum and Zoo (JMZ) bobcat habitat. $0.5 million of the costs will be funded by Friends of the JMZ and the balance will be funded by the IR.
- Funding of $2.2 million for the third and final payment for the acquisition of the Los Altos Treatment Plant site. The General Fund will provide funding for this project.
- Funding of $0.3 million for repair of the Alma/Oregon Expressway Overpass Bridge guard rail. IR will provide funding for this project.
- Funding of $1.9 million for the annual Street Maintenance Project. Funding will be provided by the Gas Tax Fund, street cut fees and the IR.
- Funding of $1.6 million for the annual Sidewalk Replacement program. Funding will be provided by the IR.

General Fund Overview - Capital Improvement Program

There has been an enormous amount of work accomplished with the IMP implementation. Since its inception nine years ago, approximately $130 million had already been appropriated to capital projects.

On March 18, 2008, staff presented to the City Council Finance Committee (CMR:167:08) an update of the General Fund infrastructure backlog. The estimated amount of the backlog in the next twenty years is $449 million. Staff plans to return to the City Council to present an implementation plan to address this problem. Details of the infrastructure backlog are presented in the "Unfunded Projects" section of this budget document. Update on the infrastructure backlog will be presented to the City Council Finance Committee during the General Fund CIP scheduled public hearing.

INFRASTRUCTURE STAFFING

The Capital Project Fund is allocated a total of 24.67 Full Time Equivalent (FTE) employees from the General Fund for Fiscal Year 2010. This includes 5.78 FTE transfer in Fiscal Year 2006 and 3.0 for Fiscal Year 2010 from the General Fund as additional CIP-related staffing needs have been identified for capital work. Starting Fiscal Year 2010, the total salaries and benefits costs are presented as a new project instead as a separate line item in the financial summary.

The salaries and benefits project is a placeholder for the estimated salaries and benefit costs of 24.67 FTE staff assigned to manage General Fund CIP projects. As part of the year-end process, this amount will be allocated to all General Fund CIP projects that are charged with the actual costs of salaries and benefits. At the end of each fiscal year, any unused balance will be returned to the Infrastructure Reserve.

SUSTAINABILITY BUDGET

The Fiscal Year 2010 Adopted Budget includes a sustainability contingency project in the amount of $0.4 million. During a project's design phase, if a project manager identifies elements in the project that meet the criteria for sustainability funds, the project manager will take part in an approval process to get these funds transferred into the qualifying project. The Sustainability Project will be used for specific measures that are either cost-effective, resource-efficiency projects or sustainability measures identified under nationally recognized standards.

General Fund Overview - Capital Improvement Program

NEW PROJECTS

The 2010-2014 CIP five-year plan includes the addition of the new projects listed on the table below. These projects are also identified as new on the project page.

2010-2014 CIP List of New Projects GENERAL FUND		
CIP NO.	Project Title	Page #
Building and Facilities		
PF-10000	Civic Center Chiller Drive Replacement	75
PE-09005	Downtown Library Improvements	79
PE-09010	Library and Community Center Temporary Facilities	82
PF-10002	Lot J Structure Repair	83
PE-11000	Main Library New Construction and Improvements	84
PE-09006	Mitchell Park Library and Community Center New Construction	85
CC-10000	Replacement of Gym B Bleachers	90
PE-10002	Ventura Community Center and Park	94
Parks and Open Space		
AC-10000	JMZ New Bobcat Habitat	117
PE-11003	Monroe Park Improvements	118
PE-11004	Scott Park Improvements	126
Street and Sidewalks		
PE-10006	Bridge Rail, Abutment and Deck Repairs	99
PL-11000	Highway 101 Pedestrian/Bicycle Overpass/Underpass Project	101
Miscellaneous		
PO-10002	Downtown Tree Grates	131
AS-10000	Salaries and Benefits - General Fund CIP Projects	135
AS-10001	Sustainability	136

COUNCIL POLICY DIRECTION

The projects requiring Council policy direction are listed below and are also identified on the project page.

2010-2014 CIP List of Projects Requiring Council Policy Direction		Council Policy Direction Criteria
CIP No.	Project Title	
PF-07000	Art Center Electrical & Mechanical Upgrades	7
PL-04010	Bicycle Boulevards Implementation Project	6
AC-10000	Junior Museum and Zoo (JMZ) New Bobcat Habitat	6
PE-06007	Park Restroom Restoration	3
PL-00026	Safe Routes to School	3, 6
PE-06011	Street Median Improvements	6

General Fund Overview - Capital Improvement Program

Criteria for identifying capital projects that require Council policy direction are as follows:

1. Project would require an amendment to the Comprehensive Plan or other master plans
2. Project would require a change in land use
3. Project involves a significant change in service levels requiring additional staffing or other resources
4. Project is not in planned General Fund IMP and/or does not have an identified funding source
5. Project requires acquisition or disposition of property
6. Project may require an Environmental Impact Review
7. Project requires significant diversion of staffing and/or City funds due to outside funding opportunity (e.g. grants)
8. Project may require voter and/or property owner approval (e.g. libraries and storm drains)
9. Project is a Council Top 3 Priority

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GENERAL FUND PROJECTS

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Infrastructure Map

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Land and Land Improvments

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Acquisition of Los Altos Treatment Plant Site (AS-08000)

Description: This project will acquire 13.26-acre of former Los Altos Treatment Plant (LATP) site located in the City of Los Altos but within the City of Palo Alto's sphere of influence. The site is divided into three areas referred to as Areas A, B and C. Area A (4.0 acres) is undeveloped and contains a narrow slough, associated wetlands and some filled area. Area B (6.64 acres) is the main developable parcel and is the former site of the abandoned LATP. Area C (2.62 acres) is composed of fill soils.

Justification: In 1984, Palo Alto entered into a Lease/Purchase Agreement with Los Altos for the lease and ultimate purchase of the LATP site. Under the Agreement, at the end of the 8-year term, Palo Alto was entitled to a one-half undivided interest (as tenants in common). Either party had the option to purchase the other party's interest.

Supplemental Information: In August 2007, the City of Palo Alto (Palo Alto) and the City of Los Altos (Los Altos) entered into an agreement (1987 Agreement) whereby Palo Alto obtained the deed from Los Altos for its one-half undivided interest. In November 2007, the City Council of Palo Alto authorized terms of an offer (1987 Agreement). Terms include a purchase price of $6.5 million to be paid in three payments, on January 4, 2008, January 5, 2009, and January 5, 2010 respectively. Each payment will be in amount of $2,166,667, plus interest on the 2009 and 2010 payments. The Agreement provides for Los Altos to give the deed for the site to Palo Alto on January 4, 2008. To cover unforeseen or increased costs of remediation and infrastructure work, the City of Palo Alto and the City of Los Altos are to provide $400,000 each for deposit to a "Set-Aside Account," administered by Palo Alto. The Set-Aside funds will also accrue interest at Palo Alto's portfolio rate and will be released in 5 years if not used.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2008-2010
- **Overall Project Completion:** 20%
- **Percent Spent:** 52.60%
- **Managing Department:** Administrative Services
- **Comprehensive Plan:** Policies P-01, N-21, N-25

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA.
- **Design Elements:** None
- **Operating:** This project requires ongoing maintainance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$5,006,955
PY Actuals as of 12/31/2008	$2,633,719

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	$2,216,439					$2,216,439
Total Budget Request	$2,216,439					$2,216,439
Revenues:	$2,216,439					$2,216,439
Source of Funds:	Infrastructure Reserve with the following reimbursements: General Fund($2,216,439)					

Art in Public Places (AC-86017)

CIP

Description: This project supports innovative programs for both interior and exterior public spaces by commissioning or purchasing works by living artists. In addition, funds may be used to obtain professional consultants to assist in selecting artists and works; preserve meritorious works; and defray capital expenses. This project is exclusively for the purchase and installation of public art.

Justification: This project places art in public buildings or parklands and other sites open to frequent public view. It is expected that a sense of community pride and ownership in the City of Palo Alto will be the result of installing Art in Public Places. Art in Public Places preserves the long-term viability of the built environment, and helps set a standard for aesthetic variety in the community.

CIP FACTS:

- **Continuing**
- **Managing Department:** Community Services
- **Comprehensive Plan:** Programs B-3, L-19, L-28, L-70, L-72, T-41
- **Board/Commission Review:** ARB, PAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA.
- **Design Elements:** Location and installation of Public Art may be subject to review by PAC.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$50,000	$50,000	$50,000	$50,000	$50,000	$250,000
Other						
Total Budget Request	$50,000	$50,000	$50,000	$50,000	$50,000	$250,000
Revenues:	$50,000	$50,000	$50,000	$50,000	$50,000	$250,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: General Fund($250,000)					

Buildings and Facilities

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Americans with Disabilities Act Compliance (PF-93009)

Description: This project provides for accessibility upgrades to City facilities, programs, services, and activities. It includes continued funding for improvements such as path of travel, restroom upgrades, drinking fountains, and counters. This funding will also be utilized for other CIP project design or construction phases where accessibility improvements are identified. Upcoming work includes restroom upgrades at El Camino Park and Jr Museum.

Justification: The Americans with Disabilities Act of 1990 affects most aspects of the City's programs, services, and facilities. In order to comply with the federal law and related regulations, the City prepared a Transition Plan and Self-Evaluation Final Study that identified physical obstacles and described improvements to make facilities, programs, and services accessible. Implementation of this plan will continue in the Fiscal Year 2014.

Consultant Services Scope: See Supplemental Information.

Supplemental Information: Consultant services, including architectural and structural, mechanical and electrical engineering, may be required.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2010-2014
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24, C-32, Program C-24
- **Board/Commission Review:** ARB, HRB

IMPACT ANALYSIS:

- **Environmental:** This project may require Mitigated Negative Declatation if Historic Building
- **Design Elements:** This project may be subject to ARB and HRB review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$75,000	$150,000	$150,000	$100,000	$100,000	$575,000
Other						
Total Budget Request	$75,000	$150,000	$150,000	$100,000	$100,000	$575,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Art Center Electrical & Mechanical Upgrades (PF-07000)

CIP

Description: This project will replace original mechanical and electrical equipment and systems to meet current occupant need, provide code compliance, and optimize operational and energy efficiency. Disabled access and structural improvements will also be made to bring the facility into compliance with current code requirements.

Justification: Many components of the mechanical and electrical systems are original and have reached the end of their useful lives. Deficiencies in the heating and ventilation systems, structural system, and building access are required to maintain occupant health and safety, and/or to comply with code requirements.

Consultant Services Scope: See Supplemental Information.

Supplemental Information: This project is proposed to be completed in coordination with a partial building and garden renovation project funded by the Art Center Foundation. This includes renovation and expansion of the courtyard, creation of a children's wing and improvements to the gallery.

Consultant services may include conceptual design, design development, construction documents, and construction administration. Consultant will analyze existing systems and design renovations to meet current code and user need. Consultant services may also include structural engineering, architectural design, mechanical and electrical engineering.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2009-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 3.60%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24
- **Board/Commission Review:** PTC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project will require ARB review for exterior elements.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$1,748,471
PY Actuals as of 12/31/2008	$62,997

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$2,600,000				$2,600,000
Other						
Total Budget Request		$2,600,000				$2,600,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Baylands Interpretive Center Improvement (PF-07002)

Description: This project will replace deteriorated exterior siding and structural framing members as required.

Justification: This project is required to maintain the integrity of the building shell, prevent water infiltration and deterioration of the building framing and structure.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2010-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24
- **Board/Commission Review:** PTC, ARB, PRC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may be subject to ARB review. This project may require Site and Design Review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$267,000				$267,000
Other						
Total Budget Request		$267,000				$267,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Building Systems Improvements (PF-01003)

CIP

Description: This project provides electrical, mechanical, and structural system upgrades as required at various City facilities. Upgrades may include main and emergency power sources, fixtures, fire alarm systems and devices, HVAC, and structural repairs or reinforcement. System upgrades required for updated code compliance are also provided through this project.

Justification: This project will allow upgrades to the electrical systems in facilities with systems that are overloaded or are no longer efficient. Due to increased usage of computers and other devices over the past ten years, many buildings' electrical or wiring systems are outdated and at-capacity. Heating and air-conditioning units in older buildings are at the end of their useful life. Structural systems have become damaged or fatigued due to heavier equipment requirements or increased loading.

Supplemental Information: Facilities identified for upcoming work include the Golf Course Clubhouse and Maintenance Shop, Lucie Stern Theatre and Community Center, and Fire Station 3.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2010-2014
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24
- **Board/Commission Review:** ARB, HRB

IMPACT ANALYSIS:

- **Environmental:** This project may require Mitigated Negative Declaration if Historic Building.
- **Design Elements:** This project may be subject to ARB and HRB review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$100,000	$100,000	$100,000	$100,000	$100,000	$500,000
Other						
Total Budget Request	$100,000	$100,000	$100,000	$100,000	$100,000	$500,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Children's Theatre Improvements (PF-09000)

Description: This project will replace or upgrade mechanical and electrical systems, and replace finishes as necessary. The systems will be designed to meet current code and user need, and to optimize operational and energy efficiency.

Justification: The elements included in this project are due for replacement or upgrade based on their age and/or condition. These improvements provide for ongoing rehabilitation of the building structure and systems to meet the needs of the theatre staff.

Consultant Services Scope: See Supplemental Information.

Supplemental Information: Consultant shall provide all necessary design services to evaluate existing systems and conditions, provide conceptual and final design, and produce construction documents. Consultant shall also provide construction administration services. Services shall include architectural, structural, mechanical and electrical engineering.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2008-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24
- **Board/Commission Review:** ARB, HRB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may be subject to ARB and HRB review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs		$100,000				$100,000
Construction Costs			$500,000			$500,000
Other						
Total Budget Request		$100,000	$500,000			$600,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

City Facility Parking Lot Maintenance (PE-09003)

CIP

Description: This project provides for the repair, resurfacing or reconstruction of parking lots and walkways at various city facilities. As required, re-striping and signage will be included. Work proposed under this project includes Parking lot resurfacing at Fire Station #3 and #5, Ventura, Animal Shelter, and Lucie Stern Center. Walkway and patio repair are required at the Main Library, Jr Museum, and Lucie Stern Center.

Justification: Paving surfaces at various city facilities are in need of repair to correct uneven surfaces. These include walkways, parking lots, patios, etc. It is estimated that from Monday through Thursday between 6:00 PM and 9:00 PM between 1,000 and 12,000 persons are on the Cubberley site simultaneously. The continuous high usage of parking over the years has caused considerable damage to the parking lots surface.

Supplemental Information: For Cubberley, staff will seek reimbursements from the Palo Alto Unified School District (PAUSD) and Foothill College. Staff is exploring a plan for parking permits fees to be issued at Cubberley. If the plan to issue parking permit fees is approved, this project would be funded by the revenues generated from the parking permits fees.

CIP FACTS:

- **Continuing**
- **Timeline:** FY 2009-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24
- **Board/Commission Review:** PTC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may require Site and Design Review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$330,000
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$100,000	$100,000	$100,000	$100,000	$400,000
Other						
Total Budget Request		$100,000	$100,000	$100,000	$100,000	$400,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

NEW

Civic Center Chiller Drive Replacement (PF-10000)

Description: This project will replace the existing variable frequency drive on the Civic Center air conditioning chiller. The variable frequency drive regulates the chiller and provides substantial energy savings through efficient operation of the chiller.

Justification: The existing variable frequency drive has reached the end of its useful life and is starting to fail. Due to the age of the equipment, the manufacturer no longer supports this drive, and repair costs have been very high. During the design phase of the Civic Center project, this equipment was expected to have a longer life span. Replacing the old equiment is more cost efficient that repairing it.

CIP FACTS:

- **New**
- **Project Status:** Construction
- **Timeline:** FY 2010-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** None
- **Operating:** None
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$125,000					$125,000
Other						
Total Budget Request	$125,000					$125,000
Revenues:	$2,500					$2,500
Source of Funds:	Infrastructure Reserve with the following reimbursements: Electric Fund($1,875); Fiber Optics Fund($125); Gas Fund($250); Wastewater Collection Fund($125); Water Fund($125)					

Civic Center Infrastructure Improvements (PF-01002)

CIP

Description: This project will upgrade building systems within the Civic Center. The scope of the improvements includes electrical system upgrades, generator replacement, mechanical systems upgrades, limited accessibility upgrades, code required upgrades, and exterior sealing and painting. Mechanical and electrical systems serving the Police wing have been excluded from this project and will be accomplished with renovations prior to a new department occupying the space. See Supplemental Information.

Justification: The Civic Center is 40 years old and houses City offices and three levels of parking. Major electrical and mechanical systems are approaching the end of their useful lives and are in need of replacement in order to maintain uninterrupted service. Preventative maintenance of building exteriors, including window leak inspections, recaulking, and sealing, will prevent damage and more costly repairs later.

Supplemental Information: A complete building system study was completed in Fiscal Year 2003. The elevator upgrade was completed in 2005. Renovations of major systems was completed in Fiscal Year 2009. Construction of the next phase will be accomplished in Fiscal Years 2010 and 2011.

Due to the increased cost of construction (project was originally funded for $2.6 Million), the project was phased over a five year period with construction scheduled in Fiscal Years 2008 through Fiscal Year 2012. The project will be completed in three construction phases over that period of time.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2008-2012
- **Overall Project Completion:** 40%
- **Percent Spent:** 2.45%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24, Program C-19
- **Board/Commission Review:** ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs in future years.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$6,973,030
PY Actuals as of 12/31/2008	$171,082

FUTURE FINANCIAL REQUIREMENTS	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$4,176,000	$1,546,000	$1,460,000			$7,182,000
Other						
Total Budget Request	$4,176,000	$1,546,000	$1,460,000			$7,182,000
Revenues:	$83,520	$30,920	$29,200			$143,640
Source of Funds:	Infrastructure Reserve with the following reimbursements: Electric Fund($107,730); Fiber Optics Fund($7,182); Gas Fund($14,364); Wastewater Collection Fund($7,182); Water Fund($7,182)					

Cubberley Restroom Upgrades (PF-06004)

Description: This project will retrofit six Cubberley Center restrooms to meet user-need and current accessibility codes.

Justification: This project will increase and enhance water conservation and sanitary conditions that benefit the health of the public by facilitating more thorough maintenance of the bathrooms. In addition, this project may be done in collaboration with the Utilities Department for water conservation.

Consultant Services Scope: See Supplemental Information.

Supplemental Information: Consultant services shall include architectural, structural, mechanical and electrical engineering as required for complete design and project oversight.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2008-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24, C-32
- **Board/Commission Review:** PTC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may be subject to ARB review. This project may require Site and Design Review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$300,000				$300,000
Other						
Total Budget Request		$300,000				$300,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Dimmer Replacement and Lighting System Replacement (CC-09001)

CIP

Description: This project will complete the upgrades of the main power feed to the M building of the Cubberely Municipal Center that supplies adequate power to operate the theatre electrical systems, and replace the theatrical lighting dimmers. Dimmer replacement will consist of removing the existing dimmers and patchbay, installing a new dimmer system and a pass through electrical panel in place of old patchbay.

Justification: The theatre is a focal point for community events in Palo Alto and a revenue source generating over $118,000 in Fiscal Year 2007. A new system will attract additional users and increase revenues. Electrical failure with the current dimmer system closes the theatre and shuts down power, terminating the event in mid-performance. Upgrade of the main power feed to M building will insure adequate power and complete the M building upgrade.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2009-2010
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policy C-4, Program C-19
- **Board/Commission Review:** None

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may have possible exemption from Design Review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$145,000					$145,000
Other						
Total Budget Request	$145,000					$145,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

NEW

Downtown Library Improvements (PE-09005)

Description: This project provides for work as outlined in the Measure N bond in November 2008. The Downtown Library project consists of lighting, building system, accessibility and code upgrades. It will also include space reconfiguration to provide more public space once the Technical Services section is relocated to the new Mitchell Park Library. With the exception of painting the exterior facade and signage, no exterior work will be done to the building.

Justification: Over the years there has been an accumulation of enclosed spaces and a decrease in public spaces. This project will provide more browsing, group study and program areas as well as upgrade lighting and existing building components such as mechanical and electrical systems.

Supplemental Information: Computers and furnishings will be provided from non-bond funding. During construction of the improvements, the Downtown library will be closed. Technical Services and Library Administration will be relocated to temporary facilities. Details for the relocation will be developed as part of the design process. A construction management firm will be needed in Fiscal Year 2010 through Fiscal Year 2013 for construction activites at Downtown, Mitchell and Main Libraries to supplement existing staffing levels. Design costs include construction administration, testing and inspection, construction management, building and other permits, and design escalation. Construction costs include construction, construction contingency, and construction escalation.

CIP FACTS:

- **New**
- **Project Status:** Design
- **Timeline:** FY 2009-2010
- **Overall Project Completion:** 30%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24, Program C-19
- **Board/Commission Review:** None

IMPACT ANALYSIS:

- **Environmental:** No environmental analysis will be needed for the Downtown Library as it consists of interior remodels only.
- **Design Elements:** This project will renovate interior finishes, restore public space, improve lighting, building systems.
- **Operating:** This project will reduce cost of structural and systems maintenance.
- **Telecommunications:** Phone and data lines may need to be relocated.

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$3,500,000					$3,500,000
Other						
Total Budget Request	$3,500,000					$3,500,000
Revenues:	$3,500,000					$3,500,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: Bonds($3,500,000)					

Facility Interior Finishes Replacement (PF-02022)

CIP

Description: This project will replace worn interior finishes at various City facilities. Finishes include ceilings, paint, carpet or other floor finishes, as well as window coverings. Work scheduled to be completed includes carpet and paint in the following areas: FY 2010 - Civic Center 2nd Floor and Junior Museum; FY 2011 - Council Chambers; FY 2012 - Lucie Stern Community Center and selected office areas at MSC; FY 2013 - Scada Building.

Justification: Interior finishes throughout City facilities are designated for replacement as part of an on-going capital maintenance plan. Finishes are typically upgraded as other renovation projects are undertaken. For those facilities that will not be renovated for several years, this project provides the resources to accomplish that work.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2009-2013
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24, Program C-19
- **Board/Commission Review:** HRB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may require design review for historic structures.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$80,000	$80,000	$80,000	$80,000	$320,000
Other						
Total Budget Request		$80,000	$80,000	$80,000	$80,000	$320,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Foothills Park Interpretive Center Improvements (PF-05003)

Description: This project provides replacement of the wood shake roof, repair or replacement of damaged siding and exterior surfaces, and replacement of the electrical service and panels. Alternative roofing materials will be evaluated and considered as replacement for the wood shake roof. The building will also be evaluated for structural integrity/ improvements.

Justification: This rustic building was formerly a barn. It was converted into a Nature Center in 1968. Electrical panels were installed in 1968, and the roof was last replaced in 1982. The facility's age and use require the replacement of outdated service equipment and the restoration of weathered surfaces.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2010-2011
- **Overall Project Completion:** 30%
- **Percent Spent:** 98.31%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24, Program C-19
- **Board/Commission Review:** ARB, PRC, PTC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may be subject to ARB review. This project may require Site and Design Review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$121,545
PY Actuals as of 12/31/2008	$119,491

FUTURE FINANCIAL REQUIREMENTS	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$210,000				$210,000
Other						
Total Budget Request		$210,000				$210,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

NEW

Library & Community Center - Temporary Facilities (PE-09010)

CIP

Description: This project will provide temporary facilities to Technical Services and Administration staff during improvements at the Downtown Library. Books and other materials will be stored. After construction completion, the Administration section will return to the Downtown Library, and the Technical Services staff will remain at the temporary facilities until the new Mitchell Park Library and Community Center is completed.

Justification: The Downtown Library will be closed during construction. The current Technical Services area will be reconfigured, to provide for more public space. Technical Services will ultimately be moved into the new Mitchell Park Library. The existing Mitchell Park Library and Community Center will be demolished to make way for the construction of a new joint library and community center. During construction the existing facilities will be closed, and therefore temporary facilities will be needed.

Supplemental Information: Improvements to the Downtown Library will last for approximately one year and construction of a new Mitchell Park Library and Community Center will last approximately two years. During this time, temporary facilities will be needed for various staff and functions.

Funding for the temporary facilities will be provided by the Infastructure Reserve because temporary facilities, furnishing, and equipment cannot be funded by the Measure N bonds. The cost of temporary facilities for the Main Library are not included since construction will not start until Fiscal Year 2012. It will be assessed after the location and related cost for the other temporary facilities have been better established.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2009-2011
- **Overall Project Completion:** 0%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24, Program C-19

IMPACT ANALYSIS:

- **Environmental:** No environmental analysis will be needed as the potential temporary sites will be within existing facilities.
- **Design Elements:** This project will provide for temporary facilities for staff, library and community center functions during the construction of the Measure N improvements at the Downtown Library and the Mitchell Park Library and Community Center.
- **Operating:** There will be no operating cost increase as maintenance of existing spaces will be transferred to maintenance of the temporary facilities
- **Telecommunications:** Temporary telecommunications system will be necessary.

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$75,000					$75,000
Other						
Total Budget Request	$75,000					$75,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

NEW

Lot J Structure Repair (PF-10002)

Description: This project will replace the wood members of the exterior of the Lot J parking structure with alternate materials. The exterior of the Lot J parking structure has wood members for architectural interest and sceening.

Justification: The wood structure on the exterior of this builing is too heavy and continunes to fall due to the weight and age of the material. Alternate materials with a longer life expectancy will be proposed during the design phase of the project. The project will be funded initially for design services only with construction cost to be determined at a latter period.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2009-2010
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-25

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may be subject to ARB and HRB review. This project may require Site and Design Reveiw.
- **Operating:** None
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$75,000					$75,000
Other						
Total Budget Request	$75,000					$75,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

NEW

Main Library New Construction and Improvements (PE-11000)

CIP

Description: This project provides for work as outlined in the Measure N bond in November 2008. This project includes construction of a detached program room and expanded group study rooms at the existing building for a total of approximately 4,000 additional square feet. It also includes a building systems upgrade to mechanical, electrical and lighting systems to bring the building to current codes and standards. Carpet and other worn items will be replaced.

Justification: Over the years, the interior spaces of the Main Library have become more crowded due to increased usage. Lighting, mechanical and other systems need to be upgraded. This project will provide more public areas, upgrade existing building components, and improve seismic and mechanical systems.

Supplemental Information: Computers and furnishings will be provided from non-bond funding. During construction, the Main Library services will be relocated either to other branches or to a temporary facility. Details for the relocation of programs will be developed as part of the design process which will start in Fiscal Year 2011.

A construction management firm will be needed in Fiscal Year 2011 through Fiscal Year 2012 for construction activites at the Downtown, Mitchell and Main Libraries to supplement existing staffing levels. Design costs include design consultant fees, construction administration, testing and inspection, construction management, building and other permits, and design escalation. Construction costs include construction, construction contigency, and construction escalation.

CIP FACTS:

- **New**
- **Project Status:** Design
- **Timeline:** FY 2011-2014
- **Overall Project Completion:** 30%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-22, Program C-20
- **Art in Public Places:** Yes

IMPACT ANALYSIS:

- **Environmental:** An addendum to the final EIR for the Main Library approved on July 21,2008 (CMR:321:08).
- **Design Elements:** This project may be subject to ARB,HRB, and PTC review. This project may require Site and Design Review.
- **Operating:** This project will reduce cost of structural and systems maintenace
- **Telecommunications:** Telecommunications systems will be needed.

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs		$1,400,000	$2,300,000			$3,700,000
Construction Costs			$14,600,000			$14,600,000
Other						
Total Budget Request		$1,400,000	$16,900,000			$18,300,000
Revenues:		$1,400,000	$16,900,000			$18,300,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: Bonds($18,300,000)					

NEW

Mitchell Park Library and Community Center New Construction (PE-09006)

Description: The project provides for work as outlined in the Measure N bond and provides for a new adjoining two-story library of approximately 36,000 square feet and a single-story community center of approximately 15,000 square feet. The new building will be rated Leadership in Energy and Environmental Design (LEED) Gold saving money on operating costs as well as reducing the building's environmental impact.

