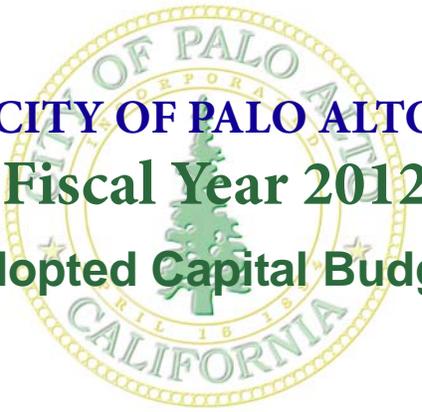


Fiscal Year 2012



Adopted Capital Budget

CITY *of* PALO ALTO



CITY OF PALO ALTO
Fiscal Year 2012
Adopted Capital Budget

CITY COUNCIL

Sid Espinosa, *Mayor*

Yiaway Yeh, *Vice Mayor*

Patrick Burt Karen Holman

Larry Klein Gail Price

Greg Scharff Greg Schmid

Nancy Shepherd



James Keene
City Manager

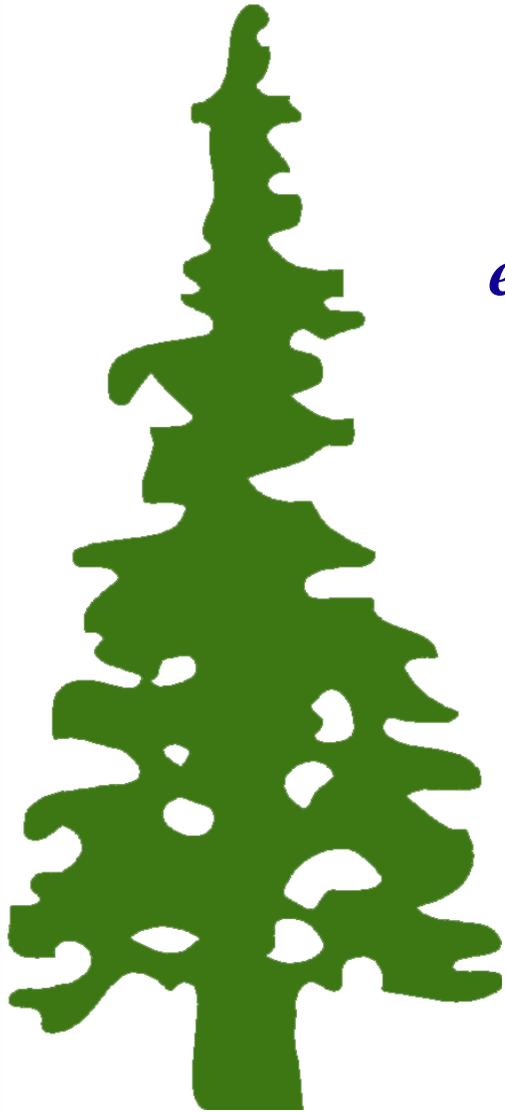
Pamela Antil
Assistant City Manager/Chief Operating Officer

Lalo Perez
Director of Administrative Services/Chief Financial Officer

David Ramberg
Assistant Director of Administrative Services

Joe Saccio
Assistant Director of Administrative Services

Greg Scharff
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.



CITY OF PALO ALTO

FY 2012

BUDGET ACKNOWLEDGEMENTS

Department Budget Coordinators

Administrative Services Department

Nancy Nagel

City Attorney's Office

Stacy Lavelle

City Auditor's Office

Ian Hagerman

City Clerk's Office

Beth Minor

City Manager's Office

Greg Hermann

Community Services Department

Lam Do

Fire Department

Jeany Clattenburg

Human Resources Department

Elizabeth Egli

Library Department

Susan Bodenlos

Planning & Community Environment Department

Mary Figone

Police Department

Pete Hazarian

Public Works Department

Sharon Macway

Utilities Department

Dave Yuan

Budget Document Producers

Budget Staff

Amy Javelosa-Rio

Sherry Nikzat

Christine Paras

Gail Wilcox

Dale Wong

Technical Advisor

Myrna McCaleb

Special Contributors

Rob Braulik

Melissa Cavallo

Libby Dame

Tarun Narayan

Dave Yuan

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Capital Budget Award

California Society of Municipal Finance Officers

Certificate of Award

Excellence in Capital Budget Fiscal Year 2010-2011

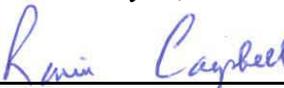
Presented to the

City of Palo Alto

For meeting the criteria established to achieve the Excellence Award in the Capital Budget.

February 24, 2011




Ronnie Campbell
CSMFO President


Chu Thai, Chair
Professional Standards and
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting

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Capital Improvement Program

Organizational Chart



Public Works Dept

Managed Projects

ENGINEERING STREETS — 3.02

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

PARKS AND LANDSCAPE — 1.55

1.0-Architect/Park Planner
 0.30-Administrator
 0.25-Admin Assoc I

SIDEWALK CIP OPERATIONS — 6.95

3.00-Cement Finisher
 1.00-Cement Finisher Lead
 0.15-Asst Director, PW Operations
 0.20-Heavy Equipment Operator-L
 0.50-Mgr Maint Operator
 0.50-Sr Engineer
 0.10-Supv Inspector/Surveyor PW
 0.60-Assoc Engineer
 0.90 Engineering Technician III

STRUCTURES AND GROUNDS — 10.40

1.85-Sr Engineer
 3.70-Project Engineer
 1.80-Engineer
 0.40-Mgr, Maint Ops
 0.50-Engineer Tech III
 0.50-Project Manager
 0.35-Management Analyst
 0.80-Admin Assoc I
 0.50 Admin Assoc III

WASTEWATER TREATMENT— 0.30

0.10-Asst Manager, WQCP
 0.20-Sr Engineer

STORM DRAINAGE — 2.10

0.90-Engineer
 0.80-Project Engineer
 0.40-Sr Engineer

REFUSE— 0.9

0.25-Sr Engineer
 0.35-Environmental Specialist
 0.30-Manager, Environmental Control Program

TOTAL: 25.22 FTE

Administrative Services Dept

0.6-Sr Financial Analyst
 0.6-Contracts Administrator

TOTAL: 1.20 FTE

Community Services Dept

Managed Projects

CITY FACILITIES

0.38-Program Assistant

OPEN SPACE AND SCIENCE

0.10-Program Assistant

PARKS

0.52-Program Assistant

TOTAL: 1.0 FTE

Utilities Dept

Managed Projects

0.45-Asst Director Util Engineering
 0.10-Cathodic Protection Technician Assistant
 1.70-Electric Project Engineer
 0.75-Electric Underground Inspector - Lead
 1.30-Electrician
 3.50-Engineer
 0.40-Gas Systems Technician II
 3.50-Project Engineer
 3.55-Senior Electrical Engineer
 0.85-Supervising Electric Project Engineer
 0.75-Supervising Project Engineer
 0.10-Cathodic Technician
 2.30-Electric Assistant I
 1.50-Electric Underground Inspector
 0.65-Electrician - Lead
 1.45-Engineering Technician III
 1.00-Gas Systems Technician
 4.72-Heavy Equipment Operator
 4.00-Inspector, Field Services
 7.70-Lineperson/Cable Splicer
 2.80-Lineperson/Cable Splicer - Lead
 1.80-Power Engineer
 3.10-Sr. Project Engineer
 1.19-Supervisor WGW
 4.00-Util Engineer Estimator
 7.88-Utility Installer/Repairer
 0.54-Utility Installer/Repairer Assistant
 2.76-Utility Installer/Repairer - Lead
 0.76-Utilities Locator
 0.42-Utl Installer Repairer Lead - Welding
 1.26-Utl Installer Repairer - Welding
 0.62-Water System Operator II
 1.32-Water Meter Cross Connection Tech

TOTAL: 68.72 FTE

FISCAL YEAR 2012 POSITION TOTALS:

Public Works Dept	25.22
Administrative Services Dept	1.20
Community Services Dept	1.00
Utilities Dept	68.72
Total Full-time	96.14

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MESSAGE

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City Council Transmittal Letter

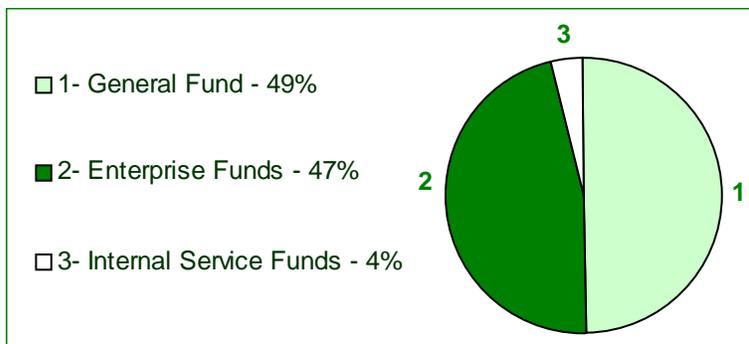
May 3, 2011

Honorable Mayor and Council Members:

INTRODUCTION

I am pleased to present the Fiscal Year (FY) 2012 Proposed Capital Budget along with the FY 2013-2016 Proposed Capital Improvement Program (CIP) Plan for the City of Palo Alto. This document guides the City in the planning and scheduling of infrastructure improvement projects over the next half decade. The combined FY 2012 Proposed Capital Budget, which includes the General Fund, Enterprise Funds, and Internal Service Funds is \$72.9 million. The combined CIP Plan for FY 2013 through 2016 is \$236.6 million, bringing the five-year plan to \$309.5 million. Details of the proposed capital budget by individual fund can be found in the "FY 2012-16 CIP Summary by Fund" section of this document.

FY 2012 Proposed Projects By Fund

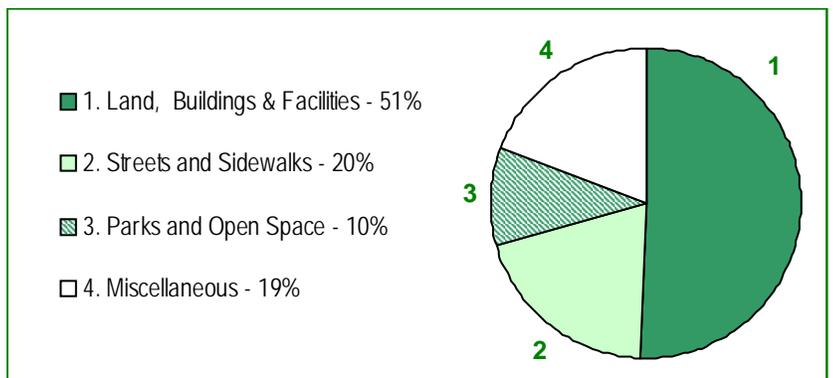


The FY 2012-2016 Proposed CIP Plan was developed in coordination with all City departments responsible for capital projects. As required by City Municipal Code, the Planning and Transportation Commission reviewed the Proposed CIP, and will submit its comments to the City Council prior to the plan's adoption.

GENERAL FUND

The FY 2012 Proposed Capital Budget for the General Fund totals \$35.9 million, \$14.9 million higher than the FY 2011 Adopted Capital Budget. This increase is due to the commencement of the Measure N bond project to renovate and expand the Main Library (\$16.2 million in FY 2012). The Measure N bonds, approved by Palo Alto voters in November 2008, will provide financing in the amount

FY 2012 Proposed General Fund Projects By Category



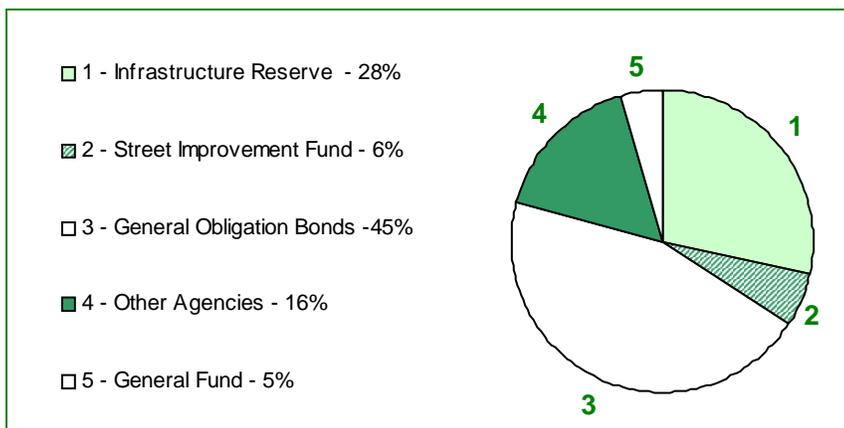
of \$76 million over the next decade for capital improvements to the Mitchell Park, Downtown and Main libraries, and the Mitchell Park Community Center. In June 2010, the City successfully sold the first of two series of General Obligation bonds, providing \$58.5 million in construction funds for these

City Council Transmittal Letter

library and community center projects. The City plans to issue a second series of bonds in 2012 to complete the Measure N financing effort.

Proposed infrastructure reserve funding for FY 2012 projects includes \$2.1 million for buildings and facilities; \$3.3 million for street maintenance and sidewalk repairs; and \$2.8 million for parks and open space projects - a total of \$8.2 million. In addition, there is \$3.4 million for the salaries and benefits of City staff assigned to manage the General Fund capital projects.

FY 2012 General Fund Proposed Funding Sources



Other funding sources for the Capital Budget come from a combination of gas tax monies, transfers from General Fund, development impact fees, grants, and various outside agencies.

Staff has identified only the highest priority projects for funding. In light of a diminishing Infrastructure Reserve balance, of \$3.8 million at the end of FY 2012, and the impact that the economic recession has had on the General Fund, some projects which do not pose a health and safety issue, such as the

Cubberley Community Center and Golf Course projects, have been deferred into future years.

Highlights of FY 2012 projects are summarized in Table 1.

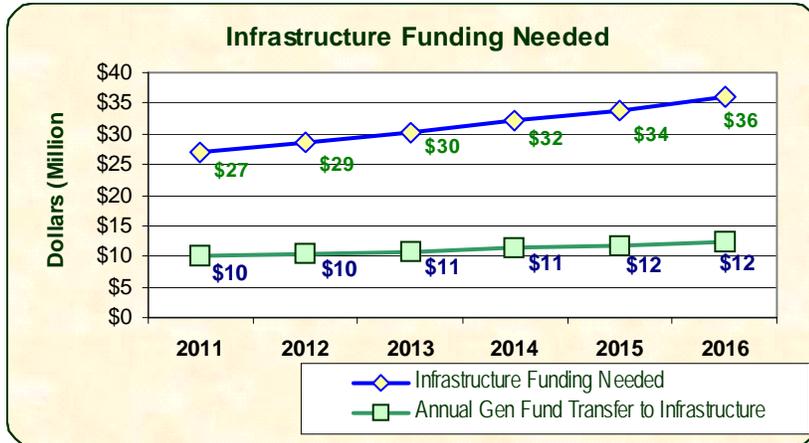
The City faces a significant and rising gap in infrastructure investment needs and available financial resources, and it has become increasingly difficult to make headway in erasing the General Fund's infrastructure backlog. In 2009, staff provided Council with information on General Fund infrastructure requirements over the next twenty years. This report indicated that there is a backlog of about \$302 million (in 2009 dollars) in infrastructure repair and renovation needs. Another \$208 million (in 2009 dollars) is needed to replace existing facilities that have exceeded their useful life or need substantial improvements. These include the replacement or improvement of the Municipal Service Center, two Fire Stations, the Animal Shelter, and the Public Safety building. The estimated total cost of the backlog and future needs over the next twenty years was at \$510 million (in

TABLE 1

GENERAL FUND PROPOSED CIP PROJECTS	
Highlights of Projects to be Initiated or Constructed in Fiscal Year 2012	
Project #	Project Name
(PO-89003)	Annual Sidewalk Maintenance Project
(PE-86070)	Annual Street Maintenance Project
(PF-12005)	City Council Conference Room Renovations
(PO-12001)	Curb and Gutter Repairs
(PE-12012)	Eleanor Pardee Park Improvements
(PG-12006)	Magical Bridge Playground
(PE-11000)	Main Library New Construction and Improvements
(LB-11000)	New Furniture and Technology for Library Measure N Projects
(PG-12004)	Sarah Wallis Park Improvements
(PG-11003)	Scott Park Improvements
(PL-12000)	Transportation and Parking Improvements

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2009 dollars). A summary of the infrastructure backlog is provided in the “Supplemental Information” section of this document.



Despite the challenging economic environment, the long-term health of the City requires that the infrastructure needs be addressed, as they substantially affect the economic vitality and quality of life in the community. In 2010, the City Council formed a 17-member Infrastructure Blue Ribbon Commission (IBRC) to advise the Council on the City's infrastructure requirements and possible financing measures that could reduce or eliminate the backlog and address the future needs. The IBRC has been meeting since

November 2010. It has divided itself into 3 subcommittees: Surface projects (parks, roadways and transportation), Above Ground projects (buildings), and Finance. The first two are in the process of working with staff to examine the City's physical assets and to prioritize them for future work. The latter is examining City revenue and infrastructure resources as well as potential financing instruments. The IBRC subcommittees are expected to arrive at updated “gaps” in infrastructure and maintenance spending requirements. The “gap” refers to the amount of annual spending required to: eliminate backlogged work on existing infrastructure, replace or rehabilitate existing, outdated facilities, and the ongoing maintenance effort required so that the City will not find itself in a position of having a backlog of infrastructure work in the future. Staff will work with the IBRC to develop strategies to address these gaps in a systematic and meaningful manner over a period of years. The results of this effort will be incorporated in the next five year Capital Budget.

The Long Range Financial Forecast for 2010-2020 quantified the growing gap between planned and needed funding over the next six years. The above graph shows this mounting gap. Cumulative funding over those six years totals \$66.6 million, or 35% of the estimated \$187.8 million needed. The estimate of \$510 million in infrastructure rehabilitation and replacement needs illustrates the severity of the City's “structural” infrastructure funding deficit.

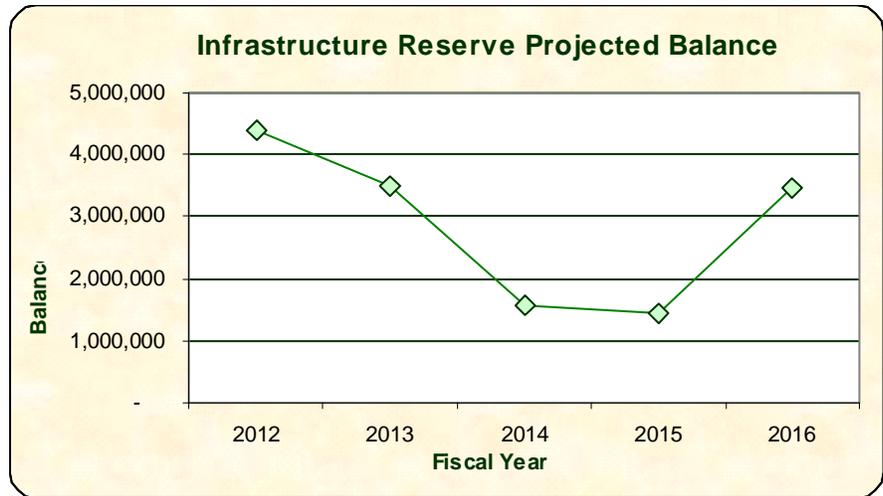
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INFRASTRUCTURE RESERVE

The Infrastructure Reserve 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. Because of the need to maintain infrastructure on a systematic basis, it was decided that the Infrastructure Reserve would act in perpetuity as the source of funding for General Fund

infrastructure requirements. The General Fund transfers an average of \$10.9 million each year to the Infrastructure Reserve (from FY 2011 to FY 2015) and the Infrastructure Reserve funds an average of \$11.6 million in capital projects each year. As shown in graph, the Infrastructure Reserve is being depleted rapidly and will no longer be able to provide resources at past levels.

Over the years, the Infrastructure Reserve has been used both to rehabilitate and maintain existing City facilities and to fund a number of new capital projects. The Proposed infrastructure reserve funding for FY 2012 addresses \$8.7 million in maintenance and rehabilitation needs and \$1.7 million in new capital projects. The current level of Infrastructure Reserve funding is inadequate to deal with the General Fund's infrastructure backlog and future maintenance needs, as well as the growing needs for replacement of existing facilities or construction of new facilities. The projected balance of the Infrastructure Reserve at the end of each fiscal year from FY 2012 through FY 2016 is shown in Table 2 on the next page.



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TABLE 2: Projected Infrastructure Reserve

	FIVE-YEAR PLAN					Total
	2012	2013	2014	2015	2016	
SOURCES						
General Fund Annual Capital Transfer	10,977,510	10,892,195	11,333,705	11,787,125	12,287,793	57,278,328
Interest Income	1,075,000	946,240	871,362	861,549	944,425	4,698,576
Project Reimbursements						
Measure N Library Bonds	16,150,000	0	0	0	0	16,150,000
Local Agency	5,828,000	1,600,000	0	0	0	7,428,000
Gas Tax Fund	2,150,000	1,650,000	1,625,000	1,625,000	1,625,000	8,675,000
Development Impact Fees -Park	0	220,000	0	220,000	0	440,000
Stanford Research Park Traffic Mitigation Impact Fees	47,400		0	0	0	47,400
Total Sources	\$36,227,910	\$15,308,435	\$13,830,067	\$14,493,674	\$14,857,218	\$94,717,304
USES						
Budgeted CIP Projects	33,937,457	16,182,575	15,751,994	14,626,005	12,846,980	93,345,011
Total Uses	\$33,937,457	\$16,182,575	\$15,751,994	\$14,626,005	\$12,846,980	\$93,345,011
Sources over (short)	2,290,453	(874,140)	(1,921,927)	(132,331)	2,010,238	1,372,293
Infrastructure Reserve Balance, beginning	2,087,214	4,377,667	3,503,527	1,581,600	1,449,269	2,087,214
Infrastructure Reserve Balance, ending	\$4,377,667	\$3,503,527	\$1,581,600	\$1,449,269	\$3,459,507	\$3,459,507

Maintaining and enhancing funding for infrastructure replacement and reconditioning is a critical priority for the City. With declining Infrastructure Reserve balances, identifying resources is both necessary and challenging. Many important capital projects cannot be completed until new funding sources are found. Staff will work with the IRBC to define the City's infrastructure gaps and recommend options to deal with the funding deficits. It should be noted, that these needs cannot be addressed without additional sources of revenue, cost savings, or service reductions/eliminations.

Where outside funding opportunities exist, staff continues to leverage City resources with grants, impact fees, and other external sources. With the passage of the American Recovery and Reinvestment Act (ARRA) of 2009, the City has received \$1.3 million in funding for street and road rehabilitation projects.

TOP 5 PRIORITIES

Concrete actions have been taken to fulfill the City Council's Top priorities. Four of Council's Top 5 priorities - Emergency Preparedness, Land Use and Transportation, Environmental Sustainability, and Youth Well

City Council Transmittal Letter

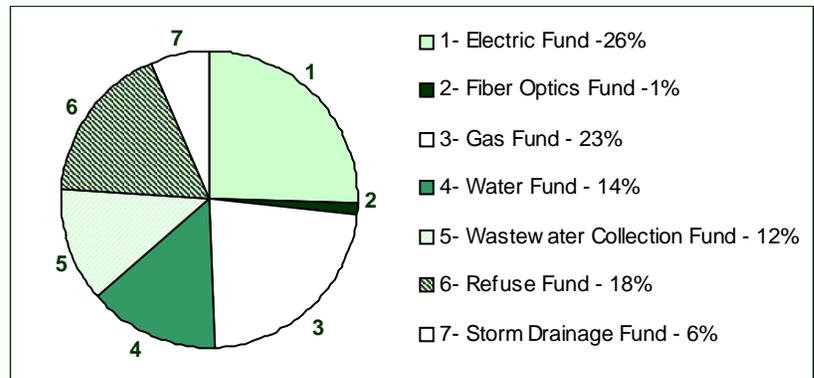
Being - will receive \$69.1 million in funding in the FY 2012-2016 CIP Plan. This is in addition to the \$81.9 million appropriated during the last five years.

Funding for capital projects corresponding to Council's Top 5 priorities are shown in Table 3.

ENTERPRISE FUNDS CIP

The total Proposed Capital Budget for all Enterprise Funds is \$34.4 million in FY 2012. 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.

FY 2012 Enterprise Funds - CIP By Individual Fund



One notable project in the Electric Fund is the implementation of Smart Grid Technology. This project will help the City better manage energy use, reduce energy costs and meet customer demands for information. In addition, the Electric Fund plans to pilot the deployment of light-emitting diode (LED) street lighting technology in the community to produce operational energy savings. In the Refuse Fund, the CIP contains a project for closure of the last remaining open area at the landfill. In the Water Fund, the CIP contains a proposed project that would expand the existing recycled water delivery system and provide another supply source to the Stanford Research Park area of the City.

In April 2005, Palo Alto property owners approved a storm drain fee increase, which escalates annually based on the local Consumer Price Index (CPI) or 6%, whichever is less. These revenues provide resources for Storm Drain CIP projects. Due to the discrepancy between escalating 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, the Storm Drainage Fund does not have adequate resources to fund all of its capital project needs. The Council-appointed Storm Drain Oversight Committee has prioritized projects to match available resources. At the present time, there is not sufficient funding for two projects identified in the storm drain fee ballot measure (Clara Drive Connection to the Matadero Pump Station and Southgate Neighborhood Storm Drain Improvements).

City Council Transmittal Letter

TABLE 3

Summary of New and Existing Projects
as Part of the City Council Top 5 Priorities

Project	FY 2007-2011 CIP Adopted Budget	FY 2012- 2016 CIP Plan	Total
Emergency Preparedness			
(PO-12003) Foothills Wildland Fire Mitigation Program	\$0	\$200,000	\$200,000
(WS-08002) Emergency Water Supply Project	39,522,647	0	\$39,522,647
(WS-09000) Seismic Water System Upgrades	800,000	9,720,000	10,520,000
Total	\$40,322,647	\$9,920,000	\$50,242,647
Environmental Sustainability			
(AS-10001) Sustainability Contingency	100,000	0	\$100,000
(EL-10009) Street Light System Conversion Project	1,363,000	3,200,000	\$4,563,000
(EL-11016) Electric Vehicle Charging Infrastructure	135,083	0	\$135,083
(OS-00002) Open Space Lakes and Ponds Maintenance	231,091	170,000	\$401,091
(RF-09003) Recycling in Business Districts	325,000	0	\$325,000
(VR-07002) Diesel Truck Engine Emissions Retrofits	685,000	0	\$685,000
(WQ-06014) Disinfection Facility Improvement Program Project	\$11,470,000	\$0	\$11,470,000
(WS-07001) Water Recycling Facilities	1,070,000	25,500,000	\$26,570,000
Total	\$15,379,174	\$28,870,000	\$44,249,174
Land Use and Transportation			
(PE-00104) San Antonio Medians	1,932,274	0	1,932,274
(PE-06011) Street Median Improvements	0	624,000	624,000
(PE-11011) Highway 101 Pedestrian/Bicycle Overpass Project	375,981	0	375,981
(PE-13011) Charleston Arastradero/Corridor Project	1,209,545	4,000,000	5,209,545
(PE-86070) Street Maintenance	\$13,744,376	\$18,443,000	\$32,187,376
(PL-00026) Safe Routes to School	706,840	697,000	1,403,840
(PL-04010) Bicycle Transportation Plan Implementation Project	289,497	250,000	539,497
(PL-05030) Traffic Signal Upgrades	760,000	1,050,000	1,810,000
(PL-06002) Comprehensive Parking Signage Plan	475,000	0	475,000
(PL-07002) El Camino Real/Stanford Avenue Streetscape and Intersection Improvements	1,818,000	0	1,818,000
(PL-11001) Dinah SummerHill Pedestrian/Bicycle Path	300,000	0	300,000
(PL-11002) California Avenue -Transit Hub Corridor Project	550,000	1,175,000	1,725,000
(PL-11003) Palo Alto Traffic Signal Central System Upgrade	400,000	0	400,000
(PL-11004) Alma Street Traffic Signal Improvements	699,000	0	699,000
(PL-12000) Transportation and Parking Improvements	0	1,675,000	1,675,000
(PO-05054) Street Lights Improvements	467,332	700,000	1,167,332
(PO-11000) Sign Reflectivity Upgrade	100,000	200,000	300,000
(PO-11001) Thermoplastic Marking and Striping	50,000	200,000	250,000
(RF-07001) Relocation of Landfill Facilities	1,500,000	0	1,500,000
(RF-10003) Drying Beds, Material Storage and Transfer Area	875,000	0	875,000
Total	\$26,252,845	\$29,014,000	\$55,266,845
Youth Well Being			
(PG-12006) Magical Bridge Playground	\$0	\$1,300,000	\$1,300,000
Total	\$0	\$1,300,000	\$1,300,000
Grand Total	\$81,954,666	\$69,104,000	\$151,058,666

City Council Transmittal Letter

INTERNAL SERVICE FUNDS

The Technology Fund has a total proposed CIP budget of \$2.6 million in FY 2012. Technology projects enhance service delivery to the community and to City staff through the efficient and effective implementation of information technology. Projects proposed for FY 2012 include:

- Enhancements to the City's Utility Customer Billing System
- Implementation of state-of-the-art Library software
- Replacement of the City's voice communications systems

In FY 2012, we continue our efforts to identify the optimal size and composition of the City's vehicle and equipment fleet. This has resulted in reductions to the size of the City's fleet and increased utilization. As this effort unfolds, replacements are limited to urgently needed vehicles and equipment. As such, the Vehicle Replacement Fund has no proposed CIP budget for FY 2012. Instead, vehicle replacements will be made on an as-needed-basis by Budget Amendment Ordinance.

PROJECT COORDINATION

As in the past, the City staff has planned proposed Utility capital projects, such as main replacements, to coincide with street projects. It would be problematic to accelerate scheduled street maintenance and sidewalk replacement projects because of the need to coordinate with Utility capital projects. Staff has also reviewed 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 in the future, since work may take place in park areas and may involve public right-of-way issues.

CAPITAL BUDGET AWARD

In February 2011, the City's 2011-2015 Capital Improvement Plan (CIP) Budget document received, for the fifth consecutive time, the "Excellence in Budgeting Award" from the California Society of Municipal Finance Officers (CSMFO). This 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 difficult economic times, the proposed Capital Plan was developed to meet Council's ongoing infrastructure priorities while optimizing City resources on the highest priority projects. By allocating \$35.9 million in the General Fund, \$34.4 million in Enterprise Funds, and \$2.6 million in Internal Service Funds in FY 2012, the City's current infrastructure priorities are being addressed. The City's ability to dedicate this level of resources to the CIP is due, in part, to a number of specific, one-time funding sources that support specialized efforts. For example, City voters approved Measure N in 2008, which will fund a comprehensive investment in City library facilities. In addition, a new playground at Mitchell Park will be funded by the Friends of the Magical Bridge. Although challenges lie ahead, significant strides are being made in bolstering

City Council Transmittal Letter

the physical foundation of our community. We must continue to make addressing the infrastructure funding gap a priority in order to protect the City's capital investments.



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 funds.

CITY COUNCIL TOP 5 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 5 City Council priorities for Fiscal Year 2012:

City Finances

Land Use and Transportation Planning

Emergency Preparedness

Environmental Sustainability

Community Collaboration for Youth Well Being

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 5 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 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 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 City Manager reviews and makes the final decision on the Proposed Plan. Changes initiated by the City Manager are incorporated into the Proposed Plan.

Staff solicits input from the Planning and Transportation Commission (PTC) on the Proposed Plan. Comments from the PTC and staff response to PTC's comments are reported to the Finance Committee during the public budget hearing.

APRIL:

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

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MAY/JUNE:

The City Manager formally presents the Proposed Plan to the City Council and subsequently to the Finance Committee which conducts 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 are criteria for qualification 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 and a build out to accommodate new workers. 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 evaluated based on the following eight criteria:

- Involves a mission-critical need that, if not addressed, would impede operational effectiveness
- Mitigates existing health and safety risks as identified by Public Works, Fire or Building Division inspectors, or prevents potential future health and safety risks
- Is the result of specific Council direction
- Is legally required for compliance with codes or laws
- Has leverage funding through private/public partnership, government grants, development impact fees, special revenues or enterprise funds
- Impacts the sustainability of the community - the ability of the community to meet its current needs without compromising the ability of future generations to meet their own needs
- Meets community priorities or serves a Council-identified need of a segment of the community such as youth or seniors
- Has revenue generating potential that may cover the cost of the project

The Capital Budget Process and Document

A General Fund (GF) CIP Committee (composed of City staff from the Public Works, Community Services, Planning and Community Environment and Administrative Services Departments) reviews all GF CIP projects submitted by City departments. The projects are ranked using a prioritization matrix. Each project is evaluated and assigned a value point for each prioritization criteria indicated above. All the scores are summed, and projects are ranked according to the total score received.

Once the ranking of projects has been established, another round of review begins. This time, the projects are reviewed again by the Committee with input from the City Manager and various stakeholders (e.g. Planning and Transportation Committee). The ranking of the projects may be rearranged according to the input received and funding availability.

The prioritization of Enterprise Fund CIP projects are established by the department that manages the enterprise fund. Often the prioritization of CIP projects is dictated either by the department's operational needs, CIP strategic plan, oversight committee and/or specific Council direction.

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, which 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 for open projects.

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

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

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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.

FUND STRUCTURE AND ACCOUNTING BASIS

The accounts of the City are made up of funds that help organize and account for restricted resources. A fund is defined as a fiscal and accounting entity with a 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.

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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 2012 through FY 2016.

Projects are presented within this volume under the following categories:

GENERAL FUND

- 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 “2012-16 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 document is titled “FY 2011 Adopted CIP Projects” and is located after the financial summary tables.

Maps are also included within the general fund infrastructure management plan and utility fund sections, which show where various infrastructure management plan projects, undergrounding, system rebuild, gas

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and water main replacement projects will occur over the next five years. Finally, a glossary of terms at the end of the volume defines frequently used terms.

UNDERSTANDING THE DETAILS

PROJECT NUMBERING SEQUENCE

The project number comprises 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 to the left 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	Administrative 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
- 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, 2010, compared to the total project budget

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- 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 on 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, 2010
- Sources of Funding - indicates fund(s) or external revenue source(s) that will be financing the project
- 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: new program salaries and benefits, program supplies/materials costs, and other costs
 - Telecommunications: describes estimated annual project costs for telecommunications equipment needed to implement the project
- Comprehensive Plan section - indicates how the project furthers the implementation of the Comprehensive Plan, 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 "2011-21 Long Range Financial Forecast" (LRFF) was presented to the City Council Finance Committee in February 2011 (CMR: 1315). The LRFF identified key issues that will guide the upcoming Fiscal Year 2012 budget process and affect the City's future financial condition. It is a tool for Council's use in making policy decisions regarding the allocation of resources. The LRFF, with its ten-year revenue and expense forecast, is the foundation upon which this budget is constructed.

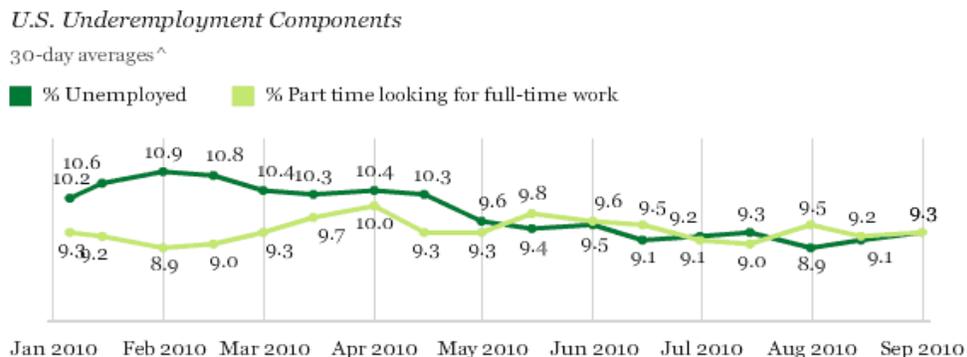
A complete copy of the LRFF is available at the City's web site: <http://www.cityofpaloalto.org/civica/filebank/blobload.asp?BlobID=26542>

An excerpt of the state and local economic outlook as of January 2011 is provided below.

STATE AND LOCAL ECONOMIC OUTLOOK

The Great Recession was declared officially over as of June 2009 by the National Bureau of Economic Research; yet there remain 15 million unemployed American workers, the housing market shows underwhelming evidence of a rebound, and the general recovery is painfully slow. Moreover, there is an unprecedented disconnect between rising corporate profits and the rate of job creation.

U.S. unemployment remained in the 9.6% range for the third quarter of 2010, jumping to 9.8% in November, before dropping to 9.4% in December. Moreover, the unemployment statistics are part of a broader problem of the underemployed and long-term unemployed. The U.S. Department of Labor uses a measure known as U-6 to quantify both the unemployed and others working part-time who want full-time work but cannot find it. The Department's November Job report showed the U-6 rate increased to 17.1% in September from 16.7% in August, and decreased slightly to 17.0% in October and November, then to 16.7% in December. That 16.7% underemployment rate translates into 14.8 million Americans unemployed, and another 7 million underemployed, to total about 22 million Americans who want full-time work but cannot find it. Furthermore, 6 million people have been unemployed for longer than 6 months. Many of these people will face challenges reintegrating into the industries from which they came.



^ Numbers reflect rolling averages for the 30-day periods ending Jan. 6, Jan. 15, and Jan. 31, and on the 15th and the last day of each month from February through Aug. 31, 2010

Source: Gallup

Summary of Capital Improvement Program Revenues

The housing market is showing tepid recovery, with large variations by region and area. Pending sales of U.S. existing houses unexpectedly jumped by a record 10 percent in October, following a 1.8 percent drop in September. Many took this as a sign that the housing industry was in recovery, yet the October 2010 figures were 22 percent below pending sales of October 2009.

In California, home prices have largely stabilized in the \$250,000 range, after declining some 57% from the peak to the trough of the housing market.

In Santa Clara County, a 13-month trend of year-over-year home price increases was reversed in November by a sharp 7.3 percent drop in the median price to \$510,000, as reported by DataQuick, a real estate information service. In San Mateo County, the median price dropped 3.7 percent or \$617,500 from a year ago, and sales dipped 2.7 percent. However, sales in the high end were strong in San Mateo County. One DataQuick analyst observed, "It all varies at the neighborhood level, and the bigger picture is that home prices are essentially flat across the board."

"California's recession started even earlier than the nation's and was deeper. While U.S. employment dropped about 5 percent since 2007, employment in CA declined 9 percent (1.4 million jobs). Unemployment in the state - under 5 percent as recently as 2006 - has topped 12 percent for over a year now, with only 53,000 jobs recovered out of the 1.4 million lost. In 2009, personal income in California actually dropped 2.4 percent - the first annual decline since 1933." As recently as August, the state's unemployment rate rose by 0.1% to 12.4 percent after declining or holding steady for the last 4 months.

The main cause of the state's economic implosion has been the housing market, and for now the collapse of the state's residential housing sector appears to have ended, but growth is expected to be very weak. Moreover the state's construction sector - having endured a crushing 40 percent employment decline since 2007-is not on track to regain its pre-recession strength in the foreseeable future.

Nationally, consumers are spending more, but month-to-month results vary. The Conference Board Consumer Confidence Index, which had improved in November, decreased slightly in December. The Index now stands at 52.5 (1985=100), down from 54.3 in November. This index is based on a survey of 5,000 US households.

Consumers' holiday spending was improved compared to last year, but not as much as analysts had hoped, based on positive November data. October retail levels had climbed by the most in seven months, with purchases rising 1.2% over the previous month, and 7.3 percent above October 2009. This rise was led by a 5% gain among auto dealers, compared to September, and sales excluding automobiles advanced just 0.4%. At the same time, American's personal income grew at a faster pace than it had for much of the year, and consumer spending expanded.

As California's Legislative Analysts Office (LAO) describes it, "the slow recovery results from a combination of (1) excess inventories of residential and commercial real estate, (2) severely depressed economic confidence among both individuals and firms, and (3) for many consumers, a considerably weakened financial capacity to spend and invest.... While businesses have been spending more in recent quarters to address equipment, software, and other needs they deferred during the recession, they remain very reluctant to hire."

Summary of Capital Improvement Program Revenues

In the last month or so, some businesses have noticed a pick-up in the job market. An executive from Sterling Infosystems, a firm that helps companies screen employees, said, “A year ago this time most people were holding on to jobs, and very few people were quitting. Now you've got churn. People are leaving and being replaced. That's what gets things going again.”

Furthermore, since its trough in June 2009, the Federal Reserve's index of industrial production is up almost 10%. Part of this is due to strong demand from abroad as the rest of the world recovers from the global downturn.

PROJECTIONS

The U.S. can expect “very sluggish growth” for the foreseeable future. Beacon Economics, a California-based economic research and analysis firm, projected in early November that the national unemployment rate would stay above 8 percent until the 3rd quarter of 2012. The State Legislative Analyst's Office (LAO) was even more pessimistic, predicting that unemployment would remain above 9 percent throughout 2012; Most pessimistic of all, a New York Times article January 9 predicted that “at the current rate, the economy will need 72 to 90 months [- that is, at least six years -] to recapture the jobs lost during the Great Recession. And that does not account for the five million jobs needed to keep pace with a growing population.”

In California, Beacon forecasted an unemployment rate above 12 percent through 2nd quarter 2011, dipping to 10% in late 2012, and that “it will be well into 2015 before California reaches its pre-recession peak of 15.2 million jobs.” In Silicon Valley, while the overall regional economy is improving, hiring has not picked up significantly.

The Bay Area Council released its fall Business Confidence Survey in December, and the results show that Bay Area CEO's and executives are feeling more positive about the Bay Area economy, however, they expect the current status quo of slow growth and recovery to continue. The business confidence index - the number that distills the survey findings - registered at 58 out of 100, up 2 points from the last survey, but still down 4 points from May. A reading over 50 signals positive economic times, while below 50 is negative. In January 2009, the index reached its all-time low of 31.

The Survey also indicated that a majority of executives, 56%, expect their workforces to remain the same over the next 6 months, while 27% of executives stated they planned to increase their workforce. 50% of Bay Area companies with over 10,000 employees expect to increase their workforce over the next six months, an increase of 41 points since last quarter's survey.

With unemployment at the relatively low rate of 5.8% in November 2010, Palo Alto has been spared the higher unemployment rates experienced by the rest of Santa Clara County, which remained at 10.8% in November. Yet Palo Alto's unemployment rate was more than double its 2007 pre-recession rate of 2.5%.

Unemployment Rates	Nov 2007	Nov 2008	Nov 2009	Nov 2010
Santa Clara County	4.7%	7.0%	11.5%	10.8%
City of Palo Alto	2.5%	3.7%	6.2%	5.8%

Source: California Employment Development Department

Summary of Capital Improvement Program Revenues

CIP FUNDING SOURCES

The 2012-2016 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 2011-2015 CIP Plan.

Revenue Source (\$000's)	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Total 2012-2016 CIP Plan	Total 2011-2015 CIP Plan	Difference
Capital Fund								
Infrastructure Reserve	\$8,127	\$11,032	\$12,397	\$11,018	\$9,408	\$51,982	\$56,132	(\$4,150)
Transfer from General Fund	\$1,634	\$1,681	\$1,730	\$1,763	\$1,814	\$8,622	\$8,089	\$533
Gas Tax	\$2,150	\$1,650	\$1,625	\$1,625	\$1,625	\$8,675	\$4,150	\$4,525
General Obligation Bonds	\$16,150	\$0	\$0	\$0	\$0	\$16,150	\$18,300	(\$2,150)
Development Impact Fees	\$47	\$220	\$0	\$220	\$0	\$487	\$440	\$47
Other Agencies	\$5,829	\$1,600	\$0	\$0	\$0	\$7,429	\$1,210	\$6,219
Transfer from Enterprise Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$260	(\$260)
Total	\$33,937	\$16,183	\$15,752	\$14,626	\$12,847	\$93,345	\$88,581	\$4,764
Enterprise Funds								
Utility Rate Charges	\$21,537	\$28,642	\$28,260	\$29,861	\$28,767	\$137,067	\$144,680	(\$7,613)
Fees and Charges	\$4,045	\$3,829	\$4,194	\$4,321	\$3,714	\$20,103	\$18,762	\$1,341
Storm Drainage Fee	\$2,305	\$3,130	\$2,352	\$2,466	\$2,559	\$12,812	\$10,746	\$2,066
Transfers between Enterprise	\$67	\$1,400	\$2,067	\$2,067	\$2,000	\$7,601	\$8,108	(\$507)
Water Revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$3,500	(\$3,500)
Cash Accumulated To Pay For the Landfill Closure and Post-Closure Care Liability	\$6,100	\$0	\$0	\$0	\$0	\$6,100	\$6,700	(\$600)
Partner Agencies	\$0	\$1,200	\$2,500	\$2,600	\$2,650	\$8,950	\$13,100	(\$4,150)
Grant	\$0	\$0	\$0	\$0	\$8,000	\$8,000	\$0	\$8,000
Total	\$34,054	\$38,201	\$39,373	\$41,315	\$47,690	\$200,633	\$205,596	(\$4,963)
Internal Service Funds								
Fund Balance	\$1,380	\$1,686	\$2,321	\$3,393	\$3,013	\$11,793	\$16,125	(\$4,332)
Transfer from Enterprise Funds	\$951	\$270	\$270	\$270	\$270	\$2,031	\$4,529	(\$2,498)
Stanford University	\$16	\$16	\$16	\$16	\$16	\$80	264	(\$184)
Total	\$2,347	\$1,972	\$2,607	\$3,679	\$3,299	\$13,904	\$20,918	(\$7,014)
Grand Total	\$70,338	\$56,356	\$57,732	\$59,620	\$63,836	\$307,882	\$315,095	(\$7,213)

Summary of Capital Improvement Program Revenues

INFRASTRUCTURE RESERVE

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. From time to time, the Council has used the IR to fund new capital projects. However, the Council has not changed the original policy of prioritizing 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 the IR to be continually funded to 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 \$8.6 million a year. The transfer is adjusted by a consumer price index each year.

TRANSFER FROM GENERAL FUND

In addition to the \$8.6 million annual commitment of the General Fund to the Infrastructure Reserve, the General Fund also provides 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 assigned to manage the capital projects. The total transfer (which includes the base transfer of \$8.6 million) from the General Fund to the Infrastructure Reserve for Fiscal Year 2012 is \$11 million.

TRANSFER FROM ENTERPRISE FUNDS

The City of Palo Alto has eight Enterprise Funds, and each fund is a separate fiscal entity. Each Enterprise Fund shares the cost of the General Fund CIP project, if the project contributes to the Enterprise Fund's operations. In the 2012-2016 CIP Plan, there are no CIP projects identified that require funding from the Enterprise Funds.

GAS TAX FUND

The Gas Tax Fund accounts for revenues received from the State gas tax and Federal and State grants earmarked for street improvements. Use of this fund is restricted to maintenance of the road network system of the City. Gas tax supports CIP Project Street Maintenance (PE-86070), Bicycle Boulevard Implementation (PL-04010), and Transportation and Parking Improvements (PL-12000). An operating transfer from the Gas Tax Fund to the Capital Fund reimburses the cost of these projects.

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). In June 2010, the City successfully sold the first of two series of General Obligation bonds, providing \$58.5 million in construction funds for the library and community center projects. The City plans to issue a second series of bonds in 2012 to complete the Measure N financing effort.

Summary of Capital Improvement Program Revenues

DEVELOPMENT IMPACT FEES

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 qualifies for funding. The Capital project supported by development impact fees in the 2012-2016 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). These fees are collected in the General Fund and are transferred to the Capital Project Fund as part of the annual transfer to the Infrastructure Reserve.

OTHER AGENCIES

The City partners with local agencies to provide support to certain capital projects. In Fiscal Year 2012, the City will receive a total of \$5.8 million from three agencies: \$1.7 million from the Valley Transit Authority (VTA) for the support of the Safe Route To School Project (PL-00026) and the California Avenue Transit Hub Corridor Project (PL-11002); \$3.1 million from the Friends of the Palo Alto Library (FOPAL) for the purchase of new furniture, equipment and technology for the Measure N bond projects at the new Mitchell Park Library and Community Center (PE-09006), the expanded and renovated Main Library (PE-11000) and renovated Downtown Library (PE-09005); \$1.0 million from the Friends of the Magical Bridge for the building of a new 18,000-sq ft playground on an undeveloped eastern corner of Mitchell Park.

In Fiscal Year 2011, the City received a grant of \$1.2 million from VTA Streetscape Community Design and Transportation for the El Camino Real/Stanford Avenue Streetscape and Intersection Improvements (PL-07002).

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 2012-2016 CIP Plan, four undergrounding projects are planned, and the estimated reimbursements from Telecommunication companies during this period are \$2.6 million.

Summary of Capital Improvement Program Revenues

The list 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	2012-2016 CIP Plan Revenues	Description
Fiber Optics Fund	Fiber Optic Customer Connections FO-10000	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	\$4,625,000	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	\$3,702,000	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	\$3,605,000	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	\$3,816,000	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.

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 for modest Storm Drainage Fee increases, based on an annual local consumer price index (CPI) or 6 percent, whichever is less. In Fiscal Year 2012, a fee increase was proposed based on a 1.5 percent CPI. 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 (to end in FY 2017) 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.

Summary of Capital Improvement Program Revenues

TRANSFERS WITHIN ENTERPRISE FUNDS

CIP projects that benefit multiple enterprise funds are funded by the beneficiary funds.

One project is the application of the Geographic Information System (GIS) (WS-02014) that benefit the Water, Gas and Wastewater Collection Funds. The Water Fund hosts the GIS project, and the Gas and Wastewater Collection Fund reimburse the Water Fund for their share of the project cost.

Another project is the Smart Grid Technology project (EL-11014) which will benefit the Electric, Gas and Water Funds. The Electric Fund hosts the Smart Grid Technology project. The Gas and Water Funds reimburse the Electric Fund for their share of the project cost.

WATER REVENUE BONDS

In FY 2010, the City issued water revenue bonds in the amount of \$35 million to fund the Emergency Water Supply project (WQ-08002). See the Debt Policy and Obligations section of this budget document for more details of the Water Revenue Bonds.

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 discontinues accepting waste, and 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. The estimated cost to put a final closure on the landfill open area is \$6.7 million.

PARTNER AGENCIES

The Cities of Palo Alto, Mountain View and Los Altos (the partners) participate jointly in the cost of maintaining and operating the City of Palo Alto Regional Water Quality Control Plant. The City of Palo Alto is the owner and the administrator of the Plant. The other partner agencies (City of Mountain View and Los Altos) reimburse the City for their share in the cost of CIP projects.

GRANTS

The Water Fund contains a proposed project that would expand the existing Recycled water delivery system and provide another supply source to the Stanford Research area of the City (WS-07001). The success of this project depends on the ability of the City to find a grant or other funding source.