Justification: Over the years, there has been an increase in usage at the library and community center resulting in crowded conditions. The existing buildings are in need of significant structural, accessibility and systems upgrades and are not sized to accommodate future population projections. This project will provide more browsing, group study and program areas. Since the library and community center will be adjoining, there will be an increased efficiency in space usage.

Supplemental Information: Computers and furnishings will be provided from non-bond funding. During construction, Mitchell Park Library services are expected to be relocated. The Community Center services will likely be relocated to Cubberly Community Center and/or other existing facilities. Library Technical Services will be relocated from the Downtown Library to the new library to provide for more efficient operations.

Details for the relocation of programs will be developed as part of the design process.

A construction management firm will be needed in Fiscal Year 2009 through Fiscal Year 2013 for construction activites at the Downtown, Mitchell and Main Libraries to supplement existing staffing levels. Design costs include construction administration, testing and inspection, construction management, building and other permits, and design escalation. Construction costs include construction, construction contigency, and construction escalation.

CIP FACTS:

- **New**
- **Project Status:** Design
- **Timeline:** FY 2009-2011
- **Overall Project Completion:** 30%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-22, Program C-20
- **Board/Commission Review:** ARB, PTC
- **Art in Public Places:** Yes

IMPACT ANALYSIS:

- **Environmental:** A Mitigated Negative Declaration was approved for the MItchell Park and Community Center on July 21, 2008 (CMR:321:08).
- **Design Elements:** This project may be subject to review by ARB and PTC.
- **Operating:** This project will reduce cost of structural and systems maintenance.
- **Telecommunications:** Computers, phone, data

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$47,000,000					$47,000,000
Other						
Total Budget Request	$47,000,000					$47,000,000
Revenues:	$47,000,000					$47,000,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: Bonds($47,000,000)					

Municipal Service Center Improvements (PF-05002)

CIP

Description: This project provides for the replacement of original mechanical and electrical systems and lighting installed in 1966 at buildings A, B, and C of the Municipal Service Center.

Justification: Lighting, mechanical, and electrical equipment at the Municipal Service Center is outdated and inefficient. Various remodels have occurred in the administrative and shop areas with added load to the mechanical and electrical systems. The use of many areas has changed over the years without adequate upgrades to the building systems. The systems no longer support the current operation at this site.

Consultant Services Scope: See Supplemental Information.

Supplemental Information: Consultant shall provide all necessary design services including architectural design, mechanical, electrical and structural engineering. Consultant shall also provide conceptual design, final design, construction documents and construction administration services.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2009-2011
- **Percent Spent:** 30.43%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24,Program C-19
- **Board/Commission Review:** ARB, PTC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** Exterior changes of this project are subject to ARB review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$561,118
PY Actuals as of 12/31/2008	$170,736

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$641,000				$641,000
Other						
Total Budget Request		$641,000				$641,000
Revenues:		$198,712				$198,712
Source of Funds:	Infrastructure Reserve with the following reimbursements: Electric Fund($149,033); Fiber Optics Fund($9,936); Gas Fund($19,871); Wastewater Collection Fund($9,936); Water Fund($9,936)					

New Sound System for Lucie Stern Community Theatre (AC-09002)

Description: This project will purchases a new sound system for the Community Theatre that includes sound mixer, house speakers (including a new center luster), audio snake system to connect the booth and the right back-of-house, amplifiers, audio patch for microphones and speakers, hard drive audio editing/storage unit and CD recorder/ player, and monitor speakers in the costume shop and rehearsal hall.

Justification: The sound system for Lucie Stern Theatre is outdated and in poor condition. To accommodate the performances of the TheatreWorks, West Bay Opera, Players, and other performances and to ensure the quality of the presentations for the attendees a new system needs to be put in place.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2010-2011
- **Percent Spent:** 0.00%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policy C-24, Program C-19

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under 15301.
- **Design Elements:** This project may have possible exemption from Design Review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$200,000				$200,000
Other						
Total Budget Request		$200,000				$200,000
Revenues:		$200,000				$200,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: General Fund($200,000)					

Replacement of Children Theatre Audio and Visual Monitoring Systems (AC-09001)

CIP

Description: This project will replace the non-functioning Children Theatre audio and visual monitoring systems, and expand the monitoring systems to the Wang Library/Rehearsal Hall and the Magic Castle Stage. The project will include an audio and video monitoring system, paging system, and intercom system.

Justification: Children perform and rehearse throughout the Children Theatre. The monitoring systems need to be in place and running to help secure the safety of the children, and improve efficiency of the Children Theatre operations.

Supplemental Information: The Friends of the Theatre committed to provide $50,000 to fund the project.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2009-2010
- **Percent Spent:** 0.00%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policy C-24, Program C-19

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may have possible exemption from Design Review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$100,000					$100,000
Other						
Total Budget Request	$100,000					$100,000
Revenues:	$100,000					$100,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: General Fund($50,000); Others($50,000)					

Rinconada Pool Plaster (PF-10001)

Description: This project provides for the re-plastering of the adult pool at Rinconada Park.

Justification: The pool plaster at Rinconada has exceeded its useful expected life of 7-10 years and is requiring increased levels of maintenance patching and repair.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2009-2010
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24
- **Board/Commission Review:** None

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** None
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$200,000					$200,000
Other						
Total Budget Request	$200,000					$200,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

NEW

Replacement of Gym B Bleachers (CC-10000)

CIP

Description: This project will replace the Cubberley Bleachers in Gym B. The bleachers are over 40 years old. These are manual pull out bleachers that require two adults to pull out and push the bleachers in place. The bleachers are 80 feet in length and telescope out from the gym wall approximately 13 feet. The project would provide user friendly bleachers and meet accessibility and safety standards.

Justification: Gym B has high usage by youth volleyball and basketball groups.

The bleachers currently do not meet ADA standards for accessibility. They do not have aisles, intermediate steps or recoverable ADA Notch-Outs for the public who are handicapped. The safety end, aisle rails and intermediate steps require upgrade to meet the safety standard for this type of equipment.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2009-2010
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Programs C-19, 24 and 32

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** None
- **Operating:** None
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$56,350					$56,350
Other						
Total Budget Request	$56,350					$56,350
Revenues:						
Source of Funds:	Infrastructure Reserve					

Roofing Replacement (PF-00006)

Description: This project provides for ongoing roofing maintenance at various City facilities including major repairs, replacement, roof deck, and sheet metal repair or replacement. Roofs scheduled for replacement are based on an annual evaluation of their condition. See Supplemental Information below for the schedule of re-roofing.

Justification: The life expectancy of most roofs at City facilities is 20 to 25 years. There are facilities in the inventory with roof systems that are at or near their life expectancy. This project provides the means to re-roof facilities that are failing or will soon fail.

Supplemental Information: Facilities scheduled for re-roofing are: Fiscal Year 2010 Fire Station #2, SCADA, and Golf Course Maintenance Facilities; Fiscal Year 2011 Main Library, and Cubberley Wings F and H.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2010-2014
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24, Program C-19
- **Board/Commission Review:** HRB, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may be subject to ARB and HRB review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$150,000	$165,000	$150,000	$150,000	$150,000	$765,000
Other						
Total Budget Request	$150,000	$165,000	$150,000	$150,000	$150,000	$765,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Ted Thompson Garage Improvements (PF-06001)

CIP

Description: This project provides for the maintenance of building finishes including interior paint and repair of veneer brick damaged by cars and other wear.

Justification: The building was constructed in 1994 and needs a variety of minor maintenance to preserve its appearance, in accordance with the City's standard.

Supplemental Information: 100 percent reimbursement is expected from California Avenue Assessment District Parking Permit Fees.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2009-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24, Program C-19
- **Board/Commission Review:** ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may be subject to ARB review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$67,000					$67,000
Other						
Total Budget Request	$67,000					$67,000
Revenues:	$67,000					$67,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: California Avenue Parking Permits Fund($67,000)					

Ventura Buildings Improvements (PF-06002)

Description: This project will replace/upgrade mechanical and electrical systems, and will provide accessibility improvements to this facility. Radiant heat systems will be replaced with above-floor systems.

Justification: Mechanical and electrical systems are original and have reached the end of their useful lives. These need to be replaced for more reliable and energy efficient systems that meet current code requirements and user needs. Under the lease agreement with Palo Alto Community Child Care (PACCC), the City is responsible for capital maintenance.

Consultant Services Scope: See Supplemental Information.

Supplemental Information: Consultant shall provide complete design services to upgrade the mechanical and electrical systems at this facility. Services shall include architectural design, mechanical, electrical, and structural engineering services as required. Consultant shall evaluate building systems, provide conceptual and final design, construction documents, and construction administration services.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2011-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24
- **Board/Commission Review:** ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may be subject to ARB review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs		$90,000				$90,000
Construction Costs			$600,000			$600,000
Other						
Total Budget Request		$90,000	$600,000			$690,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

NEW

Ventura Community Center and Park (PE-10002)

CIP

Description: This project upgrades and/or renovates the playground and picnic area, athletic field and irrigation system. The irrigation system will include a centralized weather based program which results in water savings of 15-25% compared to the existing system.

Justification: The playground is not compliant with current safety and accessibility regulations and is required by law to be upgraded. The field and irrigation system accommodates the use of the community center, general park users and programmed field user groups and is in poor condition.

CIP FACTS:

- **New**
- **Timeline:** FY 2009-2010
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24, C-26, C-32, Program C-19
- **Board/Commission Review:** ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301
- **Design Elements:** This project may require ARB review.
- **Operating:** This project will increase maintenance costs.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs	$35,000					$35,000
Construction Costs	$165,000	$135,000				$300,000
Other						
Total Budget Request	$200,000	$135,000				$335,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Streets and Sidewalks

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Alma Street Landscape Improvements (PE-06006)

Description: This project implements street tree and landscape improvements on Alma Street from East Meadow Road to San Antonio Road. The project provides for renovation of landscape planters and islands by repairing or installing irrigation systems, replacing meters and backflow devices, and replacing planters as necessary.

Justification: Alma Street's public sidewalk strip landscaping needs improvement. The irrigation systems are broken and no longer able to be maintained. The plant material is in poor condition and not suited for full sun exposure. Additionally, the provision of adequate landscaping and irrigation will reduce siltation and runoff and improve the streetscape appearance.

Supplemental Information: This project was implemented in two phases. Phase I, from Ferne Avenue to San Antonio Road, was completed in Fiscal Year 2009 and Phase II, from East Meadow Road to Ferne Avenue, was planned to be implemented in Fiscal Year 2010.
This funding of this project has been deferred to Fiscal Year 2012. The project will be re-evaluated during the Fiscal Year 2011 Capital Improvement Program prioritization process.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2012-2013
- **Overall Project Completion:** 50%
- **Percent Spent:** 71.89%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-25, Program N-17
- **Board/Commission Review:** PAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** None
- **Operating:** This project will incur annual maintenance costs estimated at $4,000 per acre.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$168,107
PY Actuals as of 12/31/2008	$120,854

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs			$316,000			$316,000
Other						
Total Budget Request			$316,000			$316,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Bicycle Transportation Plan Implementation Project (PL-04010)

Description: This project funds the design and construction of physical improvements recommended in the Bicycle Transportation Plan, including intersection improvements, bike lanes, a network of bicycle boulevards identified as high-priority projects in the plan. The seven bike boulevards are: Homer Avenue; Matadero Avenue/Margarita Avenue; Castilleja/Park Boulevard/Wilkie Way; Everett Avenue/Palo Alto Avenue; Chaucer/Boyce/Melville; Bryant Street bike boulevard extension and the Maybell/Donald Boulevard.

Justification: The Bicycle Transportation Plan identified bicycle boulevards, new undercrossings, spot intersection improvements and new bike lanes. Bicycle boulevards provide safer, traffic-calmed biking routes with reduced conflicts with motor vehicles, as alternatives to more congested arterial streets. Bicycle boulevards serve the needs of cyclists of all abilities, but the network has been designed with particular attention to improving bike safety along school commute routes.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2004-2014
- **Overall Project Completion:** 10%
- **Percent Spent:** 35.57%
- **Managing Department:** Planning and Community Environment
- **Comprehensive Plan:** Program T-22, T-20
- **Board/Commission Review:** PTC

IMPACT ANALYSIS:

- **Environmental:** This project may require an environmental assessment.
- **Design Elements:** This project may be subject to ARB review.
- **Operating:** This project will require minor ongoing maintenance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$289,497
PY Actuals as of 12/31/2008	$102,966

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$50,000	$50,000	$50,000	$50,000	$50,000	$250,000
Other						
Total Budget Request	$50,000	$50,000	$50,000	$50,000	$50,000	$250,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

NEW

Bridge Rail, Abutment, and Deck Repairs (PE-10006)

Description: This project is for repair of the Alma/Oregon Expressway Overpass Bridge guard rail that was damaged during a vehicle accident. It also addresses crack repairs and sealing of San Francisquito Creek Bridge; Matadero Bridge at W. Bayshore; Matadero Bridge at Lambert; Deer Creek Bridge east of Page Mill; and San Antonio at Alma Street.

Justification: Repair of the Alma/Oregon Expressway bridge guard rail is necessary for pedestrian and vehicle safety. Repair and sealing of bridge deck cracks will minimize subsequent deterioration of the decks and prolong their life as well as contribute to their overall safety.

CIP FACTS:

- **New**
- **Project Status:** Construction
- **Timeline:** FY 2010-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** None
- **Operating:** None
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$300,000					$300,000
Other						
Total Budget Request	$300,000					$300,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

College Terrace Traffic Calming (PL-05003)

Description: This project involves the construction of traffic calming improvements in the College Terrace Neighborhood. The plan for neighborhood traffic calming measures was developed during Fiscal Year 2004 by staff in coordination with the College Terrace neighborhood association.

Justification: The trial for this project was funded with traffic impact fees from the 2475 Hanover project in the Stanford Research Park. The one year trial began in December of 2006, and concluded in late 2007. Based on the results of the trial, traffic calming measures will be modified, made permanent, or removed in Fiscal Year 2010.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2005-2010
- **Overall Project Completion:** 50%
- **Percent Spent:** 87.47%
- **Managing Department:** Planning and Community Environment
- **Comprehensive Plan:** Policy T-34
- **Board/Commission Review:** PTC

IMPACT ANALYSIS:

- **Environmental:** The environmental analysis of this project was completed prior to the design phase.
- **Design Elements:** None
- **Operating:** This project requires maintenance by Public Works Operations Division.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$184,573
PY Actuals as of 12/31/2008	$161,438

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$50,000					$50,000
Other						
Total Budget Request	$50,000					$50,000
Revenues:	$50,000					$50,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: General Fund($50,000)					

NEW

Highway 101 Pedestrian/Bicycle Overpass/ Underpass Project (PL-11000)

Description: This project will conduct a feasibility study for a year-round pedestrian/bicycle grade separated crossing of Highway 101 in Palo Alto to provide connectivity from residential and commercial areas in south Palo Alto to the Palo Alto Baylands Nature Preserve, East Bayshore and San Antonio businesses, and the regional Bay Trail network of bike trails. The project will be located in Palo Alto in the Highway 101 corridor north of the San Antonio Road interchange.

Justification: The need for a new year-round pedestrian/bicycle crossing of Highway 101 in south Palo Alto was identified in the Bicycle Transportation Plan and the updated Baylands Master Plan. The existing current Adobe Creek undercrossing is a seasonal facility that is only available 6 months during the year (April 15 to October 15). The grade separation will provide connectivity between the south Palo Alto residential areas and the Baylands recreational and employment areas.

Consultant Services Scope: Consultant services, including architectural, civil and structural engineering may be required.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2010-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Planning and Community Environment
- **Comprehensive Plan:** Policies L-7, L-46, L-64, L-68, T-1,T-14 and T-17. Goals C-5, C-29, C-30, T-3 and T-14. Programs T-18, T-19, T-16, T-17, T-18, T-26, C-23, C-27, C-25 and C-28.
- **Board/Commission Review:** ARB, PRC, PTC

IMPACT ANALYSIS:

- **Environmental:** This project may require Environmental Assessment.
- **Design Elements:** This project may require ARB, PRC and PTC review.
- **Operating:** Operating impacts will be assessed during the feasibility study phase.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs	$100,000					$100,000
Design Costs						
Construction Costs						
Other						
Total Budget Request	$100,000					$100,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Safe Routes to School (PL-00026)

CIP

Description: This project funds the design and construction of physical changes to the local and neighborhood collector streets and designated school commute routes to improve safety and reduce traffic impacts related to speed, traffic volumes, and through traffic on local and collector streets.

Justification: Traffic calming is identified as a high priority in the adopted Transportation Strategic Plan. The adoption of a School Commute Corridor network and Neighborhood Traffic Calming Program established the priorities for responding to requests for traffic control measures to address safety, speeding and cut-through traffic, and to improve quality of life on school commute routes and residential neighborhood streets.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2000-2014
- **Percent Spent:** 53.10%
- **Managing Department:** Planning and Community Environment
- **Comprehensive Plan:** Policies T-34, T-40
- **Board/Commission Review:** PTC

IMPACT ANALYSIS:

- **Environmental:** This project may require Environmental Assessments.
- **Design Elements:** None
- **Operating:** Operating costs of this project will be identified during design phase.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$920,000
PY Actuals as of 12/31/2008	$488,498

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$100,000	$100,000	$100,000	$100,000	$400,000
Other						
Total Budget Request		$100,000	$100,000	$100,000	$100,000	$400,000
Revenues:		$100,000	$100,000	$100,000	$100,000	$400,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: Gas Tax Fund($400,000)					

San Antonio Medians (PE-00104)

Description: This project implements Phase II of the landscape improvements on San Antonio Road from Middlefield Road to Highway 101. Phase I was completed in Fiscal Year 2009 as a combined project using the annual street maintenance program funds for resurfacing and median work from Middlefield Road to Alma Street. Phase II includes removal of existing trees, new landscaping, trees, irrigation systems from Middlefield Road to Highway 101. Public outreach will be conducted prior to and during construction.

Justification: Reconstruction of the medians combined with improved landscaped areas within these medians will eliminate on-going maintenance on San Antonio Road. The existing medians and landscaped areas have fallen into disrepair. Tree roots undermined the roadway and created road damage. The landscape improvements will also reduce siltation and water runoff to the street.

Supplemental Information: Consultants developed a concept plan for the tree and median landscape replacement which includes public input, staff level architectural approval and environmental approval. This design included site, landscape and irrigation plans, and relevant technical studies in compliance with the California Environmental Quality Act. Trees to be removed, as well as visual and other impacts, have been identified as part of the environmental assessment process.

Once approved by Caltrans the project budget will be supplemented with Highway Safety Improvement Program (HSIP) funds for the road and median reconstruction in the amount of $900,000 from CIP project PE-86070, Street Maintenance. Should the grant funding not be approved, Phase II will not be implemented.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2009-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 30.72%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-25,N-17,N-19,T-41,T-42 and Program T-47
- **Board/Commission Review:** ARB,PTC,PRC & Art Com

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** Public Art Commission and ARB may be required for gateways
- **Operating:** None
- **Telecommunications:** Small initial cost for installation of telephone line(s)

PRIOR YEARS	
PY Budget	$1,119,074
PY Actuals as of 12/31/2008	$343,733

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs	$40,000					$40,000
Construction Costs		$630,000				$630,000
Other						
Total Budget Request	$40,000	$630,000				$670,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Sidewalk Repairs (PO-89003)

CIP

Description: This project will alleviate existing backlog in the sidewalk repair program, targeting districts with the highest quantity of sidewalk damage. FY 2010 sidewalk replacement will begin in District 13, bounded by Middlefield Road, southern City limits, Transport Street/ West Bayshore Road and Barron Creek. Curb ramps will be constructed at intersections where they do not exist and existing curb ramps will be upgraded to include truncated domes to ensure compliance with American Disability Act.

Justification: This project provides an annual rehabilitation program that will alleviate the backlog of sidewalk repairs and enhance pedestrian safety and comfort. Better sidewalk conditions result in reduced potential for sidewalk-related injuries.

Supplemental Information: City in-house crews will perform "hot spot" sidewalk replacement throughout all areas of the City, as well as curb and gutter repair. Backlog of sidewalk replacement is estimated to be complete in 2015. $50,000 will continue to be allocated for high-pedestrian-use areas.

At Council direction, $250,000 was reduced from contract construction beginning in Fiscal Year 2008 in an effort to raise $3 million needed for other infrastructure projects.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2007-2014
- **Overall Project Completion:** 0%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Programs C-21, C-27
- **Board/Commission Review:** None

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** City arborist will be consulted for tree root protection.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$717,642	$716,781	$695,278	$674,419	$654,187	$3,458,307
Other						
Total Budget Request	$717,642	$716,781	$695,278	$674,419	$654,187	$3,458,307
Revenues:						
Source of Funds:	Infrastructure Reserve					

Street Lights Improvements (PO-05054)

Description: This project replaces street light poles, pole foundations, luminaires, and wiring as needed to maintain or improve street lighting.

Justification: There are over 6,000 street lights in Palo Alto. The Electric Fund maintains the poles, luminaires and circuits, and installs new street lights as requested by the Public Works Department. Pole replacements are required when existing poles fail or are accidentally damaged. Luminaires are replaced to improve lighting levels and safety. In some parts of Palo Alto, existing concrete or cast iron street light poles are failing and are no longer serviceable. This project funds their replacement.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Managing Department:** Public Works
- **Comprehensive Plan:** Program L-79
- **Board/Commission Review:** ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$120,000	$125,000	$130,000	$135,000	$140,000	$650,000
Other						
Total Budget Request	$120,000	$125,000	$130,000	$135,000	$140,000	$650,000
Revenues:	$120,000	$125,000	$130,000	$135,000	$140,000	$650,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: General Fund($650,000)					

Street Maintenance (PE-86070)

CIP

Description: This project provides for annual resurfacing, slurry seal, crack seal and reconstruction of various city streets recommended in the City Auditor's report on street maintenance. The list of streets to be included in this project will be prioritized and coordinated with Utilities Department undergrounding projects.

Justification: The Pavement Maintenance Management System (PMMS) has identified streets requiring maintenance. This program systematically schedules the highest priority repairs. By providing a systemized method of bi-annually rating streets for improvements and a yearly maintenance program, the City addresses the need to provide a functioning street system while reducing the maintenance backlog.

Supplemental Information: Revenues generated from the Street Cut Fees, estimated to be $500,000 for Fiscal Year 2010 through Fiscal Year 2014, also support the street maintenance program. This amount is included in the transfers from the General Fund to the Capital Project Fund.

Due to anticipated reduction in gas tax revenues, the proposed appropriation for the street maintenance project is reduced by almost $0.4 million when compared to the prior year level. This appropriation will be reviewed at the end of the fiscal year, and will be adjusted based on the actual gas tax revenues received.

Proposition 42 of the State of California also provided $135,513 for the street maintenance program.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2010-2014
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24
- **Board/Commission Review:** PTC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project will make reasonable efforts to match existing pavement.
- **Operating:** This project will reduce street maintenance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs	$50,000	$50,000	$50,000	$50,000	$50,000	$250,000
Construction Costs	$1,889,148	$1,753,635	$1,753,635	$1,753,635	$1,753,635	$8,903,688
Other						
Total Budget Request	$1,939,148	$1,803,635	$1,803,635	$1,803,635	$1,803,635	$9,153,688
Revenues:	$885,513	$750,000	$750,000	$750,000	$750,000	$3,885,513
Source of Funds:	Infrastructure Reserve with the following reimbursements: Gas Tax Fund($3,750,000); State Grant($135,513)					

Street Median Improvements (PE-06011)

Description: This project renovates medians, planters, and islands by repairing or installing irrigation systems, replacing meters and backflow devices, signage and re-landscaping as necessary. The City maintains approximately 388 medians, islands, gateways, and traffic diverters throughout Palo Alto.

Justification: Most of the City's medians, planters, and islands have fallen into disrepair due to water conservation, weather and climatic conditions, aged systems, and landscape plants and materials which have exceeded their useful life. Medians and islands are primarily designed to regulate traffic and provide attractive landscapes and welcoming gateways to the city. The provision of adequate landscaping and irrigation reduces siltation and water runoff to City streets.

Supplemental Information: These projects will be used for budget planning. Once individual projects are developed and funding is identified, the projects will be brought to Council on an individual basis with individual scopes of work.

Fiscal Year 2012 work schedule includes: 7 Cul de Sacs, Island Drive, and Evergreen Park Barriers.

Fiscal Year 2013 work schedule includes: medians Page Mill/Oregon Expressway

Fiscal Year 2014 TBD

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2006-2014
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-25, N-17, N-19, T-41, T-42, Program T-47
- **Board/Commission Review:** PAC

IMPACT ANALYSIS:

- **Environmental:** This project may require an environmental review.
- **Design Elements:** This project may require the review of Public Art Commission and ARB for gateways.
- **Operating:** This project will require annual maintenance costs estimated at $4,000 per acre.
- **Telecommunications:** This project may require initial installation of telephone line(s).

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs			$156,000	$156,000	$156,000	$468,000
Other						
Total Budget Request			$156,000	$156,000	$156,000	$468,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Traffic Signal Upgrades (PL-05030)

CIP

Description: This project upgrades existing traffic signals to increase safety and reliability and to meet current standards by installing new signals, replacing existing obsolete intersection controllers, replacing damaged facilities and installing traffic adaptive signal technology on selected major traffic corridors.

Justification: Traffic signals upgrade is essential to respond to traffic safety and traffic flow issues, thus reducing traffic accidents, travel time, energy consumption, and air pollution. Due to the age of the current traffic signal systems and the City's need to anticipate emergencies and collect data, it is essential to upgrade and/or replace the traffic signal system infrastructure.

Supplemental Information: In addition to ongoing funding for the maintenance and upgrades, Fiscal Year 2009 budget included funding for the new traffic signal at Embarcadero and the main Town and County Shoping Center driveway. To provide protected left turn phases on the University Avenue approaches, Fiscal Year 2009 budget also inlcuded funds to upgrade the traffic signal at Middlefield Road and University Avenue.

CIP FACTS:

- **Continuing**
- **Managing Department:** Planning and Community Environment
- **Comprehensive Plan:** Program T-38
- **Board/Commission Review:** ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project may be subject to ARB review.
- **Operating:** The operations and maintenance of this project is funded by the Electric Fund.
- **Telecommunications:** This project will require interconnection with broadband/fiber optic.

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$155,000	$160,000	$165,000	$170,000	$650,000
Other						
Total Budget Request		$155,000	$160,000	$165,000	$170,000	$650,000
Revenues:		$155,000	$160,000	$165,000	$170,000	$650,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: General Fund($650,000)					

Parks and Open Space

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Baylands Emergency Access Levee Repair (OS-09002)

Description: This project restores the width and height of the earthen flood levee between Harbor Road near the Baylands Nature Center and the perimeter levee of the airport to six inches above its original height.

Justification: This section of City-maintained levee has significantly subsided since it was built in the early 60's. High winter tides now overflow the top of the levee, causing significant erosion along both edges of the levee. This levee is important not only for flood control of the Baylands, but also for emergency response by fire and paramedic vehicles for fires, plane crashes and rescue of injured trail users. The section of levee between the road and the Nature Center is essential for public access.

Supplemental Information: Information from the Bay Conservation and Development Commission on sea level rise projections will be incorporated into the design of the restoration of the levee in order for the structure to function against increasing tide levels.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2010-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies C-24, C-25, C-26, N-50, Program C-19
- **Board/Commission Review:** PARC, PTC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project will conform the designs with the Baylands Design Guidelines. This project may require Site and Design Review.
- **Operating:** This project does not increase operating costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$175,000					$175,000
Other						
Total Budget Request	$175,000					$175,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Benches, Signage, Fencing, Walkways, and Perimeter Landscaping (PG-06003)

CIP

Description: This project will restore and replace existing benches, signage, fencing, walkways, and landscaping at various City facilities.

Justification: The amenities at these various sites are due for replacement or upgrade based on their age and/or condition as identified in field assessments report.