Summary of Capital Improvement Program Revenues

INTERNAL SERVICE FUNDS

An Internal Service Fund (ISF) is a means of accumulating costs related to a given activity on an accrual basis so that the costs can subsequently be allocated to the benefiting funds in the form of fees or charges. Reimbursements from benefiting funds provide the funding source for these projects.

The Technology Fund has eight proposed CIP projects in FY 2012 in the total amount of \$2.3 million. Other Internal Service Funds, such as the Vehicle Replacement Fund, have no proposed CIP projects in FY 2012. Replacement of vehicles and equipment are limited to urgently needed vehicles and equipment, and replacements will be made on as needed-basis by Budget Amendment Ordinance.

REIMBURSEMENTS FROM GENERAL FUND AND ENTERPRISE FUNDS

The General Fund and Enterprise Funds (comprising nine funds) provide funding for their share of CIP Projects in the Internal Service Funds (ISF). ISFs (Vehicle Replacement, Printing and Mailing, and Technology Funds) allocate all CIP project costs to the appropriate funds, which then transfer to the ISFs the allocated reimbursement amounts. These reimbursements are reflected as revenue on the ISFs financial summary.

STANFORD UNIVERSITY

Stanford University pays a portion of the cost of certain CIP projects in the Technology Fund as part of the agreement with Stanford University as the City provides public safety services, which include Fire and communication.

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. To achieve this priority, the City funds its regular and ongoing capital needs primarily 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

It is appropriate to consider debt financing for capital improvements but not for operating budget items. It is the City’s policy that 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, a significant backlog of capital improvements has developed, and that backlog cannot be addressed through the ongoing capital budget without having a significant impact on utility rates
- 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 \$21.9 billion for the fiscal year ending June 30, 2010, the City is limited to general obligation indebtedness of \$0.8 billion. As of June 30, 2010, the amount of debt applicable to the debt limit is \$55.3 million. The City is nowhere near its legal debt limit.



Debt Policy and Obligations

DEBT OBLIGATIONS

Summaries of City of Palo Alto debt activity for Fiscal Year 2011 are provided in the following section.

	Original Issue Amount	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2011	Current Portion
Governmental Activity Debt:						
<i>General Long Term Obligations:</i>						
1998 Golf Course Certificates of Participation						
4.00-5.00%, due 09/01/2018	\$7,750	\$4,060		\$370	\$3,690	\$385
2002A Civic Center Refinancing						
Certificates of Participation						
2.00-4.00%, due 03/01/2012	3,500	795		390	405	405
2002B Downtown Parking Improvements						
Certificates of Participation						
4.55-6.00%, due 03/01/2022	3,555	1,910		110	1,800	115
2010A General Obligation Bonds						
2.00-5.00%, due 08/01/2040	55,305	55,305		765	54,540	765
Total Governmental Activity Debt	\$70,110	\$62,070	\$0	\$1,635	\$60,435	\$1,670
Business-type Activity Debt:						
<i>Enterprise Long Term Obligations:</i>						
Utility Revenue Bonds,						
1995 Series A, 5.00-6.25%, due 06/01/2020	\$8,640	\$4,969		\$375	\$4,594	\$395
1999 Refunding, 3.25-5.25%, due 06/01/2024	17,735	13,235		520	12,715	550
2002 Series A, 3.00-5.00%, due 06/01/2026	26,055	18,885		835	18,050	870
Less: unamortized discount/ issuance cost		(1,312)		(91)	(1,221)	
Water Revenue Bonds						
2009 Series A, 1.80 - 4.65%, due 06/02/2035	35,015	35,015		825	34,190	835
Energy Tax Credit Bonds						
2007 Series A, 0%, due 12/15/2021	1,500	1,200		100	1,100	100
State Water Resources Loan						
2007, 0%, due 6/30/2029	9,000	8,550		450	8,100	450
2009, 2.6%, due 11/30/2030	8,500	4,530	3,970		8,500	199
Less: unamortized discount/ issuance cost		(1,425)		(75)	(1,350)	
	\$106,445	\$83,647	\$3,970	\$2,939	\$84,678	\$3,399

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.

Debt Policy and Obligations

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.

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's available funds.

On January 25, 2005, the City defeased \$900 thousand of the 2002B Downtown Parking Improvements Certificates of Participation. By placing surplus cash from the Civic Center Refinancing and Downtown Parking Improvement Project Construction account into an irrevocable trust to provide for future debt payments. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the financial statements. The outstanding amount of the defeased debt at June 30, 2010, was \$700 thousand. The defeasance resulted in an overall debt service savings of \$1.5 million and an economic gain of \$462 thousand.

2010 General Obligation Bonds: On June 30, 2010, the City issued \$55.3 million of General Obligation (GO) bonds to finance costs for constructing a new Mitchell Park Library and Community Center, as well as substantial improvements to the Main Library and the Downtown Library. Principal payments are due annually on August 1, and interest payments semi-annually on February 1 and August 1 from 2.0 percent to 5.0 percent, and are payable from property tax revenues.

The pledge of future Net Revenues for the above funds ends upon repayment of the \$58.5 million in remaining debt service on the bonds, which is scheduled to occur in 2041. In FY 2010, there were no debt service payments due.

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 and the Fiber Optics 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.

The pledge of future Net Revenues for the above funds ends upon repayment of the \$4.969 million in remaining debt service on the bonds, which is scheduled to occur in 2020. For fiscal year 2010, Net Revenues, including operating revenues and non-operating interest earnings, amounted to \$244.681 million, and operating costs, including operating expenses but not interest, depreciation or amortization, amounted to \$190.782 million. Net Revenues available for debt service amounted to \$53.899, million which represented coverage of 79.15 times over the \$681 thousand in debt service.

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,

Debt Policy and Obligations

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.

The pledge of future Net Revenues for the above funds ends upon repayment of the \$13.235 million in remaining debt service on the bonds which is scheduled to occur in 2024. For fiscal year 2010, Net Revenues, including operating revenues and non-operating interest earnings, amounted to \$39.214 million; operating costs including operating expenses but not interest, depreciation or amortization and amounted to \$27.378 million. Net Revenues available for debt service amounted to \$11.836 million, which represents coverage of 9.78 times over the \$1.21 million in debt service.

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 and 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.

The pledge of future Net Revenues for the above funds ends upon repayment of the \$18.89 million in remaining debt service on the bonds which is scheduled to occur in 2026. For fiscal year 2010, Net Revenues, including operating revenues and non-operating interest earnings, amounted to \$74.224 million; operating costs, including operating expenses but not interest, depreciation or amortization, amounted to \$55.988 million. Net Revenue available for debt service amounted to \$18.236 million, which represented coverage of 10.57 times over the \$1.725 million in debt service.

2007 Electric System Clean Renewable Energy Tax Credit Bonds. On November 1, 2007 the City issued \$1.5 million of Electric Utility Clean Renewable Energy Tax Credit Bonds (CREBS), 2007 Series A, to finance the City's photovoltaic solar panel project. The bonds do not bear interest. In lieu of receiving periodic interest payments, bondholders are allowed federal income tax credit in an amount equal to a credit rate for such CREBS multiplied by the outstanding principal amount of the CREBS owned by the bondholders. The Bonds are payable solely from and secured solely by a pledge of the Net Revenues of the Electric system and other funds pledged therefore under the Indenture.

The pledge of future Electric Fund Net Revenues ends upon repayment of the \$1.2 million in remaining debt service on the bonds, which is scheduled to occur in 2021. For FY 2010, Net Revenues, including operating revenues and non-operating interest earnings, amounted to \$127.651 million; operating costs, including operating expenses but not interest, depreciation or amortization, amounted to \$106.211 million. Net Revenues available for debt service amounted to \$21.44 million, which represented coverage of 214.4 times over the \$0.1 million in debt service.

Debt Policy and Obligations

2009 Water Revenue Bonds, Series A: On October 6, 2009, the City issued Water Revenue Bonds to finance certain improvements to the City's water utility system. Principal payments are due annually on June 1, and interest payments are due semi-annually on June 1 and December 1, from 1.80 percent to 5.95 percent. The 2009 were issued as bonds designated as "Direct Payment Build America Bonds" under the provisions of the of the American Recovery and Reinvestment Act of 2009 ("Build America Bonds"). The City expects to receive a cash subsidy payment from the United States Treasury equal to 35 percent of the interest payable on the 2009 bonds. The lien on the 1995 Bonds on the Net Revenues is senior to the lien on Net Revenues securing the 2009 Bonds and the 2002 Bonds. The City received the first cash subsidy payments amounting to \$360,797, which is 35 percent of the first interest payment due on June 1, 2010.

The pledge of future Net Revenues for the above fund ends upon repayment of the \$35 million in remaining debt service on the bonds, which is scheduled to occur in 2035. For FY 2010, Net Revenues, including operating revenues and non-operating interest earnings amounted to \$28 million; operating costs, including operating expenses but not interest, depreciation or amortization, amounted to \$19.4 million. Net Revenues available for debt service amounted to \$8.6 million, which represented coverage of 8.33 times over the \$1million in debt service.

2007 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 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. Concurrently with the loan, the City entered into various other agreements including a cost sharing arrangement with the City of Mountain View. Pursuant to that agreement, City of Mountain View agreed to finance a portion of the project with a \$5 million loan repayable to the City. This loan has been recorded as "Due from other government agencies" in the financial statements.

2009 State Water Resources Loan: In October 2009, the City approved an \$8.5 million loan agreement with the State Water Resources Control Board (SWRCB) to finance the City's Ultraviolet Disinfection project. Loan proceeds are drawn down as the project progresses and annual debt service payments commence on November 30, 2010.

FINANCIAL SUMMARY

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2012-16 CIP Summary by Fund

(\$000) Fund Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
CAPITAL FUND	\$33,937	\$16,183	\$15,752	\$14,626	\$12,847	\$93,345
<i>Total Reimbursements</i>	(25,762)	(5,151)	(3,355)	(3,608)	(3,439)	\$(41,315)
NET CAPITAL FUND	\$8,176	\$11,031	\$12,397	\$11,018	\$9,408	\$52,030
VEHICLE REPLACEMENT FUND	\$0	\$1,332	\$2,182	\$3,254	\$2,874	\$9,642
<i>Total Reimbursements</i>	0	0	0	0	0	\$0
NET VEHICLE REPLACEMENT FUND	\$0	\$1,332	\$2,182	\$3,254	\$2,874	\$9,642
TECHNOLOGY FUND	\$2,347	\$640	\$425	\$425	\$425	\$4,262
<i>Total Reimbursements</i>	(817)	(286)	(286)	(286)	(286)	\$(1,961)
NET TECHNOLOGY FUND	\$1,530	\$354	\$139	\$139	\$139	\$2,301
ELECTRIC FUND	\$8,685	\$11,405	\$14,205	\$12,710	\$10,590	\$57,595
<i>Total Reimbursements</i>	(1,695)	(2,783)	(3,785)	(3,870)	(3,180)	\$(15,313)
NET ELECTRIC FUND	\$6,990	\$8,622	\$10,420	\$8,840	\$7,410	\$42,282
FIBER OPTICS FUND	\$500	\$500	\$500	\$400	\$400	\$2,300
<i>Total Reimbursements</i>	(200)	(200)	(200)	(200)	(200)	\$(1,000)
NET FIBER OPTICS FUND	\$300	\$300	\$300	\$200	\$200	\$1,300
GAS FUND	\$7,821	\$8,188	\$5,387	\$5,435	\$5,599	\$32,430
<i>Total Reimbursements</i>	(710)	(720)	(730)	(752)	(790)	\$(3,702)
NET GAS FUND	\$7,111	\$7,468	\$4,657	\$4,683	\$4,809	\$28,728
WATER FUND	\$4,369	\$9,424	\$9,913	\$13,051	\$21,099	\$57,856
<i>Total Reimbursements</i>	(767)	(776)	(785)	(795)	(8,750)	\$(11,873)
NET WATER FUND	\$3,602	\$8,648	\$9,128	\$12,256	\$12,349	\$45,983

2012-16 CIP Summary by Fund

(\$000) Fund Category	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
WASTEWATER COLLECTION FUND	\$4,274	\$4,354	\$4,516	\$4,653	\$4,793	\$22,590
<i>Total Reimbursements</i>	(740)	(750)	(761)	(771)	(794)	\$(3,816)
NET WASTEWATER COLLECTION FUND	\$3,534	\$3,604	\$3,755	\$3,882	\$3,999	\$18,774
REFUSE FUND	\$6,100	\$0	\$0	\$0	\$0	\$6,100
<i>Total Reimbursements</i>	0	0	0	0	0	\$0
NET REFUSE FUND	\$6,100	\$0	\$0	\$0	\$0	\$6,100
WASTEWATER TREATMENT FUND	\$0	\$1,200	\$2,500	\$2,600	\$2,650	\$8,950
<i>Total Reimbursements</i>	0	0	0	0	0	\$0
NET WASTEWATER TREATMENT FUND	\$0	\$1,200	\$2,500	\$2,600	\$2,650	\$8,950
STORM DRAINAGE FUND	\$2,305	\$3,130	\$2,352	\$2,466	\$2,559	\$12,812
<i>Total Reimbursements</i>	0	0	0	0	0	\$0
NET STORM DRAINAGE FUND	\$2,305	\$3,130	\$2,352	\$2,466	\$2,559	\$12,812
TOTAL CIP COSTS (ALL FUNDS)	\$70,338	\$56,355	\$57,732	\$59,620	\$63,836	\$307,881
<i>Total Reimbursements</i>	(30,690)	(10,666)	(9,902)	(10,282)	(17,438)	\$(78,979)
NET CIP COSTS	\$39,647	\$45,689	\$47,830	\$49,338	\$46,397	\$228,902

CIP General Fund Financial Summary

FUND SUMMARY

(\$000)	FY 2010 Actuals	FY 2011 Adopted Budget	FY 2011 Adjusted Budget	FY 2012 Adopted Budget	FY 2012 Budget Change
Revenues					
Bond Proceeds	59,071	1,400	2,303	16,150	13,847
Other Agencies	78	1,210	1,210	5,828	4,618
State of California	585	0	164	0	(164)
Federal Grants	1,033	0	1,099	0	(1,099)
Stanford University	27	0	0	0	0
Investment Income	1,002	1,035	1,035	1,075	40
Other Revenue	532	0	275	0	(275)
SUBTOTAL REVENUES	\$62,329	\$3,645	\$6,086	\$23,053	\$16,967
Operating Transfers In					
General Fund	9,900	9,802	9,802	10,978	1,175
Street Improvement Fund	1,315	750	750	2,150	1,400
Developers Impact Fee-Park Fund	0	220	220	0	(220)
Utility Funds	86	153	263	0	(263)
California Avenue Parking District Permits Fund	67	0	0	0	0
Public Donation Fund	0	0	55	0	(55)
Charleston Arastradero Safety Impact Fees Fund	82	82	82	47	(35)
Law Enforcement Services Fund	0	0	30	0	(30)
SUBTOTAL OPERATING TRANSFERS IN	\$11,450	\$11,007	\$11,202	\$13,175	\$1,973
TOTAL SOURCE OF FUNDS	\$73,779	\$14,652	\$17,288	\$36,228	\$18,940
Expenses					
Salaries and Benefits	3,331	3,365	3,464	3,387	(77)
Capital Project Expenditures	20,361	17,708	19,939	30,550	10,611
SUBTOTAL EXPENSES	\$23,692	\$21,073	\$23,403	\$33,937	\$10,535
Operating Transfers Out	4,357	0	747	0	(747)
TOTAL USE OF FUNDS	\$28,049	\$21,073	\$24,150	\$33,937	\$9,788
NET TO (FROM) RESERVES	\$45,730	\$(6,420)	\$(6,862)	\$2,291	\$9,152
INFRASTRUCTURE RESERVE YEAR-END BALANCE	\$8,648	\$2,547	\$2,087	\$4,378	\$2,291

2012-16 Capital Improvement Projects

(\$000) CIP Number	Project Title	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
KEY							
Shaded areas denote new projects							
TBD To Be Determined							
<i>Italicized</i> text indicates reimbursement							
Capital Fund							
Buildings and Facilities							
PF-12004	City-Wide Backflow Preventer Installation	250	0	0	0	0	\$250
PF-12005	Council Conference Room Renovations	125	0	0	0	0	\$125
PF-15003	Cubberley Auditorium Roof Replacement	0	0	0	151	0	\$151
PF-16000	Cubberley Community Center Site-Wide Electrical Systems Replacement	0	0	0	150	1,000	\$1,150
PE-14012	Junior Museum & Zoo Improvements	0	0	0	0	849	\$849
AC-12001	Junior Museum & Zoo Perimeter Fence and Footpath	50	0	0	0	0	\$50
PF-15002	Lucie Stern Theater Electrical Systems Replacement	0	0	170	0	0	\$170
PE-12004	Municipal Services Center Facilities Study	100	0	0	0	0	\$100
PF-12001	Parks & PWD Tree Shop Space Improvements	375	0	0	0	0	\$375
PF-93009	Americans with Disabilities Act Compliance	150	100	100	100	100	\$550
PF-07002	Baylands Interpretive Center Improvement	0	0	0	267	0	\$267
PF-01003	Building Systems Improvements	100	100	100	100	100	\$500
PF-09000	Children's Theatre Improvements	100	500	0	0	0	\$600
PE-09003	City Facility Parking Lot Maintenance	100	100	100	100	100	\$500
PF-11001	Council Chamber Carpet Replacement	0	80	0	0	0	\$80
PF-13002	Cubberley Mechanical and Electrical Upgrades	0	150	1,300	0	0	\$1,450

2012-16 Capital Improvement Projects

(\$000)							
CIP Number	Project Title	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
PF-02022	Facility Interior Finishes Replacement	105	105	105	105	105	\$525
PF-10002	Lot J Structure Repair	500	0	0	0	0	\$500
PF-13001	Lucie Stern Mechanical System Upgrade	0	100	400	0	0	\$500
PE-11000	Main Library New Construction and Improvements	16,150	0	0	0	0	\$16,150
	<i>Bonds</i>	(16,150)					\$(16,150)
PF-05002	Municipal Service Center Improvements	0	0	341	550	0	\$891
PF-15000	Rinconada Pool Locker Room	0	0	0	300	0	\$300
PF-00006	Roofing Replacement	150	150	150	150	150	\$750
PF-06002	Ventura Buildings Improvements	0	90	600	0	0	\$690
NET TOTAL BUILDINGS AND FACILITIES		\$2,105	\$1,475	\$3,366	\$1,973	\$2,404	\$11,323
Parks and Open Space							
PE-12012	Eleanor Pardee Park Improvements	674	0	0	0	0	\$674
PO-12003	Foothills Wildland Fire Mitigation Program	200	0	0	0	0	\$200
PE-12001	Golf Course Cart Path and Road	0	0	292	0	0	\$292
PG-12002	Golf Course Tree Maintenance	75	75	25	25	25	\$225
PO-12002	LATP Site Development Preparation and Security Improvements	250	0	0	0	0	\$250
PG-12006	Magical Bridge Playground	1,300	0	0	0	0	\$1,300
	<i>Local Agency Grant</i>	(1,000)					\$(1,000)
PG-12005	Relocate Power Poles for Soccer Field	100	0	0	0	0	\$100
PE-12003	Rinconada Park Master Plan and Design	150	0	0	0	0	\$150
PG-12004	Sarah Wallis Park Improvements	65	0	0	0	0	\$65

2012-16 Capital Improvement Projects

(\$000) CIP Number	Project Title	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
PG-12001	Stanford/Palo Alto Playing Fields Netting	50	0	0	0	0	\$50
PE-12002	Tree Wells - University Ave. Irrigation Alternatives	100	0	0	0	0	\$100
PG-06003	Benches, Signage, Fencing, Walkways, and Perimeter Landscaping	150	150	150	150	150	\$750
PE-06010	City Parks Improvements	0	440	200	200	200	\$1,040
OS-07000	Foothills Park Road Improvements	150	0	0	0	0	\$150
PG-11000	Hopkins Park Improvements (formerly PE-07001)	95	0	0	0	0	\$95
OS-09001	Off-Road Pathway Resurfacing and Repair	0	100	100	100	100	\$400
OS-00002	Open Space Lakes and Ponds Maintenance	50	0	60	0	60	\$170
OS-00001	Open Space Trails and Amenities	136	150	164	175	175	\$800
PG-09002	Park and Open Space Emergency Repairs	75	75	75	75	75	\$375
PE-06007	Park Restroom Installation	0	220	0	220	0	\$440
	<i>Development Impact Fees</i>		(220)		(220)		\$(440)
PE-08001	Rinconada Park Improvements	0	1,260	0	0	0	\$1,260
PG-11003	Scott Park Improvements (formerly PE-11004)	100	0	0	0	0	\$100
PE-14000	Stanford/Palo Alto Soccer Turf Replacement	0	100	625	0	0	\$725
PG-06001	Tennis and Basketball Court Resurfacing	30	30	30	30	30	\$150
PE-10002	Ventura Community Center and Park	25	0	0	0	0	\$25
NET TOTAL PARKS AND OPEN SPACE		\$2,775	\$2,380	\$1,721	\$755	\$815	\$8,446
Streets and Sidewalks							
PO-12001	Curb and Gutter Repairs	250	250	250	250	100	\$1,100
PL-12000	Transportation and Parking Improvements	750	250	225	225	225	\$1,675

2012-16 Capital Improvement Projects

(\$000) CIP Number	Project Title	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
	<i>Gas Tax Fund</i>	(750)	(250)	(225)	(225)	(225)	\$(1,675)
PO-12000	Wilkie Way Bridge Tile Deck Replacement	50	0	0	0	0	\$50
PL-04010	Bicycle & Pedestrian Transportation Plan - Implementation Project	50	50	50	50	50	\$250
PL-11002	California Avenue - Transit Hub Corridor Project	1,175	0	0	0	0	\$1,175
	<i>Local Agency Grant</i>	(1,175)					\$(1,175)
PE-13011	Charleston/Arastradero Corridor Project	0	1,000	1,000	2,000	0	\$4,000
PL-00026	Safe Routes to School	297	100	100	100	100	\$697
	<i>Gas Tax Fund</i>	(100)	(100)	(100)	(100)	(100)	\$(500)
	<i>Local Agency Grant</i>	(528)					\$(528)
PO-89003	Sidewalk Repairs	755	725	719	716	710	\$3,625
PO-11000	Sign Reflectivity Upgrade	50	50	50	50	0	\$200
PO-05054	Street Lights Improvements	130	135	140	145	150	\$700
	<i>General Fund</i>	(130)	(135)	(140)	(145)	(150)	\$(700)
PE-86070	Street Maintenance	1,408	3,754	3,754	3,754	3,754	\$16,422
	<i>Street Improvement Fund</i>	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)	\$(6,500)
PE-06011	Street Median Improvements	0	156	156	156	156	\$624
PO-11001	Thermoplastic Marking and Striping	50	50	50	50	0	\$200
PL-05030	Traffic Signal and ITS Upgrades	200	205	210	215	220	\$1,050
	<i>General Fund</i>	(200)	(205)	(210)	(215)	(220)	\$(1,050)
NET TOTAL STREETS AND SIDEWALKS		\$982	\$4,734	\$4,729	\$5,725	\$3,470	\$19,640
Miscellaneous							
FD-12000	ALS EKG Monitor Replacement	180	180	180	0	0	\$540
AC-86017	Art in Public Places	50	50	50	50	50	\$250
	<i>General Fund</i>	(50)	(50)	(50)	(50)	(50)	\$(250)

2012-16 Capital Improvement Projects

(\$000) CIP Number	Project Title	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
LB-11000	Furniture and Technology for Library Projects	3,125	1,600	0	0	0	\$4,725
	<i>Local Agency Grant</i>	(3,125)	(1,600)				\$(4,725)
AS-10000	Salaries and Benefits - General Fund CIP Projects	3,387	3,553	3,731	3,918	4,113	\$18,703
	<i>General Fund</i>	(1,254)	(1,291)	(1,330)	(1,353)	(1,394)	\$(6,622)
NET TOTAL MISCELLANEOUS		\$2,314	\$2,442	\$2,581	\$2,564	\$2,719	\$12,621
CAPITAL FUND		\$33,937	\$16,183	\$15,752	\$14,626	\$12,847	\$93,345
TOTAL REIMBURSEMENTS		\$(25,762)	\$(5,151)	\$(3,355)	\$(3,608)	\$(3,439)	\$(41,315)
NET CAPITAL FUND		\$8,176	\$11,031	\$12,397	\$11,018	\$9,408	\$52,030

Vehicle Replacement Fund

Miscellaneous

VR-16000	Scheduled Vehicle and Equipment Replacements	0	0	0	0	2,874	\$2,874
VR-15000	Scheduled Vehicle and Equipment Replacements	0	0	0	3,254	0	\$3,254
VR-13000	Scheduled Vehicle and Equipment Replacements	0	1,332	0	0	0	\$1,332
VR-14000	Scheduled Vehicle and Equipment Replacements	0	0	2,182	0	0	\$2,182
NET TOTAL MISCELLANEOUS		\$0	\$1,332	\$2,182	\$3,254	\$2,874	\$9,642
NET VEHICLE REPLACEMENT FUND		\$0	\$1,332	\$2,182	\$3,254	\$2,874	\$9,642

Technology Fund

Technology

TE-99010	Acquisition of New Computers	75	75	75	75	75	\$375
TE-11005	Implementation of New Utility Rate Structures	100	0	0	0	0	\$100
	<i>Enterprise Funds</i>	(100)					\$(100)
TE-11001	Library Computer System Software	350	0	0	0	0	\$350
TE-06001	Library RFID Implementation	150	215	0	0	0	\$365
TE-05000	Radio Infrastructure Replacement	100	100	100	100	100	\$500

2012-16 Capital Improvement Projects

(\$000) CIP Number	Project Title	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
	<i>Enterprise Funds</i>	(20)	(20)	(20)	(20)	(20)	\$(100)
	<i>Stanford</i>	(16)	(16)	(16)	(16)	(16)	\$(80)
TE-00010	Telephone System Replacement	1,422	0	0	0	0	\$1,422
	<i>Enterprise Funds</i>	(531)					\$(531)
TE-10001	Utilities Customer Billing System Continuous Improvements	150	250	250	250	250	\$1,150
	<i>Enterprise Funds</i>	(150)	(250)	(250)	(250)	(250)	\$(1,150)
NET TOTAL TECHNOLOGY		\$1,530	\$354	\$139	\$139	\$139	\$2,301
TECHNOLOGY FUND		\$2,347	\$640	\$425	\$425	\$425	\$4,262
TOTAL REIMBURSEMENTS		\$(817)	\$(286)	\$(286)	\$(286)	\$(286)	\$(1,961)
NET TECHNOLOGY FUND		\$1,530	\$354	\$139	\$139	\$139	\$2,301

Electric Fund

Distribution System - Customer Design and Connection Services

EL-89028	Electric Customer Connections	2,000	2,100	2,200	2,300	2,400	\$11,000
	<i>Others</i>	(850)	(900)	(925)	(950)	(1,000)	\$(4,625)
NET TOTAL DISTRIBUTION SYSTEM - CUSTOMER DESIGN AND CONNECTION SERVICES		\$1,150	\$1,200	\$1,275	\$1,350	\$1,400	\$6,375

Distribution System - System Improvements

EL-12002	Hanover 22 - Transformer Replacement	1,000	0	0	0	0	\$1,000
EL-14000	Coleridge/Cowper/Tennyson 4/12 kV Conversion	0	120	400	0	0	\$520
EL-13000	Edgewood / Wildwood 4 kV Tie	0	0	300	100	750	\$1,150
EL-98003	Electric System Improvements	1,200	2,300	2,400	2,450	2,500	\$10,850
	<i>Others</i>	(145)	(150)	(160)	(170)	(180)	\$(805)
EL-02011	Electric Utility GIS	100	0	0	0	0	\$100
EL-09002	Middlefield / Colorado 4/12 kV Conversion	150	0	0	0	0	\$150

2012-16 Capital Improvement Projects

(\$000) CIP Number	Project Title	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
EL-11007	Rebuild Greenhouse Condo Area	350	0	0	0	0	\$350
EL-12000	Rebuild UG District 12	0	80	700	300	0	\$1,080
EL-11003	Rebuild UG District 15	0	400	270	0	0	\$670
EL-13003	Rebuild UG District 16	0	300	0	0	0	\$300
EL-14002	Rebuild UG District 20	0	0	500	500	0	\$1,000
EL-11015	Reconductor 60kV Overhead Transmission System	700	700	700	0	0	\$2,100
EL-13002	Relocate Quarry Road/Hopkins Substations 60 kV Line (Lane A & B)	0	0	0	100	750	\$850
EL-02010	SCADA System Upgrades	200	50	55	60	65	\$430
EL-11000	Seale/Waverley 4/12 kV Conversion	0	400	0	0	0	\$400
EL-11014	Smart Grid Technology Installation	0	2,000	3,000	3,000	3,000	\$11,000
	<i>Enterprise Funds</i>		(1,333)	(2,000)	(2,000)	(2,000)	\$(7,333)
EL-11002	St. Francis/Oregon/Amarillo/Louis 4/12 kV Conversion	0	450	0	0	0	\$450
EL-89044	Substation Facility Improvements	165	170	180	185	190	\$890
EL-89038	Substation Protection Improvements	250	260	270	280	290	\$1,350
EL-08001	UG District 42 - Embarcadero Rd. (Between Emerson & Middlefield)	0	0	150	2,000	500	\$2,650
	<i>Others</i>				(750)		\$(750)
EL-11009	UG District 43 - Alma/Embarcadero	0	150	2,000	500	0	\$2,650
	<i>Others</i>			(700)			\$(700)
EL-12001	UG District 46 - Charleston/El Camino Real	150	800	150	0	0	\$1,100
	<i>Others</i>		(400)				\$(400)

2012-16 Capital Improvement Projects

(CIP) Number	Project Title	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
EL-11010	UG District 47 - Middlefield, Homer Avenue, Webster Street and Addison Avenue	1,500	200	0	0	0	\$1,700
	<i>Others</i>	(700)					\$(700)
NET TOTAL DISTRIBUTION SYSTEM - SYSTEM IMPROVEMENTS		\$4,920	\$6,497	\$8,215	\$6,555	\$5,865	\$32,052
General Services - Street Lights							
EL-10009	Street Light System Conversion Project	800	800	800	800	0	\$3,200
NET TOTAL GENERAL SERVICES - STREET LIGHTS		\$800	\$800	\$800	\$800	\$0	\$3,200
General Services - Communications							
EL-89031	Communications System Improvements	120	125	130	135	145	\$655
NET TOTAL GENERAL SERVICES - COMMUNICATIONS		\$120	\$125	\$130	\$135	\$145	\$655
ELECTRIC FUND		\$8,685	\$11,405	\$14,205	\$12,710	\$10,590	\$57,595
TOTAL REIMBURSEMENTS		\$(1,695)	\$(2,783)	\$(3,785)	\$(3,870)	\$(3,180)	\$(15,313)
NET ELECTRIC FUND		\$6,990	\$8,622	\$10,420	\$8,840	\$7,410	\$42,282
Fiber Optics Fund							
Commercial Telecommunications							
FO-10000	Fiber Optics Customer Connections	200	200	200	200	200	\$1,000
	<i>Others</i>	(200)	(200)	(200)	(200)	(200)	\$(1,000)
FO-10001	Fiber Optics Network System Improvements	300	300	300	200	200	\$1,300
NET TOTAL COMMERCIAL TELECOMMUNICATIONS		\$300	\$300	\$300	\$200	\$200	\$1,300
FIBER OPTICS FUND		\$500	\$500	\$500	\$400	\$400	\$2,300
TOTAL REIMBURSEMENTS		\$(200)	\$(200)	\$(200)	\$(200)	\$(200)	\$(1,000)
NET FIBER OPTICS FUND		\$300	\$300	\$300	\$200	\$200	\$1,300

2012-16 Capital Improvement Projects

(\$000) CIP		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
Number	Project Title						
Gas Fund							
Distribution System - Customer Design and Connection Services							
GS-80017	Gas System Extensions	710	720	730	752	790	\$3,702
	<i>Others</i>	(710)	(720)	(730)	(752)	(790)	\$(3,702)
NET TOTAL DISTRIBUTION SYSTEM - CUSTOMER DESIGN AND CONNECTION SERVICES		\$0	\$0	\$0	\$0	\$0	\$0
Distribution System - System Improvements							
GS-16000	GMR - Project 26	0	0	0	0	570	\$570
GS-03007	Directional Boring Equipment	0	64	0	68	0	\$132
GS-02013	Directional Boring Machine	0	45	250	0	0	\$295
GS-80019	Gas Meters and Regulators	306	315	325	335	352	\$1,633
GS-11002	Gas System Improvements	200	206	212	219	230	\$1,066
GS-10001	GMR - Project 20	5,970	0	0	0	0	\$5,970
GS-11000	GMR - Project 21	0	6,150	0	0	0	\$6,150
GS-12001	GMR - Project 22	468	0	3,200	0	0	\$3,668
GS-13001	GMR - Project 23	0	482	0	3,300	0	\$3,782
GS-14003	GMR - Project 24	0	0	492	0	3,465	\$3,957
GS-15000	GMR - Project 25	0	0	0	542	0	\$542
GS-03008	Polyethylene Fusion Equipment	0	34	0	36	0	\$70
GS-03009	System Extensions - Unreimbursed	167	172	178	184	193	\$893
NET TOTAL DISTRIBUTION SYSTEM - SYSTEM IMPROVEMENTS		\$7,111	\$7,468	\$4,657	\$4,683	\$4,809	\$28,728
GAS FUND		\$7,821	\$8,188	\$5,387	\$5,435	\$5,599	\$32,430
TOTAL REIMBURSEMENTS		\$(710)	\$(720)	\$(730)	\$(752)	\$(790)	\$(3,702)
NET GAS FUND		\$7,111	\$7,468	\$4,657	\$4,683	\$4,809	\$28,728

2012-16 Capital Improvement Projects

(\$000) CIP							
Number	Project Title	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
Water Fund							
Distribution System - Customer Design and Connection Services							
WS-80013	Water System Extensions	420	430	440	450	460	\$2,200
	<i>Others</i>	(700)	(709)	(718)	(728)	(750)	\$(3,605)
NET TOTAL DISTRIBUTION SYSTEM - CUSTOMER DESIGN AND CONNECTION SERVICES		\$(280)	\$(279)	\$(278)	\$(278)	\$(290)	\$(1,405)
Distribution System - System Improvements							
WS-16001	WMR - Project 30	0	0	0	0	344	\$344
WS-09000	Seismic Water System Upgrades	2,700	3,200	3,820	0	0	\$9,720
WS-02014	W-G-W Utility GIS Data	100	100	100	100	0	\$400
	<i>Enterprise Funds</i>	(67)	(67)	(67)	(67)		\$(268)
WS-11003	Water Distribution System Improvements	206	212	218	225	232	\$1,093
WS-80015	Water Meters	215	222	229	236	243	\$1,145
WS-07001	Water Recycling Facilities	0	500	500	8,000	16,000	\$25,000
	<i>Others</i>					(8,000)	\$(8,000)
WS-08001	Water Reservoir Coating Improvements	0	860	590	0	0	\$1,450
WS-80014	Water Service Hydrant Replacement	217	222	229	236	243	\$1,147
WS-11004	Water System Supply Improvements	206	212	218	225	232	\$1,093
WS-11000	WMR - Project 25	0	3,152	0	0	0	\$3,152
WS-12001	WMR - Project 26	305	0	3,245	0	0	\$3,550
WS-13001	WMR - Project 27	0	314	0	3,245	0	\$3,559
WS-14001	WMR - Project 28	0	0	324	0	3,345	\$3,669
WS-15002	WMR - Project 29	0	0	0	334	0	\$334
NET TOTAL DISTRIBUTION SYSTEM - SYSTEM IMPROVEMENTS		\$3,882	\$8,927	\$9,406	\$12,534	\$12,639	\$47,388
WATER FUND		\$4,369	\$9,424	\$9,913	\$13,051	\$21,099	\$57,856
TOTAL REIMBURSEMENTS		\$(767)	\$(776)	\$(785)	\$(795)	\$(8,750)	\$(11,873)
NET WATER FUND		\$3,602	\$8,648	\$9,128	\$12,256	\$12,349	\$45,983

2012-16 Capital Improvement Projects

(\$000) CIP		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
Number	Project Title						
Wastewater Collection Fund							
Collection System - Customer Design and Connection Services							
WC-80020	Sewer System Extensions	340	350	361	372	383	\$1,806
	<i>Others</i>	(740)	(750)	(761)	(771)	(794)	\$(3,816)
NET TOTAL COLLECTION SYSTEM - CUSTOMER DESIGN AND CONNECTION SERVICES		\$(400)	\$(400)	\$(400)	\$(399)	\$(411)	\$(2,010)
Collection System - System Improvements							
WC-16001	WW Collection Sys. Rehab/ Aug. Project 29	0	0	0	0	340	\$340
WC-12002	WW Lateral Pipe Bursting Machine	33	0	0	0	0	\$33
WC-99013	Sewer Lateral/Manhole Rehab/Replacement	565	570	617	636	655	\$3,043
WC-15002	Wastewater System Improvements	206	212	218	225	232	\$1,093
WC-11000	WW Collection Sys. Rehab/ Aug. Project 24	2,830	0	0	0	0	\$2,830
WC-12001	WW Collection Sys. Rehab/ Aug. Project 25	300	2,912	0	0	0	\$3,212
WC-13001	WW Collection Sys. Rehab/ Aug. Project 26	0	310	3,000	0	0	\$3,310
WC-14001	WW Collection Sys. Rehab/ Aug. Project 27	0	0	320	3,090	0	\$3,410
WC-15001	WW Collection Sys. Rehab/ Aug. Project 28	0	0	0	330	3,183	\$3,513
NET TOTAL COLLECTION SYSTEM - SYSTEM IMPROVEMENTS		\$3,934	\$4,004	\$4,155	\$4,281	\$4,410	\$20,784
WASTEWATER COLLECTION FUND		\$4,274	\$4,354	\$4,516	\$4,653	\$4,793	\$22,590
TOTAL REIMBURSEMENTS		\$(740)	\$(750)	\$(761)	\$(771)	\$(794)	\$(3,816)
NET WASTEWATER COLLECTION FUND		\$3,534	\$3,604	\$3,755	\$3,882	\$3,999	\$18,774

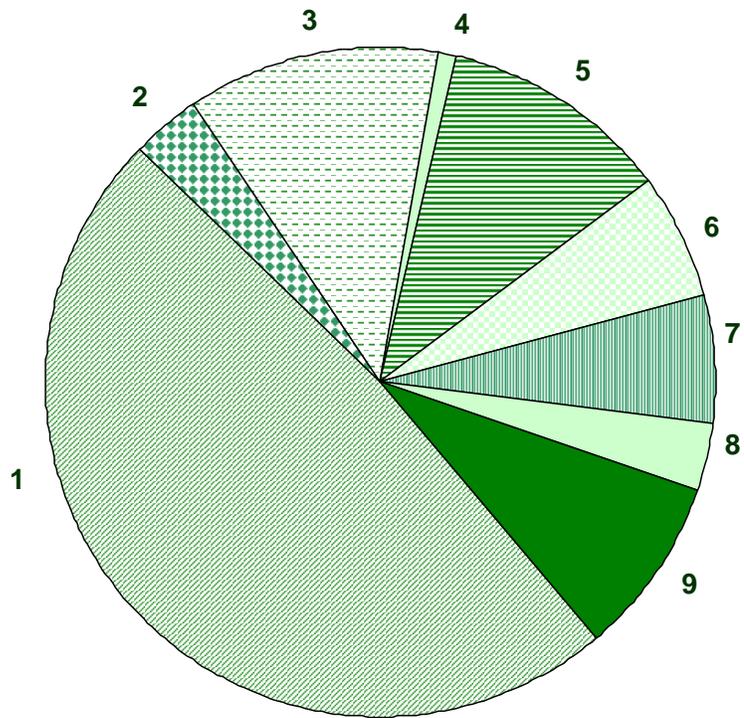
2012-16 Capital Improvement Projects

(\$000) CIP		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
Number	Project Title						
Refuse Fund							
Miscellaneous							
RF-11001	Landfill Closure	6,100	0	0	0	0	\$6,100
NET TOTAL MISCELLANEOUS		\$6,100	\$0	\$0	\$0	\$0	\$6,100
NET REFUSE FUND		\$6,100	\$0	\$0	\$0	\$0	\$6,100
Wastewater Treatment Fund							
Wastewater Treatment - System Improvements							
WQ-04011	Facility Condition Assessment & Retrofit	0	700	1,050	1,100	1,100	\$3,950
WQ-80021	Plant Equipment Replacement	0	500	1,450	1,500	1,550	\$5,000
NET TOTAL WASTEWATER TREATMENT - SYSTEM IMPROVEMENTS		\$0	\$1,200	\$2,500	\$2,600	\$2,650	\$8,950
NET WASTEWATER TREATMENT FUND		\$0	\$1,200	\$2,500	\$2,600	\$2,650	\$8,950
Storm Drainage Fund							
Collection System - System Improvements							
SD-11101	Channing Avenue/Lincoln Avenue Storm Drain Improvements	1,590	1,680	1,430	0	0	\$4,700
SD-06104	Connect Clara Drive Storm Drains to Matadero Pump Station	0	0	0	0	0	\$0
SD-13002	Matadero Creek Storm Water Pump Station and Trunk Lines Improvements	0	0	315	1,840	1,915	\$4,070
SD-10101	Southgate Neighborhood Storm Drain Improvements	143	860	0	0	0	\$1,003
SD-06101	Storm Drain System Replacement and Rehabilitation	572	590	607	626	644	\$3,039
NET TOTAL COLLECTION SYSTEM - SYSTEM IMPROVEMENTS		\$2,305	\$3,130	\$2,352	\$2,466	\$2,559	\$12,812
NET STORM DRAINAGE FUND		\$2,305	\$3,130	\$2,352	\$2,466	\$2,559	\$12,812

FY 2012 Capital Projects by Fund — Total Expenditures

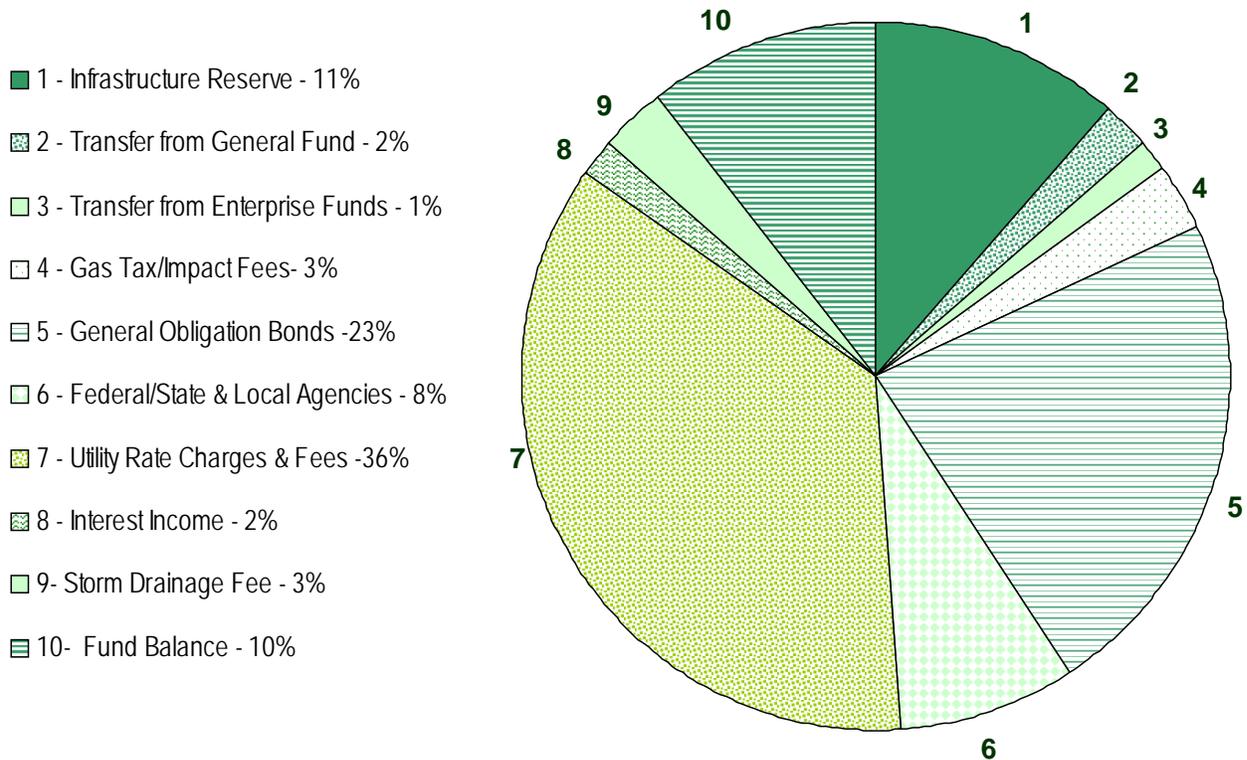
\$70.3 Million / Adopted FY 2012

- 1- Capital Project Fund (General Fund) - 48%
- 2- Technology Fund - 3%
- 3- Electric Fund - 12%
- 4- Fiber Optics Fund - 1%
- 5- Gas Fund - 11%
- 6- Water Fund - 6%
- 7- Wastewater Collection Fund - 6%
- 8- Storm Drain Fund - 3%
- 9- Refuse Fund - 9%



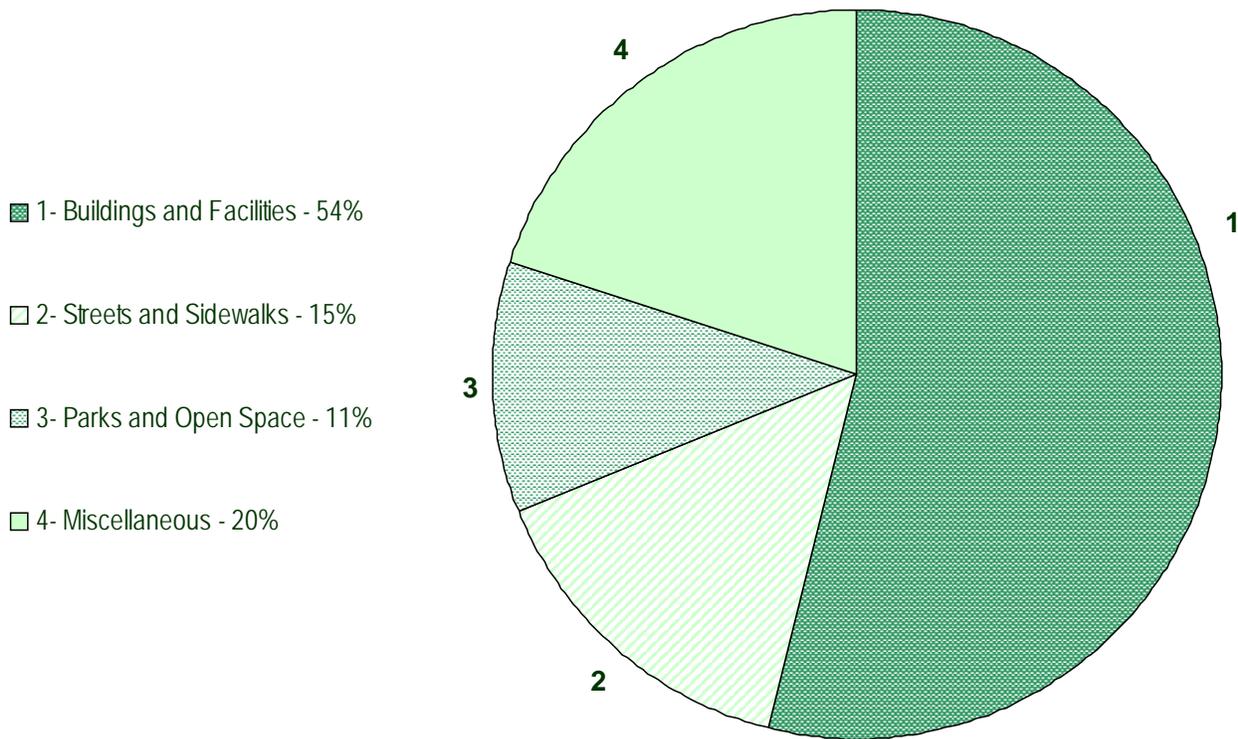
FY 2012 Capital Projects by Fund — Total Funding Sources

\$70.3 Million / Adopted FY 2012



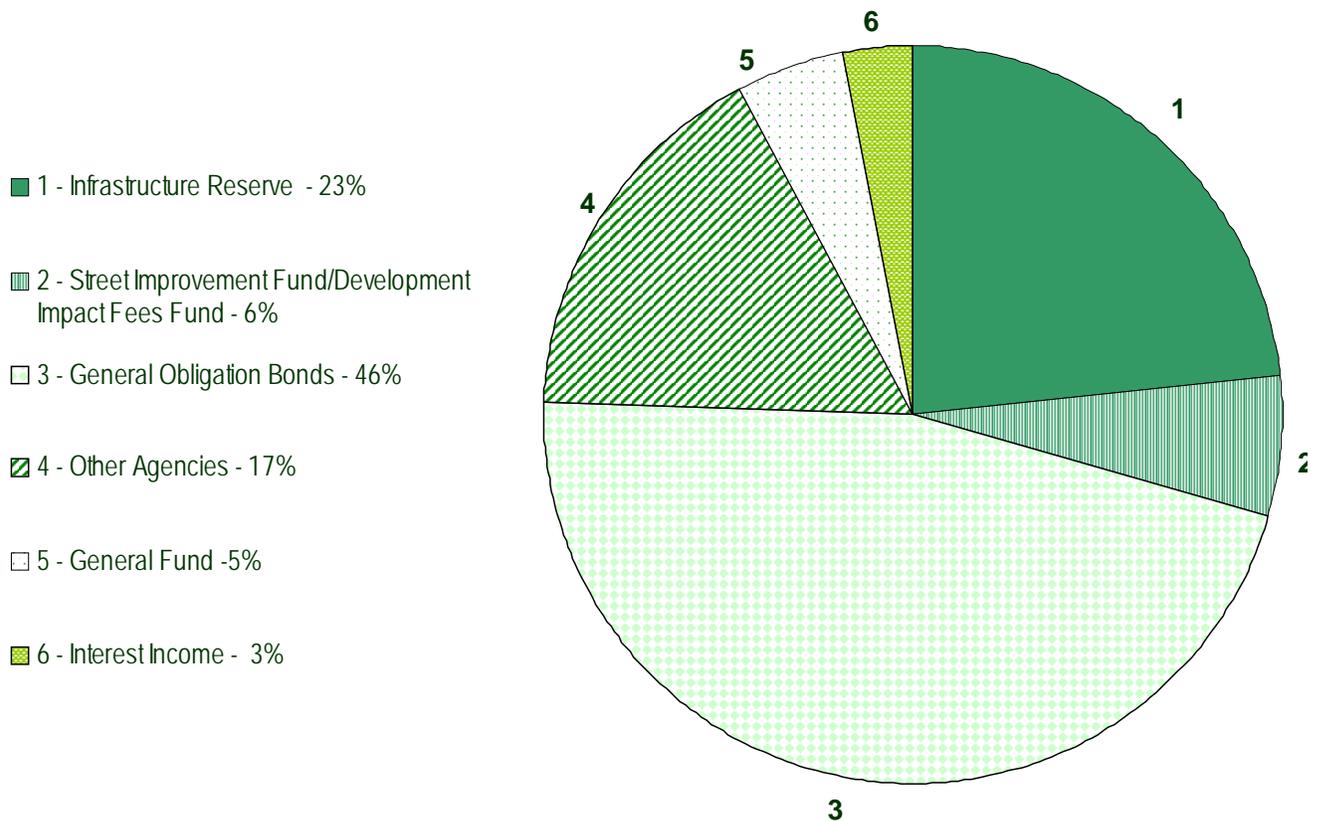
FY 2012 General Fund Capital Projects — Total Expenditures by Category