Supplemental Information: Replacement schedule is as follows:

Fiscal Year 2010 - Lucie Stern Community Center perimeter landscaping and repair of perimeter brick pathway surrounding the Lucie Stern Community Center. Fire Stations 1-5 fencing, Fire Stations 1-5 perimeter landscaping.

Fiscal Year 2011 - Art Center perimeter landscaping, Art Center fencing.

Fiscal Year 2012 through Fiscal Year 2014 - To be determined

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2006-2014
- **Overall Project Completion:** 40%
- **Percent Spent:** 79.22%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies C-24, C-26, T-22, Program C-19
- **Board/Commission Review:** PRC, HRB, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under section 15301.
- **Design Elements:** This project may be subject to ARB and HRB review.
- **Operating:** This project will reduce future extensive maintenance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$252,976
PY Actuals as of 12/31/2008	$200,405

FUTURE FINANCIAL REQUIREMENTS	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$100,000	$100,000	$150,000	$150,000	$150,000	$650,000
Other						
Total Budget Request	$100,000	$100,000	$150,000	$150,000	$150,000	$650,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

CITY PARKS IMPROVEMENTS (PE-06010)

Description: This project upgrades and/or renovates playground and picnic areas, athletic fields, park benches, bleachers, fencing for softball/soccer fields, irrigation systems, and signs in City parks. This project also provides for lighting, repair, and improvements in parks; and sign and pathway repairs at community centers, libraries and fire stations. Funding focuses on repairing and replacing existing infrastructure and does not entail full-scale/unlimited park renovation.

Justification: This project will address safety issues, maintenance conditions at City parks and facilities, and legal and governmental mandates. Playground and picnic areas are old and do not meet accessibility needs. Additionally, lighting does not exist in most parks and where it does, fixtures are old and replacement parts are not available. Park and other facility pathways are in need of repair due to their age and condition. Signage and fences may also need repair or replacement.

Supplemental Information: Once individual projects are developed and funding identified, projects will be brought to Council on an individual basis with detailed scopes of work.

The projects are tentatively scheduled as follows:

Fiscal Year 2012 - Wallis and El Palo Alto Parks

Fiscal Year 2013 - Robles, Seal, and Werry Parks

Fiscal Year 2014 - To be determined

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2014
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24, C-26, C-32, Program C-19
- **Board/Commission Review:** ARB, PAC, PRC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may require ARB or PRC review.
- **Operating:** This project may increase maintenance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs			$330,000	$440,000	$200,000	$970,000
Other						
Total Budget Request			$330,000	$440,000	$200,000	$970,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Cogswell Plaza Improvements (PE-07004)

CIP

Description: This project will provide pathway repairs and needed upgrades/renovations to outdated galvanized irrigation system at Cogswell Plaza. Funding focuses on repairing existing infrastructure and does not entail full-scale park renovations.

Justification: The area is adjacent to Avenidas and is utilized by downtown retail shoppers and residents. The pathways are in need of repair due to their age and condition. The irrigation renovation will be incorporated into the City's centralized irrigation control system and is expected to save 15 to 25 percent in water usage.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2011-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24, C-26, C-32, Program C-19
- **Board/Commission Review:** PRC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** Public Art Commission and ARB may be required.
- **Operating:** This project will reduce structural and systems maintenance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs		$30,000				$30,000
Construction Costs		$120,000				$120,000
Other						
Total Budget Request		$150,000				$150,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Foothills Park Road Improvements (OS-07000)

Description: This project restores asphalt roads and roadside parking areas within Foothills Park. Disintegrated asphalt will be removed and replaced, base failures repaired, and road surfaces will be slurry sealed. See Supplemental Information for details of areas that will be improved.

Justification: The Foothills Park roads were constructed in 1964 when the park was opened. Roads have only been patched in small areas. There is a great need to improve the road condition for adequate public access and emergency evacuation.

Supplemental Information: In Fiscal Year 2009 the areas between Boronda Lake and Vista Hill, including the parking areas around Vista Hill, were resurfaced. In Fiscal Year 2011 through 2012, the areas between Vista Hill, back downhill to the Foothills Park Interpretive Center, including the entrance to Foothills Park will be resurfaced.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2006-2012
- **Overall Project Completion:** 70%
- **Percent Spent:** 66.67%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies C-24, C-25, C-26, C-32, Program C-19
- **Board/Commission Review:** PTC, PRC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may require Site and Design Review.
- **Operating:** Road maintenance of this project is included in the operating budget.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$375,000
PY Actuals as of 12/31/2008	$250,000

FUTURE FINANCIAL REQUIREMENTS	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$125,000	$150,000			$275,000
Other						
Total Budget Request		$125,000	$150,000			$275,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Hopkins Park Improvement (PE-07001)

CIP

Description: This project will upgrade/renovate two mini parks on Palo Alto Avenue along San Francisquito Creek, and the gateway area at the intersection of Palo Alto Avenue and Middlefield Road. These parks and greenways have outdated galvanized irrigation systems, and park amenities are in need of improvement. The mini parks do not provide for accessibility needs. Funding focuses on repairing existing infrastructure and does not entail full-scale/unlimited park renovations.

Justification: This project will enchance the quality and condition of Hopkins Park and address accesibility needs with sidewalk ramping and pathway repairs.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2010-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24, C-26, C-32, Program C-19
- **Board/Commission Review:** PRC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** Public Art Commission and ARB may be required for gateways
- **Operating:** This project will reduce structural and systems maintenance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$95,000				$95,000
Other						
Total Budget Request		$95,000				$95,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

NEW

Junior Museum and Zoo (JMZ) New Bobcat Habitat (AC-10000)

Description: This project will replace and upgrade the current original bobcat habitat; replace and upgrade the perimeter fence surrounding the Zoo; and resurface the Zoo pathways.

Justification: The bobcat habitat and perimeter fencing are old and in need of replacement based on its age and condition. The Zoo pathways are rutted, cracked and in poor condition. Because of its present condition, the habitat requires replacement.

Supplemental Information: A consultant/architect, engaged by the Friends of the JMZ, is designing the new bobcat habitat and Zoo configuration. The Friends of the JMZ committed to provided $450,000 for estimated cost of the new bobcat. $55,000 in a CSD donation account will be designated for the perimeter fencing while $70,000 will be provided by the insfrastructure reserve for the resurfacing of the Zoo pathways.

CIP FACTS:

- **New**
- **Project Status:** Design
- **Timeline:** FY 2009-2010
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Program C-24
- **Board/Commission Review:** ARB, PARC

IMPACT ANALYSIS:

- **Environmental:** This project may require environmental review.
- **Design Elements:** This project may require ARB, PARC, and Site and Design Review.
- **Operating:** Operating budget will be included in the Community Services Department.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$575,000					$575,000
Other						
Total Budget Request	$575,000					$575,000
Revenues:	$505,000					$505,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: Others($505,000)					

NEW

Monroe Park Improvements (PE-11003)

CIP

Description: This project will provide necessary upgrades to pathways, benches, trash and recycling receptacles and play equipment at Monroe Park. Funding focuses on repairing existing infrastructure and does not entail full-scale park renovation.

Justification: The existing asphalt pathways have been cracked and displaced over time by the effects of weathering and the adjacent root systems of the several mature trees in the park. Replacing, and in some locations rerouting, the pathways and edging will reduce the conflict with tree roots and ensure an accessible path of travel. Existing play equipment and play area surfacing will need to be upgraded to meet current safety and accessibility standards. Deteriorated wooden benches will be replaced.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2011-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24, C-26, C-32, Program C-19
- **Board/Commission Review:** PRC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** Public Art Commission and ARB may be required.
- **Operating:** None
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$250,000				$250,000
Other						
Total Budget Request		$250,000				$250,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Off-Road Pathway Resurfacing and Repair (OS-09001)

Description: The 9-mile off-road trail system in Palo Alto is 35 years old and has not been maintained or repaired. Cracks, pot holes and base failures in areas cause significant safety issues. This project removes and replaces severely damaged sections of asphalt, repairs cracks and base failures, and resurfaces worn or uneven surfaces of off-road asphalt pathways and bicycle trails. Priority will be given to the repair of the most uneven sections of pathway. The project does not create new off-road trail.

Justification: This project is intended to maintain the existing system of off-road pathways and trails throughout Palo Alto in order to extend the useful life of pathway surfaces. On-road bike lanes are repaired as part of street or sidewalk repairs. This project will ensure safe, even and handicapped accessible surfaces for pedestrians, bikes and skaters. Repair of uneven trail surfaces will greatly reduce accidents.

Supplemental Information: Staff will use surface assessment data previously prepared by Public Works Engineering and inputs from the public to prioritize repair or replacement projects.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2008-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies C-24, C-25, C-26, C-27, T-22, Programs C-19, T-19
- **Board/Commission Review:** PTC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may require Site and Design Review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$100,000
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$100,000	$100,000	$100,000	$100,000	$400,000
Other						
Total Budget Request		$100,000	$100,000	$100,000	$100,000	$400,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Open Space Lakes and Ponds Maintenance (OS-00002)

CIP

Description: This project rehabilitates lakes and ponds in open space nature preserves to protect wildlife habitat and recreational safety and to meet State Division of Safety of Dams requirements. Work at Boronda Lake at Foothills Park consists of the annual harvesting of non-native pond weeds and cattails. Work at the Baylands Duck Pond maintains the aerator for water quality.

Justification: Pond weeds and cattails must be regularly removed from Boronda Lake to prevent non-native plants from displacing native plants that are essential to the survival of fish and foraging animals. This also will provide access for recreational fishing and boating safety. The State Division of Safety of Dams mandates cattail removal to maintain the Boronda Dam. The Baylands Duck Pond aeration system maintains water quality for wildlife.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2000-2014
- **Overall Project Completion:** 100%
- **Percent Spent:** 94.18%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies N-1, N-8, Program N-2
- **Board/Commission Review:** PTC, PRC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may require Site and Design Review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$250,449
PY Actuals as of 12/31/2008	$235,873

FUTURE FINANCIAL REQUIREMENTS	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$50,000		$50,000		$60,000	$160,000
Other						
Total Budget Request	$50,000		$50,000		$60,000	$160,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Open Space Trails and Amenities (OS-00001)

Description: This project restores trails, fences, picnic areas, and campgrounds in Foothills Park, the Baylands, and the Pearson-Arastradero Nature Preserves to insure that facilities are safe, accessible, and maintained for recreational uses. The project also provides habitat protection by controlling where park users may hike, bike, and assemble. These restoration projects are consistent with the Arastradero Preserve Trails Management Plan and the Foothills Park Trails Maintenance Plan.

Justification: Open Space trails require ongoing repair of natural erosion, storm damage, and control of aggressive plants, such as thistle and poison oak. Improvements to the trails within Pearson-Arastradero Preserve move trails away from environmentally sensitive areas and correct steeply sloped trails, thereby reducing erosion and providing better access to park users with disabilities. Benches, tables, footbridges and fences, which are at the end of their expected life, will systematically be replaced.

Supplemental Information: Staff continues to aggressively pursue grant funding opportunities for trail and open space amenity improvements. In the past five years, $435,000 from grant programs augmented the City's contribution to trails improvements.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2000-2014
- **Overall Project Completion:** 90%
- **Percent Spent:** 92.70%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies C-24, N-1, Programs C-19, C-27, T-25, T-26
- **Board/Commission Review:** PTC, PRC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may be subject to ARB review. This project may require Site and Design Review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$1,549,933
PY Actuals as of 12/31/2008	$1,436,772

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$116,000	$116,000	$136,000	$150,000	$164,000	$682,000
Other						
Total Budget Request	$116,000	$116,000	$136,000	$150,000	$164,000	$682,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Park and Open Space Emergency Repairs (PG-09002)

CIP

Description: This project provides funds for the replacement or extensive repair of playgrounds, play yard surfaces, wooden structures, park amenities and play equipment in the event of storms, fire, vandalism or structural failure.

Justification: This project ensures the quick replacement or repair of damaged equipment or play structures for the convenience of the public.

Supplemental Information: This proposed project responds to the City Auditor's Park Audit recommendations.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2008-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 66.99%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies C-24, C-26, Program C-19
- **Board/Commission Review:** PTC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may be subject to ARB review. This project may require Site and Design Review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$75,000
PY Actuals as of 12/31/2008	$50,245

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$75,000	$75,000	$75,000	$75,000	$75,000	$375,000
Other						
Total Budget Request	$75,000	$75,000	$75,000	$75,000	$75,000	$375,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Park Restroom Installation (PE-06007)

Description: This project provides for installation of restrooms at City parks that currently do not have restroom facilities. The restrooms may be prefabricated and each park installation will require a Park Improvement Ordinance.

Justification: Many parks in the City have no restroom facilities within the park boundaries. This project will provide for one installation annually at parks with intensive recreational use.

Supplemental Information: Funding this project in Fiscal Year 2010 has been deferred, and will be reevaluated during the Fiscal Year 2011 Capital Improvement Program prioritization process.

Funding for this project will be provided by the Development Park Impact Fees.

This project will be accomplished with current staff resources and may delay or defer completion of other City Parks Improvement Projects. This project supersedes planned projects as it will reduce health issues in public parks and improve sanitary conditions in public parks.

In addition, contract maintenance costs will be increased to accommodate new restroom installations. Depending on the type of installation, costs to maintain a park restroom will be $20,000-$25,000 per year.

Restrooms locations are to be dtermined after public outreach.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2009-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 2.92%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-26, C-27
- **Board/Commission Review:** ARB, PTC, PRC

IMPACT ANALYSIS:

- **Environmental:** This project is Categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may be subject to ARB review. This project may require Site and Design Review.
- **Operating:** This project will require new maintenance costs for each restroom. Annual costs to maintain each rest room range from $20,000 to $25,000.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$550,293
PY Actuals as of 12/31/2008	$16,088

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs		$20,000	$20,000	$20,000	$20,000	$80,000
Construction Costs		$200,000	$200,000	$200,000	$200,000	$800,000
Other						
Total Budget Request		$220,000	$220,000	$220,000	$220,000	$880,000
Revenues:		$220,000	$220,000	$220,000	$220,000	$880,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: Development Impact Fees($880,000)					

Rinconada Park Improvements (PE-08001)

Description: This project will provide upgrades and renovations for safety and accessibility improvements at Rinconada Park. Funding of this project will focus on repairing existing infrastructure in need of repair. The project also includes new trash and recycling recepticles in accordance with the City's Zero Waste program.

Justification: As park infrastructure ages safety and compliance issues need to be addressed. This project will ensure all compliance and safety issues are rectified.

Supplemental Information: This project's Fiscal Year 2010 funding has been deferred and the project will be re-evaluated during the Fiscal Year 2011 Capital Improvement Program prioritization process.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2011-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24, C-26, C-32, Program C-19
- **Board/Commission Review:** PRC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** Public Art Commission and ARB may be required.
- **Operating:** This project will reduce structural and systems maintenance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs		$50,000				$50,000
Construction Costs		$725,000				$725,000
Other						
Total Budget Request		$775,000				$775,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

School Playing Field Irrigation (PG-98001)

Description: This project replaces old irrigation systems on school sites, installs drainage improvements, and implements athletic field renovations. In addition, installation of satellite computer control systems to connect to the Parks Division central irrigation management software (CIM) program, as well as replacement of water meters and backflow devices, will be accomplished.

Justification: This project is part of the Cooperative Maintenance Agreement between the City and the Palo Alto Unified School District (PAUSD). As an infrastructure enhancement it improves the safety and quality of turf areas used for athletic fields school sites and will create operating efficiencies. Irrigation improvements will allow for centralizing irrigation monitoring and reducing the time needed to manually adjust controllers for varying weather conditions.

Supplemental Information: Work schedule is as follows:

Fiscal Year 2010 - Addison

Fiscal Year 2011 - Ohlone

Fiscal Year 2012 - Fairmeadow

Fiscal Year 2013 - Hoover, Grendell

Fiscal Year 2014 - Greendell (continued)

These projects are 50 percent reimbursed by the Palo Alto Unified School District.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2005-2014
- **Overall Project Completion:** 70%
- **Percent Spent:** 74.33%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policy C-24, Program C-19,
- **Board/Commission Review:** PRC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project will hire irrigation consultant design services.
- **Operating:** This project will reduce water cost and maintenance.
- **Telecommunications:** This project will require telephone lines for computer connnection.

PRIOR YEARS	
PY Budget	$1,070,000
PY Actuals as of 12/31/2008	$795,315

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$100,000	$85,000	$100,000	$100,000	$125,000	$510,000
Other						
Total Budget Request	$100,000	$85,000	$100,000	$100,000	$125,000	$510,000
Revenues:	$50,000	$42,500	$50,000	$50,000	$62,500	$255,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: Others($255,000)					

NEW

Scott Park Improvements (PE-11004)

CIP

Description: This project will provide necessary upgrades to the play equipment and play area surfacing in Scott Park. Funding focuses on repairing existing infrastructure and does not entail full-scale/ unlimited park renovation.

Justification: The existing play equipment and play area surfacing at Scott Park are in need of replacement in order to comply with current safety and accessibility standards.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2011-2012
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24, C-26, C-32, Program C-20
- **Board/Commission Review:** PRC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may require PRC review.
- **Operating:** None
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$100,000				$100,000
Other						
Total Budget Request		$100,000				$100,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Tennis and Basketball Court Resurfacing (PG-06001)

Description: This project repairs and resurfaces the tennis and basketball courts in various Palo Alto parks and school sites.

Justification: This project provides resurfacing and repair of various tennis and basketball courts at both City and Palo Alto Unified School District (PAUSD) sites. Resurfacing of courts will enhance the safety, quality, and condition of these athletic facilities. As a part of the Cooperative Maintenance Agreement, PAUSD will reimburse the City 50 percent of costs associated with PAUSD facilities.

Supplemental Information: Work schedule is as follows:

Fiscal Year 2010 - Palo Alto High School tennis courts, Terman Park tennis courts, and basketball courts located at Greer, Peers, Boulware, Briones, and Terman.

Fiscal Year 2011 - Cubberley tennis courts and Gunn High School tennis courts.

Fiscal Year 2012 - JLS tennis courts and Rinconada tennis courts.

Fiscal Year 2013 - Surface repairs and restriping of all tennis courts.

Fiscal Year 2014 - Resurfacing of Hoover Park tennis courts,Mitchell Park tennis courts and Weisshaar Park tennis courts.

Other revenue represents 50 percent reimbursement from PAUSD.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2005-2014
- **Percent Spent:** 53.40%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies C-24, C-26, Program C-19
- **Board/Commission Review:** PTC, PRC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may require Site and Design Review.
- **Operating:** This project will reduce long term infrastructure costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$436,115
PY Actuals as of 12/31/2008	$232,886

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$55,000	$55,000	$55,000	$55,000	$55,000	$275,000
Other						
Total Budget Request	$55,000	$55,000	$55,000	$55,000	$55,000	$275,000
Revenues:	$12,500	$12,500	$12,500	$12,500	$12,500	$62,500
Source of Funds:	Infrastructure Reserve with the following reimbursements: Others($62,500)					

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Miscellaneous

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NEW

CIP

Downtown Tree Grates (PO-10002)

Description: This project will provide for tree grates on all downtown tree wells that have no tree grates. Tree grates provide a walking surface at grade (level surface of the sidewalk) while maintaining tree well space for watering of the tree.

Justification: The project will achieve two goals: provide for pedestrian safety and provide tree well space to maintain healthy trees.

CIP FACTS:

- **New**
- **Project Status:** Construction
- **Timeline:** FY 2010-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-14

IMPACT ANALYSIS:

- **Environmental:** Categorically exempt from CEQA under Section 15301.
- **Design Elements:** None
- **Operating:** None
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$300,000					$300,000
Other						
Total Budget Request	$300,000					$300,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Fire Apparatus Equipment Replacement (FD-09001)

CIP

Description: This project will replace and upgrade the equipment to be placed on six new fire engines to be purchased with scheduled vehicle replacement (CIP Project VR-08000 and VR-09000).

Justification: The elements included in this project are due for replacement or upgrade based on their age and/or condition. The equipment currently carried on apparatus is old, outdated and has been carried over from previous apparatus through the years. Advances in technology, material and design make it necessary to replace the equipment, which is used for emergency and life saving events. The equipment scheduled for replacement includes hose, appliances and various equipments.

Supplemental Information: Hose and equipment carried on Fire Apparatus must meet NFPA specifications and meet State OES typing for a Type I Fire Engine.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2009-2010
- **Percent Spent:** 0.00%
- **Managing Department:** Fire
- **Comprehensive Plan:** Goal C-1
- **Board/Commission Review:** None

IMPACT ANALYSIS:

- **Environmental:** None
- **Design Elements:** None
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$235,170
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$69,000					$69,000
Other						
Total Budget Request	$69,000					$69,000
Revenues:	$69,000					$69,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: General Fund($51,750); Stanford($17,250)					

Mobile Command Vehicle (PD-07000)

Description: This project will acquire a Mobile Command Vehicle. This vehicle is designed to provide a self-contained, self-supporting command and communications center at a natural, man-made disaster or police critical incident events. The mobile command vehicle has separate dispatch center capabilities, on-line computer availability, galley and restroom facilities, and workstation and conference rooms.

Justification: The City of Palo Alto does not have the capability to operate a fully functional dispatch and command center away from Civic Center in the event of a critical incident or major crime. Events that require on-scene coordination can last for hours or days. This unit would provide a secure area to conduct investigations and crisis response. This vehicle would also contain a temporary dispatch center that could operate with its own generator.

Supplemental Information: In 2006, Council authorized the expenditure of $400,000 to purchase a mobile command vehicle. During the needs assessment phase, it was determined that with $400,000, the City could build a suitable vehicle to manage a significant police or fire incident within the City. The needs assessment also concluded that with additional funds, the City could build a vehicle that could be used as a regional asset that could respond to a large scale incident wherever it might be needed in the Bay Area. The vehicle would be outfitted with the latest of technology including cellular/tellular, Wi-Fi, linked to satellite and the E-Comm networks, able to provide video and voice to EOCs, have the capabilities to communicate on all three radio frequency bands (UHF/VHF/700-800), and create interoperable talk groups.

The Homeland Security Grant Program (HSGP) and the Bay Area Urban Area Security Initiative (UASI) Program each provide a grant of $150,000; totaling $300,000 as additional funding.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2010-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Police Department
- **Comprehensive Plan:** Goal N-10, Policies N-53, N-55

IMPACT ANALYSIS:

- **Environmental:** Categorically exempt from CEQA under Section 15301.
- **Design Elements:** None
- **Operating:** There will be annual operating and replacement costs.
- **Telecommunications:** Vehicle will equipped with radio, phone and laptop computer.

Mobile Command Vehicle (PD-07000)
CONTINUED

CIP

PRIOR YEARS	
PY Budget	$400,000
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	$300,000					$300,000
Total Budget Request	$300,000					$300,000
Revenues:	$300,000					$300,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: Federal Grant($150,000); Local Agency Grant($150,000)					

NEW

Salaries and Benefits - General Fund CIP Projects (AS-10000)

Description: This project is a placeholder for the estimated salaries and benefit costs of City staff assigned to manage General Fund CIP projects. As part of the year-end process, this amount will be allocated to all General Fund CIP projects that are charged with the actual costs of salaries and benefits. At the end of each fiscal year, any unused balance will be returned to the Infrastructure Reserve.

Justification: Salaries and benefits costs of City staff assigned to manage CIP projects are associated costs in the completion of CIP projects. As such, these costs are capitalized and are added to the total costs of a project.

CIP FACTS:

- **New**
- **Project Status:** Other
- **Timeline:** FY 2010-2014
- **Managing Department:** Administrative Services
- **Comprehensive Plan:** Not Applicable
- **Board/Commission Review:** Not Applicable

IMPACT ANALYSIS:

- **Environmental:** Not Applicable
- **Design Elements:** Not Applicable
- **Operating:** Not Applicable
- **Telecommunications:** Not Applicable

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	$3,478,545	$3,481,758	$3,538,665	$3,644,825	$3,754,170	$17,897,963
Total Budget Request	$3,478,545	$3,481,758	$3,538,665	$3,644,825	$3,754,170	$17,897,963
Revenues:	$1,182,000	$1,217,000	$1,253,510	$1,291,115	$1,329,849	$6,273,474
Source of Funds:	Infrastructure Reserve with the following reimbursements: General Fund($6,273,474)					

NEW

Sustainability Contingency (AS-10001)

CIP

Description: This project will provide funding for elements of General Fund CIP projects that meet the criteria for Sustainability. This project will be used for specific measures that are either cost-effective, resource-efficient projects or sustainability measures identified under a nationally recognized standards. Funding will be transferred out from this project into the qualifying project.

Justification: Funding for this project supports the City of Palo Alto Sustainability Policy. City's policy states that "It is the intent of the City of Palo Alto to be a sustainable community - one which meets its current needs without compromising the ability of future generations to meet their own needs ..." For more information on the City's policy, visit the City's website at:http://www.cityofpaloalto.org.

CIP FACTS:

- **New**
- **Project Status:** Other
- **Timeline:** FY 2010-2010
- **Percent Spent:** 0.00%
- **Managing Department:** Administrative Services
- **Comprehensive Plan:** Not applicable.

IMPACT ANALYSIS:

- **Environmental:** Not applicable.
- **Design Elements:** Not Applicable.
- **Operating:** Not Applicable.
- **Telecommunications:** Not Applicable.

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	$400,000					$400,000
Total Budget Request	$400,000					$400,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Enterprise Fund Projects

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Enterprise Funds

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Enterprise Funds Overview - Capital Improvement Program

The Capital Improvement Program (CIP) for the City's Enterprise Funds remains a critical component of the infrastructure commitment made to our citizen-customers. Each utility operates as a separate business entity. Therefore, the cost of infrastructure rehabilitation is part of their normal course of business. Generally, the funds have a "pay-as-you-go" philosophy on both operating and capital costs. The rates charged to customers for utility services include the cost of capital work for that fund.

The Fiscal Year 2010 Adopted Enterprise CIP expense is $45.8 million. Expenditures have decreased by $16.3 million compared to the prior year, due primarily to the Disinfection Facility Improvement Program ($20 million) by the Wastewater Treatment Fund which was included in the prior year budget. A summary of new projects being added is presented in subsequent pages.

The Electric, Water, Gas, Fiber Optics and Wastewater Collection Funds continue to have an aggressive schedule for their CIP. The Accelerated Infrastructure Program, started in 1990, includes projects with a major focus on maintaining and improving the reliability of the system. Work continues to replace structurally deficient water, gas, and sewer mains, convert the primary electric distribution system from 4kV lines to 12kV, install new water pumps in critical areas, and upgrade and improve substations. Ongoing efforts are always in place to evaluate service reliability needs and make improvements in the system for customers. In addition to these five funds, the Wastewater Treatment Fund, the Refuse Fund, and the Storm Drainage Fund stand behind their commitments to provide the highest level of customer service.

A significant project that is currently being undertaken is the "Emergency Water Supply Project WS-08002." This project will provide emergency water supply needs to the City should the San Francisco Public Utilities Commission aqueduct shut down for any reason.

As the utility infrastructure ages, it becomes necessary to replace and maintain the current system. There are several Enterprise CIPs that replace or upgrade the existing infrastructure to maintain reliability. Staff realizes that the investment the City is making today will pay dividends to the citizens of Palo Alto now and in the future.

ELECTRIC FUND

The Electric Fund has a capital expense of $8.5 million in Fiscal Year 2010. Expenditures have decreased by $1.6 million compared to the prior year due to construction of some projects being deferred to future years. After reimbursements from other Enterprise funds and customers, the net amount of Electric CIP expense is $7.5 million. The Electric Fund Distribution Rate Stabilization Reserve will provide funding for these projects.

The subsequent CIP page of individual projects identifies its funding source.