\$33.9 Million / Adopted FY 2012

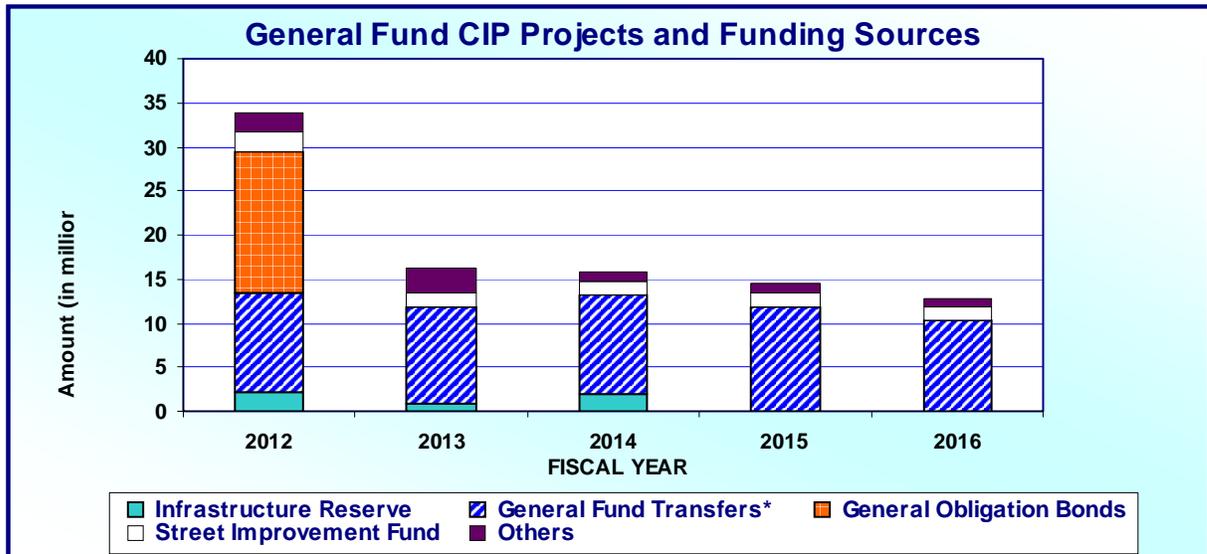


FY 2012 General Fund Capital Projects — Total Funding Sources

\$33.9 Million / Adopted FY 2012



General Fund CIP Projects and Funding Sources - Five Year Plan



FUNDING SOURCE (\$millions)	2012	2013	2014	2015	2016
Infrastructure Reserve	2.3	0.9	1.9	0.1	0
General Fund Transfers*	11	10.9	11.3	11.8	10.3
General Obligation Bonds	16.2	0	0	0	0
Street Improvement Fund	2.2	1.7	1.6	1.6	1.6
Others	2.2	2.7	1.0	1.1	0.9
General Fund CIP Projects	33.9	16.2	15.8	14.6	12.8

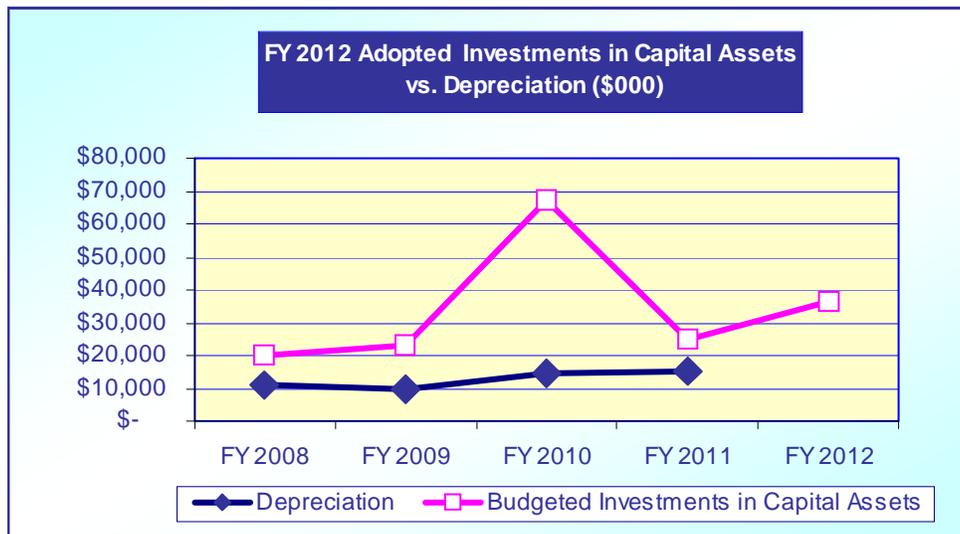
* General Fund transfers include the annual commitment of the General Fund to transfer to the Infrastructure Reserve and to fund certain capital projects that have been traditionally funded by the General Fund. The annual commitment is adjusted by an inflationary factor each year. Also, \$2.0 million in the FY 2012 Proposed Budget was shifted to FY 2011 for CIP PE-86070 Street Maintenance.

General Fund Capital Projects Budgeted

HISTORICAL DEPRECIATION EXPENSE COMPARED TO BUDGETED INVESTMENTS IN CAPITAL ASSETS

Category	Depreciation				Budgeted Investments in Capital Assets				
	2008 Actual	2009 Actual	2010 Actual	2011 Projected	2008 Adopted	2009 Adopted	2010 Adopted	2011 Adopted	2012 Adopted
Land, Buildings and Improvements	1,631	1,893	2,147	2,254	3,229	9,682	58,311	9,067	18,255
Equipment and Miscellaneous	3,404	1,493	5,596	5,876	9,245	5,670	4,546	6,902	9,090
Roadway Network	5,778	5,879	6,144	6,451	5,432	4,775	3,317	7,466	5,165
Recreation and Open Space Network	363	379	475	499	2,391	3,066	1,247	1,176	3,775
TOTALS	\$11,176	\$9,644	\$14,362	\$15,080	\$20,297	\$23,193	67,421	\$24,611	\$36,285

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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FY 2011 Adopted CIP Projects

Project Number	Project Title	FY 2011 Adopted Budget Amount
Capital Fund		
PF-93009	Americans with Disabilities Act Compliance	150,000
PF-07000	Art Center Electrical & Mechanical Upgrades	2,600,000
AC-86017	Art in Public Places	25,000
PG-06003	Benches, Signage, Fencing, Walkways, and Perimeter Landscaping	100,000
PF-01003	Building Systems Improvements	100,000
PF-09000	Children's Theatre Improvements	100,000
PF-01002	Civic Center Infrastructure Improvements	3,006,000
PG-11001	Cogswell Plaza Improvements (formerly PE-07004)	150,000
CC-11000	Cubberley Gym Activity Room	65,000
PF-06004	Cubberley Restroom Upgrades	300,000
PL-11001	Dinah SummerHill Pedestrian/Bicycle Path	300,000
PL-07002	El Camino Real/Stanford Ave Streetscape and Intersection Improve-	1,663,000
PF-02022	Facility Interior Finishes Replacement	355,000
PF-05003	Foothills Park Interpretive Center Improvements	210,000
PE-11011	Highway 101 Pedestrian/Bicycle Overpass Project (formerly PL-11000)	250,000
PE-11000	Main Library New Construction and Improvements	1,400,000
PG-11002	Monroe Park Improvements (formerly PE-11003)	250,000
PF-05002	Municipal Service Center Improvements	300,000
AC-09002	New Sound System for Lucie Stern Community Theatre	200,000
OS-09001	Off-Road Pathway Resurfacing and Repair	100,000
OS-00001	Open Space Trails and Amenities	116,000
PG-09002	Park and Open Space Emergency Repairs	75,000
PE-06007	Park Restroom Installation	220,000
PF-00006	Roofing Replacement	165,000
AS-10000	Salaries and Benefits - General Fund CIP Projects	3,365,807
PE-00104	San Antonio Medians	630,000
PO-89003	Sidewalk Repairs	719,326
PO-11000	Sign Reflectivity Upgrade	100,000
PE-86070	Street Maintenance	3,753,635
PG-06001	Tennis and Basketball Court Resurfacing	30,000
PO-11001	Thermoplastic Marking and Striping	50,000
PF-06002	Ventura Buildings Improvements	90,000
PE-10002	Ventura Community Center and Park	135,000
TOTAL CAPITAL FUND		\$21,073,768
Vehicle Replacement Fund		
VR-07001	Automated Motor Pool Reservation and Vehicle Key Management Sys-	20,000

FY 2011 Adopted CIP Projects

Project Number	Project Title	FY 2011 Adopted Budget Amount
TOTAL VEHICLE REPLACEMENT FUND		\$20,000
Technology Fund		
TE-10000	Collections Software	32,000
TE-07000	Enterprise Application Infrastructure Upgrade (formerly CIS/SAP Transi-	75,000
TE-11005	Implementation of Restructured Tiered Rates on Bills	100,000
TE-06001	Library RFID Implementation	400,000
TE-11002	Police Mobile In-Car Video System Replacement	310,000
TE-05000	Radio Infrastructure Replacement	1,250,000
TE-11003	Recurring Credit Card Payment	150,000
TE-00010	Telephone System Replacement	100,000
TE-10001	Utilities Customer Billing System Continuous Improvements	350,000
TE-11004	Utility Bill Information Enhancements	750,000
TOTAL TECHNOLOGY FUND		\$3,517,000
Electric Fund		
EL-10008	Advanced Metering Infrastructure (AMI) System	100,000
EL-89031	Communications System Improvements	115,000
EL-08000	E. Charleston 4/12 kV Conversion	450,000
EL-89028	Electric Customer Connections	1,900,000
EL-98003	Electric System Improvements	2,100,000
EL-11004	Hewlett Subdivision Rebuild Los Trancos Road	400,000
EL-09002	Middlefield / Colorado 4/12 kV Conversion	150,000
EL-09000	Middlefield Underground Rebuild	550,000
EL-11007	Rebuild Greenhouse Condo Area	150,000
EL-11003	Rebuild UG District 15	80,000
EL-09003	Rebuild UG District 17 (Downtown)	100,000
EL-11006	Rebuild UG District 18	350,000
EL-10006	Rebuild UG District 24	750,000
EL-11015	Reconductor 60kV Overhead Transmission System	450,000
EL-02010	SCADA System Upgrades	40,000
EL-11000	Seale/Waverley 4/12 kV Conversion	40,000
EL-11014	Smart Grid Technology Installation	500,000
EL-11002	St. Francis/Oregon/Amarillo/Louis 4/12 kV Conversion	50,000
EL-10009	Street Light System Conversion Project	800,000
EL-89044	Substation Facility Improvements	160,000
EL-89038	Substation Protection Improvements	250,000
EL-11001	Torrey Court Rebuild	100,000
EL-06002	UG District 45 - Downtown V	350,000

FY 2011 Adopted CIP Projects

Project Number	Project Title	FY 2011 Adopted Budget Amount
EL-11010	UG District 47 - Middlefield, Homer Avenue, Webster Street and Addison	150,000
TOTAL ELECTRIC FUND		\$10,085,000
Fiber Optics Fund		
FO-10000	Fiber Optics Customer Connections (formerly EL-06006)	200,000
FO-10001	Fiber Optics Network System Improvements(formerly EL-06005)	200,000
TOTAL FIBER OPTICS FUND		\$400,000
Gas Fund		
GS-10004	Automating Test Stations (Cathodic Protection)	100,000
GS-03007	Directional Boring Equipment	60,000
GS-02013	Directional Boring Machine	185,000
GS-80019	Gas Meters and Regulators	297,000
GS-11001	Gas Station 4 Rebuild	337,000
GS-80017	Gas System Extensions	700,000
GS-11002	Gas System Improvements	195,000
GS-09002	GMR - Project 19	5,800,000
GS-11000	GMR - Project 21	457,000
GS-03008	Polyethylene Fusion Equipment	32,000
GS-03009	System Extensions - Unreimbursed	162,000
TOTAL GAS FUND		\$8,325,000
Water Fund		
WS-08002	Emergency Water Supply Project	3,500,000
WS-11001	Vacuum Excavation Equipment	275,000
WS-02014	W-G-W Utility GIS Data	100,000
WS-11003	Water Distribution System Improvements	200,000
WS-80015	Water Meters	209,000
WS-07001	Water Recycling Facilities	500,000
WS-80014	Water Service Hydrant Replacement	212,000
WS-80013	Water System Extensions	410,000
WS-11004	Water System Supply Improvements	200,000
WS-10001	WMR - Project 24	2,950,000
WS-11000	WMR - Project 25	292,000
TOTAL WATER FUND		\$8,848,000
Wastewater Collection Fund		
WC-99013	Sewer Lateral/Manhole Rehab/Replacement	560,000
WC-80020	Sewer System Extensions	330,000

FY 2011 Adopted CIP Projects

Project Number	Project Title	FY 2011 Adopted Budget Amount
WC-15002	Wastewater System Improvements	200,000
WC-10002	WW Collection Sys. Rehab/Aug. Project 23	2,750,000
WC-11000	WW Collection Sys. Rehab/Aug. Project 24	290,000
TOTAL WASTEWATER COLLECTION FUND		\$4,130,000
Refuse Fund		
RF-10003	Drying Beds, Material Storage and Transfer Area	750,000
RF-10002	Flare Relocation Project	300,000
RF-11001	Landfill Closure	600,000
TOTAL REFUSE FUND		\$1,650,000
Wastewater Treatment Fund		
WQ-04011	Facility Condition Assessment & Retrofit	1,050,000
WQ-80021	Plant Equipment Replacement	1,200,000
WQ-80022	System Flow Meter	250,000
TOTAL WASTEWATER TREATMENT FUND		\$2,500,000
Storm Drainage Fund		
SD-11101	Channing Avenue/Lincoln Avenue Storm Drain Improvements	895,000
SD-06101	Storm Drain System Replacement and Rehabilitation	564,000
TOTAL STORM DRAINAGE FUND		\$1,459,000
GRAND TOTAL		\$62,007,768

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 priorities for the City Council. The commitment to infrastructure underscores its importance to the future of the City and ensures that repair and replacement of existing infrastructure occur on a regular basis.

CLASSIFICATION OF CAPITAL IMPROVEMENT PROGRAM (CIP) PROJECTS

The 2012-16 CIP budget document list projects by a classification as follows:

- 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 that the IR remain healthy as a source of funding.

The IR is to be primarily used to fund the projects identified in the original IMP, and any other projects critical to the maintenance of existing infrastructure. Secondly, 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 \$8.6 million to IR. The transfer is increased every year by the consumer price index.

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

CIP BUDGET HIGHLIGHTS

The Fiscal Year 2012 Capital Fund CIP includes \$34 million in project expenditures. \$23 million of these projects will be funded by Measure N library bonds, grants, gas tax, impact fees, and the IR, and \$11 million by a transfer from the General Fund.

Below is a highlight of the Fiscal Year 2012 projects:

- Funding of \$16.2 million for the construction of the Main Library. Measure N bonds will provide the funds for this project

General Fund Overview - Capital Improvement Program

- Funding of \$1.3 million for the construction of the Magical Bridge Playground at Mitchell Park. The City will contribute up to \$0.3 million to the project, and the Friends of the Magical Bridge will provide the remaining \$1 million. This project will only proceed if the Friends are able to fully fund their committed match.
- Funding of \$3.1 million in FY 2012 and \$1.6 million in FY 2013 to fund the purchase of essential furniture, equipment and technology for the Measure N bond projects at the new Mitchell Park Library and Community Center, the Main Library and the Downtown Library. Gifts from the Palo Alto Library Foundation or other organizations will provide the necessary funds
- Funding of \$0.7 million to upgrade and renovate Eleanore Pardee Park for safety and accessibility. The project will focus on pathway repair and turf replacement, fencing, playground, benches, picnic tables, drinking fountains and barbecue pits. The IR will provide the necessary funds
- Funding of \$0.1 million for Scott Park to provide necessary upgrades to the play equipment and play area surfacing. The IR will provide the necessary funds
- Funding of \$0.13 million to improve the public meeting space on the first floor of City Hall - the Council Conference Room. The improvements will include mechanical and electrical upgrades, storage, new furnishings and AV technology. The renovations will make the public meeting space more comfortable and increase its functionality. The IR will provide the necessary funds
- Funding of \$0.2 million for the Foothills Wildland Fire Mitigation Program. The project will provide for clearing of brush and undergrowth allowing a safe travel route during a major fire event in the Foothills area. The IR will provide the necessary funds
- Funding of \$1.4 million for the annual Street Maintenance Project. Funding will be provided by the Gas Tax Fund, street cut fees and the General Fund. Since FY 2011, funding for annual Street Maintenance Project has been increased by \$2 million each year. This represents a step-up effort to address the City's streets' increased maintenance needs. To expedite Street Maintenance, \$2.0 million was shifted from FY 2012 to FY 2011
- Funding of \$1.7 million for the California Avenue -Transit Hub Corridor Project. A grant of \$1.2 million was received from the Valley Transit Authority to fund the project. The grant requires \$0.5 million in local funding, which will be provided by the IR, and was added to the project in FY 2011 midyear.

There has been a substantial amount of work accomplished with the IMP implementation. Since its inception ten years ago, approximately \$200 million has been appropriated to capital projects.

INFRASTRUCTURE BACKLOG

On March 18, 2008, staff presented to the City Council Finance Committee (CMR:167:08) an update of the General Fund infrastructure backlog. The report was updated in May 2009. The updated report indicated that the estimated amount of the backlog in the next twenty years is \$450 million; if the Police Safety Building (estimated at \$60) is added to the backlog, the total amount is \$510 million. Details of the infrastructure backlog are presented in the "Supplementary Information" section of this budget document.

General Fund Overview - Capital Improvement Program

INFRASTRUCTURE BLUE RIBBON COMMISSION

In 2010, the City Council formed a 17-member Infrastructure Blue Ribbon Commission (IBRC) to advise Council on the City's infrastructure requirements and possible financing measures that could reduce or eliminate the backlog and address the future needs. The IBRC has been meeting since November 2010. It has divided itself into three subcommittees: Surface projects (parks, roadways and transportation), Above Ground projects (buildings), and Finance. The first two are in the process of working with staff to examine the City's physical assets and to prioritize them for future work. The latter is examining City revenue and infrastructure resources as well as potential financing instruments.

The IBRC subcommittees are expected to arrive at updated "gaps" in infrastructure and maintenance spending requirements. The "gap" refers to the amount of annual spending required to: eliminate backlogged work on existing infrastructure, replace or rehabilitate existing, outdated facilities, and the ongoing maintenance effort required so that the City never finds itself in a position of having a backlog of infrastructure work in the future. City staff will work with the IBRC to develop strategies to address these gaps in a systematic and meaningful manner over a period of years. These results of this effort will be incorporated in the next five-year Capital Budget.

INFRASTRUCTURE STAFFING

The General Fund allocates to Capital Project Fund a total of 21.92 Full Time Equivalent (FTE) employees from the General Fund for Fiscal Year 2012. The total salaries and benefits costs are presented as a project instead of 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 \$3.4 million for the 21.92 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 City has an existing sustainability contingency project in the amount of \$0.1 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 and resource-efficient projects or sustainability measures identified under nationally recognized standards.

The sustainability budget was reduced by \$.3 million in FY 2011 to \$.1 million. The sustainability budget is gradually being phased out since most of the CIP projects now include sustainability elements in the project costs.

General Fund Overview - Capital Improvement Program

NEW PROJECTS

The 2012-2016 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.

2012-2016 CIP List of New Projects GENERAL FUND	
CIP NO.	Project Title
Building and Facilities	
PF-12004	City-Wide Backflow Preventer Installation
PF-12005	Council Conference Room Renovations
PF-15003	Cubberley Auditorium Roof Replacement
PF-16000	Cubberley Community Center Site-Wide Electrical Systems Replacement
PE-14012	Junior Museum & Zoo Improvements
AC-12001	Junior Museum & Zoo Perimeter Fence and Footpath
PF-15002	Lucie Stern Theater Electrical Systems Replacement
PE-12004	Municipal Services Center Facilities Study
PF-12001	Parks & PWD Tree Shop Space Improvements
Parks and Open Space	
PE-12012	Eleanor Pardee Park Improvements
PO-12003	Foothills Wildland Fire Mitigation Program
PE-12002	Golf Course Cart Path and Road
PG-12002	Golf Course Tree Maintenance
PO-12002	LATP Site Development Preparation and Security Improvements
PG-12006	Magical Bridge Playground
PG-12005	Relocate Power Poles for Soccer Field
PE-12003	Rinconada Park Master Plan and Design
PG-12004	Sarah Wallis Park Improvements
PG-12001	Stanford/Palo Alto Playing Fields Netting
PE-12002	Tree Wells -University Avenue Irrigation Alternatives
Street and Sidewalks	
PO-12001	Curb and Gutter Repairs
PL-12000	Transportation and Parking Improvements
PO-12000	Wilkie Way Bridge Tile Deck Replacement
Miscellaneous	
FD-12000	ALS EKG Monitor Replacement

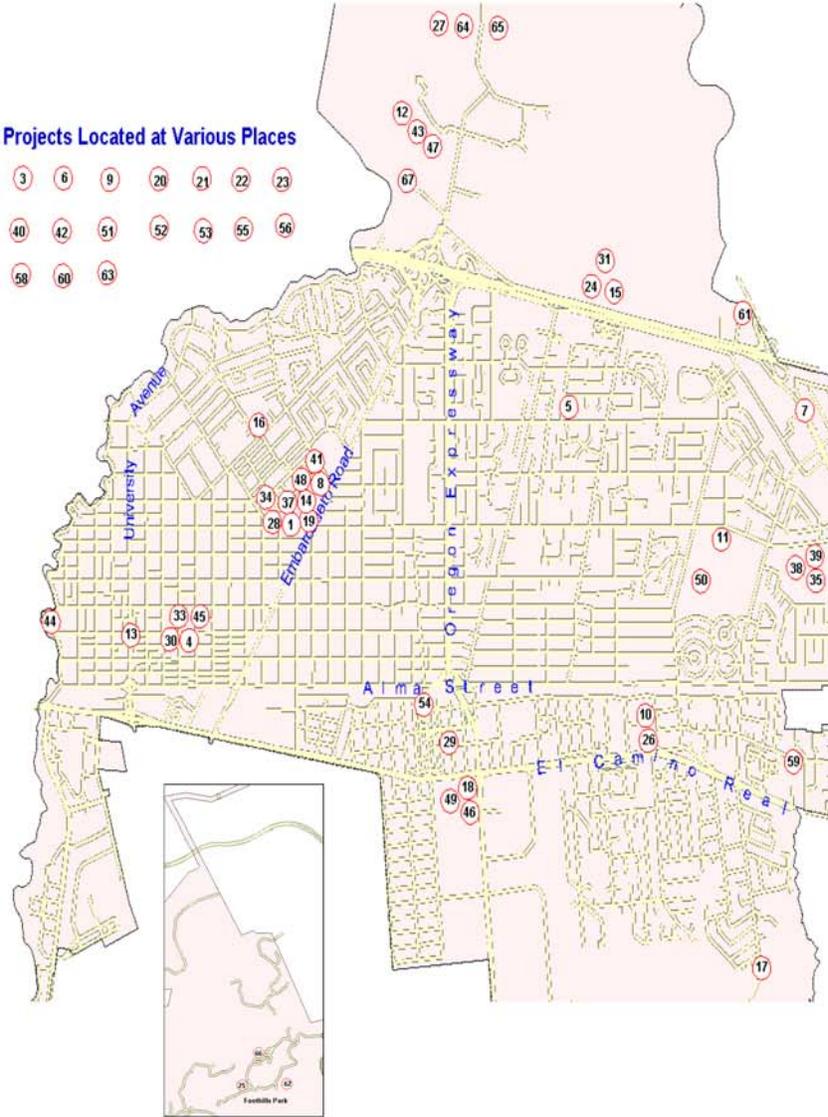
GENERAL FUND PROJECTS

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City of Palo Alto
2012-2016
INFRASTRUCTURE MANAGEMENT PLAN
Capital Improvement Program

CIP Projects Located at Various Places

- 2 3 6 9 20 21 22 23
32 40 42 51 52 53 55 56
57 58 60 63



1	AC-12001	Junior Museum & Zoo Perimeter Fence	24	PF-05002	Municipal Service Center Improvements	47	PG-12002	Golf Course Tree Maintenance
2	AC-86017	Art in Public Places	25	PF-05003	Foothills Park Interpretive Center	48	PG-12004	Sarah Wallis Park Improvements
3	FD-12000	ALS EKG Monitor Replacement	26	PF-06002	Ventura Buildings Improvements	49	PG-12005	Relocate Power Poles for Soccer Field
4	LB-11000	Furniture/Technology: Measure N Projects	27	PF-07002	Baylands Interpretive Center Improvement	50	PG-12006	Magical Bridge Playground
5	PE-06007	Park Restroom Installation	28	PF-09000	Children's Theater Improvements	51	PL-00026	Safe Routes to School
6	PE-06010	City Parks Improvements	29	PF-10002	Lot J Structure repair	52	PL-04010	Bicycle & Pedestrian Plan
7	PE-06011	Street Median Improvements	30	PF-11001	Council Chamber Carpet Replacement	53	PL-05030	Traffic Signal and ITS Upgrades
8	PE-08001	Rinconada Park Improvements	31	PF-12001	Parks/PWD Tree Shop Space Improvements	54	PL-11002	California Avenue Transit
9	PE-09003	City Facility Parking Lot Maintenance	32	PF-12004	City Wide Backflow Preventer Installs	55	PL-12000	Transportation/Parking Improvements
10	PE-10002	Ventura Community Center and park	33	PF-12005	Council Conference Room Renovations	56	PO-05054	Street Lights Improvements
11	PE-11000	Main Library New Construction	34	PF-13001	Lucie Stern Mechanical System Upgrade	57	PO-11000	Sign Reflectivity Upgrades
12	PE-12001	Golf Course Cart Path and Road	35	PF-13002	Cubberley Mechanical and Electrical Upgrade	58	PO-11001	Thermoplastic Markings & Striping
13	PE-12002	Tree Well Irrigation Renovations	36	PF-15000	Rinconada Pool Locker Room	59	PO-12000	Wilkie Way Bridge Deck
14	PE-12003	Rinconada Park Master Plan and Design	37	PF-15002	Lucie Stern Theater Electrical Replacement	60	PO-12001	Curb & Gutter Repair
15	PE-12004	Municipal Services Center Facilities Study	38	PF-15003	Cubberley Auditorium Roof Replacement	61	PO-12002	LATP Site Development
16	PE-12012	Eleanor Pardee Park Improvements	39	PF-16000	Cubberley Electrical Systems Replacement	62	PO-12003	Foothills Wildland Fire Mitigation
17	PE-13011	Charleston Arastradero Corridor Project	40	PF-93009	Americans with Disabilities Act Compliance	63	PO-89003	Sidewalk Repairs
18	PE-14000	Stanford/Palo Alto Soccer Turf	41	PG-06001	Tennis and Basketball Court Resurfacing	64	OS-00001	Open Space Trails & Amenities
19	PE-14012	Junior Museum & Zoo Improvements	42	PG-06003	Benches, Signage, Fencing Landscaping	65	OS-00002	Open Space Lakes/Pond
20	PE-86070	Street Maintenance	43	PG-09002	Park and Open Space Emergency Repairs	66	OS-07000	Foothills Park Road Improvements
21	PF-00006	Roofing Replacement	44	PG-11000	Hopkins Park Improvements	67	OS-09001	Off-Road Pathway Repairs
22	PF-01003	Building Systems Improvements	45	PG-11003	Scott Park Improvements			
23	PF-02022	Interior Finishes Replacement	46	PG-12001	Stanford/Palo Alto Playing Fields Nets			

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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. For specific work to be completed, see Supplemental Information.

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 is ongoing.

Consultant Services Scope: See Supplemental Information.

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

FY 2012: Restroom upgrades at The Junior Museum

FY 2013: Parking Lot and Path of Travel upgrades at various City facilities

FY 2014: Restroom upgrades at Golf Course Clubhouse and Pro Shop

FY 2015: Path of Travel upgrades at Golf Course Clubhouse and Pro Shop

FY 2016: Restroom upgrades at Fire Stations 3 & 5

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2012-2016
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24, C-32
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$150,000	\$100,000	\$100,000	\$100,000	\$100,000	\$550,000
Other						
Total Budget Request	\$150,000	\$100,000	\$100,000	\$100,000	\$100,000	\$550,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

BAYLANDS INTERPRETIVE CENTER IMPROVEMENT (PF-07002)



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

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

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2015-2015
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24
- **Potential Board/Commission Review:** PTC, ARB, PRC

IMPACT ANALYSIS:

- **Environmental:** Project may require environmental review.
- **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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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)

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 code compliance are also provided through this project. Implementation of this plan is ongoing. See Supplemental Information for work in upcoming years.

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: Projects identified for upcoming work include: FY 2012 - Fire Station 1 Mechanical; FY 2013 - Golf Course Parking Lot Lighting; FY 2014 - Fire Station 4 Mechanical; FY 2015 - Utility Control Center Mechanical Controls; FY 2016 - Art Center Basement Mechanical & Lighting

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2012-2016
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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 and safety of theatre staff and the public.

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 2012-2013
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24
- **Potential 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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)

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 Art Center, Fire Stations #3 and #5, Jr. Museum, Ventura, Animal Shelter, 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.

Supplemental Information: Paving of the parking lot at the Art Center will be done in conjunction with the Art Center project.

CIP FACTS:

- **Continuing**
- **Timeline:** FY 2011-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24
- **Potential 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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					

CITY-WIDE BACKFLOW PREVENTER INSTALLATION (PF-12004)



Description: This project will install backflow preventer devices on all City owned water supply services that currently do not have backflow protection. These water supply services are located in parks, median strips, and City facilities. There are approximately 67 known locations that are unprotected. The backflow preventer devices will be installed to meet current State codes.

Justification: The State requires that all water supply services be protected by backflow preventer devices. The City's Utilities Department is mandating that we comply with this regulation because they could be faced with fines if the City does not comply.

Supplemental Information: A detailed survey of locations, device sizes, and device types needs to be completed by in-house staff and/or with the help of a consultant.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2012
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24, Program C-19
- **Potential Board/Commission Review:** None

IMPACT ANALYSIS:

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

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs	\$250,000					\$250,000
Construction Costs						
Other						
Total Budget Request	\$250,000					\$250,000
Revenues:						
Source of Funds:	Infrastructure Reserve					



COUNCIL CHAMBER CARPET REPLACEMENT (PF-11001)

Description: This project replaces the worn carpet at City Hall Council Chambers. The project is being separated out from the on-going interior finish capital maintenance plan as a stand alone project because of the project expense.

Justification: The existing carpet is one year past its scheduled replacement date; and is worn, stained, and stretched out of shape. The light color of the carpet shows the traffic wear and stains. The wrinkling creates a potential tripping hazard. Given the use and the high public visibility of the space, replacement is recommended.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2013-2013
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24, Program C-19

IMPACT ANALYSIS:

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

PRIOR YEARS	
PY Budget	
PY Actuals as of 12/31/2009	0

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$80,000				\$80,000
Other						
Total Budget Request		\$80,000				\$80,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

COUNCIL CONFERENCE ROOM RENOVATIONS (PF-12005)



Description: This project focuses on improving public meeting space on the first floor of City Hall - Council Conference Room. The improvements will include mechanical and electrical upgrades, storage, new furnishings and AV technology. These renovations will make this public meeting space more comfortable and increase functionality of the room.

Justification: The Council Conference Room is used extensively for public meetings and space improvements will improve functionality, organization, and the professional image of the City's public spaces. Many of the room finishes and amenities are worn, outdated and need to be replaced.

Consultant Services Scope: A consultant will develop conceptual design to improve programmatic use of the public spaces.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2012
- **Overall Project Completion:** 0%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24, Program C-19
- **Potential Board/Commission Review:** ARB, HRB

IMPACT ANALYSIS:

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

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$125,000					\$125,000
Other						
Total Budget Request	\$125,000					\$125,000
Revenues:						
Source of Funds:	Infrastructure Reserve					



CUBBERLEY AUDITORIUM ROOF REPLACEMENT (PF-15003)

Description: The mineral cap roof is nearing its useful life. Spray-on cool roofing is recommended to extend its roof protection. The roof systems will be designed to meet current cool roof codes to optimize energy efficiency.

Justification: This project provides the means to rehabilitate the existing roof prior to the roof system failing and causing structural damage. It extends the life of the existing roof by means of a spray on roofing. However, if the roof deteriorates too far, spray-on roofing will not be viable. The complete roof will then need to be replaced at a much higher cost.

CIP FACTS:

- **New**
- **Project Status:** Construction
- **Timeline:** FY 2015-2015
- **Overall Project Completion:** 0%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24
- **Potential 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

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs				\$151,000		\$151,000
Other						
Total Budget Request				\$151,000		\$151,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

CUBBERLEY COMMUNITY CENTER SITE-WIDE ELECTRICAL SYSTEMS REPLACEMENT (PF-16000)



Description: This project replaces original electrical systems in Wings A, B, C, D, E, F, FH, I, J, K, L, M-1, 2, & 3, S, T1, T2, U, & V. It also includes the replacement of the main transformer and switch gear. The new electrical systems will be designed to meet current building codes and user needs.

Justification: Many components of the electrical systems at the Cubberley site are over 50 years old and per the 2008 Kitchell report they are all beyond their useful life. New replacement parts for many of the systems are no longer available. These improvements provide for ongoing rehabilitation of the building systems to meet the needs and safety of the City staff and the public.

Supplemental Information: Consultants shall provide all necessary design services to evaluate existing conditions, provide final design, and produce construction documents.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2015-2016
- **Overall Project Completion:** 0%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24
- **Potential Board/Commission Review:** None

IMPACT ANALYSIS:

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

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs				\$150,000	\$1,000,000	\$1,150,000
Construction Costs						
Other						
Total Budget Request				\$150,000	\$1,000,000	\$1,150,000
Revenues:						
Source of Funds:	Infrastructure Reserve					



CUBBERLEY MECHANICAL AND ELECTRICAL UPGRADES (PF-13002)

Description: This project replaces original mechanical and electrical systems in the Auditorium and Gyms A and B. The new systems will be designed to meet current building codes and user needs, and to optimize operation and energy efficiency.

Justification: Many components of the mechanical and electrical systems at the Cubberley site are over 50 years old. They have been in place far beyond their useful lives and require replacement. Many of them are inefficient and inappropriately sized for the current facility. Radiant heat systems will be replaced with above-floor systems. This project was previously listed as CIP PF-04010 but due to budget constraints funds were reprogrammed and the project postponed.

Consultant Services Scope: See Supplemental Information.

Supplemental Information: Consultant Services will be used for code required updates to the bid package, and construction administration.

PRIOR YEARS	
PY Budget	\$0
PY Actuals as of 12/31/2010	0

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2013-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24
- **Potential Board/Commission Review:** N/A

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA as a maintenance project.
- **Design Elements:** Exterior modifications may require ARB review.
- **Operating:** None
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs		\$150,000				\$150,000
Construction Costs			\$1,300,000			\$1,300,000
Other						
Total Budget Request		\$150,000	\$1,300,000			\$1,450,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

FACILITY INTERIOR FINISHES REPLACEMENT (PF-02022)



Description: This project replaces worn interior finishes at various City facilities. Work scheduled includes replacement of floor finishes such as carpet and tile.

Justification: Interior finishes throughout City facilities are designated for replacement as part of an ongoing 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. Due to past budget constraints, the capital maintenance plan to replace worn interior finishes has fallen behind schedule by as much as eight years.

Supplemental Information: The industry standard timeframe for commercial carpet life is 5-10 years. Many City facilities have carpet that is 10-15 years old. This five-year plan needs to be aggressively completed to keep from falling further behind in carpet maintenance. While the five-year plan prioritizes facilities by need, size, and public access, other facilities continue to be delayed.

Carpet replacement is scheduled in the following areas: FY 2012 — City Hall floors 2 & 3; FY 2013 — Lucie Stern Community Theatre and City Hall floors 5 & 8; FY 2014 — City Hall floors Mezzanine & 6, and Fire Stations 1 & 4 dormitory rooms; FY 2015 — City Hall floors 7, Police Level A & 1st floor, and FY 2016 - City Hall floors 4, A-IT, A-Dispatch, & MSC Bldg A.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2012-2016
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24, Program C-19
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$525,000
Other						
Total Budget Request	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$525,000
Revenues:						
Source of Funds:	Infrastructure Reserve					



JUNIOR MUSEUM & ZOO IMPROVEMENTS (PE-14012)

Description: This project includes architectural, engineering, and construction services for the design and construction of new restrooms, customer service counter, and electrical systems. The existing customer service counter and one of the two existing restrooms would be demolished and the remaining restroom renovated. This project will also be replacing the original electrical systems which will include the switch gear and panel boards to meet the current building codes and user needs.

Justification: The Junior Museum & Zoo hosts 150,000 visitors annually with inadequate restrooms and a narrow customer service counter. Existing restrooms may only be used by one individual at a time which is insufficient for the needs of Junior Museum & Zoo patrons. They also do not provide enough fixtures and there are no fixtures scaled for use by children. The restrooms do not meet ADA standards. The existing front desk is narrow and does not provide adequate space to address the needs of visitors.

Consultant Services Scope: Consultant shall provide all necessary design services to evaluate existing conditions.

Supplemental Information: Many components of the electrical systems at the JMZ are almost 70 years old and per the 2008 Kitchell report they are all beyond their useful life. New replacement parts for many of the systems are no longer available. These improvements provide for ongoing rehabilitation of the building systems to meet the needs and safety of the City staff and the public.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2013-2016
- **Overall Project Completion:** 0%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies L-61,C-9,C-17,C-19,C-21,C24,C-26,C-32. Programs C-18,c-19, and C-27
- **Potential Board/Commission Review:** PRC and PC

IMPACT ANALYSIS:

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

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs					\$849,000	\$849,000
Other						
Total Budget Request					\$849,000	\$849,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

JUNIOR MUSEUM & ZOO PERIMETER FENCE AND FOOTPATH (AC-12001)



Description: This project is for engineering and construction to replace and relocate a perimeter fence on the north side of the Zoo and to relocate a footpath between the Museum and a playground. New alignment of the fence will require relocation of an existing decomposed granite pathway between the playground and the Museum. A previous CIP funded repaving of the Zoo and partial replacement of the perimeter fence, but funds were insufficient to complete the full project.

Justification: The U.S. Department of Agriculture requires all licensed animal facilities to maintain a perimeter fence. The Association of Zoos accreditation standards for the perimeter fence require that the fence be a minimum of eight feet high. The existing fence on the north side of the Zoo is only 6 feet high. Plans for the new pathway and fence have been approved by the Planning Department and reviewed by the Parks and Recreation Commission.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2012
- **Overall Project Completion:** 0%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies L-61, C-9, C-17, C-21, C-24, C-26, C-32. Programs C-19 and C-27.
- **Potential Board/Commission Review:** PRC

IMPACT ANALYSIS:

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$50,000					\$50,000
Other						
Total Budget Request	\$50,000					\$50,000
Revenues:						
Source of Funds:	Infrastructure Reserve					



LOT J STRUCTURE REPAIR (PF-10002)

Description: This project will remove 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 scening.

Justification: The wood structure on the exterior of this building is too heavy and continues to detach and 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 was funded initially for design services only with construction cost to be determined at a later period.

Supplemental Information: This project will be reimbursed by the University Avenue Parking District funding (since it is within the assessment district) once the exact cost is determined.

PRIOR YEARS	
PY Budget	\$81,182
PY Actuals as of 12/31/2010	34,196

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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:	Infrastructure Reserve					

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2012-2013
- **Overall Project Completion:** 10%
- **Percent Spent:** 42.12%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24, 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

LUCIE STERN MECHANICAL SYSTEM UPGRADE (PF-13001)



Description: This project will replace or upgrade mechanical systems and ductwork. The existing heating-only system will be replaced with a heating, ventilating and air conditioning system. The systems will be designed to meet current codes, user needs, 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 systems to meet the needs of the public and staff.

Consultant Services Scope: See Supplemental Information.

Supplemental Information: Consultant shall provide all necessary design services to evaluate existing conditions, provide conceptual and final design, produce construction documents, and provide construction administration services.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2013-2014
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24
- **Potential 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	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs		\$100,000				\$100,000
Construction Costs			\$400,000			\$400,000
Other						
Total Budget Request		\$100,000	\$400,000			\$500,000
Revenues:						
Source of Funds:	Infrastructure Reserve					



LUCIE STERN THEATER ELECTRICAL SYSTEMS REPLACEMENT (PF-15002)

Description: This project replaces original electrical systems in the Theater and Theater Scene Shop. This includes the replacement of switch gear. The new electrical systems will be designed to meet current building codes and user needs.

Justification: New replacement parts for many of the electrical systems are no longer available. The 2008 Kitchell report states the electrical systems are all beyond their useful life. These improvements provide for ongoing rehabilitation of the building systems to meet the needs and safety of the Theater staff and the public.

Supplemental Information: Consultants shall provide all necessary design services to evaluate existing conditions, provide final design, and produce construction documents.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2014-2015
- **Overall Project Completion:** 0%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24, C-32

IMPACT ANALYSIS:

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

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs			\$170,000			\$170,000
Construction Costs						
Other						
Total Budget Request			\$170,000			\$170,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

MAIN LIBRARY NEW CONSTRUCTION AND IMPROVEMENTS (PE-11000)



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 at the Art Center to a temporary facility. Details for the relocation of programs will be developed as part of the design process in FY 2011. A construction management firm will be needed to supplement existing staffing levels. Design costs include design consultant fees, construction administration, testing & inspection, construction management, building and other permits, and design escalation.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2011-2014
- **Overall Project Completion:** 30%
- **Percent Spent:** 16.64%
- **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 was approved on July 21, 2008 (CMR:321:08).
- **Design Elements:** This project may be subject to ARB, HRB, LAC, PAC Review.
- **Operating:** This project will require annual maintenance and replacement of furnishings and technology.
- **Telecommunications:** Telecommunications systems will be needed.

PRIOR YEARS

PY Budget	\$1,850,000
PY Actuals as of 12/31/2010	307,886

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs	\$2,300,000					\$2,300,000
Construction Costs	\$13,850,000					\$13,850,000
Other						
Total Budget Request	\$16,150,000					\$16,150,000
Revenues:	\$16,150,000					\$16,150,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: Bonds(\$16,150,000)					



MUNICIPAL SERVICE CENTER IMPROVEMENTS (PF-05002)

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. In addition roofing systems for Municipal Service Center Buildings A, B, and C will be replaced in FY 2015.

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 2011-2015
- **Percent Spent:** 31.32%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24, Program C-19
- **Potential 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	\$561,308
PY Actuals as of 12/31/2010	175,794

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs			\$341,000	\$550,000		\$891,000
Other						
Total Budget Request			\$341,000	\$550,000		\$891,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

MUNICIPAL SERVICES CENTER FACILITIES STUDY (PE-12004)



Description: This project will study options for locating City functions, personnel and equipment currently located at the Municipal Services Center (MSC) and Animal Services Center (ASC). One alternative would be to retain the current functions and buildings at the MSC/ASC. Another would be to retain the functions at the MSC/ASC, but rebuild the buildings rather than update them. Other Alternatives would involve changing the functions at the MSC/ASC and consider new uses for some or all of the MSC/ASC site.

Justification: The MSC constructed in 1966 and many features of the building are well beyond their design life and must be replaced or rebuilt if the functions are to remain in their current location. The purpose of this Project is to gather data on the alternatives so that a decision can be made among those alternatives. At that time, either project PF-05002 (see supplemental info) would be restarted, or another course of action taken.

Consultant Services Scope: A consultant will be hired to prepare alternatives and planning level costs.

Supplemental Information: Staff proposed to begin the rebuilding process through CIP No. PF-05002; a \$640,000 project to rebuild the electrical and mechanical equipment in Buildings A, B, and C. Council directed staff to defer this project until a longer term plan for the MSC becomes clear. The Functions performed at the MSC/ASC are contained in the Public Works, Utilities, Administrative Services, Community Services and Police Departments. The Study must therefore consider all users, and consider related needs of each Department which may or may not be currently housed at the MSC.

Thus the consultant must review the programs being implemented by the departments, and not merely the space requirements. The study must also look at functional relationships among the groups to take advantage of economies of co-locating groups.

<p>CIP FACTS:</p> <ul style="list-style-type: none"> • New • Project Status: Pre-Design • Timeline: FY 2012-2013 • Managing Department: Public Works • Comprehensive Plan: Policy C-24, Program C-19 <p>IMPACT ANALYSIS:</p> <ul style="list-style-type: none"> • Environmental: None • Design Elements: None • Operating: None • Telecommunications: None
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FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	\$100,000					\$100,000
Total Budget Request	\$100,000					\$100,000
Revenues:						
Source of Funds:	Infrastructure Reserve					



PARKS & PWD TREE SHOP SPACE IMPROVEMENTS (PF-12001)

Description: This project transitions from CSD CIP PG-09003. This new CIP covers the construction phase. The project renovates and improves health and safety, Title 24 requirements, ventilation, and space utilization in various shop spaces.

Justification: The existing shop areas for Parks Maintenance and Public Works Trees has inadequate ventilation for working on gas powered equipment, inadequate heating, inadequate lighting, poor space utilization, and poor space layout. This project will improve employee health and safety, comfort, and efficiency.

Supplemental Information: The design and construction documents were completed with the PG-09003 CIP.

CIP FACTS:

- **New**
- **Project Status:** Construction
- **Timeline:** FY 2012-2012
- **Overall Project Completion:** 0%
- **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						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$375,000					\$375,000
Other						
Total Budget Request	\$375,000					\$375,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

RINCONADA POOL LOCKER ROOM (PF-15000)



Description: This project renovates the Rinconada Pool changing room inclusive of changing area, restroom, showers, and the addition of lockers. Currently, the changing room has no lockers. In addition, the changing room needs to be brought up to ADA standards. The pool facility was built in 1933, and the last renovation to the changing room was in 1957.

Justification: Aside from being outdated, the changing room no longer meets the needs of pool users. The pool is used year round by adults, youth, children, and infants for fitness, recreation, aquatics safety, classes and camps. Due to its age, it is not ADA compliant and thus not accessible to all. Without any lockers, swimmers and visitors are not able to secure personal belongings while swimming. The showers are inefficient and often in need of repair due to aged plumbing and clogged shower heads.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2015-2015
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Goals C-4, C-5; Policies C-22, C-24, C-32; Programs C-19, C-27

IMPACT ANALYSIS:

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

PRIOR YEARS

PY Budget	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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					



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 schedule for re-roofing are: Fiscal Year 2012: Cubberley Buildings K and J; Fiscal Year 2013: Fire Station 1, Cubberley Building S, and Art Center Car Port; Fiscal Year 2014: Cubberley Buildings M, P and Pavilion; Fiscal Year 2015: Bayland Athletic Center Restrooms, Cubberley Buildings L and FH; Fiscal Year 2016: Rinconada RR & Snack Shack and Cubberley Buildings T1 and T2.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2012-2016
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
Other						
Total Budget Request	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

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 2013-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24, C-32
- **Potential 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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					

Streets and Sidewalks

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BICYCLE & PEDESTRIAN TRANSPORTATION PLAN - IMPLEMENTATION PROJECT (PL-04010)

Description: This project funds the design and construction of roadway geometrics and signage improvements within the City's transportation infrastructure to help implement high priority projects within the Bicycle & Pedestrian Transportation Plan. Project samples include the implementation of bicycle boulevards, bicycle lanes, bicycle routes, bicycle parking projects, and off-road trails.

Justification: The Bicycle & Pedestrian Transportation Plan will provide safer, traffic-calmed biking routes with reduced conflicts with motor vehicles, as alternatives to more congested arterial streets including bicycle parking facilities.

Supplemental Information: The City has an active Bicycle & Pedestrian Transportation Master Plan that is currently under development in FY 2012. This project will allow for the immediate implementation of projects within the new plan. Consultant services may be used to assist in the design of improvements and to provide assistance with monitoring projects.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2004-2016
- **Overall Project Completion:** 10%
- **Percent Spent:** 31.73%
- **Managing Department:** Planning and Community Environment
- **Comprehensive Plan:** Program T-22, T-20
- **Potential Board/Commission Review:** PTC

IMPACT ANALYSIS:

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

PRIOR YEARS	
PY Budget	\$289,497
PY Actuals as of 12/31/2010	91,861

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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					

CALIFORNIA AVENUE - TRANSIT HUB CORRIDOR PROJECT (PL-11002)



Description: This project funds the design and construction of streetscape enhancements along California Avenue between El Camino Real and the Caltrain — Park Blvd Plaza. Improvements include the installation of community identity markers; traffic calming treatments such as bulb-outs and a 4-lane to 2-lane roadway reduction; enhanced mid-block pedestrian crosswalks; bicycle and pedestrian streetscape elements; and community-focused elements at the Park Blvd Plaza.

Justification: The California Avenue — Transit Hub Corridor Project implements the City’s Comprehensive Plan vision for the corridor. The Transit Hub Corridor Project is consistent with the alternatives under consideration for the California Avenue Concept Plan, which is intended to provide further direction for implementing the Comprehensive Plan vision.

Supplemental Information: Consultant and contract services will be used to implement this project including consultant services for the design and construction management of the project.