Electric Fund CIPs include:

- Rebuilding the electric system in various underground districts:

- Underground District 17 (California Ave Business District)
- Underground District 19 (bounded by Forest, Waverley, Addison and Alma in downtown)
- Underground District 22 (bounded by Nogal, Cambridge, El Camino and Sherman)
- Underground District 24 (bounded by Alma, Lytton, Bryant and Forest)
- Underground District 45 - Downtown V (bounded by Alma, Hawthorne, High and Lytton)

- Enhancing security at Utility Water and Electric Sites
- Upgrading the SCADA systems and improvements to the Utility Control Center
- System improvements including cable replacements and deteriorated wood pole replacements
- Street Lights System Conversion Project - a new project to pilot light-emitting diode (LED) street lighting technology in the community over the next one to two years, and a preliminary plan to deploy the technology over the next five years. The initial cost of the project for Fiscal Year 2010 is $100,000

FIBER OPTICS FUND

The Fiber Optics Fund has two CIP projects in Fiscal Year 2010 totaling $400,000; after customer reimbursements of $200,000, the net cost to the Fiber Optics Fund is $200,000.

The projects are: the Fiber Optic Customer Connections Project and the Fiber Optic Network System Improvement Project. Prior to the establishment of a separate Fiber Optics fund, these projects were included in the Electric Fund capital projects.

GAS FUND

Total Fiscal Year 2010 Adopted Gas Fund CIP expenditures are $2.4 million, a decrease of $5 million from Fiscal Year 2009 Adopted Budget. The decrease is primarily due to Gas Main Replacement (GMR) Project 18 which had a budget for construction of $5.5 million in the prior year. The Fiscal Year 2010 CIP construction costs for gas main replacement projects have been deferred to Fiscal Year 2011. Highlights of the Fiscal Year 2010 Gas Fund budget are as follows:

- Gas Main Replacements (GMR) Project 20 - design stage. Trenchless main and service installation technology will be used to the extent possible to reduce the impacts on City streets
- Gas Station 3 Rebuild - gas station rebuilding projects are in planning and design stages with PG&E
- Cathodic Current Interrupters - supply and install 41 current interrupters at existing cathodic rectifier locations throughout the City. This project will comply with the requirements of the Department of Transportation

WASTEWATER COLLECTION FUND

Total Fiscal Year 2010 CIP expense in the Wastewater Collection Fund is $3.9 million; basically flat when compared to the prior year budget.

Enterprise Funds Overview - Capital Improvement Program

WWC Fund implements the 2004 Collection System Master Plan Update which identifies needed upgrades and improvements in the collection system.

The capital projects included in Fiscal Year 2010 will be developed from system-wide video documentation of sewer system structural deficiencies by WWC16, the ICOMMM maintenance and PicAx video software programs. The Wastewater Collection system improvements will consist of main replacements, pipebursting and slip-lining, and cast-in-place lining. Trenchless rehabilitation methods will be used when practical to reduce the impact on City streets.

Highlights of the Fiscal Year 2010 CIP budget are as follows:

- Upgrades and improvements in the collection system
- Project 23 in design stage
- Project 22 in construction
- Sewer lateral and manhole rehabilitation/replacements - will replace defective sewer laterals, cleanouts, and manhole rehabilitation/replacements

WATER FUND

The Water Fund CIP primarily involves the Water Main Replacement (WMR) projects, 15,800 feet per year, new pump design work at Mayfield Pump Station, and other projects focused on reliability. The project at the Mayfield Pump Station will be constructed to meet the California Department of Health Services recommendations to ensure an adequate emergency water supply.

Fiscal Year 2010 adopted CIP expense in the Water Fund is $27.4 million, a $12.8 million increase compared to the prior year. This increase is primarily due to Emergency Water Supply Project and the construction of WMR Project 23.

Highlights of the Fiscal Year 2010 CIP budget are as follows:

- $22.5 million is planned for the construction of Emergency Water Supply Project. Special revenue bonds will provide funding for this project
- Each year, the Water Fund replaces 15,800 feet per year of water main. The projects pertaining to this replacement are described below:
  - Project WMR 23 - in construction stage
  - Project WMR 24 - in design stage
- Seismic Water Tank Valve; a project which provides automatic system shut-off in case of a seismic event
- Water service hydrant replacement - this project upgrades water hydrants consistent with fire protection policy
- Water Recycling Facilities - study on the possibility of expanding the existing recycled water delivery system to serve customers in the City

Enterprise Funds Overview - Capital Improvement Program

REFUSE FUND

The Refuse Fund has no proposed projects in Fiscal Year 2010. In anticipation of the landfill closure in 2011, three projects are being planned in Fiscal Year 2011. One project in the amount of $0.75 million will implement two bunker storage-transfer systems for dry and wet materials. Funding for this project is shared equally by Wastewater Collection Fund and the Refuse Fund.

Onother project totaling $6.7 million relates to the landfill closure in 2011 while another one is the Flare Relocation Project in the amount of $200,000. These projects will be funded from the cash accumulated to pay for the landfill closure and past-closure care liability.

WASTEWATER TREATMENT FUND

The Wastewater Treatment Fund has two projects in Fiscal Year 2010 totaling $1.2 million for the maintenance, facility conditioning, and equipment replacement of the Wastewater Treatment facility. Funding for these projects will come from WWC Fund and partner agencies.

In Fiscal Year 2009, the Wastewater Treatment Fund adopted CIP budget included the Disinfection Facility Improvement Program Project in the amount of $20 million. This project will replace the use of chlorine for disinfection of plant effluent to an "Ultraviolet Disinfection System" (UV). Financing options for this project may include state grants and loans.

STORM DRAINAGE FUND

Fiscal Year 2010 Adopted CIP expense in the Storm Drainage Fund is $1.4 million, a $0.6 million decrease compared to the prior year level. The decrease is attributed to San Francisquito Creek Storm Water Pump Station project which was included in the prior year. Projects to be funded in Fiscal Year 2010 include:

- Channing Avenue/Lincoln Avenue Storm Drain improvements
- High-priority storm drain system repairs

The CIP projects has been reviewed by the Council-appointed Storm Drain Oversight Committee. The Committee has noted that the Fund will likely experience capital project funding shortfalls in the coming years. The shortfalls are a result of the discrepancy between higher construction costs for the San Francisquito Creek Storm Water Pump Station and the Gailen/Bibbits Drive Storm Drains Outfall to Matadero Pump Station Projects and the modest Storm Drainage Fee increases allowed by the ballot measure (based on annual increases in the local Consumer Price Index [CPI] or 6 percent, whichever is less). Since construction costs to these projects exceeded the budget provided for them and local CPI increases have only been 2-4 percent per year, (Fiscal Year 2010 is zero percent) there will likely be insufficient funds to complete the original 12-year Capital Improvement Program outlined in the ballot measure. Staff and the Committee have developed strategies to maximize the use of available funds, including focusing on completion of the highest priority projects and incrementally reducing the scope of some projects in order to free up funds for other projects. As a result of the joint deliberations by staff and the Committee, the Southgate Neighborhood Storm Drain Improvements project has been removed from

the recommended 2010-2014 Storm Drain Capital Improvement Program, and the Alma Street Storm Drain Improvements project has been downsized.

NEW PROJECTS

The new projects that are added to the Adopted 2010-14 five-year CIP plan in the Enterprise Funds include the following:

2010-2014 CIP List of New Projects ENTERPRISE FUNDS		
CIP NO.	**Project Title**	**Page #**
Electric Fund		
EL-10008	Advanced Metering Infrastructure (AMI) System	151
EL-14000	Coleridge/Cowper/Tennyson 4/12kV Conversion	152
EL-10009	Street Light System Conversion Project	175
Gas Fund		
GS-10003	Cathodic Current Interrupters	191
GS-14000	GMR - Project 24	200
GS-11001	Gas Station 4 Rebuild	203
GS-10002	General Shop Tooling	204
Water Fund		
WS-14001	WMR - Project 28	228
Wastewater Collection Fund		
WC-14001	WW Collection Sys. Rehab/Aug. Project 27	245
Storm Drainage Fund		
SD-13002	Matadero Creek Storm Water Pump Station and Trunk Lines Improvement	265

PROJECTS REQUIRING COUNCIL POLICY DIRECTION

There are no capital projects in the Enterprise Funds for FY 2010-2014 that require Council policy direction.

Enterprise Funds Overview - Capital Improvement Program

Criteria for identifying capital projects that require Council policy direction are as follows:

1. Project would require an amendment to the Comprehensive Plan or other master plans
2. Project would require a change in land use
3. Project involves a significant change in service levels requiring additional staffing or other resources
4. Project is not in planned General Fund IMP and/or does not have an identified funding source
5. Project requires acquisition or disposition of property
6. Project will probably require an Environmental Impact Review
7. Project requires significant diversion of staffing and/or City funds due to outside funding opportunity (e.g. grants)
8. Project may require voteThree and/or property owner approval (e.g. libraries and storm drains)
9. Project is a Council Top 3 priority

Electric Fund

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Electric Map

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NEW

Advanced Metering Infrastructure (AMI) System (EL-10008)

Description: This project will allow staff to obtain the services of a qualified contractor to develop a feasibility study for the installation of Advanced Metering Infrastructure (AMI) system to benefit the Utilities Department.

Justification: The Automated Meter Reading (AMR) Pilot Project was completed in September 2007. The pilot included enabling approximately 4,400 electric, gas, and water meters, which are covered by six meter reading routes, to be read remotely. Currently the usage recorded by these meters is being read remotely by either the fixed radio network or a drive-by reader.

Consultant Services Scope: Evaluate AMR/AMI technology alternatives, perform cost-benefits analysis and prepare master plan.

Supplemental Information: Advances in technology have resulted in the development of AMI which is beyond just reading the meters and will allow for remote real time data collection and management of the data to provide benefits for Energy Resources, Engineering, Operations, Marketing, and Customer Services. These benefits should be considered by staff in any recommendation to expand the AMR system and adding AMI. Staff will solicit bids from qualified consultants to perform an AMI feasibility study which would evaluate AMI technology alternatives, perform cost-benefits analysis and if recommendation is to implement the AMI program, then prepare an implementation master plan with cost estimates. The cost of the study will be shared equally by the electric, water and gas funds.

CIP FACTS:

- **New**
- **Project Status:** Other
- **Timeline:** FY 2009-2010
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policies T-3, N-44

IMPACT ANALYSIS:

- **Environmental:** Categorically exempt under Section 15302 of CEQA.
- **Design Elements:** None
- **Operating:** None
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	$210,000					$210,000
Total Budget Request	$210,000					$210,000
Revenues:	$140,000					$140,000
Source of Funds:	Electric Fund with the following reimbursements: Gas Fund($70,000); Water Fund($70,000)					

NEW

Coleridge/Cowper/Tennyson 4/12 kV Conversion (EL-14000)

Description: The project will convert the primary electric distribution system in the Coleridge/Cowper/Tennyson area from 4 kV to 12 kV.

Justification: The existing 4kV distribution system serves 120 customers. Due to prior 4/12 kV conversions in adjacent areas, this area needs to be served at 12 kV so that adequate circuit tie capability can be restored. In addition, the area now requires a primary neutral conductor for proper operation. The existing neutral disconnect switches are in old and deteriorated condition and need replacement.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2013-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will have pad-mounted equipment screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenace costs due to retirment of facilities and improve the efficiency of the system by reducing system losses.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs					$40,000	$40,000
Other						
Total Budget Request					$40,000	$40,000
Revenues:						
Source of Funds:	Electric Fund					

Communications System Improvements (EL-89031)

Description: This project installs copper wire cable systems, high frequency coaxial cable, fiber optic cable, and related equipment to provide communications services for traffic signal coordination, telephone links, computer data transmission and the Electric Supervisory Control and Data Acquisition (SCADA) system.

Justification: Installation of communication lines is essential for the provision of City services. The broadband system is the network connecting the major Local Area Networks (LAN) at the MSC, Water Quality Control Plant, and City Hall into a Wide Area Network (WAN). The broadband system also provides communication between the various SCADA systems and their field components.

CIP FACTS:

- **Continuing**
- **Managing Department:** Utilities
- **Comprehensive Plan:** Program L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Pad-mounted equipment will be screened.
- **Operating:** None
- **Telecommunications:** This project supports city telephone links and WAN.

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$110,000	$115,000	$120,000	$125,000	$130,000	$600,000
Other						
Total Budget Request	$110,000	$115,000	$120,000	$125,000	$130,000	$600,000
Revenues:						
Source of Funds:	Electric Fund					

Edgewood / Wildwood 4 kV Tie (EL-13000)

Description: This project will construct a three-phase circuit tie in the Edgewood/Wildwood area between the HO-3 and HO-7 feeders.

Justification: When the East Meadow 4 kV feeders are converted to 12 kV, the 4 kV back-up circuit ties from East Meadow to Hopkins substations will be eliminated. In order to maintain reliable service in the event of a feeder outage at Hopkins substation, this project will construct a tie between HO-3 and HO-7 feeders.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2013-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Pad-mounted equipment will be screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs due to retirment of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs				$50,000		$50,000
Construction Costs					$300,000	$300,000
Other						
Total Budget Request				$50,000	$300,000	$350,000
Revenues:						
Source of Funds:	Electric Fund					

E. Charleston 4/12 kV Conversion (EL-08000)

Description: This project will rebuild the underground main electric feeders and convert the primary electric distribution system in the East Charleston/Middlefield Road area from 4 kV to 12 kV.

Justification: The existing 4 kV distribution system serves 150 customers and utilizes a primary neutral conductor for proper operation. Conversion to 12 kV will allow removal of this conductor and associated equipment and will reduce the amount of equipment and connectors to maintain, improving service reliability. The associated substation equipment serving this area is approximately 50 years old. This project will allow removal of old equipment nearing the end of its design life.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2008-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Pad-mounted equipment will be screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance expense due to retirement of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$100,000
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs	$100,000					$100,000
Construction Costs		$450,000				$450,000
Other						
Total Budget Request	$100,000	$450,000				$550,000
Revenues:						
Source of Funds:	Electric Fund					

E. Meadow/Alma/Loma 4/12 kV Conversion (EL-08002)

Description: This project will convert the primary electric distribution system in the East Meadow/Alma/Loma Verde area from 4 kV to 12 kV.

Justification: The existing 4 kV distribution system serves 850 customers and utilizes a primary neutral conductor for proper operation. Conversion to 12 kV will allow removal of this conductor and associated equipment and will reduce the amount of equipment and connectors to maintain, improving service reliability. The associated substation equipment serving this area is approximately 50 years old. This project will allow removal of old equipment nearing the end of its design life.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2008-2010
- **Overall Project Completion:** 10%
- **Percent Spent:** 68.09%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Pad-mounted equipment will be screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs due to retirement of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$313,406
PY Actuals as of 12/31/2008	$213,406

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$500,000	$500,000				$1,000,000
Other						
Total Budget Request	$500,000	$500,000				$1,000,000
Revenues:						
Source of Funds:	Electric Fund					

Electric Customer Connections (EL-89028)

Description: This project performs various functions, including installation of services, transformers, and meters for new customers, upgrading of existing services, temporary service connections, and overhead and underground extensions for new or existing customers.

Justification: The project provides funding for the connection of new customers and the upgrading of existing services. These are critical functions for providing electrical service to the City's customers. During a typical year, over 200 electric services are installed or upgraded in the City.

Supplemental Information: Revenues from others represent reimbursements from customers, telephone, and CATV companies.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Board/Commission Review:** UAC, PTC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Pad-mounted equipment will be screened.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$1,800,000	$1,900,000	$2,000,000	$2,100,000	$2,205,000	$10,005,000
Other						
Total Budget Request	$1,800,000	$1,900,000	$2,000,000	$2,100,000	$2,205,000	$10,005,000
Revenues:	$750,000	$800,000	$850,000	$900,000	$950,000	$4,250,000
Source of Funds:	Electric Fund with the following reimbursements: Others($4,250,000)					

Electric System Improvements (EL-98003)

CIP

Description: This project provides funding as needed to improve the electric distribution system. Typical activities include: increasing system capacity for load growth, replacing deteriorated capital facilities, reconfiguring/adding to the system to improve service reliability, repairing and replacing storm damaged equipment, and making general improvements to the system.

Justification: Electric system service reliability and adequate system capacity are critical to providing a high level of service to customers in Palo Alto. When service interruptions occur, customers may experience significant economic losses. City must continuously evaluate service reliability needs and make improvements to the system to maintain top-level service to City customers.

Supplemental Information: Revenues from others represent reimbursements from the telephone company of $730,000.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Pad-mounted equipment will be screened. This project may be subject to ARB review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$2,000,000	$2,100,000	$2,200,000	$2,300,000	$2,400,000	$11,000,000
Other						
Total Budget Request	$2,000,000	$2,100,000	$2,200,000	$2,300,000	$2,400,000	$11,000,000
Revenues:	$135,000	$140,000	$145,000	$150,000	$160,000	$730,000
Source of Funds:	Electric Fund with the following reimbursements: Others($730,000)					

Electric Utility GIS (EL-02011)

Description: This project will improve the ability of Palo Alto's utilities to use the citywide Geographical Information System (GIS). The primary emphasis will be to provide a compatible-user interface and estimating software to edit and update data which will reside in the citywide GIS. The project shall involve the migration of the existing Electric, Water, Gas, Wastewater and Fiber networks to a unified mapping solution, and allow the Utility to leverage the investment in current software applications.

Justification: GIS has grown from being a set of special purpose computer applications to being an information tool that serves all segments of the City. Initially used only by a few highly skilled technicians and engineers, GIS applications are now standard on every new personal computer that the city deploys. Applications have been developed which make GIS information accessible to hundreds of users greatly increasing the value of the system.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2008-2010
- **Overall Project Completion:** 10%
- **Percent Spent:** 25.16%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Program T-10
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This is not a project under CEQA.
- **Design Elements:** None
- **Operating:** This project will require ongoing annual maintenance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$156,454
PY Actuals as of 12/31/2008	$39,360

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$400,000					$400,000
Other						
Total Budget Request	$400,000					$400,000
Revenues:						
Source of Funds:	Electric Fund					

Hewlett Subdivision Rebuild Los Trancos Road (EL-11004)

CIP

Description: This project will rebuild the underground electric distribution system in the Hewlett subdivision along Los Trancos Road. The project will improve system reliability by replacing deteriorated facilities.

Justification: In 2010, this system will be 40 years old and will need replacement due to end of design life.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2010-2011
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Board/Commission Review:** UAC, PTC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Screening of pad-mounted equipment will be included.
- **Operating:** This project will reduce maintenance expense due to new equipments.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$400,000				$400,000
Other						
Total Budget Request		$400,000				$400,000
Revenues:						
Source of Funds:	Electric Fund					

Middlefield / Colorado 4/12 kV Conversion (EL-09002)

Description: This project will convert the primary electric distribution system in the Middlefield/Colorado area from 4 kV to 12 kV.

Justification: The existing 4 kV distribution system serves 150 customers and utilizes a primary neutral conductor for proper operation. Conversion to 12 kV will allow removal of this conductor and associated equipment and will reduce the amount of equipment and connectors to maintain, improving service reliability. The associated substation equipment serving this area is approximately 50 years old. This project will allow removal of old equipment nearing the end of its design life.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2010-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Pad-mounted equipment will be screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs due to retirement of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs	$20,000					$20,000
Construction Costs		$150,000	$250,000			$400,000
Other						
Total Budget Request	$20,000	$150,000	$250,000			$420,000
Revenues:						
Source of Funds:	Electric Fund					

Middlefield Underground Rebuild (EL-09000)

CIP

Description: This project rebuilds the underground main feeders and converts the primary electric distribution system in the Middlefield/ Loma Verde area from 4 kV to 12 kV, and removes the substation transformers and 4 kV switchgear at East Meadow Substation.

Justification: The existing 4 kV distribution system serves 950 customers and utilizes a primary neutral conductor for proper operation. Conversion to 12 kV will allow removal of this conductor and associated equipment and will reduce the amount of equipment and connectors to maintain, improving service reliability. The associated substation equipment serving this area is approximately 50 years old. This project will allow removal of old equipment nearing the end of its design life.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2009-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Program L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Pad-mounted equipment will be screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs due to retirement of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs	$75,000					$75,000
Construction Costs		$550,000				$550,000
Other						
Total Budget Request	$75,000	$550,000				$625,000
Revenues:						
Source of Funds:	Electric Fund					

Rebuild Greenhouse Condo Area (EL-11007)

Description: This project will rebuild and replace the underground electric system in the Greenhouse Condo area on San Antonio Road. Work will include the replacement of deteriorated electrical cable, transformers, switches, and enclosures. Installation of new equipment will bring the electrical system up to current construction standards.

Justification: The underground electric distribution system in the Greenhouse Condo area was installed in 1976. Although typical cable and equipment expected life is 30 years when conditions are ideal, due to most of the equipment and cables operating in standing water during winter, its useful service life is compromised and failures could begin to occur prematurely. The water reduces the life of the equipment and connections and requires that the system be rebuilt.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2010-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Pad-mounted equipment will be screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs due to retirement of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs		$150,000				$150,000
Construction Costs			$350,000			$350,000
Other						
Total Budget Request		$150,000	$350,000			$500,000
Revenues:						
Source of Funds:	Electric Fund					

Rebuild UG District 12 (EL-12000)

CIP

Description: This project will rebuild and replace the underground electric system in UG District 12. The area includes Middlefield between Oregon Expressway and San Antonio Road. Work will include the replacement of deteriorated electrical cable, transformers, switches and enclosures. Installation of new equipment will bring the electrical system up to current construction standards.

Justification: The underground electric distribution system in the UG District 12 was installed in 1971. Although typical cable and equipment expected life is 30 years when conditions are ideal, due to most of the equipment and cables operating in standing water during winter, its useful service life is compromised and failures could begin to occur prematurely. The water reduces the life of the equipment and connections and requires that the system be rebuilt.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Pad-mounted equipment will be screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs due to retirement of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs			$80,000			$80,000
Construction Costs				$1,000,000	$200,000	$1,200,000
Other						
Total Budget Request			$80,000	$1,000,000	$200,000	$1,280,000
Revenues:						
Source of Funds:	Electric Fund					

Rebuild UG District 15 (EL-11003)

Description: This project will rebuild and replace the underground electric system in UG District 15. The area is bounded by Los Palos, Glenbrook, Pomona, and Arastradero. Work will include the replacement of deteriorated electrical cable, transformers and enclosures. Installation of new equipment will bring the electrical system up to current construction standards.

Justification: The underground system serving UG District 15 was installed in 1973, and cables and equipment in the area have exceeded their expected life of 30 years. In addition, most of the equipment and cables were installed in subsurface enclosures that have standing water in them in the winter. The water reduces the life of the equipment and electrical connections and requires that rebuilding be performed on the facilities.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2011-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Pad-mounted equipment will be screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs due to retirement of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$350,000	$400,000			$750,000
Other						
Total Budget Request		$350,000	$400,000			$750,000
Revenues:						
Source of Funds:	Electric Fund					

Rebuild UG District 17 (Downtown) (EL-09003)

CIP

Description: This project will rebuild and replace the underground electric system in UG District 17, and parts of Districts 24 and 19. The area is generally bounded by Lytton, Webster, Hamilton, and Alma in downtown Palo Alto. Work will include the replacement of deteriorated electrical cable, transformers and enclosures. Installation of new equipment will bring the electrical system up to current construction standards. The primary electric system will be reconfigured where appropriate.

Justification: The underground system serving UG District 17 was installed in 1974, and cables and equipment in the area have exceeded their expected life of 30 years. In addition, most of the equipment and cables were installed in subsurface enclosures that have standing water in them in the winter. The water reduces the life of the equipment and electrical connections and requires that rebuilding be performed on the facilities. Reconfigurations in Districts 17, 24 and 19 will improve service reliability.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2008-2010
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Pad-mounted equipment will be screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs due to retirement of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$600,000
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$500,000					$500,000
Other						
Total Budget Request	$500,000					$500,000
Revenues:						
Source of Funds:	Electric Fund					

Rebuild UG District 18 (EL-11006)

Description: This project will rebuild and replace the underground electric system in UG District 18. The area includes San Antonio Road between Middlefield, and E. Charleston. Work will include the replacement of deteriorated electrical cable, transformers, switches and enclosures. Installation of new equipment will bring the electrical system up to current construction standards.

Justification: The underground electric distribution system in the UG District 18 was installed in 1974. Although typical cable and equipment expected life is 30 years when conditions are ideal, due to most of the equipment and cables operating in standing water during winter, its useful service life is compromised and failures could begin to occur prematurely. The water reduces the life of the equipment and connections and requires that the system be rebuilt.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2010-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Pad-mounted equipment will be screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs due to retirement of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$350,000				$350,000
Other						
Total Budget Request		$350,000				$350,000
Revenues:						
Source of Funds:	Electric Fund					

Rebuild UG District 19 (EL-11008)

CIP

Description: This project will rebuild and replace the underground electric system in UG District 19. The area is bounded by Forest, Waverley, Addison, and Alma in downtown Palo Alto. Work will include the replacement of deteriorated electrical cable, transformers, switches and enclosures. Installation of new equipment will bring the electrical system up to current construction standards.

Justification: The underground electric distribution system in the UG District 19 was installed in 1979. Although typical cable and equipment expected life is 30 years when conditions are ideal, due to most of the equipment and cables operating in standing water during winter, its useful service life is compromised and failures could begin to occur prematurely. The water reduces the life of the equipment and connections and requires that the system be rebuilt.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2009-2010
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Pad-mounted equipment will be screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs due to retirement of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$500,000					$500,000
Other						
Total Budget Request	$500,000					$500,000
Revenues:						
Source of Funds:	Electric Fund					

Rebuild UG District 22 (EL-11005)

Description: This project will rebuild and replace the underground electric system in UG District 22. The area is bounded by Nogal, Cambridge, El Camino, and Sherman. Work will include the replacement of deteriorated electrical cable, transformers, and enclosures. Installation of new equipment will bring the electrical system up to current construction standards.

Justification: The distribution system in this area serves the California Avenue business district. Some of this system has been rebuilt due to a rash of component failures in recent years. In 2010, this system will have cable that is 30 years old and will need to be partially rebuilt. This project will improve the reliability of the electric system in this business area.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2009-2010
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Pad-mounted equipment will be screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs due to retirement of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$300,000					$300,000
Other						
Total Budget Request	$300,000					$300,000
Revenues:						
Source of Funds:	Electric Fund					

Rebuild UG District 24 (EL-10006)

CIP

Description: This project will rebuild and replace the underground electric system in UG District 24. The area is bounded by Alma, Lytton, Bryant, and Forest in downtown Palo Alto. Work will include the replacement of deteriorated electrical cable, transformers, switches, and enclosures. Installation of new equipment will bring the electrical system up to current construction standards.

Justification: The underground electric distribution system in the UG District 24 was installed in 1983. Although typical cable and equipment expected life is 30 years when conditions are ideal, due to most of the equipment and cables operating in standing water during winter, its useful service life is compromised and failures could begin to occur prematurely. The water reduces the life of the equipment and connections and requires that the system be rebuilt.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2009-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Pad-mounted equipment will be screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs due to retirement of facilities.

PRIOR YEARS	
PY Budget	$85,000
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$500,000	$750,000				$1,250,000
Other						
Total Budget Request	$500,000	$750,000				$1,250,000
Revenues:						
Source of Funds:	Electric Fund					

Relocate Quarry Road/Hopkins Subtstations 60 kV Line (Lane A & B) (EL-13002)

Description: This project relocates the Quarry Road and Hopkins (QR/HO)sub-transmission 60 kV line and associated facilities in the Lane A & B, and nearby Alma Street area to make the location of these lines permanent in the wake of the relocation of the Alma Substation.

Justification: These old 60 kV overhead lines are located in a congested area of downtown and are difficult to access and maintain. The existing configuration is awkward and space consuming. Redevelopment has been occurring in recent years in the surrounding areas and further redevelopment of the area is planned.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy L-79
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project may be subject to ARB review.
- **Operating:** This project will reduce operating expenses due to retirement of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs				$100,000		$100,000
Construction Costs					$750,000	$750,000
Other						
Total Budget Request				$100,000	$750,000	$850,000
Revenues:						
Source of Funds:	Electric Fund					

SCADA System Upgrades (EL-02010)

CIP

Description: This project will upgrade the Supervisory Control and Data Acquisition (SCADA) system by adding an Oracle Server, developing links to the City's web site, and upgrading the SCADA System Hardware. In addition, the Water, Gas, Wastewater SCADA will be integrated into the Electric SCADA system. In Fsical Year 2012, the SCADA servers will become legacy servers and will need to be replaced.

Justification: There are currently two different SCADA systems. The Electric SCADA and the Water, Gas, Wastewater SCADA are now separately maintained and operated. In an effort to reduce operating costs and improve maintenance efficiency, the systems will be integrated into a single system.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2009-2014
- **Overall Project Completion:** 50%
- **Percent Spent:** 70.48%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy G-3, Program T-10
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project may have possible exemption from environmental review.
- **Design Elements:** This project may have possible exemption from Design Review.
- **Operating:** This project will improve operating efficiency.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$645,000
PY Actuals as of 12/31/2008	$454,588

FUTURE FINANCIAL REQUIREMENTS	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$25,000	$30,000	$250,000	$40,000	$45,000	$390,000
Other						
Total Budget Request	$25,000	$30,000	$250,000	$40,000	$45,000	$390,000
Revenues:						
Source of Funds:	Electric Fund					

Seale/Waverley 4/12 kV Conversion (EL-11000)

Description: This project will convert the primary electric distribution system in the Seale/Waverley area from 4 kV to 12 kV.

Justification: The existing 4 kV distribution system serves 400 customers. Due to prior 4/12 kV conversions in adjacent areas, this area needs to be served by 12 kV so that adequate circuit tie capability can be restored. In addition, the area now requires a primary neutral conductor for proper operation. Removal of this conductor and associated equipment will further reduce the amount of equipment and connectors needed to maintain and improve service reliability.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2011-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** Possible exemption.
- **Design Elements:** Pad-mounted equipment will be screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs due to retirement of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs		$35,000				$35,000
Construction Costs			$350,000			$350,000
Other						
Total Budget Request		$35,000	$350,000			$385,000
Revenues:						
Source of Funds:	Electric Fund					

St. Francis/Oregon/Amarillo/Louis 4/12 kV Conversion (EL-11002)

Description: This project will convert the primary electric distribution system in the St. Francis/Oregon/Amarillo/Louis area from 4 kV to 12 kV.

Justification: The existing 4 kV distribution system serves 500 customers. Due to prior 4/12 kV conversions in adjacent areas, this area needs to be served at 12 kV so that adequate circuit tie capability can be restored. In addition, the area now requires a primary neutral conductor for proper operation. The existing neutral disconnect switches are in old and deteriorated condition and need replacement.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2010-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** Possible exemption.
- **Design Elements:** This project will have pad-mounted equipment screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs due to retirement of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$450,000				$450,000
Other						
Total Budget Request		$450,000				$450,000
Revenues:						
Source of Funds:	Electric Fund					

NEW

Street Light System Conversion Project (EL-10009)

Description: This project focuses on current plans to pilot light-emitting diode (LED) street lighting technology in the community over the next one to two years and a preliminary plan to deploy the technology over the next 5 years.

Justification: In October of 2008 Staff informed City Council that it will work with citizen groups, such as Community Environmental Action Partnership and others, to locate a residential neighborhood in which to test and compare LED street light technologies in Fiscal Year 2010. After installation, staff will monitor and evaluate the pilot area for six months and survey the pilot community for feedback. The project is expected to take approximately one year for completion.

Supplemental Information: The City has approximately 6,300 high pressure sodium lamps serving the community. The current estimated capital cost of converting all 6,300 fixtures is approximately $4 million. If a 50 percent energy and operational cost savings could be achieved as a result of the conversion, the simple pay back period would be approximately 11 years. These estimates are preliminary and will be refined as operational experience is gained through the pilot programs.

CIP FACTS:

- **New**
- **Project Status:** Construction
- **Timeline:** FY 2010-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Program T-39, N-44
- **Board/Commission Review:** ARB, HRB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project may be subject to ARB and HRB review.
- **Operating:** This project will reduce operating and maintenance costs.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$100,000	$800,000	$800,000	$800,000	$800,000	$3,300,000
Other						
Total Budget Request	$100,000	$800,000	$800,000	$800,000	$800,000	$3,300,000
Revenues:						
Source of Funds:	Electric Fund					

Substation Facility Improvements (EL-89044)

CIP

Description: This project involves several improvements to substation facilities, including replacement of batteries and battery chargers based upon their life expectancy, installation and replacement of capacitors, renovation of security fences and entry gates, paving of driveways and parking areas in substations, upgrading of substation drainage systems, replacement of Remote Terminal Unit (RTU) equipment, bus voltage monitoring and LAN connections, and other improvements.

Justification: Timely replacement of batteries and battery chargers is vital to substation operation. The batteries provide critical direct current control power to operate the protective devices and the remote terminal units. The chargers maintain the batteries at full charge, in addition to supplying all the substation direct current power requirements. Capacitors are installed and replaced to maintain a 95 percent or better power factor at the time of peak demand.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project may be subject to ARB review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$155,000	$160,000	$165,000	$170,000	$175,000	$825,000
Other						
Total Budget Request	$155,000	$160,000	$165,000	$170,000	$175,000	$825,000
Revenues:						
Source of Funds:	Electric Fund					

Substation Protection Improvements (EL-89038)

Description: This project funds the purchase of protective overcurrent relays, circuit breakers, high voltage fuses and other reliability improvements at electrical substations. The components are installed or used to replace existing devices, to improve reliability of the power system, and to achieve better coordination with customers' protective devices which interrupt the flow of current during an electrical fault.

Justification: As the electric distribution system becomes more complex and the reliability of service to customers becomes more critical, improvements to the protective schemes used by the electric system are required. This project includes replacement of old protective devices and controls that no longer provide the level of functionality now required with more sophisticated and sensitive devices.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** Possible exemption.
- **Design Elements:** Possible exemption from Design Review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$240,000	$250,000	$250,000	$260,000	$270,000	$1,270,000
Other						
Total Budget Request	$240,000	$250,000	$250,000	$260,000	$270,000	$1,270,000
Revenues:						
Source of Funds:	Electric Fund					

Torreya Court Rebuild (EL-11001)

CIP

Description: This project will rebuild the underground system on Torreya Court. The project will improve system reliability by replacing deteriorated facilities.

Justification: In 2010, the electric system on Torreya Court will be 36 years old and will need replacement due to deteriorated cables and connections.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2010-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** Possible exemption.
- **Design Elements:** Screening of pad-mounted equipment will be included. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs due to installation of new equipment.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$100,000				$100,000
Other						
Total Budget Request		$100,000				$100,000
Revenues:						
Source of Funds:	Electric Fund					

UG District 42 - Embarcadero Rd. (Between Emerson & Middlefield) (EL-08001)

Description: This project will replace the existing overhead distribution system with an underground system along Embarcadero between Emerson and Middlefield. This project involves creating an Underground Utilities District and performing the work on a general benefit basis under the provisions of Utility Rule 17. This rule requires the Utilities to bear the cost of the distribution system and the property owners to bear the cost of undergrounding the services.

Justification: Benefits of undergrounding include system improvement, higher reliability, reduced tree trimming, and improved aesthetics. Undergrounding is being proposed to continue the ongoing underground conversion program and also because the area meets the California Public Utilities Commission rules dictating the areas where a telephone company can underground their lines.

Supplemental Information: Revenues from others represent reimbursements by the telephone and CATV company.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2013-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Programs L-80, L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** Possible exemption.
- **Design Elements:** Screening of pad-mounted equipment will be included. This project may be subject to ARB review.
- **Operating:** This project has minimal reduction in operating expense.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs				$150,000		$150,000
Construction Costs					$2,000,000	$2,000,000
Other						
Total Budget Request				$150,000	$2,000,000	$2,150,000
Revenues:					$750,000	$750,000
Source of Funds:	Electric Fund with the following reimbursements: Others($750,000)					

UG District 43 - Alma/Embarcadero (EL-11009)

Description: This project includes the design costs to underground the existing overhead distribution system in the area bounded by Alma, Addison, Bryant and Melville. Undergrounding will be completed in Fiscal Year 2013.

Justification: Benefits of undergrounding include system improvement, higher reliability, reduced tree trimming and improved aesthetics. Undergrounding is primarily proposed to continue the ongoing underground conversion program and also because the area meets California Public Utilities Commission rules dictating the areas where a telephone company can underground their lines.

Supplemental Information: Revenues from others represent reimbursements from the telephone and CATV companies.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2011-2013
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Programs L-80, L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** Possible exemption.
- **Design Elements:** Pad-mounted equipment will be screened. This project may be subject to ARB review.
- **Operating:** This project will reduce maintenance costs due to retirement of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs		$150,000				$150,000
Construction Costs			$2,000,000	$500,000		$2,500,000
Other						
Total Budget Request		$150,000	$2,000,000	$500,000		$2,650,000
Revenues:			$700,000			$700,000
Source of Funds:	Electric Fund with the following reimbursements: Others($700,000)					

UG District 45 - Downtown V (EL-06002)

Description: This project includes the design costs to underground the existing overhead distribution system in the area bounded by Alma Street, Hawthorne Avenue, High Street and Lytton Avenue. In addition, overhead lines from Quarry Road Substation will also be placed underground as part of this district. Undergrounding will be completed in Fiscal Year 2011 and the overhead system will be removed.

Justification: Benefits of undergounding include system improvement, higher reliability, reduced tree trimming and improved aesthetics. Undergounding is primarily proposed to continue the ongoing underground conversion program and also because the area meets California Public Utilities Commission rules dictating the areas where a telephone company can underground their lines.

Supplemental Information: Revenues from others represent reimbursements from the telephone and CATV companies.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2007-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 10.38%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Programs L-80, L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** Possible exemption.
- **Design Elements:** Screening of pad-mounted equipment will be included. This project may be subject to ARB review.
- **Operating:** This project will have minimal reduction in operating expense.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$2,200,000
PY Actuals as of 12/31/2008	$228,347

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$1,000,000	$150,000				$1,150,000
Other						
Total Budget Request	$1,000,000	$150,000				$1,150,000
Revenues:						
Source of Funds:	Electric Fund					

UG District 46 - Charleston/El Camino Real (EL-12001)

Description: This project includes the design costs to underground the existing overhead distribution system in the area along the 400 block of West Charleston and El Camino Real. Undergrounding will be completed in Fiscal Year 2014, and the overhead system will be removed.

Justification: Benefits of undergounding include system improvement, higher reliability, reduced tree trimming and improved aesthetics. Undergounding is primarily proposed to continue the ongoing underground conversion program and also because the area meets California Public Utilities Commission rules dictating the areas where a telephone company can underground their lines.

Supplemental Information: Revenues from others represent reimbursements from the telephone and CATV companies.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Programs L-80, L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** Possible exemption
- **Design Elements:** Screening of pad-mounted equipment will be included. This project may be subject to ARB review.
- **Operating:** This project will have minimal reduction in operating expense.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs			$150,000			$150,000
Construction Costs				$2,000,000	$150,000	$2,150,000
Other						
Total Budget Request			$150,000	$2,000,000	$150,000	$2,300,000
Revenues:				$750,000		$750,000
Source of Funds:	Electric Fund with the following reimbursements: Others($750,000)					

Fiber Optics Fund

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Fiber Optics Customer Connections (formerly EL-06006) (FO-10000)

Description: This project provides funds for the installation of fiber optic infrastructure for new service connections. These new service connections will be reimbursed to the Fiber Optics Fund as requesting parties will be billed for the interconnection and the utilities ongoing costs of ownership. Typical activities in this project include: purchasing, upgrading, and installing fiber optic cables, conduits, and splice enclosures.

Justification: This project promotes the formation of a competitive market for telecommunications in Palo Alto, accelerating the pace at which high-quality, low-cost advanced telecommunications services are delivered to residents and businesses, while limiting the negative impacts on Palo Alto's environment by using existing conduits and poles. Finally, it enables the Fiber Optic Funds to generate additional revenues through the enhanced use of its conduits and poles.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Program B-4, L-81
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Screening of pad-mount equipment will be included. This project may be subject to ARB review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$200,000	$200,000	$200,000	$200,000	$200,000	$1,000,000
Other						
Total Budget Request	$200,000	$200,000	$200,000	$200,000	$200,000	$1,000,000
Revenues:	$200,000	$200,000	$200,000	$200,000	$200,000	$1,000,000
Source of Funds:	Fiber Optics Fund with the following reimbursements: Others($1,000,000)					

Fiber Optics Network System Improvements(formerly EL-06005) (FO-10001)

Description: This project extends the "dark" fiber optic network around Palo Alto which, in turn, is leased to parties providing telecommunication services to citizens and businesses in Palo Alto. Included in the project are increases in system capacity, development of fiber sub-rings, and general improvements to the fiber system. Additional fibers will be reserved for future use by the City.

Justification: This project promotes the formation of a competitive market for telecommunications in Palo Alto, accelerating the pace at which high-quality, low-cost advanced telecommunications services are delivered to the residents and businesses of Palo Alto. It does so while limiting the negative impacts on Palo Alto's environment by using pre-existing conduit and poles. Finally, it enables the Fiber Optics Fund to generate additional revenues through the enhanced use of its conduit and poles.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Program B-4, L-81
- **Board/Commission Review:** UAC, PTC

IMPACT ANALYSIS:

- **Environmental:** This project is exempt from CEQA under section 15302
- **Design Elements:** Screening of pad-mounted equipment will be included.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$200,000	$200,000	$200,000	$200,000	$200,000	$1,000,000
Other						
Total Budget Request	$200,000	$200,000	$200,000	$200,000	$200,000	$1,000,000
Revenues:						
Source of Funds:	Fiber Optics Fund					

Gas Fund

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Gas Map

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NEW

CATHODIC CURRENT INTERRUPTERS (GS-10003)

Description: This project will supply and install 41 current interrupters at existing cathodic rectifier locations throughout the City.

Justification: All metallic portions of the gas distribution system must be protected by an active cathodic system as required by the Department of Transportation. Recently enacted regulations require that a measurement of polarization be conducted by interrupting current supplied by rectifiers. Multiple rectifiers protect given portions of the system simultaneously and they must be interrupted at the same instant to perform the required tests. The installation of these interrupters will insure compliance.

CIP FACTS:

- **New**
- **Project Status:** Construction
- **Timeline:** FY 2010-2012
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** None
- **Operating:** This project will have annual costs of approximately $4000.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$300,000					$300,000
Other						
Total Budget Request	$300,000					$300,000
Revenues:						
Source of Funds:	Gas Fund					

Directional Boring Equipment (GS-03007)

CIP

Description: This project will fund the purchase of additional equipment for WGW Operations to assist with installing and locating new gas services by using directional boring methods. Increased use of directional boring and rotary backhoe drills to install gas facilities will reduce both damage to surface improvements (sidewalks, paving, landscaping, etc.) and associated restoration costs. Continued use of directional boring construction requires an additional replacement tooling program.

Justification: This equipment will supplement the directional boring equipment purchased in Fiscal Year 1997 and 2001 by providing updated locating equipment for Operations and Engineering staff. The equipment includes backhoe rotary drilling for keyhole excavations (Fiscal Year 2007), a rock drill bit capable of penetrating sandstone and more consolidated soils, drill head tracking system, and a back reamer to expand the bore path and allow larger product lines to be installed with reduced tension.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC, PTC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** None
- **Operating:** This project will reduce expenses for installation of mains and services.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$60,000		$64,000		$124,000
Other						
Total Budget Request		$60,000		$64,000		$124,000
Revenues:						
Source of Funds:	Gas Fund					

Directional Boring Machine (GS-02013)

Description: This project purchases a new directional boring machine every four years for small diameter mains and service line installations. These purchases include a complete stand-alone boring system capable of installing small diameter mains and one-inch diameter gas services. The purchases will include all ancillary equipment required to complete the installation of new service lines including: boring unit, down hole tooling, drilling mud system, and tracking devices for drill head location.

Justification: Due to the success of the directional boring machine purchased in Fiscal Year 1997, it has become apparent that a smaller unit would allow use of this technology in areas that it could not access otherwise. Continually adding and maintaining equipment will further expand the City's ability to install service lines with directional boring methods, thereby decreasing overall surface impacts, customer inconvenience, and installation costs.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** None
- **Design Elements:** None
- **Operating:** This project will reduce expenses for installation of mains and services.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$40,000	$185,000		$45,000	$250,000	$520,000
Other						
Total Budget Request	$40,000	$185,000		$45,000	$250,000	$520,000
Revenues:						
Source of Funds:	Gas Fund					

GMR - Project 19 (GS-09002)

Description: This project replaces leaking, inadequately-sized, and structurally deficient Acrylonitrile-Butadiene-Styrene (ABS) gas mains and services as a first priority. By researching the maintenance and leak histories of the mains in the gas distribution system, staff identifies mains and services with these problems. This gas system analysis, along with computer modeling of the proposed improvements to the gas distribution system, is used to select candidates for main replacement under this program.

Justification: Gas mains must be replaced when leaks present a potential safety hazard or when leak repair is no longer cost effective. Cathodic protection of steel mains is being maintained, but as mains corrode, such protection has decreased effectiveness. The main replacement program was increased from 7,000 to 20,000 linear feet per year in FY 1993 and increased again to 30,000 linear feet per year in FY 2000. The completion of the ABS GMR program will occur in 2013, two years earlier than planned.

Supplemental Information: Based on bids received GMR19 may include: Page Mill — HP Service to Station 3; Coyote Hill — Page Mill to Hillview; Alexis — All; Country Club — All; Bandera — All; Laurel Glenn — All; Golf Course Feed — All; Arastradero — Page Mill to City Limit; Caballo Lane — Arastradero to End. 30,000 ln. ft. of ABS mains.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2008-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenace Program.
- **Operating:** This project will reduce future maintenance costs and other expenses.
- **Telecommunications:** None

GMR - Project 19 (GS-09002) *continued*

PRIOR YEARS	
PY Budget	$432,000
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$5,800,000				$5,800,000
Other						
Total Budget Request		$5,800,000				$5,800,000
Revenues:						
Source of Funds:	Gas Fund					

GMR - Project 20 (GS-10001)

Description: This project replaces leaking, inadequately-sized, and structurally deficient (thin walled) ABS gas mains and services. By researching the maintenance and leak histories of the mains in the gas distribution system, staff identifies mains and services with these problems. This gas system analysis, along with computer modeling of the proposed improvements to the gas distribution system and coordination with Public Works Paving CIP, is used to select candidates for main and service replacement.

Justification: This project will replace the remaining approximately 30,000 linear feet of ABS pipe and start the targeted replacement of ABS service off steel mains. The goal of the accelerated infrastructure replacement program is to replace all of the remaining ABS gas mains and services in the gas distribution system. This project is mandatory due to the need to replace aging infrastructure and to reduce the City's liability exposure to ABS gas facilities.

Supplemental Information: Based on bids received, GMR 20 May include: East Bayshore — Embarcadero to San Antonio; Faber Place — Embarcadero to End; Embarcadero — Faber to End; PA Airport — Entire system including golf course; Laura — East Bayshore to End; Corporation Way — All; Elwell Ct. — All; Page Mill — ECR to Hanover; Oak Creek Apts. — Main Service off Sand Hill; Arboretum — Sand Hill to Galvez; Galvez - Arboretum — ECR; Transport — Industrial to San Antonio; Commercial — East Charleston to Transport; East Charleston — Fabian to Industrial; West Bayshore Amarillo to Matadero Creek; West Bayshore — Loma Verde to 101 Undercrossing; Wildwood - Channing to Embarcadero. This project completes the replacement of ABS gas mains.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2010-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenace Program.
- **Operating:** This project will reduce future maintenance costs and other expenses.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs	$644,000					$644,000
Construction Costs			$5,970,000			$5,970,000
Other						
Total Budget Request	$644,000		$5,970,000			$6,614,000
Revenues:						
Source of Funds:	Gas Fund					

GMR - Project 21 (GS-11000)

Description: This project replaces leaking, inadequately sized, and structurally deficient gas mains and services. By researching the maintenance and leak histories of the mains in the gas distribution system, staff identifies mains and services with these problems. This gas system analysis, along with computer modeling of the proposed improvements to the gas distribution system and coordination with Public Works Paving CIP, is used to select candidates for main and service replacement.

Justification: This project will replace the remaining thin walled ABS gas service pipe and continue the targeted replacement of ABS services off steel and PVC mains. The goal of the accelerated infrastructure replacement program is to replace all of the remaining thin walled ABS gas services in the gas distribution system. This project is mandatory due to the need to replace aging infrastructure and to reduce the City's liability exposure to these thin walled ABS gas facilities.

Supplemental Information: Targeted streets will be coordinated with Public Works Street Maintenance program to replace ABS services before the streets are paved.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2011-2013
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenace Program.
- **Operating:** This project will reduce future maintenance and other expenses.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs		$457,000				$457,000
Construction Costs				$6,150,000		$6,150,000
Other						
Total Budget Request		$457,000		$6,150,000		$6,607,000
Revenues:						
Source of Funds:	Gas Fund					

GMR - Project 22 (GS-12001)

Description: This project replaces leaking, inadequately sized, and structurally deficient gas mains and services. By researching the maintenance and leak histories of the mains in the gas distribution system, staff identifies mains and services with these problems. This gas system analysis, along with computer modeling of the proposed improvements to the gas distribution system and coordination with Public Works Paving CIP, is used to select candidates for main and service replacement.

Justification: This project will replace the remaining thin walled ABS gas service pipe and continue the targeted replacement of ABS services off steel and PVC mains. The goal of the accelerated infrastructure replacement program is to replace all of the remaining thin walled ABS gas services in the gas distribution system. This project is mandatory due to the need to replace aging infrastructure and to reduce the City's liability exposure to these thin walled ABS gas facilities.

Supplemental Information: Targeted streets will be coordinated with Public Works Street Maintenance program to replace ABS services before streets are paved.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2014
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenance Program.
- **Operating:** This project will reduce future maintenance costs and other expenses.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs			$468,000			$468,000
Construction Costs					$3,200,000	$3,200,000
Other						
Total Budget Request			$468,000		$3,200,000	$3,668,000
Revenues:						
Source of Funds:	Gas Fund					

GMR - Project 23 (GS-13001)

Description: This project replaces leaking, inadequately-sized, and structurally deficient gas mains and services. By researching the maintenance and leak histories of the mains in the gas distribution system, staff identifies mains and services with these problems. This gas system analysis, along with computer modeling of the proposed improvements to the gas distribution system and coordination with Public Works Paving CIP, is used to select candidates for main and service replacement.

Justification: This project will replace the remaining thin walled ABS gas service pipe and continue the targeted replacement of ABS services off steel and PVC mains. The goal of the accelerated infrastructure replacement program is to replace all of the remaining thin walled ABS gas services in the gas distribution system. This project is mandatory due to the need to replace aging infrastructure and to reduce the City's liability exposure to these thin walled ABS gas facilities.

Supplemental Information: Targeted streets will be coordinated with Public Works Street Maintenance program to replace ABS services before streets are paved.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2013-2015
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenance Program.
- **Operating:** This project will reduce future maintenance costs and other expenses.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs				$482,000		$482,000
Construction Costs						
Other						
Total Budget Request				$482,000		$482,000
Revenues:						
Source of Funds:	Gas Fund					

NEW

GMR - Project 24 (GS-14000)

Description: This project replaces leaking, inadequately-sized, and structurally deficient gas mains and services. By researching the maintenance and leak histories of the mains in the gas distribution system, staff identifies mains and services with these problems. This gas system analysis, along with computer modeling of the proposed improvements to the gas distribution system and coordination with Public Works Paving CIP, is used to select candidates for main and service replacement.

Justification: This project will replace the remaining thin walled ABS gas service pipe and continue the targeted replacement of ABS services off steel and PVC mains. The goal of the accelerated infrastructure replacement program is to replace all of the remaining thin walled ABS gas services in the gas distribution system. This project is mandatory due to the need to replace aging infrastructure and to reduce the City's liability exposure to these thin walled ABS gas facilities.

Supplemental Information: Targeted streets will be coordinated with Public Works Street Maintenance program to replace ABS services before streets are paved.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2014-2016
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenance Program.
- **Operating:** This project will reduce future maintenance costs and other expenses.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs					$492,000	$492,000
Construction Costs						
Other						
Total Budget Request					$492,000	$492,000
Revenues:						
Source of Funds:	Gas Fund					

Gas Meters and Regulators (GS-80019)

Description: This project installs meters and regulators to serve new customers and replaces existing meters and regulators when required. Regulators with relief valves will be provided. Modifications and replacements to distribution system meter sets are made at the rate of about 2,000 meter and regulator sets per year. New electronic pressure and temperature compensating meters are installed at high use customer sites in order to increase measurement accuracy and allow monitoring of real-time gas flow.

Justification: New meters and regulators are required to safely serve new customers and to replace units that cannot be repaired economically. The meter replacement program reduces revenue loss due to under-registering gas meters and supplies customers with accurate monthly bills. Maintaining a large meter (675 cubic feet per hour and larger) exchange cycle of 10 years and a residential meter exchange cycle of 17 to 20 years will reduce the annual revenue loss from under-registering meters.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** None
- **Operating:** This project will reduce maintenance costs on meters and increase revenues.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$286,000	$297,000	$306,000	$315,000	$325,000	$1,529,000
Other						
Total Budget Request	$286,000	$297,000	$306,000	$315,000	$325,000	$1,529,000
Revenues:						
Source of Funds:	Gas Fund					

Gas Station 3 Rebuild (GS-10000)

Description: This project will replace the existing piping, valves, pressure regulators and relief valve at Gas Station 3. Gas Station 3 is one of four supply points that feed gas into the City natural gas distribution system from PG&E transmission pipelines. Gas Station 3 was originally constructed in the 1960s and is located off of Old Page Mill and Matadero Creek.

Justification: Gas receiving station designs have changed in the last forty years and relief valves are no longer used in urban areas for over pressure protection as mandated by the Department of Transportation. Current over pressure design standards include the use of series pressure regulators to avoid venting of natural gas through relief valves. The installation of series regulators requires piping modifications which will include replacement of all valves, pressure regulators and associated fittings.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2010-2011
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** None
- **Operating:** This project will reduce future maintenance costs and other expenses.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$207,000					$207,000
Other						
Total Budget Request	$207,000					$207,000
Revenues:						
Source of Funds:	Gas Fund					

NEW

Gas Station 4 Rebuild (GS-11001)

Description: This project will replace existing piping, valves, pressure regulators and relief valves at Gas Station 4. Gas Station 4 is one of four supply points that feed gas into the City natural gas distribution system from PG&E transmission pipelines. Gas Station 4 was originally constructed in the 1980s and is located at the intersection of Searsville and Oak on Stanford Campus. This project will increase the station capacity to serve future gas load growth in the City area adjacent to Stanford Campus

Justification: Gas receiving station designs have changed in the last twenty years and relief valves are no longer used in urban areas for over pressure protection as mandated by the Department of Transportation. Current over pressure design standards include the use of series pressure regulators to avoid venting of natural gas through relief valves. The installation of series regulators requires piping modifications which will include replacement of all valves, pressure regulators and associated fittings.

CIP FACTS:

- **New**
- **Project Status:** Construction
- **Timeline:** FY 2011-2012
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** None
- **Operating:** This project will reduce future maintenance costs and other expenses.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$215,000				$215,000
Other						
Total Budget Request		$215,000				$215,000
Revenues:						
Source of Funds:	Gas Fund					

NEW

General Shop Tooling (GS-10002)

Description: This project will replace the existing knee mill, stationary welder, belt grinder and the iron worker equipment in the Water Gas Wastewater Operation's General Shop including all required installation labor and upgrading of required electrical power circuits.