A \$1,175,200, grant was received in FY 2011 from the VTA — Community Design & Transportation (CDT) program that requires a \$550,000 local match.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2011-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Planning and Community Environment
- **Comprehensive Plan:** Policies T-6, T-10, T-14, T-19, T-22, T-23, T-30, T-31 and T-34

IMPACT ANALYSIS:

- **Environmental:** Negative Declaration approved on February 14, 2011.
- **Design Elements:** This project may require review by the ARB and PTC.
- **Operating:** This project may increase maintenance costs.
- **Telecommunications:** None

PRIOR YEARS

PY Budget	\$550,000
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$1,175,200					\$1,175,200
Other						
Total Budget Request	\$1,175,200					\$1,175,200
Revenues:	\$1,175,200					\$1,175,200
Source of Funds:	Infrastructure Reserve with the following reimbursements: Local Agency Grant(\$1,175,200)					



CHARLESTON/ARASTRADERO CORRIDOR PROJECT (PE-13011)

Description: This project will implement the permanent reconfiguration identified in the Council adopted Charleston/Arastradero Corridor Plan, including engineering design and construction of new landscaped median islands, bulb outs, enhanced bike lanes, new street trees and new street lighting.

Justification: The Charleston/Arastradero Corridor Plan was adopted by City Council in January 2003 to enhance bicycle and pedestrian travel on Charleston Road and Arastradero Road, for school commuters and all others who walk or cycle the Corridor. The Plan addressed pedestrian crossing safety, bicycle travel safety, motor vehicle speeding, more even and efficient motor vehicle traffic flow, and Corridor streetscape.

Supplemental Information: The project will result in enhanced travel safety, increased use of environmentally friendly travel alternatives, reduced motor vehicle congestion, and enhanced aesthetics on the Charleston-Arastradero Corridor. The Council approved the permanent retention of the new lane configurations on Charleston in 2008. The one-year trial of the new striping plan for Arastradero Road Corridor was implemented in FY 2011. The Charleston/Arastradero Corridor Project furthers one of the Council's Top 4 Priorities: Land Use and Transportation Planning.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2013-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** T-25, T-34, T-40, and Program T-41
- **Potential Board/Commission Review:** ARB

IMPACT ANALYSIS:

- **Environmental:** Mitigated Negative Declaration approved by Council January 2003
- **Design Elements:** This project may require ARB review.
- **Operating:** Maintenance will be required by Public Works once project is completed.
- **Telecommunications:** None

PRIOR YEARS

PY Budget	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$1,000,000	\$1,000,000	\$2,000,000		\$4,000,000
Other						
Total Budget Request		\$1,000,000	\$1,000,000	\$2,000,000		\$4,000,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

CURB AND GUTTER REPAIRS (PO-12001)



Description: This project will repair curbs and gutters (C & G) that have been uplifted by tree roots. The annual street maintenance project does not address these locations unless street is scheduled for reconstruction or a new asphalt overlay. The sidewalk replacement project does not address C & G unless the gutter is physically connected to the sidewalk. This CIP will address C & G repairs not targeted by those projects. Initial funding will address a backlog of approximately 290 locations.

Justification: The annual street maintenance project does not address problems on small isolated sections of curb and gutter that are found on streets with good road surfaces. Ponding related to C & G problems is an eyesore and a health hazard. Standing water can be a breeding ground for mosquitoes that may carry West Nile Virus. It can also encourage algae growth that is slippery to bikes and pedestrians. In neighborhoods w/frequent reconstruction, basement dewatering operations can cause standing water.

Supplemental Information: Subsequent annual funding will be required for annual maintenance requests.

CIP FACTS:

- **New**
- **Project Status:** Construction
- **Timeline:** FY 2012-2016
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-25, Policy L-20, Policy L-22 and program T-41
- **Potential Board/Commission Review:** none

IMPACT ANALYSIS:

- **Environmental:** Exempt from CEQA under Section 15301.
- **Design Elements:** City Arborist will be consulted for tree root protection.
- **Operating:** None
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$250,000	\$250,000	\$250,000	\$250,000	\$100,000	\$1,100,000
Other						
Total Budget Request	\$250,000	\$250,000	\$250,000	\$250,000	\$100,000	\$1,100,000
Revenues:						
Source of Funds:	Infrastructure Reserve					



SAFE ROUTES TO SCHOOL (PL-00026)

Description: This project funds the City's Safe Routes to School programmatic elements including school commute planning and encouragement activities and capital improvements along local and neighborhood collector streets that may be impacted by school commute activities. The project also funds minor roadway improvements along suggested walking/biking routes to school including roadway marking improvements and high-visibility signage treatments.

Justification: Traffic calming is identified as a high priority in the adopted Transportation Strategic Plan. Encouragement of walking and bicycling to school helps to alleviate congestion of local streets and provides health benefits for the community's children.

Supplemental Information: Consultant and contract services will be used to implement this project including consultant services for the development of suggested walking/biking route to school maps, new website development, and safe routes to school program implementation. Contract help will be used to manage the consultant contract and outreach activities to local schools.

A \$528,000 grant was received in 2011 that requires a \$132,000 local match for the Safe Route to School programmatic elements.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2000-2016
- **Percent Spent:** 54.16%
- **Managing Department:** Planning and Community Environment
- **Comprehensive Plan:** Policies T-34, T-40
- **Potential 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 12/31/2010	498,242

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs		\$35,000	\$35,000	\$35,000	\$35,000	\$140,000
Construction Costs	\$297,000	\$65,000	\$65,000	\$65,000	\$65,000	\$557,000
Other						
Total Budget Request	\$297,000	\$100,000	\$100,000	\$100,000	\$100,000	\$697,000
Revenues:	\$628,000	\$100,000	\$100,000	\$100,000	\$100,000	\$1,028,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: Gas Tax Fund(\$500,000); Local Agency Grant(\$528,000)					

SIDEWALK REPAIRS (PO-89003)



Description: This project will alleviate existing backlog in the sidewalk repair program. FY 2012 sidewalk replacement will continue in District 13, bounded by Middlefield Rd., southern City limits, Transport St./ West Bayshore Rd. and Barron Creek. Work will also begin in District 14, bounded by Middlefield Rd, southern City limits, Alma St, & E Charleston. Curb ramps will be constructed at intersections & existing curb ramps will be upgraded to comply with Americans Disabilities Act (ADA).

Justification: This project provides an annual district-based 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. Additional funding is requested and is necessary to complete the remaining sidewalk districts by 2016.

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. The backlog of sidewalk replacements is estimated to be complete in 2016. An amount of \$50,000 will continue to be allocated for high-pedestrian-use areas on an annual basis.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2007-2016
- **Overall Project Completion:** 70%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Programs C-21, C-27
- **Potential 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	ongoing
PY Actuals as of 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$689,980	\$659,571	\$654,322	\$650,781	\$644,877	\$3,299,531
Other	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$325,000
Total Budget Request	\$754,980	\$724,571	\$719,322	\$715,781	\$709,877	\$3,624,531
Revenues:						
Source of Funds:	Infrastructure Reserve					



SIGN REFLECTIVITY UPGRADE (PO-11000)

Description: This project entails inventorying, upgrading and maintaining all traffic signs owned by the City of Palo Alto in order to comply with new federal requirements for sign reflectivity standards.

Justification: The Manual on Uniform Traffic Control Devices (MUTCD) has passed regulations requiring new minimum reflectivity standards for all signs. The City will phase in this project over a six-year period to ensure compliance by the 2018 deadline.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2012-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24

IMPACT ANALYSIS:

- **Environmental:** Categorically exempt from CEQA under Section 15301.
- **Design Elements:** None
- **Operating:** Overtime will need to be added to PW Ops Division operating budget in future years to test reflectivity.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	\$100,000
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$50,000	\$50,000	\$50,000	\$50,000		\$200,000
Other						
Total Budget Request	\$50,000	\$50,000	\$50,000	\$50,000		\$200,000
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
- **Timeline:** FY 2005-2016
- **Managing Department:** Public Works
- **Comprehensive Plan:** Program L-79
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$130,000	\$135,000	\$140,000	\$145,000	\$150,000	\$700,000
Other						
Total Budget Request	\$130,000	\$135,000	\$140,000	\$145,000	\$150,000	\$700,000
Revenues:	\$130,000	\$135,000	\$140,000	\$145,000	\$150,000	\$700,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: General Fund(\$700,000)					



STREET MAINTENANCE (PE-86070)

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: Staff is developing bid documents for the second phase of San Antonio roadway and median reconstruction (from Middlefield Road to the Highway 101 interchange) and has applied for a HSIP grant for \$900,000 which is subject to Caltrans approval. In FY 2011, a BAO in the amount of \$324,684 transferred street funding to the Storm Drain project for curb and gutter work, wheel chair ramps and driveway work along Channing Avenue. In May 2011 a BAO in the amount of \$2,021,068 was approved by Council in order to take advantage of a favorable bidding climate and to schedule all construction work adjacent to schools to be completed prior to opening. In FY 2012 appropriation for the annual Street Resurfacing Capital Improvement Project will be reduced by an equal amount.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2012-2016
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy C-24, T-20
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Construction Costs	\$1,357,883	\$3,703,635	\$3,703,635	\$3,703,635	\$3,703,635	\$16,172,423
Other						
Total Budget Request	\$1,407,883	\$3,753,635	\$3,753,635	\$3,753,635	\$3,753,635	\$16,422,423
Revenues:	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000	\$6,500,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: Street Improvement Fund(\$6,500,000)					

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.

FY 2013 work schedule includes: 7 cul de sacs, Island Drive, and Evergreen Park barriers.

FY 2014 work schedule includes: medians Page Mill/Oregon Expressway

FY 2015: To be determined

FY 2016: To be determined

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2006-2016
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-25, N-17, N-19, T-41, T-42, Program T-47
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$156,000	\$156,000	\$156,000	\$156,000	\$624,000
Other						
Total Budget Request		\$156,000	\$156,000	\$156,000	\$156,000	\$624,000
Revenues:						
Source of Funds:	Infrastructure Reserve					



THERMOPLASTIC MARKING AND STRIPING (PO-11001)

Description: This project will use thermoplastic lane markings on paved roadways to provide guidance and information to motorists, bicyclists and pedestrians. Thermoplastic takes the place of water-based paint that has typically been used for street marking/striping.

Justification: Upgrading all street painting to thermoplastic will improve/enhance roadway safety for motorists, pedestrians and bicyclists as the reflectivity and wearability of the thermoplastic outlasts that of paint by 3-5 years depending on traffic conditions. This means less interruption of traffic flow as paint typically lasts only one year. This also allows in-house staff to focus on new requests from Planning's Transportation Division.

PRIOR YEARS	
PY Budget	\$300,000
PY Actuals as of 12/31/2010	23,139

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2011-2015
- **Overall Project Completion:** 10%
- **Percent Spent:** 7.71%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy T-20

IMPACT ANALYSIS:

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

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$50,000	\$50,000	\$50,000	\$50,000		\$200,000
Other						
Total Budget Request	\$50,000	\$50,000	\$50,000	\$50,000		\$200,000
Revenues:						
Source of Funds:	Street Improvement Fund					

TRAFFIC SIGNAL AND ITS UPGRADES (PL-05030)



Description: This project funds the design and construction of traffic signals, traffic signal communications networks, video surveillance projects for transportation use, and maintenance of the City's traffic signal central system. Sample projects include the replacement of traffic signal controllers/cabinets, video detection systems, and other field equipment. This project also funds traffic signal projects that help to reduce roadway congestion such as traffic signal retiming projects.

Justification: Traffic signal upgrades are essential to respond to help maintain traffic safety and improve roadway operations.

Supplemental Information: Consultant and contract services may be used to collect traffic data for traffic signal system projects and to help implement traffic special projects such as adaptive/responsive signal operations.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2012-2016
- **Overall Project Completion:** 10%
- **Managing Department:** Planning and Community Environment
- **Comprehensive Plan:** Program T-38
- **Potential Board/Commission Review:** PTC

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 are funded by the Electric Fund.
- **Telecommunications:** This project will require interconnection with broadband/fiber optic.

PRIOR YEARS

PY Budget	ongoing
PY Actuals as of 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Construction Costs	\$150,000	\$155,000	\$160,000	\$165,000	\$170,000	\$800,000
Other						
Total Budget Request	\$200,000	\$205,000	\$210,000	\$215,000	\$220,000	\$1,050,000
Revenues:	\$200,000	\$205,000	\$210,000	\$215,000	\$220,000	\$1,050,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: General Fund(\$1,050,000)					



TRANSPORTATION AND PARKING IMPROVEMENTS (PL-12000)

Description: This project provides for the implementation of miscellaneous neighborhood traffic management improvements including roadway geometric and signage enhancements and parking improvements. These will help improve the quality of life for residents and visitors that are outside of corridors where the Safe Routes to Schools project may be more appropriate. Miscellaneous traffic studies have been completed that may require traffic data collection needs to properly design a project.

Justification: Traffic calming is identified as a high priority in the adopted Transportation Strategic Plan.

Supplemental Information: On-call consultant and contractor services will be provided to help the City implement improvements recommended by staff in response to neighborhood improvement requests.

CIP FACTS:

- **New**
- **Project Status:** Design
- **Timeline:** FY 2012-2016
- **Managing Department:** Planning and Community Environment
- **Comprehensive Plan:** Goals T-4 and T-6
- **Potential 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 may require ongoing maintenance costs.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs	\$100,000	\$75,000	\$75,000	\$75,000	\$75,000	\$400,000
Construction Costs	\$650,000	\$175,000	\$150,000	\$150,000	\$150,000	\$1,275,000
Other						
Total Budget Request	\$750,000	\$250,000	\$225,000	\$225,000	\$225,000	\$1,675,000
Revenues:	\$750,000	\$250,000	\$225,000	\$225,000	\$225,000	\$1,675,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: Gas Tax Fund(\$1,675,000)					

WILKIE WAY BRIDGE TILE DECK REPLACEMENT (PO-12000)



Description: This project will replace all of the recycled plastic ECO tiles on the Wilkie Way Bridge and walkway including any necessary repairs to the wood decking underneath the tiles.

Justification: The Wilkie Way Bike Bridge is a connector across Adobe Creek between Mtn View and Palo Alto for bicycle and pedestrian traffic. When the bridge was repaired in 2000, the wood deck was replaced and recycled plastic tile was applied to the bridge deck to increase the deck's durability. Through time, the tiles have failed and replacement tiles can no longer be found. As an interim solution, good tiles along the outside edges of the path were moved to the center part of the walkway.

CIP FACTS:

- **New**
- **Project Status:** Construction
- **Timeline:** FY 2012-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Goal T-3, Policy T-18

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** None
- **Operating:** Additional funds will be needed in Traffic Control operating budget for ongoing maintenance.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$50,000					\$50,000
Other						
Total Budget Request	\$50,000					\$50,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

Parks and Open Space

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BENCHES, SIGNAGE, FENCING, WALKWAYS, AND PERIMETER LANDSCAPING (PG-06003)

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 2012- Pathway renovation in various parks, fence repair at various park sites, repair and or replacement of existing park amenities

Fiscal Year 2013-2016 - To be determined

PRIOR YEARS	
PY Budget	\$373,358
PY Actuals as of 12/31/2010	296,699

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2006-2016
- **Overall Project Completion:** 40%
- **Percent Spent:** 79.47%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies C-24, C-26, T-22, Program C-19

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 will reduce future extensive maintenance costs.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
Other						
Total Budget Request	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
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 2013 - Bowden and Greer Parks

Fiscal Year 2014 - Baylands Athletic Center Parking lot improvements

Fiscal Year 2015 - To be determined

Fiscal Year 2016 - To be determined

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2016
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24, C-26, C-32, Program C-19, Program N-17
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$440,000	\$200,000	\$200,000	\$200,000	\$1,040,000
Other						
Total Budget Request		\$440,000	\$200,000	\$200,000	\$200,000	\$1,040,000
Revenues:						
Source of Funds:	Infrastructure Reserve					



ELEANOR PARDEE PARK IMPROVEMENTS (PE-12012)

Description: This project will provide upgrades and renovations for safety and accessibility improvements at Eleanor Pardee Park. Funding of this project will focus on pathway repair and turf replacement, fencing, playground, benches, picnic tables, drinking fountains and barbecue pits.

Justification: As park infrastructure ages, safety and compliance issues need to be addressed. This project will ensure compliance and address accessibility needs as well as safety issues.

CIP FACTS:

- **New**
- **Project Status:** Design
- **Timeline:** FY 2012-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24, C-26, C-32, C-34, Program C-19
- **Potential Board/Commission Review:** PRC

IMPACT ANALYSIS:

- **Environmental:** None
- **Design Elements:** This project may require ARB or PRC review.
- **Operating:** This project may increase maintenance costs.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs	\$70,000					\$70,000
Construction Costs	\$604,000					\$604,000
Other						
Total Budget Request	\$674,000					\$674,000
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 FY 2009 the areas between Boronda Lake and Vista Hill, including the parking areas around Vista Hill, were resurfaced. In FY 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

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 associated with this project is included in the operating budget.
- **Telecommunications:** None

PRIOR YEARS

PY Budget	\$375,000
PY Actuals as of 12/31/2010	250,000

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	\$150,000					\$150,000
Total Budget Request	\$150,000					\$150,000
Revenues:						
Source of Funds:	Infrastructure Reserve					



FOOTHILLS WILDLAND FIRE MITIGATION PROGRAM (PO-12003)

Description: This project will reduce fire intensity near roads within and outside the Foothills area to allow firefighting vehicles to pass and ensure safe passage for staff and visitors to pre-determined safety zones, or safe locations out of the parks during a fire event. Projects would be located along roads and driveways of varying width, depending on whether the road is a major or secondary evacuation route.

Justification: During a major fire event in the Foothills area there are limited roads in which fire equipment and public would have access. The projects would provide for clearing allowing a safe travel route.

Supplemental Information: The project would provide clearing as follows:

- a) 10 feet where flames are predicted to be less than eight feet in length (generally in grassy locations and in oak woodlands), such as along Wildhorse Valley in Foothills Park.
- b) 30 feet from pavement edge along major evacuation routes that are Page Mill Road, Los Trancos Road, Arastradero Road, Skyline Boulevard, and the road from the Foothills Park Entry Gate to the Maintenance Shop.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2016
- **Overall Project Completion:** 0%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Program N3 and N78, Policy N49 and N53
- **Potential Board/Commission Review:** None

IMPACT ANALYSIS:

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

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	\$200,000					\$200,000
Total Budget Request	\$200,000					\$200,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

GOLF COURSE CART PATH AND ROAD (PE-12001)



Description: This project would complete deferred cart path and utility road work from a 1998 renovation project at the Palo Alto Golf Course. Installation to include a total of 40,400 sq ft. of concrete cart paths on golf course holes numbers 8, 9, 12, and 18 along with an additional 10,000 sq. ft. of asphalt for utility roads. The existing paths are base rock and stay wet from irrigation and precipitation almost the entire year causing slick unsafe conditions.

Justification: In addition to being a hazard, water tends to puddle in the low areas of these unpaved paths and roads attracting mosquitoes and geese resulting in very unpleasant conditions for paying customers. Improved conditions will enhance the customer experience and improve revenue. The maintenance of these unpaved paths and roads require weekly upkeep.

CIP FACTS:

- **New**
- **Project Status:** Other
- **Timeline:** FY 2012-2015
- **Overall Project Completion:** 0%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Programs C-1 and C-19, C-24, C-26
- **Potential Board/Commission Review:** ARB, 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

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs			\$292,000			\$292,000
Other						
Total Budget Request			\$292,000			\$292,000
Revenues:						
Source of Funds:	Infrastructure Reserve					



GOLF COURSE TREE MAINTENANCE (PG-12002)

Description: This project establishes a tree plan at the Palo Alto Golf Course as recommended by City Arborist. The maintenance and care for these trees have been deferred for the last eight years. Many are in need of trimming, nutrition, and care for disease and pests. The trees of greatest concern are the large Eucalyptus, Caserinas, and Stone Pines. After an evaluation, an Agronomic Plan will be put in place along with a schedule that addresses the work needed to insure healthy conditions.

Justification: Many trees have become very dangerous due to disease, pests, and lack of scheduled trimming. The top heavy trees need to be trimmed as they tend to fall over during winter wind storms. This project provides the means to plant and care for existing trees at the Palo Alto Golf Course.

CIP FACTS:

- **New**
- **Project Status:** Other
- **Timeline:** FY 2012-2016
- **Overall Project Completion:** 0%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies N-14, N-16, and N-18

IMPACT ANALYSIS:

- **Environmental:** None
- **Design Elements:** This project will establish a tree plan as recommended by the City's Arborist
- **Operating:** This project funds ongoing tree maintenance
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$75,000	\$75,000	\$25,000	\$25,000	\$25,000	\$225,000
Other						
Total Budget Request	\$75,000	\$75,000	\$25,000	\$25,000	\$25,000	\$225,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

HOPKINS PARK IMPROVEMENTS (FORMERLY PE-07001) (PG-11000)



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 enhance the quality and condition of Hopkins Park and address accessibility needs with sidewalk ramping and pathway repairs.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2013
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies C-24, C-26, C-32, Program C-19
- **Potential Board/Commission Review:** PRC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** None
- **Operating:** This project will reduce structural and systems maintenance costs.
- **Telecommunications:** None

PRIOR YEARS

PY Budget	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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					



LATP SITE DEVELOPMENT PREPARATION AND SECURITY IMPROVEMENTS (PO-12002)

Description: The Los Altos Treatment Plant (LATP) property contains a former wastewater treatment facility on 6.5 acres of the site known as Area B. This project will initiate the development permit process to maximize usable land on Area B. Remediation of historical contamination on the site, demolishing remaining structures, rough grading, & filling low area including former sludge ponds will be addressed. Mitigation of wetland impacts will be coordinated on site following CEQA analysis.

Justification: As of 1/8/2008, Palo Alto fully owns the former LATP property. The exact future use of Area B is not known, but the existing US Army Corp of Engineers approved wetlands delineation map expires on 8/4/2013. This CIP is needed to initiate the permit process to maximize usable land on Area B.

CIP FACTS:

- **New**
- **Timeline:** FY 2012-2013
- **Managing Department:** Public Works

IMPACT ANALYSIS:

- **Environmental:** CEQA will be completed as part of this project.
- **Design Elements:** Consultant services will be required.
- **Operating:** There will be an ongoing maintenance need for the security fence around the property.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	\$250,000					\$250,000
Total Budget Request	\$250,000					\$250,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

MAGICAL BRIDGE PLAYGROUND (PG-12006)



Description: The Friends of the Magical Bridge propose building a new 18,000-sq ft playground on an undeveloped eastern corner of Mitchell Park. The undeveloped area was originally designed for an archery range. The playground would be specifically designed to remove as many physical barriers as possible so that both able and disabled kids can play together without limitations. Physically challenged caregivers would also be better able to play and interact with their children.

Justification: Because the Palo Alto Unified School District offers nationally recognized programs for children with special needs, Palo Alto is a magnet for families of special needs children. Palo Alto, with a population of 1,500 special needs children between ages 4-16, is proportionally one of the largest special needs communities on the west coast. The unique location of this playground, adjoining Abilities United, Achieve Center, and Challenger School, make this an ideal location for this playground.

Supplemental Information: Funding for this project is to be in partnership between City and Friends of the Magical Bridge. City to contribute land and up to \$300,000. Balance of project costs to be raised by Friends of the Magical Bridge through donations and grants.

<p>CIP FACTS:</p> <ul style="list-style-type: none"> • New • Project Status: Other • Overall Project Completion: 0% • Managing Department: Community Services • Comprehensive Plan: Policies C-7, C-17, C-19, C-26, C-27, and C-32. • Potential Board/Commission Review: Parks & Recreation <p>IMPACT ANALYSIS:</p> <ul style="list-style-type: none"> • Environmental: None • Design Elements: This project may require ARB or PRC review. • Operating: This project may increase maintenance costs. • Telecommunications: None
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FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$1,300,000					\$1,300,000
Other						
Total Budget Request	\$1,300,000					\$1,300,000
Revenues:	\$1,000,000					\$1,000,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: Local Agency Grant(\$1,000,000)					



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.

PRIOR YEARS	
PY Budget	\$80,668
PY Actuals as of 12/31/2010	50,182

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2010-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 62.21%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies C-24, C-25, C-26, C-27, T-22, Programs C-19, T-19
- **Potential 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

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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)



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 2000-2016
- **Overall Project Completion:** 70%
- **Percent Spent:** 98.59%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies N-1, N-8, Program N-2
- **Potential Board/Commission Review:** PTC, PRC

IMPACT ANALYSIS:

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

PRIOR YEARS

PY Budget	\$364,471
PY Actuals as of 12/31/2010	359,332

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$50,000		\$60,000		\$60,000	\$170,000
Other						
Total Budget Request	\$50,000		\$60,000		\$60,000	\$170,000
Revenues:						
Source of Funds:	Infrastructure Reserve					



OPEN SPACE TRAILS AND AMENITIES (OS-00001)

Description: This project restores trails, fences, picnic areas, and campgrounds at Foothills Park, the Baylands, and the Pearson-Arastradero Nature Preserves to ensure 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 useful 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 2000-2016
- **Overall Project Completion:** 90%
- **Percent Spent:** 91.64%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies C-24, N-1, Programs C-19, C-27, T-25, T-26
- **Potential Board/Commission Review:** PRC

IMPACT ANALYSIS:

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

PRIOR YEARS

PY Budget	\$1,721,121
PY Actuals as of 12/31/2010	1,577,303

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$136,000	\$150,000	\$164,000	\$175,000	\$175,000	\$800,000
Other						
Total Budget Request	\$136,000	\$150,000	\$164,000	\$175,000	\$175,000	\$800,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

PARK AND OPEN SPACE EMERGENCY REPAIRS (PG-09002)



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 2008-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 58.32%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies C-24, C-26, Program C-19
- **Potential 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	\$150,000
PY Actuals as of 12/31/2010	87,482

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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 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.

The next proposed location is Juana Briones Park. Juana Briones Park and future restroom locations will be determined after conducting public outreach.