Justification: This project will replace existing antiquated equipment required to support ongoing maintenance and operation of the wastewater, gas, water and electric systems. The Utilities Operations divisions require the ability to custom fabricate and repair components on a daily basis. The equipment used to support Utilities Operations is obsolete and its associated manufacturers have limited or no support available. The Gas Fund will be reimbursed 25% each from the Wastewater, Water and Electric Fund

CIP FACTS:

- **New**
- **Project Status:** Construction
- **Timeline:** FY 2010-2011
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** None
- **Operating:** This project will reduce future maintenance costs and other expenses.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$64,000					$64,000
Other						
Total Budget Request	$64,000					$64,000
Revenues:	$48,000					$48,000
Source of Funds:	Gas Fund with the following reimbursements: Electric Fund($16,000); Wastewater Collection Fund($16,000); Water Fund($16,000)					

Gas System Extensions (GS-80017)

Description: This project extends the gas distribution system to provide gas service to new customers and augments service to customers with increased natural gas demands. Improvements include new mains, services, valves, regulators, meters, and accessories. Some new services will be installed by contract construction to reduce the City's response time to new service requests.

Justification: This ongoing project upgrades infrastructure to provide gas service connections to new customers, meet changes in existing customer service demands, and respond to changes in gas service requirements due to new development or redevelopment.

Supplemental Information: Revenues from others represent reimbursements from customers.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Department.
- **Operating:** This project will reduce future maintenance costs and other expenses.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$690,000	$700,000	$710,000	$720,000	$730,000	$3,550,000
Other						
Total Budget Request	$690,000	$700,000	$710,000	$720,000	$730,000	$3,550,000
Revenues:	$690,000	$700,000	$710,000	$720,000	$730,000	$3,550,000
Source of Funds:	Gas Fund with the following reimbursements: Others($3,550,000)					

Polyethylene Fusion Equipment (GS-03008)

CIP

Description: This project purchases new polyethylene fusion equipment. The new equipment will replace existing equipment which is nearing the end of its useful life of two years. This equipment is used to fuse together pipe joints in the City's gas distribution system that utilizes polyethylene pipe.

Justification: The PE fusion equipment has a useful life of two years. As the equipment ages, the quality of the fusion joints begins to decline, and the operators must spend more time scraping, aligning, and fusing construction joints. In order to maintain high quality standards for the installation of City gas mains, along with the associated service standards and worker productivity measures, this equipment requires replacement every two years.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Overall Project Completion:** 0%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** None
- **Design Elements:** None
- **Operating:** This project will reduce expenses for installation of mains and services.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$32,000		$34,000		$66,000
Other						
Total Budget Request		$32,000		$34,000		$66,000
Revenues:						
Source of Funds:	Gas Fund					

System Extensions - Unreimbursed (GS-03009)

Description: This project replaces existing sections of the gas distribution system to continue providing gas service to existing customers. Improvements include replacement of existing main sections, services, valves, regulators, meters, and accessories. Some new services may be installed by contract construction to reduce the City's response time to new service requests.

Justification: This project replaces gas distribution and existing customer service infrastructure. Existing gas service connections are replaced by the Gas Utility to maintain customer service. This project will capture non-reimbursed capital assets installed by staff. Some installations may be performed by contract to speed the installation process and reduce overtime expenses. Contracting some services for capital work requests beyond the capacity of City crews will improve response time.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Board/Commission Review:** UAC, PTC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** None
- **Operating:** This project will reduce future maintenance costs and other expenses.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$158,000	$162,000	$167,000	$172,000	$178,000	$837,000
Other						
Total Budget Request	$158,000	$162,000	$167,000	$172,000	$178,000	$837,000
Revenues:						
Source of Funds:	Gas Fund					

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Water Fund

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Water Map

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EMERGENCY WATER SUPPLY PROJECT (WS-08002)

Description: This project combines the work of and replaces the following projects in the Water Capital Improvement Program; WS-01008, WS-01010, WS-01011, WS-01012, WS-01014, WS-02004, WS-02005, WS-02006, WS-02007, WS-02008, and WS-04004. The existing funding for these projects will be returned to the Water Fund reserves. This project budget will design and construct a new 2.5 MG reservoir and pump station, three new wells, rehabilitate up to five existing wells and rebuild the Mayfield Pump Station.

Justification: This project is needed to meet the minimum emergency water demand, as recommended by the California Department of Health Services (DHS). As defined by the DHS, an emergency is the shutdown of the City of Palo Alto's water source, the SFPUC aqueduct system. The recommended three new wells, in conjunction with the rehabilitated existing wells, new and existing reservoirs and pump stations will be capable of delivering a stable emergency water supply to Palo Alto residents and utility customers.

Consultant Services Scope: Consultant services will be acquired for design and construction management services.

Supplemental Information: Other revenues represent utility revenue bond issuance estimated at $35 million to provide funding for this project. Other source of revenue came from the balance of existing projects that were returned to reserve; all estimated at $8.5 million. These projects were WS-01008, WS-01010, WS-01011, WS-01012, WS-01014, WS-02004, WS-02005, WS-02006, WS-02007, WS-02008, and WS-04004.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2008-2012
- **Overall Project Completion:** 10%
- **Percent Spent:** 3.51%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Board/Commission Review:** UAC, ARB

IMPACT ANALYSIS:

- **Environmental:** Council certified the project FEIR in March 2007.
- **Design Elements:** This project is coordinated with Public Works. This project may be subject to ARB review.
- **Operating:** This project will decrease water system maintenance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$14,150,000
PY Actuals as of 12/31/2008	$497,331

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$22,500,000	$3,500,000				$26,000,000
Other						
Total Budget Request	$22,500,000	$3,500,000				$26,000,000
Revenues:	$22,500,000	$3,500,000				$26,000,000
Source of Funds:	Water Fund with the following reimbursements: Bonds($26,000,000)					

Seismic Water Tank Valve (WS-09000)

CIP

Description: This project will provide automatic seismic shut-off valves to contain water stored in foothill tanks, backup power supplies, relocation of overflow pipes, flexible joints at the inlet/outlet pipe connections of all steel tanks, and reinforcement of the interior pipe columns for Park and Monte Bello tanks. The locations are at Corte Madera, Boronda, Park, Dahl, and Montebello reservoirs.

Justification: Palo Alto's water tanks have no protection from water loss in a seismic event. If an earthquake causes a significant water leak, various impacts such as loss of water for fire fighting purposes, loss of water storage for drinking, property damage from flooding, environmental damages, and possible mudslides causing significant property damage could occur. The seismic protection systems will preserve potable water after a seismic event.

Supplemental Information: This project is in response to the recommendations contained in the January 1987 Seismic Evaluation of Water Reservoirs conducted by Beyaz & Patel, Inc.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2008-2010
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Board/Commission Review:** UAC, PTC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project is coordinated with Public Works.
- **Operating:** This project will decrease water system maintenance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$250,000
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$550,000					$550,000
Other						
Total Budget Request	$550,000					$550,000
Revenues:						
Source of Funds:	Water Fund					

WATER METERS (WS-80015)

Description: This ongoing project includes purchasing meters for new customers, upgrading meters for current customers, installing meter bypasses and replacing obsolete meters that are no longer repairable. This project also tests and calibrates selected water meters annually.

Justification: This project will maintain meter accuracy, reliability, and stock meter equipment and replacement parts. The City has an ongoing meter repair and replacement program. Meter replacements enhance information on system water volume, align the utility's ten year meter testing and replacement cycle with AWWA M6 recommendations, and provide accurate data for the Water Utility billing system. Additional meters will be purchased for new and replacement irrigation systems.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** None
- **Operating:** This project will reduce water meter maintenance and increase accuracy.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$203,000	$209,000	$215,000	$222,000	$229,000	$1,078,000
Other						
Total Budget Request	$203,000	$209,000	$215,000	$222,000	$229,000	$1,078,000
Revenues:						
Source of Funds:	Water Fund					

Water Recycling Facilities (WS-07001)

CIP

Description: The City of Palo Alto is investigating an expansion of the existing recycled water delivery system to serve customers in the City. The pipeline will primarily access the Stanford Research Park and provide an alternative supply source of 1,000 AFY (acre feet per year).

Justification: Palo Alto is aggressively pursuing all options to meet future water supply needs. Recycled water provides a stable, drought-proof supply of water that replaces the need to use Hetch Hetch potable supplies for irrigation purposes.

Consultant Services Scope: RMC Environmental is preparing the environmental report and facility plan for the project.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2007-2014
- **Overall Project Completion:** 10%
- **Percent Spent:** 92.17%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-20
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** Project will require environmental review.
- **Design Elements:** Any above ground structures will go through the appropriate review process.
- **Operating:** Project will increase utilities operating costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$315,000
PY Actuals as of 12/31/2008	$290,341

FUTURE FINANCIAL REQUIREMENTS	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$265,000	$500,000	$750,000	$2,000,000	$1,150,000	$4,665,000
Other						
Total Budget Request	$265,000	$500,000	$750,000	$2,000,000	$1,150,000	$4,665,000
Revenues:						
Source of Funds:	Water Fund					

Water Service Hydrant Replacement (WS-80014)

Description: This project replaces system control valves, deteriorated galvanized service lines, lead goosenecks, and fire hydrant valves and assemblies as a result of Fire Department flow testing; upgrades fire hydrants in main replacement project areas; and replaces existing undersized or deteriorated copper water services. Upgrading hydrants and system control valves is consistent with fire protection policies.

Justification: In order to maintain a high water quality standard for Palo Alto's water supplies, it is necessary to replace old, lead, galvanized, and corroded copper water service lines when found. The City has made a concerted effort to replace lead and galvanized service lines, but periodically these service lines are discovered and need to be replaced.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** Screening may be required on above-grade equipment. This project may be subject to ARB review.
- **Operating:** This project will decrease water system maintenance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$259,000	$212,000	$217,000	$222,000	$229,000	$1,139,000
Other						
Total Budget Request	$259,000	$212,000	$217,000	$222,000	$229,000	$1,139,000
Revenues:						
Source of Funds:	Water Fund					

Water System Extensions (WS-80013)

CIP

Description: This project is needed due to the fact that system extensions are required to provide service to new customers and to serve existing customers requesting expanded service. These improvements include new main extensions, valves, domestic services, meters on upgraded services, backflow devices, fire services, and fire hydrants. Some new services will be installed by contract construction to reduce the City's response time for new services.

Justification: Some new service installations will be contracted out to speed service installations which will reduce overtime expenses. Contracted service installations will augment City forces in extending and upgrading infrastructure to provide new or expanded water connections for new developments and redevelopments. Having a contractor on-call to install excess work beyond City crew capacity will make the City more responsive to spikes in service requests without staff overtime.

Supplemental Information: "Others" represents revenues from connection fees and other service call fees. Included in this revenue is $500,000 capacity fees. The addition of capacity charge fee among the user charge fees was approved by City Council on July 1, 2005. Capacity fees are collected to cover the proportionate cost of system improvements required to serve the new customers. Excess of revenues over expenditures are transferred to the rate stabilization reserve.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** None
- **Operating:** This project will reduce system maintenance costs and increase revenue.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$400,000	$410,000	$420,000	$430,000	$440,000	$2,100,000
Other						
Total Budget Request	$400,000	$410,000	$420,000	$430,000	$440,000	$2,100,000
Revenues:	$682,000	$692,000	$700,000	$709,000	$718,000	$3,501,000
Source of Funds:	Water Fund with the following reimbursements: Others($3,501,000)					

W-G-W Utility GIS Data (WS-02014)

Description: This project will improve the ability of Utilities Department staff to use the Geographic Information System (GIS). As with other GIS activities, continuing the completion of data-related tasks is the primary emphasis. Because field personnel still need accurate paper maps in the field, standard map books will be produced that meet their specific needs. Funding is also included to improve the GIS user interface to better serve the unique requirements of Utility Department users.

Justification: The Geographic Information System has grown from being a set of special purpose computer applications to being an information tool that serves all segments of the City. Initially used only by a few highly skilled technicians and engineers, GIS applications are now available to any City staff members who request them. Applications have been developed which make GIS information accessible to hundreds of users, greatly increasing the value of the system.

Supplemental Information: Additional funding was requested in FY 2008 of $270,000 to support the updating of WGW mapping systems, reduce the mapping backlog and develop a database transfer method for updating the GIS system. This project may enhance WGW estimating tools and data updating software for preparing system engineering drawings and updating data when the projects are completed. The enhancements will include drawing tools which will facilitate timely updates of the WGW system maps, and logic files which will facilitate work order estimates. The WGW Engineering group prepares estimates and records mapping changes in integrated software systems. The integration of these engineering functions reduces the time needed to prepare estimates and to post mapping changes. The addition of the drawing tools and logic files will greatly improve the efficiency of the overall product. FY2010 to FY2012 funding will provide GPS surveying to improve the GIS base map accuracy for CIP project plans.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Managing Department:** Utilities
- **Comprehensive Plan:** Program T-10
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This is not a project under CEQA.
- **Design Elements:** None
- **Operating:** None
- **Telecommunications:** None

W-G-W Utility GIS Data (WS-02014)
CONTINUED

CIP

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$100,000	$100,000	$100,000			$300,000
Other						
Total Budget Request	$100,000	$100,000	$100,000			$300,000
Revenues:	$66,667	$66,667	$66,666			$200,000
Source of Funds:	Water Fund with the following reimbursements: Gas Fund($100,000); Wastewater Collection Fund($100,000)					

WMR - Project 23 (WS-09001)

Description: This project will replace structurally deficient water mains and appurtenances. Some mains are inadequate in size to supply required flows and pressures for fire protection, and others are subject to recurring breaks. Mains are selected by researching the maintenance history of the system and identifying those that are undersized, corroded, and subject to breaks. Based on this analysis, staff has developed a program to accelerate main replacements.

Justification: The rate of main replacement was increased from one mile per year to three miles per year in Fiscal Year 1994. In addition, an analysis of cost effective system improvements was initiated in the same year. This analysis helped determine the best materials and construction methods to use with a goal of reducing the accelerated main replacement program's cost. The program to replace 75 miles of deficient mains started in 1993 and is planned for completion in 2018 (25 year period).

Supplemental Information: Based on bids received, Project 23 may include: East Pl.- from Garland Dr. to End, Edgewood Dr.- from Newell Rd. to Jefferson Dr., Florence St. - from Lytton Ave. to University Ave. , Forest Ave. - from Ramona St. to Hale St., Garland Dr. - from Middlefield Rd. to 857 Garland Dr., Gilman St. - from Hamilton Ave. to Forest Ave., Hale St. - from Palo Alto Ave. to University Ave., Homer Ave. - from Webster St. to Boyce Ave.,Jefferson Dr., - from Hamilton Ave. to Edgewood Dr., Madison Way - from Hamilton Ave. to Jefferson Dr., Martin Ave., - from Lincoln Ave., to Center St., Phillipsa Rd. - from Edgewood Dr. to Madison Way, West Pl. - from Garland Dr. to end. Approximately 27 miles of the total 226 miles in the City's water distribution system are still in need of replacement or rehabilitation. Each year the projects are evaluated and the highest priority is given to the most deteriorated portions of the system.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2008-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenance Program.
- **Operating:** This project will decrease water system maintenance costs.
- **Telecommunications:** None

WMR - Project 23 (WS-09001) *continued*

CIP

PRIOR YEARS	
PY Budget	$240,000
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$2,845,000					$2,845,000
Other						
Total Budget Request	$2,845,000					$2,845,000
Revenues:						
Source of Funds:	Water Fund					

WMR - Project 24 (WS-10001)

Description: This project will replace structurally deficient water mains and appurtenances. Some mains are inadequate in size to supply required flows and pressures for fire protection, and others are subject to recurring breaks. Mains are selected by researching the maintenance history of the system and identifying those that are undersized, corroded, and subject to breaks. Based on this analysis, staff has developed a program to accelerate main replacements.

Justification: The rate of main replacement was increased from one mile per year to three miles per year in Fiscal Year 1994. In addition, an analysis of cost effective system improvements was initiated in the same year. This analysis helped determine the best materials and construction methods to use with a goal of reducing the accelerated main replacement program's cost. The program to replace 75 miles of deficient mains started in 1993 and is planned for completion in 2018 (25 year period).

Supplemental Information: Based on bids received, Project 24 may include: Bret Harte St. - from Embarcadero Rd. to Seale Ave., Everett Ave. - from Alma St. to Middlefield Rd., Guinda St. - from Embarcadero Rd. to Sealve Ave., Hawthorne Ave. - from Alma St. to Middlefield Rd. Approximately 27 miles of the total 226 miles in the City's water distribution system are still in need of replacement or rehabilitation. Each year the projects are evaluated and the highest priority is given to the most deteriorated portions of the system.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2009-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenance Program.
- **Operating:** This project will reduce in water system maintenance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs	$292,000					$292,000
Construction Costs		$2,950,000				$2,950,000
Other						
Total Budget Request	$292,000	$2,950,000				$3,242,000
Revenues:						
Source of Funds:	Water Fund					

WMR - Project 25 (WS-11000)

CIP

Description: This project will replace structurally deficient water mains and appurtenances. Some mains are inadequate in size to supply required flows and pressures for fire protection, and others are subject to recurring breaks. Mains are selected by researching the maintenance history of the system and identifying those that are undersized, corroded, and subject to breaks. Based on this analysis, staff has developed a program to accelerate main replacements.

Justification: The rate of main replacement was increased from one mile per year to three miles per year in Fiscal Year 1994. In addition, an analysis of cost effective system improvements was initiated in the same year. This analysis helped determine the best materials and construction methods to use with a goal of reducing the accelerated main replacement program's cost. The program to replace 75 miles of deficient mains started in 1993 and is planned for completion in 2018 (25 year period).

Supplemental Information: Based on bids received, Project 25 may include: N. California Ave. - from Barbara to Embarcadero Rd., Emerson St. - from Embarcadero Rd. to Seale Ave., Heather Ln. - from Channing Ave. to Embarcadero Rd., Iris Way - from Heather Ln. to Primrose Way, Kingley Ave. - from Alma St. to Waverley St., Palo Alto Ave. - from Seneca St. to Chaucer St., Primrose Way - from Iris Way to Heather Ln., University Ave. - from Webster to Lincoln Ave. Approximately 27 miles of the total 226 miles in the City's water distribution system are still in need of replacement or rehabilitation. Each year the projects are evaluated and the highest priority is given to the most deteriorated portions of the system.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2010-2013
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenance Program.
- **Operating:** This project will decrease water system maintenance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs		$292,000				$292,000
Construction Costs			$3,060,000			$3,060,000
Other						
Total Budget Request		$292,000	$3,060,000			$3,352,000
Revenues:						
Source of Funds:	Water Fund					

WMR - Project 26 (WS-12001)

Description: This project will replace structurally deficient water mains and appurtenances. Some mains are inadequate in size to supply required flows and pressures for fire protection, and others are subject to recurring breaks. Mains are selected by researching the maintenance history of the system and identifying those that are undersized, corroded, and subject to breaks. Based on this analysis, staff has developed a program to accelerate main replacements.

Justification: The rate of main replacement was increased from one mile per year to three miles per year in Fiscal Year 1994. In addition, an analysis of cost effective system improvements was initiated in the same year. This analysis helped determine the best materials and construction methods to use with a goal of reducing the accelerated main replacement program's cost. The program to replace 75 miles of deficient mains started in 1993 and is planned for completion in 2018 (25 year period).

Supplemental Information: Approximately 30 miles of the total 226 miles in the City's water distribution system are still in need of replacement or rehabilitation. Each year the projects are evaluated and the highest priority is given to the most deteriorated portions of the system. Based on bids received, WMR 26 may include:Bryson Ave. - from Middlefield Rd. to end, Byron St. - from Palo Alto Ave. to Hawthorne Ave., Greer Rd. - from 3143 Greer Rd. to 3161 Greer Rd., Greer Rd. - from : Lawrence Ln. to Maddux Dr., Grove Ave.- from Mayview Ave. to Grove Ct., Hamilton Ave. - from Emerson St. to Ramona St., Hamilton Ave. - from Ramona St. to Webster St., Channing St. - from Bryant St. to Webster St., Miranda Ave. - from Arroyo Ct. to East end, Miranda Ct. - from Miranda Ave. to end; Moana Ct. - from Miranda Ave. to end, Park Blvd. - from Olive Ave. to Portage Ave., Portage Ave. - from Ash St. to Park Blvd., Ramona St. - from El Verano Ave. to East Meadow Dr., Tennyson Ave. - from Alma St. to Bryant, Wilton Ave.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2011-2014
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenance Program.
- **Operating:** This project will decrease water system maintenance costs.
- **Telecommunications:** None

WMR - Project 26 (WS-12001) *continued*

CIP

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs			$305,000			$305,000
Construction Costs				$3,150,000		$3,150,000
Other						
Total Budget Request			$305,000	$3,150,000		$3,455,000
Revenues:						
Source of Funds:	Water Fund					

WMR - Project 27 (WS-13001)

Description: This project will replace structurally deficient water mains and appurtenances. Some mains are inadequate in size to supply required flows and pressures for fire protection, and others are subject to recurring breaks. Mains are selected by researching the maintenance history of the system and identifying those that are undersized, corroded, and subject to breaks. Based on this analysis, staff has developed a program to accelerate main replacements.

Justification: The rate of main replacement was increased from one mile per year to three miles per year in Fiscal Year 1994. In addition, an analysis of cost effective system improvements was initiated in the same year. This analysis helped determine the best materials and construction methods to use with a goal of reducing the accelerated main replacement program's cost. The program to replace 75 miles of deficient mains started in 1993 and is planned for completion in 2018 (25 year period).

Supplemental Information: Approximately 27 miles of the total 226 miles in the City's water distribution system are still in need of replacement or rehabilitation. Each year the projects are evaluated and the highest priority is given to the most deteriorated portions of the system. Cereza Drive - Amaranta Ave. to Solana Drive; Churchill Ave. - Alma St. to Cowper St.; Coleridge Ave. - Bryant St. to Embarcadero Rd.; Cowper St. - Embarcadero Rd. to Seale Ave.; Fulton St. - Embarcadero Rd. to Seale Ave.; High St. - Lincoln Ave. to Embarcadero Rd.; Kellogg Ave. - Emerson St. to Waverley St.; Tennyson Ave. - Cowper St. to Fulton St.; University Ave. - East Cresent Dr. to End; Waverley St. - Embarcadero Rd. to Seale Ave.; Webster St. - Santa Rita Ave. to Oregon Expressway will be replaced as part of this project.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2015
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenance Program.
- **Operating:** This project will decrease water system maintenance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs				$314,000		$314,000
Construction Costs					$3,245,000	$3,245,000
Other						
Total Budget Request				$314,000	$3,245,000	$3,559,000
Revenues:						
Source of Funds:	Water Fund					

NEW

WMR - Project 28 (WS-14001)

Description: This project will replace structurally deficient water mains and appurtenances. Some mains are inadequate in size to supply required flows and pressures for fire protection, and others are subject to recurring breaks. Mains are selected by researching the maintenance history of the system and identifying those that are undersized, corroded, and subject to breaks. Based on this analysis, staff has developed a program to accelerate main replacements.

Justification: The rate of main replacement was increased from one mile per year to three miles per year in Fiscal Year 1994. In addition, an analysis of cost effective system improvements was initiated in the same year. This analysis helped determine the best materials and construction methods to use with a goal of reducing the accelerated main replacement program's cost. The program to replace 75 miles of deficient mains started in 1993 and is planned for completion in 2018 (25 year period).

Supplemental Information: Approximately 27 miles of the total 226 miles in the City's water distribution system are still in need of replacement or rehabilitation. Each year the projects are evaluated and the highest priority is given to the most deteriorated portions of the system. Based on bids received, WMR 28 may include: Amarillo Ave. - from Louis Rd. to East Bayshore Rd., Arrowhead Way - from Indian Dr. to Aztec Way, Aztec Way - from Arrowhead Way to Cardinal Way, Cardinal Way - from Aztec wWy to Indian Dr., Coastland Dr. - from Marion Ave. to Moreno Ave., Elmdale Pl. - from Moreno Ave. to end, Indian Dr. - from oOegon Ave. to Moreno Ave., Newell Rd. - from 1350 Newell Rd. to Hamilton Ave., N. California Ave., - from Waverley St. to 575 N. California Ave., Marion Ave.- from Greer Rd. to 1095 Moreno Ave., Rinconada Ave. - from Emerson St. to Bryant St., Santa Rita Ave. - from Bryant St. to Cowper St., Tanland Dr. - from Amarillo Ave. to end.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2013-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-20
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenance Program.
- **Operating:** This project will decrease water system maintenance costs.
- **Telecommunications:** None

WMR - Project 28 (WS-14001) *continued*

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs					$324,000	$324,000
Construction Costs						
Other						
Total Budget Request					$324,000	$324,000
Revenues:						
Source of Funds:	Water Fund					

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Wastewater Collection Fund

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Wastewater Collection Map

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Root Treatment, Sediment, and Dewatering Container (WC-09002)

Description: This project will purchase a 15 cubic yard roll-off container with filter to treat sanitary collection mains with severe roots. The new container will be used to collect and filter sediment-laden water from the construction excavation sites prior to the discharge to the storm or sanitary sewer system.

Justification: The new State and Local storm water pollution prevention regulations prohibit the discharge of sedimentations water to the storm drain. In addition, the new discharge permit issued to Utilities by the State's Environmental Compliance Division contains a prohibition against the discharge of construction water to the sewer. The new container will allow the Operations Division to collect and filter construction water prior to discharging to the storm drains.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2009-2009
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policies N-21, N-25
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** None
- **Design Elements:** None
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$30,000
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$30,000	$30,000	$30,000	$33,000	$33,000	$156,000
Other						
Total Budget Request	$30,000	$30,000	$30,000	$33,000	$33,000	$156,000
Revenues:						
Source of Funds:	Wastewater Collection Fund					
Council Policy Direction:	Project is a Council Top 4 Priority					

Sewer Lateral/Manhole Rehab/Replacement (WC-99013)

CIP

Description: This project will replace defective sewer laterals, cleanouts, manholes; install backwater devices, and purchase equipment to support these activties in order to maintain the Wastewater Collection System. The work will help reduce both the backflows of sewage onto private property and the City's treatment expenses. This project also cleans and videotapes sewer collection mains and laterals as necessary. Customers will be reimbursed for installation of new lower laterals and backwater devices.

Justification: The City performs routine annual maintenance on the Wastewater Collection System. Information collected during maintenance activities is used to prioritize work on the collection system. Defective laterals, for example, will be replaced to re-establish existing services, reduce maintenance expenses, and eliminate ground water intrusion. Backwater devices will be installed to reduce claims against the City. New manholes will be installed or rehabilitated to improve structural integrity.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policies N-18, N-25
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenance Program.
- **Operating:** This project will reduce future maintenance expenses and backwater damage claims .
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$640,000	$560,000	$565,000	$570,000	$617,000	$2,952,000
Other						
Total Budget Request	$640,000	$560,000	$565,000	$570,000	$617,000	$2,952,000
Revenues:						
Source of Funds:	Wastewater Collection Fund					

Sewer System Extensions (WC-80020)

Description: This project provides for the installation of sewer lateral connections, additions of existing mains, and extensions of mains for new or existing customers.

Justification: It is necessary to provide sewer connections to serve new customers and to respond to changes in sewer requirements due to redevelopment. Old existing non-plastic sewer service laterals become cracked and broken by tree root intrusion, ground movement, and third party excavation damages requiring the laterals to be replaced. Some new service installations will be done via external contract in order to speed the installation process and reduce internal overtime expense.

Supplemental Information: $500,000 added each year to revenues for Capacity Fees.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policies N-18, N-25
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** The trenching work of this project will be coordinated with Public Works Department.
- **Operating:** This project will reduce future maintenance expenses.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$321,000	$330,000	$340,000	$350,000	$361,000	$1,702,000
Other						
Total Budget Request	$321,000	$330,000	$340,000	$350,000	$361,000	$1,702,000
Revenues:	$721,000	$730,000	$740,000	$750,000	$761,000	$3,702,000
Source of Funds:	Wastewater Collection Fund with the following reimbursements: Others($3,702,000)					

WW Collection Sys. Rehab/Aug. Project 22 (WC-09001)

CIP

Description: This project implements high priority rehabilitation, augmentation, and lateral replacement work, which reduces inflow of rainfall and ground water into the collection system. The project will be comprised of streets identified in the Master Plan or video inspection work as deficient and in need of enlargement or rehabilitation. Priority will be given to areas identified by Public Works as targeted work zones ensuring infrastructure coordination among the different City departments.

Justification: The 2004 Collection System Master Plan update indicated certain facilities are in need of enlargement to handle growth and peak flows. The mains selected for replacement and/or rehabilitation are determined by the recommendations of the Master Plan Study; by research and analysis of sewer main maintenance records; by cleaning and videotaping of sanitary sewer mains; by condition assessment; by real time flow monitoring of existing sewers; and by hydraulic computer modeling.

Supplemental Information: Based on bids received WW Collection Sys Rehab/Aug Project 22 may include: Oregon Ave - From Alma to Highway 101, Easement - from Garland to Oregon Ave, Middlefield Road - from Webster to Oregon Expressway, Bryant - from Rinconada to Oregon Ave, Rinconada - from Emerson to Bryant, N. California - from Emerson to Bryant, Santa Rita - from Emerson to Bryant, Washington - from Emerson to Bryant, Ramona - from Washington to Oregon Ave, Emerson - from Santa Rita to N. California, Alma - from mid-block Alma to N. California.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2008-2011
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-18
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenace Program.
- **Operating:** This project will reduce future maintenance expenses.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$270,000
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$2,675,000					$2,675,000
Other						
Total Budget Request	$2,675,000					$2,675,000
Revenues:						
Source of Funds:	Wastewater Collection Fund					

WW Collection Sys. Rehab/Aug. Project 23 (WC-10002)

Description: This project will implement high priority rehabilitation, augmentation, and lateral replacement work, which reduces inflow of rainfall and ground water into the collection system. The project will be comprised of streets identified in the Master Plan or video inspection work as deficient and in need of enlargement or rehabilitation. Priority will be given to areas identified by Public Works as targeted work zones ensuring infrastructure coordination among the different City departments.

Justification: The 2004 Collection System Master Plan update indicated certain facilities are in need of enlargement to handle growth and peak flows. The mains selected for replacement and/or rehabilitation are determined by the recommendations of the Master Plan Study; by research and analysis of sewer main maintenance records; by cleaning and videotaping of sanitary sewer mains; by condition assessment; by real time flow monitoring of existing sewers; and by hydraulic computer modeling.

Supplemental Information: Based on bids received, the WW Collection Sys Rehab/Aug Project 23 may include: Alma - from Park to 425 Alma, Easement - at Hawthorne and Alma, Easement - from Mitchell Lane to Alma, Emerson - from 112 Emerson to Lytton, Hawthorne - from Alma to Emerson, High - from 207 High to Everett, Lytton - from Webster to Byron, Byron - from Palo Alto Ave to Hawthorne, Palo Alto Ave - from 622 Palo Alto Ave to Byron, Palo Alto Ave - from 407 Palo Alto Ave to Marlowe, Palo Alto Ave - from 766 Palo Alto Ave to Everett, Marlowe - from Palo Alto Ave to University, University Ave - from 815 University to Lincoln, Hamilton - from 909 Hamilton to Lincoln, Hamilton Ct. - from end to Hamilton, Lincoln - from end to Hamilton, Maple - from end to University, Palm - from end to University, Hale - from 445 Hale to University, Seneca - from 417 Seneca to University, Everett - from Park to Fulton, Fulton - from Palo Alto Ave to Everett.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2009-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-18
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenace Program.
- **Operating:** This project will reduce future maintenance expenses.
- **Telecommunications:** None

WW Collection Sys. Rehab/Aug. Project 23 (WC-10002) *continued*

CIP

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs	$280,000					$280,000
Construction Costs		$2,750,000				$2,750,000
Other						
Total Budget Request	$280,000	$2,750,000				$3,030,000
Revenues:						
Source of Funds:	Wastewater Collection Fund					

WW Collection Sys. Rehab/Aug. Project 24 (WC-11000)

Description: This project will implement high priority rehabilitation, augmentation, and lateral replacement work, which reduces inflow of rainfall and ground water into the collection system. The project will be comprised of streets identified in the Master Plan or video inspection work as deficient and in need of enlargement or rehabilitation. Priority will be given to areas identified by Public Works as targeted work zones ensuring infrastructure coordination among the different City departments.

Justification: The 2004 Collection System Master Plan update indicated certain facilities are in need of enlargement to handle growth and peak flows. The mains selected for replacement and/or rehabilitation are determined by the recommendations of the Master Plan Study; by research and analysis of sewer main maintenance records; by cleaning and videotaping of sanitary sewer mains; by condition assessment; by real time flow monitoring of existing sewers; and by hydraulic computer modeling.

Supplemental Information: Based on bids received WW Collection Sys Rehab/Aug Project 24 may include: Emerson - from Forest to Channing, Homer - from Lane 7 to Emerson, High - from 815 High to Channing, Channing - from High to Emerson, Emerson - from Channing to Kingsley, Alma - from 715 Alma to Embarcadero, Addison - from Alma to Emerson, Scott - from Channing to Addison, Addison - from 708 Addison to Guinda, Addison - from Scott to Waverley, Waverley - from Channing to Addison, Cowper - from 720 Cowper to Homer, Webster - from Homer to Lincoln, Bryant - from Channing to Lincoln, Lincoln - from Waverley to Cowper, Lincoln - from 839 Lincoln to Fulton, Guinda - from Addison to Melville, Fulton - from 1012 Fulton to Kingsley, Kingsley - from 711 Kingsley to Guinda, Melville - from 815 Melville to Fulton, Middlefield - from Lincoln to Melville, Melville - from Byron to Middlefield, Forest - from Lincoln to Center, Lincoln - from Hamilton to Forest, Martin - from 1223 Martin to Center, Kirby - from end to Martin.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2011-2013
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-18
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenance Program.
- **Operating:** This project will reduce future maintenance expenses.
- **Telecommunications:** None

WW Collection Sys. Rehab/Aug. Project 24 (WC-11000) *continued*

CIP

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs		$290,000				$290,000
Construction Costs			$2,829,500			$2,829,500
Other						
Total Budget Request		$290,000	$2,829,500			$3,119,500
Revenues:						
Source of Funds:	Wastewater Collection Fund					

WW Collection Sys. Rehab/Aug. Project 25 (WC-12001)

Description: This project will implement high priority rehabilitation, augmentation, and lateral replacement work, which reduces inflow of rainfall and ground water into the collection system. The project will be comprised of streets identified in the Master Plan or video inspection work with deficient laterals in need of enlargement or rehabilitation. Priority will be given to areas identified by Public Works as targeted work zones ensuring infrastructure coordination among the different City department

Justification: The 2004 Collection System Master Plan update indicated certain facilities are in need of enlargement to handle growth and peak flows. The mains selected for replacement and/or rehabilitation are determined by the recommendations for the Master Plan Study; by research and analysis of sewer main maintenance records; by cleaning videotaping of sanitary sewer mains; by condition assessment; by real time flow monitoring of existing sewers; and by hydraulic computer modeling.

Supplemental Information: Based on bids received, the WW Collection Sys Rehab/Aug Project 25 may include: Alma — from Kingsley to Rinconada, Melville — from Alma to Waverley, Seale — from Alma to Bryant, Kings — from end to Newell, Embarcadero — from Louis to Wildwood, Edgewood — from Jefferson to Jackson, Alma — from Colorado to Loma Verde, Alma — from E. Meadow to Ferne, Greer — Channing to Embarcadero, easement from 110 Walter Hayes to 126 Walter Hayes, and easement from 3101 Park to Alma.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-18
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenance Program.
- **Operating:** This project will reduce future maintenance expenses.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs			$300,000			$300,000
Construction Costs				$2,912,000		$2,912,000
Other						
Total Budget Request			$300,000	$2,912,000		$3,212,000
Revenues:						
Source of Funds:	Wastewater Collection Fund					

WW Collection Sys. Rehab/Aug. Project 26 (WC-13001)

CIP

Description: This project will implement high priority rehabilitation, augmentation, and lateral replacement work, which reduces inflow of rainfall and ground water into the collection system. The project will be comprised of streets identified in the Master Plan or video inspection work as deficient and in need of enlargement or rehabilitation. Priority will be given to areas identified by Public Works as targeted work zones ensuring infrastructure coordination among the different City departments.

Justification: The 2004 Collection System Master Plan update indicated certain facilities are in need of enlargement to handle growth and peak flows. The mains selected for replacement and/or rehabilitation are determined by the recommendations for the Master Plan Study; by research and analysis of sewer main maintenance records; by cleaning videotaping of sanitary sewer mains; by condition assessment; by real time flow monitoring of existing sewers; and by hydraulic computer modeling.

Supplemental Information: Based on bids received, the WW Collection Sys Rehab/Aug Project 26 may include: Monroe — from Monroe Drive to ECR, El Camino Real — from Cesano to Vista, El Camino Way — from ECR to James, James — from Wilkie to El Camino Way, Whitclem — from Whitclem Place to Park, Whitclem Place — from end to Whitclem Dr, Whitclem Way — from end to Whitclem Dr, Whitclem Court — from end to Whitclem Dr, Park — from Whitclem to Tennessee, Ruthelma — from Whitclem Dr to W. Charleston Rd, Edlee - from Wilkie Way to Park Blvd, ECR - from Ventura to Jacob's Ct, Darlington — from End to Park, Carolina — from End to Park, Tennessee — from End to Park, Wilkie — from Tennessee to Carolina, and W. Charleston - from Wilkie Way to ECR

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-18
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenance Program.
- **Operating:** This project will reduces future maintenance expenses.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs				$310,000		$310,000
Construction Costs					$3,000,000	$3,000,000
Other						
Total Budget Request				$310,000	$3,000,000	$3,310,000
Revenues:						
Source of Funds:	Wastewater Collection Fund					

NEW

WW Collection Sys. Rehab/Aug. Project 27 (WC-14001)

Description: This project will implement high priority rehabilitation, augmentation, and lateral replacement work, which reduces inflow of rainfall and ground water into the collection system. The project will be comprised of streets identified in the Master Plan or video inspection work as deficient and in need of enlargement or rehabilitation. Priority will be given to areas identified by Public Works as targeted work zones ensuring infrastructure coordination among the different City departments.

Justification: The 2004 Collection System Master Plan update indicated certain facilities are in need of enlargement to handle growth and peak flows. The mains selected for replacement and/or rehabilitation are determined by the recommendations for the Master Plan Study; by research and analysis of sewer main maintenance records; by cleaning videotaping of sanitary sewer mains; by condition assessment; by real time flow monitoring of existing sewers; and by hydraulic computer modeling.

Supplemental Information: Based on bids received, the WW Collection Sys Rehab/Aug Project 27 may include: High priority replacement of 500 laterals, Page Mill — from 845 Page Mill to Ash, ECR — from Sheridan to Page Mill, Lambert — from Park to ECR, Park — from Chestnut to Curtner, Margarita — from Lane 66 to Park, Matadero — from Lane 66 to Park, Wilton— from Lane 66 to Park.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2014-2017
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project will be coordinated with Public Works Street Maintenance Program.
- **Operating:** This project will reduce future maintenance expenses.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs					$320,000	$320,000
Construction Costs						
Other						
Total Budget Request					$320,000	$320,000
Revenues:						
Source of Funds:	Wastewater Collection Fund					

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Refuse Fund

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Drying Beds, Material Storage and Transfer Area (RF-10003)

Description: This project includes designing and implementing two bunker storage-transfer systems for dry and wet materials. The project will also evaluate potential non-park land sites for these activities. The dry system will be used to store inert solids and leaves from municipal operation construction projects and street sweeping. The wet system will be used for storm drain and sanitary sewer debris from Vac-con trucks.

Justification: This project will be developed in anticipation of the landfill closure in 2011.

Supplemental Information: Feasibility of processing other wet construction materials and allowing contractors to use the systems will be considered during the design phase.
Refuse, Storm Drainage, and Wastewater Collection Funds will share equally the construction costs.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2009-2010
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-37
- **Board/Commission Review:** ARB

IMPACT ANALYSIS:

- **Environmental:** Possible exemption.
- **Design Elements:** This project may be subject to ARB review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$125,000
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$750,000				$750,000
Other						
Total Budget Request		$750,000				$750,000
Revenues:		$375,000				$375,000
Source of Funds:	Refuse Fund with the following reimbursements: Wastewater Collection Fund($375,000)					

Flare Relocation Project (RF-10002)

CIP

Description: This project relocates the flare at Byxbee Park/landfill to the Water Quality Control Plant. This includes some design work, updating and relocating the flare system. It will also require permitting and CEQA.

Justification: The Water Quality Control Plant is using landfill gas as a supplemental fuel, which is why the flare is being relocated to the plant. This will keep Byxbee Park free from power poles, electric wires, and an industrial flare. Landfill gas must be collected and flared when not being used by the plant.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2008-2010
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** None
- **Board/Commission Review:** PTC, PRC, ARB, HRB

IMPACT ANALYSIS:

- **Environmental:** Possible Negative Declaration.
- **Design Elements:** This project will require Bay Area Air Quality Management District approval. This project may be subject to ARB and HRB review. This project may require Site and Design Review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$400,000
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$200,000				$200,000
Other						
Total Budget Request		$200,000				$200,000
Revenues:						
Source of Funds:	Refuse Fund					

Landfill Closure (RF-11001)

Description: This project provides for closure of the last remaining open area at the landfill. An updated engineer's cost estimate was developed as part of the final closure/postclosure maintenance plan scheduled for submittal in January 2009. The new cost estimate indicated $6.7 million will be needed to cap the remaining 51 acres of the landfill because no large identifiable borrow sources of clay are available in the bay area. A geosynthetic engineered alternative cap will need to be substituted.

Justification: The landfill is scheduled to close in 2011. This is the final phase of that closure with all regulatory and environmental controls. The estimated cost of the landfill closure and postclosure care are recognized as a liability in the Refuse Fund's financial statements. This liability is funded by the Refuse Fund Rate Stabilization Reserve.

Supplemental Information: Consultant estimate is actually $6.1 million but has been adjusted for inflation.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2010-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-7
- **Board/Commission Review:** PTC, ARB

IMPACT ANALYSIS:

- **Environmental:** Possible Negative Declaration.
- **Design Elements:** This project may be subject to ARB review.
- **Operating:** This project will require postclosure maintenance.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$6,700,000				$6,700,000
Other						
Total Budget Request		$6,700,000				$6,700,000
Revenues:						
Source of Funds:	Refuse Fund					

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Wastewater Treatment Fund

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Facility Condition Assessment & Retrofit (WQ-04011)

Description: This project assessed the structural condition of existing plant facilities for safe shelters and containment to sustain reliable plant operations through year 2020. Needed structural rehabilitation is being prioritized for an ongoing capital improvement effort.

Justification: The facilities need to be retrofitted to a good structural condition to ensure that the plant continues to provide reliable services, withstand the corrosive environment, and provide safe shelters through emergencies.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2004-2014
- **Overall Project Completion:** 30%
- **Percent Spent:** 42.18%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Goal N-4, Policies N-25, C-24
- **Board/Commission Review:** PTC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** This project may be subject to ARB review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$3,250,000
PY Actuals as of 12/31/2008	$1,370,953

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		$1,000,000	$1,000,000	$1,050,000	$1,100,000	$4,150,000
Other						
Total Budget Request		$1,000,000	$1,000,000	$1,050,000	$1,100,000	$4,150,000
Revenues:						
Source of Funds:	Wastewater Treatment Fund					

Plant Equipment Replacement (WQ-80021)

Description: This project replaces, as necessary, plant equipment in order to maintain treatment reliability.

Justification: Plant equipment requires periodic replacement in order to maintain reliability. The US Environmental Protection Agency regulations require equipment replacement funds to insure adequate treatment reliability and equipment maintenance.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 1980-2050
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-25
- **Board/Commission Review:** None

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** Possible exemption from Design Review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$1,100,000	$1,450,000	$1,550,000	$1,550,000	$1,550,000	$7,200,000
Other						
Total Budget Request	$1,100,000	$1,450,000	$1,550,000	$1,550,000	$1,550,000	$7,200,000
Revenues:						
Source of Funds:	Wastewater Treatment Fund					

Plant Master Plan (WQ-10001)

Description: This project is a study of capital replacement needs for existing plant facilities considering life-span, regulatory, land-use, economic, and environmental issues. The master plan will address planning level alternative analysis. The plant's partners and community will be included in discussions.

Justification: The existing plant facilities meet environmental and safety regulations. However, many aging treatment processes are no longer state of the art. New alternative treatment technologies have improved operational, economic, and environmental benefits. The evaluation of lifespan and future needs is complex, requiring a coordinated effort of technical experts. A master plan will lead to better decisions for a cost-effective and environmentally responsive plant.

Consultant Services Scope: Evaluate alternative technologies, perform cost-benefit analysis, and prepare master plan.

Supplemental Information: Topics will include: process replacement and/or optimization; the aging sewage sludge incinerators; recycled water expansion needs; greenhouse gas emissions; energy recovery and life cycle efficiency; flow forecasts and future capacity needs; future regulatory requirements beneficial reuse of water and ash; and plant reliability and safety.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2010-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Goal N-4, Policy N-25, Programs N-37, C-19
- **Board/Commission Review:** ARB, PTC

IMPACT ANALYSIS:

- **Environmental:** This project may require Environmental Impact Report.
- **Design Elements:** This project may be subject to ARB review. This project may require Site and Design Review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs	$500,000					$500,000
Design Costs						
Construction Costs						
Other						
Total Budget Request	$500,000					$500,000
Revenues:						
Source of Funds:	Wastewater Treatment Fund					

System Flow Meter (WQ-80022)

Description: This project will replace system flow meters based on the Wastewater Fund's equipment replacement schedule.

Justification: Generally, magnetic flow meters, used to measure the flow of wastewater by magnetic field, have a life of ten years. At the end of ten years, reliability of the meters is uncertain. There are ten meters which require systematic replacement.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 1980-2050
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-25
- **Board/Commission Review:** None

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** Possible exemption from Design Review.
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$100,000	$100,000	$100,000	$100,000	$100,000	$500,000
Other						
Total Budget Request	$100,000	$100,000	$100,000	$100,000	$100,000	$500,000
Revenues:						
Source of Funds:	Wastewater Treatment Fund					

Storm Drainage Fund

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Storm Drain Map

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Channing Avenue/Lincoln Avenue Storm Drain Improvements (SD-11101)

Description: This project consists of the installation of 5,800 linear feet of 36-inch to 60-inch diameter storm drain along Channing and Lincoln Avenues.

Justification: This new storm drain trunk will improve drainage system performance in the Green Gables, Walnut Grove, Community Center, SOFA and Professorville neighborhoods by conveying storm runoff more efficiently to the new San Francisquito Creek pump station. The project will also reduce street flooding along Embarcadero Road by intercepting storm runoff from several storm drain feeder lines that currently flow to Embarcadero Road.

Supplemental Information: This improvement is consistent with the priorities established with the voter-approved storm drain rate increase and input from the Storm Drain Oversight Committee. The project will be reviewed with the Storm Drain Oversight Committee.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2010-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-24, Program N-36
- **Board/Commission Review:** SDOC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project is coordinated with street resurfacing program.
- **Operating:** This project will reduce the operating costs of the Public Works Department.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$820,000	$895,000	$1,590,000	$1,680,000	$1,430,000	$6,415,000
Other						
Total Budget Request	$820,000	$895,000	$1,590,000	$1,680,000	$1,430,000	$6,415,000
Revenues:						
Source of Funds:	Storm Drainage Fund					

Connect Clara Drive Storm Drains to Matadero Pump Station (SD-06104)

CIP

Description: This project consists of the connection of an existing gravity outfall system to the Matadero Storm Water Pump Station through the installation of approximately 2,200 linear feet of 12-inch to 36-inch diameter storm drain along Clara Drive.

Justification: By connecting the gravity outfall to the existing pump station, this project will allow the discharge of storm runoff into the creek even when the creek water surface elevation is higher than the nearby ground surface elevations.

Supplemental Information: This improvement is consistent with the priorities established with the voter-approved storm drain rate increase. The project will be reviewed with the Storm Drain Oversight Committee.

The funds previously appropriated for this project in the amount of $915,000 were reallocated to the San Francisquito Creek Storm Drain Water Pump Station (SD-06102) via a budget amendment ordinance approved by City Council in Fiscal Year 2008.

Although funding from the Storm Drainage Fund has not been identified for this project, it remains under consideration for funding and implementation in the future. Staff is pursuing stimulus funding and/or State/Federal grant funding for this project.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Overall Project Completion:** 0%
- **Percent Spent:** 100.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-24, Program N-36
- **Board/Commission Review:** SDOC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project is coordinated with street resurfacing program.
- **Operating:** This project will have negligible increase in the operation expense.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$6,411
PY Actuals as of 12/31/2008	$6,411

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other						
Total Budget Request						
Revenues:						
Source of Funds:	Storm Drainage Fund					

NEW

Matadero Creek Storm Water Pump Station and Trunk Lines Improvements (SD-13002)

Description: This project consists of the construction of upgrades to the Matadero Creek Storm Water Pump Station and the trunk storm drain piplines that flow to the pump station. The Matadero Creek Storm Water Pump Station serves a low-lying 1200-acre area of southeastern Palo Alto.

Justification: The drainage improvements will improve drainage system performance in the Midtown and Palo Verde neighborhoods. The streets in this area of the City are lower than the creek water level during storm events. Upgrades to the pump station and the storm drain pipelines leading to it will allow storm runoff to be pumped into Matadero Creek regardless of the creek level.

Supplemental Information: This improvement is consistent with the priorities established with the voter-approved storm drain rate increase. The project will be reviewed with the Storm Drain Oversight Committee.

CIP FACTS:

- **New**
- **Timeline:** FY 2013-2017
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-24, Program N-36
- **Board/Commission Review:** SDOC, ARB

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project is coordinated with street resurfacing program.
- **Operating:** This project will result in reduced storm drain maintenance expense.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs					$315,000	$315,000
Construction Costs						
Other						
Total Budget Request					$315,000	$315,000
Revenues:						
Source of Funds:	Storm Drainage Fund					

Southgate Neighborhood Storm Drain Improvements (SD-10101)

CIP

Description: This project will improve the drainage within the Southgate neighborhood. The project consists of the construction of additional storm drain inlets, new pipelines, and curb and gutter repairs to eliminate street ponding in the Southgate neighborhood. This project will also accommodate storm runoff from the adjacent Palo Alto High School property.

Justification: The entire Southgate neighborhood, bounded by Churchill Avenue, the Caltrain Corridor, Park Boulevard, and El Camino Real, drains to a single storm drain inlet at the corner of Mariposa and Sequoia Avenues. There are no underground storm drain pipelines to serve the neighborhood, and there are many sections of uneven curb and gutter that pond water during rain events.

Supplemental Information: This improvement is consistent with the priorities established with the voter-approved storm drain rate increase. The project will be reviewed with the Storm Drain Oversight Committee.

Although funding from the Storm Drainage Fund has not been identified for this project, it remains under consideration for funding and implementation in the future. Staff is pursuing stimulus funding and/or State/Federal grant funding for this project.

CIP FACTS:

- **Continuing**
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-24, Program N-36
- **Board/Commission Review:** SDOC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project is coordinated with street resurfacing program.
- **Operating:** This project will result in reduced operating costs for Public Works Department.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$0
PY Actuals as of 12/31/2007	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other						
Total Budget Request						
Revenues:						
Source of Funds:	Storm Drainage Fund					

Storm Drain System Replacement and Rehabilitation (SD-06101)

Description: This project implements annual high-priority replacement and rehabilitation projects that will help maintain the integrity of the storm drain system. The projects will consist of the replacement or rehabilitation of deteriorated storm drain pipes, manholes, and storm drain inlets, as identified by a previous video inspection and condition assessment program.

Justification: The project will implement the recommendations established by the 1993 Storm Drain Condition Assessment Report. The specific pipes and drainage structures selected for replacement and/or rehabilitation will be determined based on their 1993 condition score and recommendations by field maintenance staff.

Supplemental Information: This improvement is consistent with the priorities established with the voter-approved storm drain rate increase. The project will be reviewed with the Storm Drain Oversight Committee.

CIP FACTS:

- **Continuing**
- **Timeline:** FY 2006-2014
- **Overall Project Completion:** 0%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-24, Program N-36
- **Board/Commission Review:** SDOC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **Design Elements:** This project is coordinated with street resurfacing program.
- **Operating:** This project will result in reduced storm drain maintenance expense.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$550,000	$567,000	$584,000	$601,000	$619,000	$2,921,000
Other						
Total Budget Request	$550,000	$567,000	$584,000	$601,000	$619,000	$2,921,000
Revenues:						
Source of Funds:	Storm Drainage Fund					

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Other Fund Projects

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Other Funds

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Other Funds Overview - Capital Improvement Program

Capital Improvement Program (CIP) projects are also activities managed within the City's Internal Service Funds which are the Vehicle Replacement and Technology Funds.

VEHICLE REPLACEMENT FUND

The Vehicle Replacement Fund has four projects in Fiscal Year 2010 with the total amount of $0.7 million.

One project, required by the California Air Resources Board (CARB) is the Diesel Truck Engine Emissions Retrofits in the amount of $360,000. Another project, for $200,000, is the upgrade of vehicle maintenance facility. The remaining two projects totaling $110,000 pertain to the acquisition of a software for the automated motor pool reservation and vehicle key management system, and city-wide fuel transaction and inventory management system.

TECHNOLOGY FUND

The Technology Fund has capital budget expense of $0.9 million in Fiscal Year 2010, a decrease of $1.4 million from the prior year. The decrease is primarily attributed to the SAP Continuous Improvement Project which was included in the prior year's budget.

Highlights of projects being adopted in Fiscal Year 2010 are as follows:

- A new project on the continuous improvements of the Utilities customer billing system. All enterprise funds using the customer billing system will share proportionately in the cost of the project
- Continuing improvements on the City's Geographic Information System (GIS). The Technology Fund reserve will pay for this project
- Radio infrastructure annual replacement of various items in the City's radio telecommunications infrastructure inventory. This project will also replace the existing radio infrastructure with a new regional 700MHz radio system in partnership with other cities and the Santa Clara County. Stanford University, all Utilities Department enterprise funds and the Technology Fund reserve share proportionately in the cost of the project

NEW PROJECTS

The 2010-2014 five-year CIP plan includes the addition of new projects listed in the table below. These projects are also identified as "new" on the project pages.

There are no new projects in the Vehicle Replacement Fund.

CIP NO.	Project Title	Page #
TE-10000	Collections Software	287
TE-10001	Utilities Customer Billing System Continuous Improvements	295

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Vehicle Replacement Fund

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Automated Motor Pool Reservation and Vehicle Key Management System (VR-07001)

Description: This project will implement an automated pool vehicle reservation system utilizing an intranet-based reservation application and network-enabled key management cabinets.

Justification: One of Equipment Management's key responsibilities is to maximize the efficiency of the utilization of the City's fleet vehicles while minimizing the number of overall City fleet vehicles. Equipment Management already operates a small motor pool; however, it should be expanded. In order to manage an expanded motor pool with existing staff, the reservation system must be automated. The cost of the automated system will be offset through the elimination of underutilized vehicles from the fleet.

Supplemental Information: The hardware portion of the first phase of this project was installed at the Municipal Service Center in 2006. However, implementation has taken longer than anticipated, and the cost for implementing the second phase at Civic Center will be higher than originally anticipated. In order to ensure the successful completion of this project, additional funding is being requested for Fiscal Year 2010.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2006-2010
- **Overall Project Completion:** 30%
- **Percent Spent:** 24.40%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Program C-12
- **Board/Commission Review:** PTC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA.
- **Design Elements:** None
- **Operating:** Periodic hardware and software upgrades.
- **Telecommunications:** Use of existing LAN and telephone infrastructure.

PRIOR YEARS	
PY Budget	$80,000
PY Actuals as of 12/31/2008	$19,522

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	$25,000					$25,000
Total Budget Request	$25,000					$25,000
Revenues:						
Source of Funds:	Vehicle Replacement Fund					

Diesel Truck Engine Emissions Retrofits (VR-07002)

Description: This project will retrofit specific diesel powered trucks in the City's vehicle fleet with emissions control devices as required by the California Air Resources Board's "Diesel Particulate Matter Control Measure for On-Road Heavy-Duty Diesel-Fueled Vehicles Owned or Operated by Public Agencies and Utilities."

For Fiscal Year 2010, funding will be added to complete retrofits on 18 additional vehicles.

Justification: The California Air Resources Board (CARB) is requiring that diesel engines in trucks with a gross vehicle weight rating (GVWR) of 14,000 pounds or greater be retrofitted with "Best Available Control Technology" (BACT), on a phased implementation schedule which commenced on January 1, 2006. BACT includes diesel particulate traps, oxidation catalysts, diesel fuel emulsions, and combinations thereof. There are few exemptions allowed under this new measure.

Supplemental Information: Under the CARB measure, trucks are grouped by engine model year (1960-1987, 1988-2002, 2003-2005). All of the City's pre-1988 trucks are exempt. There are 33 trucks in the 1988-2002 group. The measure requires that 20% of the vehicles in this group be retrofitted each year, beginning in 2006, and continuing until 100% have been retrofitted. Some of the trucks will be replaced over the duration of this project; however the CARB is requiring that "retired" vehicles be included in the total number from which the number of required retrofits is derived. According to the measure, 13 trucks will need to be retrofitted over the next two years. The actual cost of the retrofits is not currently known, but is estimated at $20,000 - $25,000 per vehicle. At present, there is no grant funding available to offset this cost; however, that may change as implementation begins.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2006-2010
- **Overall Project Completion:** 30%
- **Percent Spent:** 52.71%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies N-26, N-27

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA.
- **Design Elements:** None
- **Operating:** $1,000 per year for each vehicle retrofitted.
- **Telecommunications:** Possible 802.11-spec wireless interface for data collection.

Diesel Truck Engine Emissions Retrofits (VR-07002) *continued*

PRIOR YEARS	
PY Budget	$325,000
PY Actuals as of 12/31/2008	$171,308

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$360,000					$360,000
Other						
Total Budget Request	$360,000					$360,000
Revenues:						
Source of Funds:	Vehicle Replacement Fund					

Replace City-wide Fuel Transaction and Inventory Management System (VR-06801)

Description: This project will replace the existing Citywide vehicle fuel transaction and fuel inventory management system.

Justification: All City fuel dispensing facilities are equipped with a vehicle fuel transaction and inventory management system, which uploads transaction data to a server located at the Municipal Service Center. This system was installed in 1995, and was upgraded in 1999. The PC-based hardware is at the end of its useful life, and the current vendor has not been able to meet the established goals of providing fully automated fueling, or integration with the tank inventory management system.

Supplemental Information: This project was originally budgeted for installation in Fiscal Year 2007. The installations were to coincide with the completion of the new MSC Fueling Facility. The completion of that project has been delayed, but is anticipated for March 2009. While researching available systems, staff found that Equipment Management's existing fleet management software vendor also has a fuel management system application that can be installed as an upgrade to the existing systems and will provide better integration than the originally stand-alone system. Existing budget will allow installations at MSC, Fire Station One, and on a mobile fuel tanker. These installations will be completed by the end of Fiscal Year 2009.

For Fiscal Year 2010, additional funding is being requested to complete installations at Fire Stations Two and Four, Golf Course, and Foothills Park, and to upgrade the system through purchase of 150 vehicle modules.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2009-2010
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Program C-12

IMPACT ANALYSIS:

- **Environmental:** None
- **Design Elements:** None
- **Operating:** Periodic hardware and software upgrades
- **Telecommunications:** Use existing LAN and telephone infrastructure

Replace City-wide Fuel Transaction and Inventory Management System (VR-06801)

PRIOR YEARS	
PY Budget	$200,000
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs	$85,000					$85,000
Construction Costs						
Other						
Total Budget Request	$85,000					$85,000
Revenues:						
Source of Funds:	Vehicle Replacement Fund					

Vehicle Maintenance Facility Upgrades (VR-04010)

CIP

Description: This project will purchase and install a new vehicle emissions analyzer, a 20-compartment double contained oil tank system. The lubricant, water and air hose reels throughout the maintenance facility will be replaced, and the computerized wireless oil inventory management system will be installed.

Justification: The technology of existing emissions analyzer is now obsolete, having been purchased in 1998. The existing oil inventory at the Municipal Service Center vehicle maintenance facility is unsuitably stored in 55-gallon barrels on the shop floor. Most of the facility's hose reels are 40 years old and need to be replaced. The facility's oil inventory is managed through a manual requisition system which is outdated and requires a large amount of manual data entry.

Supplemental Information: The budget for Fiscal Year 2010 includes purchase of a new emissions analyzer.

The oil tanks and wireless inventory management system were scheduled for purchase and installation in Fiscal Year 2009. The available funding was not adequate, so additional funding is being requested in Fiscal Year 2010. The original project called for ten storage tanks; however, after further consideration, it was determined that 20 tanks would be necessary to provide sufficient storage for the lubricants currently being used. In addition, the cost for the wireless inventory management system was higher than anticipated. Also, during Fiscal Year 2009, Council approved to transfer $50,000 from this project to CIP Project VR-01001(MSC Fuel Storage Replacement) to cover higher than expected costs for the new CNG fueling facility.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2009-2010
- **Overall Project Completion:** 40%
- **Percent Spent:** 73.68%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy D-24, Program C-19
- **Board/Commission Review:** None

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** Possible exemption from Design Review.
- **Operating:** None
- **Telecommunications:** Oil inventory management system will connect to City LAN.

PRIOR YEARS	
PY Budget	$410,000
PY Actuals as of 12/31/2008	$302,079

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	$200,000					$200,000
Other						
Total Budget Request	$200,000					$200,000
Revenues:						
Source of Funds:	Vehicle Replacement Fund					

Technology Fund

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Acquisition of New Computers (TE-99010)

Description: This project funds the acquisition of new computers for the City. This is a placeholder for acquisition of new computers that are outside the replacement schedule.

Justification: The project addresses the need to acquire new computers. The City has a schedule to replace existing computers. However, in cases where there is a need to acquire computers outside the replacement schedule, this project pays for the acquisition. The Enterprise Funds reimburse the Technology Fund for their share of the cost of the acquisition.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Managing Department:** Administrative Services
- **Comprehensive Plan:** Program T-10
- **Board/Commission Review:** None

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA.
- **Design Elements:** None
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2008	$0

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other			$75,000	$75,000	$75,000	$225,000
Total Budget Request			$75,000	$75,000	$75,000	$225,000
Revenues:						
Source of Funds:	Technology Fund					

Citywide GIS Data, Infrastructure & Applications (TE-02015)

CIP

Description: This project will improve the capabilities of the City's Geographic Information System (GIS) and expand its use by City staff and the public. Included are applications to support Public Works and Utilities Infrastructure Management, Police/Fire operations and the City's Development Center. The City's web site will increasingly feature GIS maps. Joint efforts with other agencies will allow aerial photos and parcel data to be updated more frequently, improving the system's foundation.

Justification: The GIS has become a core information asset for the City by providing parcel-related and infrastructure data. It has grown from being a set of special purpose computer applications to being an information tool that serves all segments of the City.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2010-2014
- **Overall Project Completion:** 60%
- **Percent Spent:** 56.41%
- **Managing Department:** Administrative Services
- **Comprehensive Plan:** Policies G-3, G-12, G-4, Programs T-10, T-38
- **Board/Commission Review:** None

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA.
- **Design Elements:** None
- **Operating:** This project requires ongoing annual maintenance costs.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$1,511,690
PY Actuals as of 12/31/2008	$852,775

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	$258,632	$200,000	$200,000	$200,000	$200,000	$1,058,632
Total Budget Request	$258,632	$200,000	$200,000	$200,000	$200,000	$1,058,632
Revenues:	$171,892	$132,923	$132,923	$132,923	$132,923	$703,584
Source of Funds:	Technology Fund with the following reimbursements: Electric Fund($344,987); Fiber Optics Fund($3,282); Gas Fund($111,325); Refuse Fund($89,973); Storm Drainage Fund($8,729); Wastewater Collection Fund($34,173); Wastewater Treatment Fund($51,572); Water Fund($59,543)					

NEW

Collections Software (TE-10000)

Description: This project will purchase and implement an automated collection system which uses state of the art technology in managing and collecting accounts receivable invoices. This system will be comprised of components that interface with credit reporting agencies, provide on-line access to the Department of Motor Vehicles files, and provide optical scanning and digital archiving capabilities. To increase efficiency, the system will interface with the City's accounting software (SAP).

Justification: Presently, the City's debt collection records are maintained in physical file folders and binders that must be manually updated. Customer contact, payment history, follow-up conversations and other pertinent information must be manually captured and filed. The process is inefficient and time consuming. A collection management system will enhance revenue recovery allowing for increased revenue recovery of approximately 10 to 15 percent.

Supplemental Information: An automated collection system will enhance customer service, operations, and revenue recovery. Automation will provide staff with the ability to consolidate and instantly recall data, allowing increasing quality customer service by responding to customer inquiries promptly. An integrated collection software system will assist in the management of receivables by making files available to all staff members enabling them to immediately respond to customer inquiries by eliminating interoffice referrals or the need to search through numerous files to obtain account information.

CIP FACTS:

- **New**
- **Project Status:** Other
- **Timeline:** FY 2010-2014
- **Overall Project Completion:** 0%
- **Managing Department:** Administrative Services
- **Comprehensive Plan:** Program C-12

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** None
- **Operating:** None
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	$79,800	$8,000	$8,000	$8,000	$8,000	$111,800
Total Budget Request	$79,800	$8,000	$8,000	$8,000	$8,000	$111,800
Revenues:						
Source of Funds:	Technology Fund					

Electronic Patient Care Report (ePCR) (TE-08002)

CIP

Description: This project will move the City's Fire Department away from a paper-based Patient Care Report (PCR) to an electronic format in order to meet County, State, and National reporting mandates. It will also shorten reimbursement time, allow for quality improvement and quality assurance in clinical delivery, and identify system trends for educational purposes to continue to meet the City's mission of providing the best patient care.

Justification: The County, State and Nation have clinical data sets with mandated reporting requirements. This program will enable the City to create and transmit reports in minutes. Electronic PCRs offer instant transmission of patient billing information. Medicare and MediCal, as well as most insurance agencies, require electronic billing. This system will allow the City to evaluate clinical practices, identify educational opportunities, and provide performance feedback to its Emergency Medical Technicians.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2007-2010
- **Overall Project Completion:** 70%
- **Percent Spent:** 34.46%
- **Managing Department:** Administrative Services
- **Comprehensive Plan:** Programs T-10, C-12

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA.
- **Design Elements:** None
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$45,000
PY Actuals as of 12/31/2008	$15,505

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	$20,000					$20,000
Total Budget Request	$20,000					$20,000
Revenues:	$5,000					$5,000
Source of Funds:	Technology Fund with the following reimbursements: Stanford($5,000)					

Enterprise Application Infrastructure Upgrade (formerly CIS/SAP Transition) (TE-07000)

Description: This project will put into place the hardware, software, and training for web applications such as Customer Relationship Management, Employee Self Service, and Manager Self Service.

Justification: The City's Information Technology Division must meet the growing demand for web applications. First it must design and implement the appropriate infrastructure to support the new applications. Once the infrastructure is in place, application delivery will follow. The Enterprise Funds share proportionately on the cost of the project.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2006-2011
- **Overall Project Completion:** 40%
- **Percent Spent:** 50.86%
- **Managing Department:** Administrative Services
- **Comprehensive Plan:** Program T-10

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA.
- **Design Elements:** None
- **Operating:** This project requires maintenance/support cost of $200,000, and is included in the IT operating budget.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$1,652,000
PY Actuals as of 12/31/2008	$840,133

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	$135,000	$75,000				$210,000
Total Budget Request	$135,000	$75,000				$210,000
Revenues:	$89,724	$49,847				$139,571
Source of Funds:	Technology Fund with the following reimbursements: Electric Fund($68,435); Fiber Optics Fund($652); Gas Fund($22,083); Refuse Fund($17,848); Storm Drainage Fund($1,732); Wastewater Collection Fund($6,779); Wastewater Treatment Fund($10,231); Water Fund($11,811)					

Library RFID Implementation (TE-06001)

CIP

Description: This project will implement radio frequency identification (RFID) technology for use in circulating and managing library collections. The first year of the project, consisting of a feasibility study and market research to cost out library-wide implementation, was completed in 2006.

Justification: The implementation of RFID technology throughout the Library will facilitate the use of self-service options and will help staff cope with increasing workloads. It will also improve staff efficiency by enabling faster handling of check-out and check-in of books and other library materials. RFID will help the Library return materials to the shelves more quickly, reduce repetitive motions and resulting injuries for staff, and reduce wait times for customers.

Supplemental Information: An added benefit of RFID is that it provides greater security for the collection and reduces the error rate for check-out and check-in, meaning greater accuracy in the public catalog. It will provide the foundation for future enhancements including automatic sorting of returned items and 24/7 pick-up of holds by library customers, as space and funds allow.

Implementation of the project, including development of a Request for Proposal to third party companies to provide the needed hardware and software will occur following a decision on constructing a new Mitchell Park Library. This phase of the project is now scheduled to begin in Fiscal Year 2011.

This project responds to the City Council's direction to employ technology solutions in the Library.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2009-2011
- **Overall Project Completion:** 30%
- **Percent Spent:** 38.67%
- **Managing Department:** Administrative Services
- **Comprehensive Plan:** Program C-12, Policy B-16

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA.
- **Design Elements:** None
- **Operating:** This project will incur operating costs once installed.
- **Telecommunications:** None

Library RFID Implementation (TE-06001)
CONTINUED

PRIOR YEARS	
PY Budget	$45,000
PY Actuals as of 12/31/2008	$17,400

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other		$800,000				$800,000
Total Budget Request		$800,000				$800,000
Revenues:						
Source of Funds:	Technology Fund					

Radio Infrastructure Replacement (TE-05000)

CIP

Description: This project will fund the annual replacement of various items in the City's radio telecommunications infrastructure inventory in accordance with a life-cycle replacement schedule. Having a reliable and effective telecommunications infrastructure is vital to public safety. In Fiscal Year 2010, the City in partnership with the other cities and the County will replace all radio infrastructure and construct a new regional 700MHz radio system. The new system will facilitate seamless interoperability

Justification: The Department continues to replace infrastructure equipment that makes up the Police, Fire, Public Works, Utilities, and Animal Services radio systems in accordance with the ongoing replacement schedule that began in Fiscal Year 2005. The Department carefully evaluates each piece of equipment and has created a multi-year, ongoing replacement schedule. The Fiscal Year 2010 figure is an estimate based on existing equipment value and will be finalized in Fiscal Year 2009 with detailed projections.

Supplemental Information: This project will take advantage of the foundation of hardware, software and knowledge in the region, as well as provide integration across what are now disparate radio systems in the Bay Area. One of the top Homeland Security national priorities is interoperable communications. This new radio system will ensure seamless voice interoperability in Palo Alto across disciplines (fire, police, public works, utilities, etc.) and across jurisdictional boundaries (other cities and the 10 Bay Area counties). The cost will be offset, wherever possible, with federal homeland security funds. The Enterprise Funds and Stanford University share proportinately on the cost of this project.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2008-2011
- **Overall Project Completion:** 30%
- **Percent Spent:** 44.12%
- **Managing Department:** Administrative Services
- **Comprehensive Plan:** Policy C-9

IMPACT ANALYSIS:

- **Environmental:** Possible exemption.
- **Design Elements:** This project may be subject to ARB review.
- **Operating:** This project will incur operating expense, and the budget is included in the Police Department.
- **Telecommunications:** None

Radio Infrastructure Replacement (TE-05000) *continued*

PRIOR YEARS	
PY Budget	$980,980
PY Actuals as of 12/31/2008	$432,805

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs	$50,000					$50,000
Construction Costs	$150,000	$1,250,000				$1,400,000
Other						
Total Budget Request	$200,000	$1,250,000				$1,450,000
Revenues:	$72,000	$450,000				$522,000
Source of Funds:	Technology Fund with the following reimbursements: Electric Fund($72,500); Gas Fund($72,500); Stanford($232,000); Wastewater Collection Fund($72,500); Water Fund($72,500)					

Telephone System Replacement (TE-00010)

CIP

Description: This project's first phase will fund the services of a consultant to conduct an analysis and assessment of current and future requirements for voice-related communications within the City. Requirements will be determined for telecommunications, the telephone switch network (PBX), connectivity to the data communications network, implementation strategies for voice over the fiber backbone, and voice mail requirements and applications. The needs assessment will be reviewed for all City departments.

Justification: The reliability of the City's telephone and telecommunications services is critical to city operations. Telecommunications technology has developed significantly in recent years. Newer switches will offer more compatibility, provide greater functionality, and require less space and power than the current equipment. As resources are distributed throughout the City, the PBX system will be required to provide greater flexibility to in-house staff and to remote locations.

Supplemental Information: The Enterprise Funds share proportionately on the costs of this project.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2007-2011
- **Overall Project Completion:** 10%
- **Percent Spent:** 0.53%
- **Managing Department:** Administrative Services
- **Comprehensive Plan:** Policies B-16, C-9
- **Board/Commission Review:** None

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA.
- **Design Elements:** None
- **Operating:** This project requires maintenance, and the budget is included in the Technology Fund.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	$1,130,000
PY Actuals as of 12/31/2008	$6,031

FUTURE FINANCIAL REQUIREMENTS						
	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other		$100,000				$100,000
Total Budget Request		$100,000				$100,000
Revenues:		$66,462				$66,462
Source of Funds:	Technology Fund with the following reimbursements: Electric Fund($32,588); Fiber Optics Fund($310); Gas Fund($10,516); Refuse Fund($8,499); Storm Drainage Fund($825); Wastewater Collection Fund($3,228); Wastewater Treatment Fund($4,872); Water Fund($5,624)					

NEW

Utilities Customer Billing System Continuous Improvements (TE-10001)

Description: This project will refine the existing SAP software programming to automate manual Utilities processes, expand customer accessibility to services, enhance quality control of processes, and improve management review, oversight and reporting of meter reading, customer service, ratemaking, operations, engineering, and supply and demand functions.

Justification: Implementation of the Utility Billing system in "Banner to SAP" identified potential customer enhancement areas will include improvements to on-line services, bill presentation, meter reading quality control, commercial and residential rate design, departmental process integration, automation of credit and collections processes, monitoring Utilities operating and engineering expenses, unbilled resources identification from theft/diversion, and impact measurements of low-income programs.

Consultant Services Scope: Scoping study will determine plan and costs for implementation.

Supplemental Information: The ten year-old Utilities Customer Information System (BANNER) was replaced in 2009 with the SAP Industry-specific Solution for Utilities. These programming changes were identified but not implemented during the conversion to SAP/I-SU due to limitations of consultant/programmer availability and financial resources for the conversion project. In Fiscal Year 2010, a scoping study will determine the priorities and implementation plan.

This project is in response to Council request regarding enhancements to the Utilities billing system. The Enterprise Funds share proportionately on the costs of this project.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2010-2011
- **Overall Project Completion:** 0%
- **Managing Department:** Administrative Services
- **Comprehensive Plan:** Program C-12
- **Board/Commission Review:** PTC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** None
- **Operating:** Annual maintenance cost is included in the SAP ERP maintenance budget in the Technology Fund.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS

	2009-10	2010-11	2011-12	2012-13	2013-14	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	$250,000	$1,000,000				$1,250,000
Total Budget Request	$250,000	$1,000,000				$1,250,000
Revenues:	$250,000	$1,000,000				$1,250,000
Source of Funds:	Technology Fund with the following reimbursements: Electric Fund($536,065); Fiber Optics Fund($14,056); Gas Fund($286,626); Refuse Fund($143,579); Storm Drainage Fund($32,206); Wastewater Collection Fund($83,403); Water Fund($154,065)					

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Unfunded Projects

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General Fund Infrastructure Backlog Summary

General Fund Infrastructure Backlog Summary

	Current Backlog FY 2008 - FY 2013	Adopted General Fund CIP Budget FY 2008 - FY 2013	Unfunded Backlog FY 2008 - FY 2013	Projected Future Backlog FY 2014 through FY 2028: FY 2014 - FY 2018	FY 2019- FY 2023	FY 2024 - FY 2028
Streets						
Annual Program	$24,682,259	$10,975,000	$13,707,259	$16,201,988	$12,123,019	$10,832,987
Transportation	$850,000	$850,000	$0	$2,867,934	$1,190,000	$1,763,720
Traffic Signals	$1,115,000	$1,115,000	$0	$1,225,000	$1,400,000	$1,557,500
Medians	$468,000	$468,000	$0	$25,200	$0 [1]	$0
Street lights	$650,000	$650,000	$0	$910,000	$910,000	$910,000
Street Furniture	$0	$0	$0	$175,000	$0 [1]	$175,000
Sidewalks						
Annual Maintenance	$5,100,000	$3,189,666	$1,910,334	$5,432,925	$5,844,891	$5,848,777
District Repairs	$9,240,106	$4,910,334	$4,329,772	$2,667,075	$2,255,109	$2,251,223
Bridges/Culverts	$2,625,490	$0	$2,625,490	$912,100 [1]	$2,220,575	$1,273,650
Parks	$6,890,591	$5,838,000	$1,052,591	$3,697,005	$7,743,820	$4,354,700
Open Space	$5,086,412	$1,773,000	$3,313,412	$4,624,026	$3,786,527	$2,050,156
City Buildings						
Structures	$93,100,667	$32,074,584 [2]	$61,026,083	$10,911,139	$7,163,687	$8,851,169
Parking Lots	$2,014,299	$910,000	$1,104,299	$4,704,935	$3,401,469	$1,788,206
Site Improvements	$550,000	$550,000	$0	$294,700 [1]	$1,188,460	$1,460,609
PAUSD Facilities	$860,000	$860,000	$0	$334,712	$150,500	$956,900
Subtotals	$153,232,824	$64,163,584	$89,069,240	$54,983,739	$49,378,057	$44,074,597
Total Backlog	$153,232,824			$54,983,739	$49,378,057	$44,074,597
			Total			$301,669,218

Costs = construction cost x 1.4 for project development (excluding annual street program and sidewalks)

Costs are in 2009 dollars, inflation not included

[1] No major work is needed due to life cycle analysis

[2] This number includes Budget Amendment Ordinance in the amount of $10,754,584 for the Public Safety Building, Mitchell Park Library and Community Center, and Civic Center Infrastructure Improvement Projects

SOURCE: CMR:167:08 updated on May 13, 2009

Infrastructure Future Needs — Backlog

Infrastructure Future Needs - Backlog

Other Major Infrastructure Projects	Project Cost[1]
MSC Building Replacement	$93,000,000
Fire Station 3	$6,700,000
Fire Station 4	$7,500,000
Animal Shelter	$6,930,000
Junior Museum	$735,000
Charleston Road Corridor	$5,700,000
Arastradero Road Corridor	$4,300,000
Civic Center Plaza Deck	$16,000,000
Bxybee Park Phase II	$3,625,000
Los Altos Treatment Plant Clean-up & Preparation[2]	$2,040,000
San Antonio Road Median & Roadway Improvements Phase II	$1,500,000
Roth Building Restrooms	$250,000
	$148,280,000

[1] 2009 Dollars
[2] This is the general fund portion only

Notes:

- This list does not include future new infrastructure such as an intermodal transit center, Caltrain grade separations for pedestrians, etc.

Source: CMR:167:08 updated on May 13, 2009

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KEY BUDGET TERMS

Adjusted Budget: The adjusted budget represents the adopted budget including changes made during the fiscal year.

Adopted Budget: The adopted budget is the annual City budget approved by the City Council on or before June 30.

Appropriation: The allocation of an expense budget for a particular project or program usually for a specific period of time.

Capital Budget: A plan of proposed capital outlays and the means of financing them for the current fiscal period. In a two-year budget, the second year of the Capital Improvement Program is adopted-in-concept.

Capital Improvement Program (CIP): The Capital Improvement Fund accounts for projects related to the acquisition, expansion, or rehabilitation of the City's buildings, equipment, parks, streets, and other public infrastructure.

Capital Projects Fund: A fund created to account for all resources to be used for the construction or acquisition of designated fixed assets by a governmental unit except those financed by proprietary or fiduciary funds.

Comprehensive Plan: The Palo Alto Comprehensive Plan contains the City's official policies on land use and community design, transportation, housing, natural environment, business and economics, and community services. Its policies apply to both public and private properties. Its focus is on the physical form of the City. The Proposed Budget integrates the 1998-2010 Comprehensive Plan into the budget process.

Cost Accounting: The branch of accounting that provides for the assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job.

Enterprise Funds: Enterprise funds account for City operations which are financed and operated in a manner similar to private enterprise. Costs of providing service to the public are covered by user charges, grant funds, and impact fees. The City of Palo Alto owns and operates its own utilities with the exception of refuse hauling and collection, which is contracted with an outside firm.

Fiscal Agent: A bank or other corporate fiduciary that performs the function of paying, on behalf of the governmental unit, or other debtor, interest on debt or principal of debt when due.

Fiscal Year: A 12-month period of time to which the annual budget applies and at the end of which a governmental unit determines its financial position and the results of operations.

Glossary

Fixed Assets: Assets of a long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

Funds: Local government budgets are made up of funds, which help to organize and account for restricted resources. Each fund is considered a separate accounting entity.

Governmental Funds: A generic classification used to refer to all funds other than proprietary and fiduciary funds. The capital projects fund is one example of the type of funds referred to as "Governmental Funds".

Infrastructure Assets: Roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems installed for the common good.

Infrastructure Management Plan (IMP): A portion of the General Fund capital improvement program with the focus of rehabilitating the City's infrastructure. In 1998-99, an outside consultant on the City's infrastructure prepared a report known as the Adamson report. Within this report the City's infrastructure was catalogued and ranked based on when the infrastructure needed to be upgraded or replaced and the cost for each item. At that time, the City Council decided to establish a plan using the Adamson report as a guide to both timeline and cost.

Internal Service Funds: These funds provide services to City departments and recover their costs through user charges. The Vehicle Replacement Fund is an Internal Service Fund managing the replacement and maintenance of the City fleet.

Method of Accounting: The City's Governmental and Proprietary Funds budget are developed using a modified accrual basis of accounting, with revenues being recorded when measurable and available, and expenditures recorded when the liability is incurred.

Operating Transfer: Amounts transferred between funds; not considered a revenue or expense. For example, legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

Ongoing Projects: These are continuous projects (e.g. water meter replacements) that have no definitive beginning or ending dates and receive ongoing funding to reflect the continuing replacement cycles or commitments.

Pay-As-You-Go-Basis: A term used to describe the financial policy of a governmental unit that finances all of its capital outlays from current revenues rather than by borrowing.

Proposed Budget: The proposed budget is the budget that is sent to the Finance Committee by the City Manager. The proposed budget, including changes made by the Finance Committee during their review, is approved by the Council and then becomes the adopted budget.

Reimbursements: Interfund transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it but that properly apply to another fund. For example, the Enterprise Funds reimburse the Technology Fund for CIP projects that the Enterprise Funds benefit from.

Reserve: Represents the portion of fund balance set aside for financing future capital improvements or the outlay of capital projects in any given year, and addressing one-time emergency needs.

Revenues: Revenues include compensation received by the project for specific services to the public (external revenues), as well as revenues received from other funds (internal revenues). An example of internal revenue includes the Electric Fund reimbursing a Technology project for the technological resources that it will provide.

Special Revenue Funds: These funds account for the proceeds derived from specific revenue sources that are legally restricted to expenditures for specified purposes. The Street Improvement Fund (SIF) is a Special Revenue Fund that derives its funding from state gas tax revenues. Capital appropriations from the SIF must be spent on the construction and maintenance of the road network system of the City.

Americans with Disabilities Act

In compliance with

Americans with Disabilities Act (ADA) of 1990,

this document may be provided in other accessible formats.

For information contact:

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Visit the City's Website at:
www.CityofPaloAlto.org