PRIOR YEARS	
PY Budget	\$589,322
PY Actuals as of 12/31/2010	71,745

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs		\$20,000		\$20,000		\$40,000
Construction Costs		\$200,000		\$200,000		\$400,000
Other						
Total Budget Request		\$220,000		\$220,000		\$440,000
Revenues:		\$220,000		\$220,000		\$440,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: Development Impact Fees(\$440,000)					

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2009-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 12.17%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-26, C-27, C-32
- **Potential 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 restroom range from \$20,000 to \$25,000.
- **Telecommunications:** None

RELOCATE POWER POLES FOR SOCCER FIELD (PG-12005)



Description: This project involves relocating several power poles located at 2000 Geng Road to allow space to install a practice soccer field. This area was formerly used by PASCO for recycling and refuse collection in the City. A new contractor now uses the property, but only requires about half of the property for their operation. The other half will revert to park land. Usage of the land as a soccer field requires relocating several PG&E power poles.

Justification: There is a shortage of soccer fields in Palo Alto. Located at the Baylands Athletic Center, this is an appropriate location for a practice soccer field as the facility includes a parking lot.

CIP FACTS:

- **New**
- **Project Status:** Other
- **Timeline:** FY 2012-2012
- **Overall Project Completion:** 0%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies C-26 and C-27
- **Potential Board/Commission Review:** Parks & Recreation

IMPACT ANALYSIS:

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

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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					



RINCONADA PARK IMPROVEMENTS (PE-08001)

Description: This project will provide upgrades to safety and accessibility improvements at Rinconada Park including repairs to pathways, picnic areas, small parking lot and playground surfacing. This project will also replace picnic tables, trash receptacles, lighting, drinking fountains and replace the seating area in the gazebo. This project will remove: two shuffle board courts, horse shoe pit, and add a new picnic table grove.

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

Consultant Services Scope: Consultant will provide necessary design services through preparation of construction documents.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2013-2013
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24, C-26, C-32, Program C-19
- **Potential Board/Commission Review:** PRC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
- **Design Elements:** Review by PAC 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs		\$110,000				\$110,000
Construction Costs		\$1,150,000				\$1,150,000
Other						
Total Budget Request		\$1,260,000				\$1,260,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

RINCONADA PARK MASTER PLAN AND DESIGN (PE-12003)



Description: Development of a Master Plan for Rinconada Park would include a planning process led by a contracted Urban Planning or Landscape Architecture firm to lead a committee of stakeholders to address usage and facility needs. Also included would be a transportation, parking, and traffic study to assess existing and future needs. The study would also provide a concept plan and guidelines for landscaping, way finding systems, pedestrian roadway crossings and design.

Justification: Rinconada Park serves Palo Alto as a regional park. It highly visited and adjacent to valued facilities such as the Lucie Stern Community Center and Theatre, Children’s Theatre, Children’s Library, Junior Museum & Zoo, Rinconada Pool, tennis courts, Fire Station 3, Main Library, Art Center, and Walter Hayes Elementary School. It is essential for a master plan be developed incorporating usage with such facilities to ensure the park continues to thrive and serve the community.

CIP FACTS:
<ul style="list-style-type: none"> • New • Project Status: Pre-Design • Timeline: FY 2012-2012 • Percent Spent: 0.00% • Managing Department: Public Works • Comprehensive Plan: Goal L-1. Policies L-10, L-11, L-15, L-18, L-61, and L-74. Programs L-16, L-18, and L-68. • Potential Board/Commission Review: PRC and PAC • Art in Public Places: Yes
IMPACT ANALYSIS:
<ul style="list-style-type: none"> • Environmental: None • Design Elements: This project may require ARB and/or PRC review. • Operating: None • Telecommunications: None

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	\$150,000					\$150,000
Total Budget Request	\$150,000					\$150,000
Revenues:						
Source of Funds:	Infrastructure Reserve					



SARAH WALLIS PARK IMPROVEMENTS (PG-12004)

Description: This project will provide upgrades and renovations for safety and accessibility improvements at Sarah Wallis Park. Funding for this project will focus on pathway repair, turf replacement, irrigation, benches, and ADA accessibility.

Justification: As park infrastructure ages, safety and compliance issues need to be addressed. This project will ensure compliance and address accessibility needs as well as safety issues.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2012
- **Overall Project Completion:** 0%
- **Managing Department:** Community Services
- **Potential Board/Commission Review:** Parks & Recreation

IMPACT ANALYSIS:

- **Environmental:** None
- **Design Elements:** This project may require PRC review.
- **Operating:** Replacement of outdated irrigation systems and controls will reduce water costs and thereby maintenance expenses by approximately \$900 per year.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$65,000					\$65,000
Other						
Total Budget Request	\$65,000					\$65,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

SCOTT PARK IMPROVEMENTS (FORMERLY PE-11004) (PG-11003)



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:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2013
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policies C-24, C-26, C-32, Program C-20
- **Potential 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:** This project will reduce structural and system maintenance costs.
- **Telecommunications:** None

PRIOR YEARS

PY Budget	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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					



STANFORD/PALO ALTO PLAYING FIELDS NETTING (PG-12001)

Description: This project would add additional netting to prevent soccer balls from going over the fence into the parking lot of the adjacent property at 650 Page Mill Road. Although there is netting behind the soccer goal areas, there is still a gap of approximately 160 feet without netting in the area between the two soccer fields. This area serves as a warm up and practice area and is heavily used.

Justification: The adjacent property manager has complained of repeated issues with soccer balls coming over the existing fence and damaging vehicles. There are also safety concerns with children running through the parking lot searching for soccer balls that have gone over the fence. Landscaping and irrigation have also been damaged as soccer players walk through landscaped areas of the parking lot to retrieve soccer balls.

CIP FACTS:

- **New**
- **Project Status:** Construction
- **Timeline:** FY 2012-2012
- **Overall Project Completion:** 0%
- **Managing Department:** Community Services
- **Comprehensive Plan:** Policy C-9

IMPACT ANALYSIS:

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

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$50,000					\$50,000
Other						
Total Budget Request	\$50,000					\$50,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

STANFORD/PALO ALTO SOCCER TURF REPLACEMENT (PE-14000)



Description: This project will replace the synthetic turf at the Stanford/Palo Alto Playing Fields. The complex is Palo Alto's first synthetic turf field and accommodates year round play with lighting. Since the complex was built in 2006, it has been in high demand and is used by both youth and adult leagues as well as walk on play.

Justification: The turf has a typical lifespan of 8 years with a fiber wear decrease in pile height of 8% per year. With higher than typical usage, there has been 8-10% wear. Thus, in order to ensure safe playing conditions, two soccer fields with the most usage had been identified to have its turf replaced by 2014; after 8 years of use.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2013-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Goal C-4, Policy C-22, Policy C-24, Program C-19, and Policy C-26.
- **Potential 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 reduce structural and systems maintenance costs.
- **Telecommunications:** None

PRIOR YEARS

PY Budget	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs		\$100,000				\$100,000
Construction Costs			\$625,000			\$625,000
Other						
Total Budget Request		\$100,000	\$625,000			\$725,000
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.

Justification: This project provides resurfacing and repair of various tennis and basketball courts at City and sites. Resurfacing of courts will enhance the safety, quality, and condition of these athletic facilities.

Supplemental Information: Work schedule is as follows:

- FY 2011 - Resurfacing of Cubberley tennis courts
- FY 2012 - Terman Park tennis courts, various basketball courts
- FY 2013 -Resurfacing of Mitchell Park tennis courts (1-7)
- FY 2014 - Resurfacing of Hoover Park tennis courts, Peers Park tennis courts and Weisshaar Park tennis courts
- FY2015-Greer, Peers, Boulware, Briones, and Terman basketball courts
- FY 2016 - Resurfacing of Rinconada courts (1-9)

CIP FACTS:

- **Continuing**
 - **Project Status:** Construction
 - **Timeline:** FY 2011-2016
 - **Percent Spent:** 74.67%
 - **Managing Department:** Community Services
 - **Comprehensive Plan:** Policies C-24, C-26, Program C-19
 - **Potential Board/Commission Review:** PRC
- IMPACT ANALYSIS:**
- **Environmental:** This project is categorically exempt from CEQA under Section 15301.
 - **Design Elements:** None
 - **Operating:** This project will reduce long-term infrastructure costs.
 - **Telecommunications:** None

PRIOR YEARS

PY Budget	\$498,544
PY Actuals as of 12/31/2010	372,280

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000
Total Budget Request	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$150,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

TREE WELLS - UNIVERSITY AVE. IRRIGATION ALTERNATIVES (PE-12002)



Description: Attractive trees and landscaping along University Avenue is an important component of having an economically viable downtown area. The irrigation system for the planting areas was originally installed in 1972. The age of the irrigation system and tree root intrusion have caused the irrigation pipes to fail in both the tree wells and the adjacent road ways. This project will look at alternatives for these planting areas including total replacement of the existing system.

Justification: No subsurface improvements have been made and the system suffers from breaks and leaks at an ever increasing rate. There were approximately five breaks in 2010, which required tearing up parts of the street and sidewalk to gain access to the broken pipes. The original intent of the irrigation system was to establish the trees over a period of 3 to 4 years and then be abandoned. However, they are still in use today as a watering system for the planting areas.

CIP FACTS:

- **New**
- **Project Status:** Other
- **Timeline:** FY 2012-2012
- **Overall Project Completion:** 0%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies L-22, L-23, and N-14. Programs L-16, L-21, and N-17.
- **Potential Board/Commission Review:** ARB, PRC, PAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15301
- **Design Elements:** The project may require PAC and/or ARB review.
- **Operating:** None
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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					



VENTURA COMMUNITY CENTER AND PARK (PE-10002)

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. This project will also replace asphalt walkways around the basketball courts.

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.

Supplemental Information: Originally the design portion of the project was to be done by in-house staff, however due to staff reduction in FY 2011 it will be necessary to hire an outside firm to complete the design for this project.

PRIOR YEARS	
PY Budget	\$200,000
PY Actuals as of 12/31/2010	7,712

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$25,000					\$25,000
Other						
Total Budget Request	\$25,000					\$25,000
Revenues:						
Source of Funds:	Infrastructure Reserve					

CIP FACTS:

- **Continuing**
- **Timeline:** FY 2009-2012
- **Percent Spent:** 3.86%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policies C-24, C-26, C-32, Program C-19
- **Potential 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

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Miscellaneous

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ALS EKG MONITOR REPLACEMENT (FD-12000)

Description: Fire department purchase of eighteen Advanced Life Support (ALS) EKG monitors over a 3-year period. They will replace current monitors located on Fire vehicles to meet upcoming equipment changes mandated by the Santa Clara County Emergency Medical Services (EMS) Agency.

Justification: Current monitors will become obsolete due to lack of 12-Lead transmission capability for acute heart attack protocol. Santa Clara County EMS will mandate transmission capability in approximately 3 years.

Consultant Services Scope: None

Supplemental Information: Current ALS EKG monitors were purchased over a 3 year period starting in 2005. The first shipment will be 6 years of age in 2012. Warranties for current monitors can not be renewed after 8 years. Santa Clara County EMS is moving towards requiring 12-Lead transmission capability in the current cardiac program and current monitors do not have that capability. Each monitor costs approximately \$30,000. This includes a 5-year maintenance agreement with annual callibration. Total cost estimate for 18 replacement monitors is \$540,000 or \$180,000 per year over a 3-year period. The Fire Dept is currently working with Stanford Hospital to search for possible funding options for this project. Some vendors are able to utilize grant funds to reduce the price of their monitors. The replaced monitors have a resale value of approximately \$6,000 each. Total revenue estimate for resale of old monitors is \$108,000.

CIP FACTS:

- **New**
- **Project Status:** Other
- **Timeline:** FY 2012-2014
- **Percent Spent:** 0.00%
- **Managing Department:** Fire Department
- **Comprehensive Plan:** Goal C-1

IMPACT ANALYSIS:

- **Environmental:** None
- **Design Elements:** 12-Lead EKG monitors must have data transmission capabilities as per upcoming Santa Clara County Emergency Medical Services mandate.
- **Operating:** None
- **Telecommunications:** Possible need to pay monthly air card usage fee for each monitor depending on contract with selected vendor.

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	\$180,000	\$180,000	\$180,000			\$540,000
Total Budget Request	\$180,000	\$180,000	\$180,000			\$540,000
Revenues:						
Source of Funds:	General Fund					

ART IN PUBLIC PLACES (AC-86017)



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**
- **Project Status:** Other
- **Managing Department:** Community Services
- **Comprehensive Plan:** Programs B-3, L-19, L-28, L-70, L-72, T-41
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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)					



FURNITURE AND TECHNOLOGY FOR LIBRARY PROJECTS (LB-11000)

Description: This project provides for the purchase of new furniture, equipment and technology for the Measure N bond projects at the new Mitchell Park Library and Community Center, the expanded and renovated Main Library and renovated Downtown Library.

Justification: In 2008, the community passed Bond Measure N, thereby authorizing the construction or renovation of three library branches. By law, general obligation bond funds cannot be used to purchase non-capital items for the facilities. This project is needed to accept gifts from the Palo Alto Library Foundation or other organizations to fund the purchase of essential furniture, equipment and technology.

Supplemental Information: First year funding to purchase all needed furniture, equipment and technology for the Downtown Library renovation was provided by the Palo Alto Library Foundation. Future year funding will be provided by gifts from the Foundation or other donors and, if needed, supplemented by library development impact fees and community centers development impact fees.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2012-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** C-14
- **Potential Board/Commission Review:** None

IMPACT ANALYSIS:

- **Environmental:** None
- **Design Elements:** None
- **Operating:** This project will incur ongoing annual maintenance and replacement costs.
- **Telecommunications:** None

PRIOR YEARS

PY Budget	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$3,125,000	\$1,600,000				\$4,725,000
Other						
Total Budget Request	\$3,125,000	\$1,600,000				\$4,725,000
Revenues:	\$3,125,000	\$1,600,000				\$4,725,000
Source of Funds:	Infrastructure Reserve with the following reimbursements: Local Agency Grant(\$4,725,000)					

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:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2010-2016
- **Managing Department:** Administrative Services
- **Comprehensive Plan:** Not Applicable
- **Potential Board/Commission Review:** Not Applicable

IMPACT ANALYSIS:

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

PRIOR YEARS

PY Budget	ongoing
PY Actuals as of 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	\$3,387,161	\$3,553,369	\$3,731,037	\$3,917,589	\$4,113,468	\$18,702,624
Total Budget Request	\$3,387,161	\$3,553,369	\$3,731,037	\$3,917,589	\$4,113,468	\$18,702,624
Revenues:	\$1,253,510	\$1,291,115	\$1,329,849	\$1,353,378	\$1,393,979	\$6,621,831
Source of Funds:	Infrastructure Reserve with the following reimbursements: General Fund(\$6,621,831)					

ENTERPRISE FUND PROJECTS



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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 with the cost of infrastructure rehabilitation as a normal business expense. Generally, the funds use a “pay-as-you-go” approach to both operating and capital costs. The rates charged to customers for utility services include the cost of capital work. Staff believes that the investment the City makes today will pay dividends to the citizens of Palo Alto now and in the future.

The Fiscal Year 2012 Enterprise CIP expense is \$34.0 million, \$3.4 million less compared to the prior year. A summary of new projects being added is presented in subsequent pages.

The Electric, Water, Gas, Fiber Optics and Wastewater Collection Funds continue to fund scheduled projects and to accelerate projects where possible. 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. There are also ongoing efforts to evaluate service reliability needs and make any needed improvements. 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.

As the utility infrastructure ages, it becomes necessary to maintain and replace the current system. There are several Enterprise CIPs that replace or upgrade the existing infrastructure to maintain reliability.

ELECTRIC FUND

The Electric Fund has a capital expense of \$8.7 million in Fiscal Year 2012, \$1.4 million less than the prior year. The average annual expenditures in the five-year plan (FY 2012-2016), however, is \$11.5 million.

After reimbursements from other Enterprise funds and customers, the net amount of Electric CIP expense is \$7.0 million. The Electric Fund Distribution Rate Stabilization Reserve will provide funding for these projects. The page of individual CIP projects identifies each project's funding source.

Electric Fund CIPs include:

- Rebuilding the electric system in underground districts at Greenhouse Condo Area
- Undergrounding District 46 (Charleston/El Camino Real) and District 47 (bounded by Middlefield, Homer, Webster and Addison Ave)
- Upgrading the SCADA systems and improvements to the Utility Control Center
- Improving system including cable replacements and deteriorated wood pole replacements

Enterprise Funds Overview - Capital Improvement Program

- Converting Street Lights System, by piloting light-emitting diode (LED) street lighting technology in the community, with a preliminary plan to fully deploy the technology over the next five years
- Converting primary electric distribution system from 4 kV to 12 kV

FIBER OPTICS FUND

The Fiber Optics Fund has two CIP projects in Fiscal Year 2012 totaling \$500,000; after customer reimbursements of \$200,000, the net cost to the Fiber Optics Fund is \$300,000. This amount is \$100,000 greater than the prior year's expense with the increase due to the expansion of the fiber optic network.

The two projects under the Fiber Optics Fund are as follows:

- Fiber Optic Network System Improvement Project - 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
- Fiber Optic Customer Connections Project - this project installs fiber optic infrastructure for new service connections. Customers are billed for the interconnection and the ongoing costs of ownership. 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

GAS FUND

Total Fiscal Year 2012 Gas Fund CIP expenditures are \$7.8 million, a decrease of \$0.5 million from Fiscal Year 2011. Highlights of the Fiscal Year 2012 Gas Fund budget are as follows:

- Gas Main Replacements (GMR) Project 20 - construction stage. Trenchless main and service installation technology will be used to the extent possible to reduce the impacts on City streets
- Gas Main Replacements (GMR) Project 22 - gas station rebuilding projects are in planning and design stages
- System improvements including new mains, services, valves, regulators, meters and accessories

WASTEWATER COLLECTION FUND

Total Fiscal Year 2012 CIP expense in the Wastewater Collection (WWC) Fund is \$4.3 million; approximately equal to the prior year budget.

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

The capital projects included in Fiscal Year 2012 will be developed from system-wide video documentation of sewer system structural deficiencies by WWC17, the ICOMMM maintenance and PicAx video software programs. The WWC system improvements will consist of main replacements, pipebursting and slip-lining,

Enterprise Funds Overview - Capital Improvement Program

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 2012 CIP budget are as follows:

- Upgrades and improvements in the collection system
- WWC System Rehab/Aug Project 24 in construction stage
- WWC System Rehab/Aug Project 25 in design stage
- Sewer lateral and manhole rehabilitation/replacements - will replace defective sewer laterals, cleanouts, and perform manhole rehabilitation/replacements

WATER FUND

The Water Fund CIP primarily involves the Water Main Replacement (WMR) projects, construction of a new pump at Mayfield Pump Station, and other projects focused on reliability. The project at the Mayfield Pump Station is constructed to meet the California Department of Health Services recommendations to ensure an adequate emergency water supply.

Fiscal Year 2012 CIP expense in the Water Fund is \$4.3 million, a decrease of \$4.6 million when compared to the prior year. This decrease is primarily due to the Emergency Water Supply Project which received \$3.5 million more funding in FY 2011.

Highlights of the Fiscal Year 2012 CIP budget are as follows:

- Each year, the Water Fund replaces 15,800 feet per year of water main. The projects pertaining to this replacement include:
 - Water Main Replacement Project 23 and 24 - in construction stage
 - Water Main Replacement Project 25 and 26 - in design stage
- Seismic Water System Upgrades - this project provides structural reinforcement for the Monte Bello, Corte Madera, Park, Boronda and Dahl reservoirs to improve earthquake resistance in compliance with the American Society of Civil Engineers seismic codes
- Water service hydrant replacement - this project upgrades water hydrants consistent with fire protection policy
- Water Recycling Facilities - this project would expand the existing recycled water delivery system and provide another supply source to the Stanford Park area of the City. The success of this project depends on the ability of the Utilities Department to find a grant or other financing sources

REFUSE FUND

The Refuse Fund has one project in Fiscal Year 2012 in the amount of \$6.1 million. This project will close the last remaining open area at the landfill. The cost estimate indicated that \$6.7 million will be needed to cap the remaining 51 acres of the landfill area. \$0.6 million was appropriated in Fiscal Year 2011; the remaining

Enterprise Funds Overview - Capital Improvement Program

balance of \$6.1 million is being appropriated in Fiscal Year 2012. This project will be funded from the cash accumulated in the Refuse Fund Reserve to pay for the landfill closure liability.

WASTEWATER TREATMENT FUND

The Wastewater Treatment Fund has not requested funding for capital projects in Fiscal Year 2012. In the prior year, \$2.5 million was appropriated for two projects.

The City of Palo Alto is the owner and administrator of the City of Palo Alto Regional Water Quality Control Plant. The other partner agencies (City of Mountain View and Los Altos) reimburse the City for their share of the cost of CIP projects.

STORM DRAINAGE FUND

Fiscal Year 2012 CIP expense in the Storm Drainage Fund is \$2.3 million, an increase of \$0.8 million when compared to the prior year. Projects to be funded in Fiscal Year 2012 include:

- Channing Avenue/Lincoln Avenue Storm Drain improvements (Phase 2)
- High-priority storm drain system repairs

The CIP projects have 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 the high construction costs paid for the San Francisquito Creek Storm Water Pump Station (which was bid when costs were peaking in 2007) 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 the construction cost for the Pump Station Project exceeded its budget, funds were diverted from other Storm Drainage Fund CIPs to pay for it. Since subsequent local CPI increases have only been 2-4 percent per year (Fiscal Year 2010 was 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 Connect Clara Drive Storm Drains to Matadero Pump Station project remain unfunded at this time, and the recently completed Alma Street Storm Drain Improvements project was downsized. Staff and the Committee have collaborated on an idea to utilize monies from the Innovative Storm Drain Fund (an annual allocation that has been used primarily to fund the Storm Drain Rebate Program) to pay for a downsized Southgate Neighborhood Storm Drain Improvements project that incorporates permeable pavement, rain gardens, and a cistern as drainage system elements.

Enterprise Funds Overview - Capital Improvement Program

NEW PROJECTS

The new projects that are added to the Adopted 2011-15 five-year CIP plan in the Enterprise Funds include the following:

2012-2016 CIP List of New Projects ENTERPRISE FUNDS	
CIP NO.	Project Title
Electric Fund	
EL-12002	Hanover 22 - Transformer Replacement
Gas Fund	
GS-16000	GMR Project 26
Water Fund	
WS-16001	WMR - Project 30
Wastewater	
WC-16001	WW Collection Sys. Rehab/Aug. Project 29
WC-12002	WW Lateral Pipe Bursting Machine

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Electric Fund

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City of Palo Alto ELECTRIC UTILITY 2012-2016 Capital Improvement Program



LEGEND

42 PROPOSED UNDERGROUND PROJECTS		
42	UG DISTRICT #42 (09001)	2014-2016
43	UG DISTRICT #43 (11009)	2013-2016
45	UG DISTRICT #45 (06002)	2007-2011
46	UG DISTRICT #46 (10001)	2012-2013
47	UG DISTRICT #47 (11010)	2011-2013
A PROPOSED UNDERGROUND REBUILD		
A1	MIDDLEFIELD ROAD (09000)	2009-2011
A2	REBUILD U.G. DISTRICT #17 (09003)	2008-2011
A3	REBUILD U.G. DISTRICT #24 (10006)	2008-2011
A5	REBUILD U.G. DISTRICT #16 (11003)	2011-2012
A6	REBUILD U.G. DISTRICT #19 (10009)	2008-2011
A7	REBUILD U.G. DISTRICT #12 (10000)	2012-2013
A8	REBUILD GREENHOUSE 60ND0 AREA (11007)	2011-2012
A9	REBUILD TORREYA COURT (11001)	2011-2012
A10	REBUILD U.G. DISTRICT #18 (11006)	2011-2012
A11	REBUILD U.G. DISTRICT #16 (13003)	2013-2014
A12	REBUILD U.G. DISTRICT #20 (1-4002)	2014-2016
B PROPOSED 60KV SYSTEM REBUILD		
B1	RELOCATE OR/HO 60KV LINE (LANEA & B) (13002)	2015-2016
B2	RECONDUCTOR 60KV LINE - PHASE 1 (11015)	2011-2012
B3	RECONDUCTOR 60KV LINE - PHASE 2 (11015)	2012-2013
B4	RECONDUCTOR 60KV LINE - PHASE 3 (11015)	2013-2014
B5	RECONDUCTOR 60KV LINE - PHASE 4 (11015)	2014-2015
C PROPOSED 4/12KV CONVERSION		
C1	PARK BLVD 4/12KV CUTOVER (06000)	2005-2007
C2	E CHARLESTON 4/12KV CUTOVER (09000)	2008-2011
C3	E MEADOW/ALWAY LOWVA VERD 4/12KV (09002)	2008-2011
C4	MIDDLEFIELD/ COLORADO 4/12KV (09002)	2009-2012
C5	ST. FRANCIS/OREGON/AMARILLO/LOUIS 4/12KV (11015)	2013-2014
C6	SEALE/ WAVERLEY 4/12KV (11000)	2012-2012
C7	W. CHARLESTON / WILMETO S. CITY LIMIT (09004)	2008-2009
C8	EDGEWOOD / WILDWOOD 4/12KV (13000)	2012-2013
C9	COLLEGE/ COWPER/ TENNYSON 4/12KV (14000)	2013-2014

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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:

- **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
- **Potential 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 maintenance costs due to retirement of facilities and improve the efficiency of the system by reducing system losses.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$120,000	\$400,000			\$520,000
Other						
Total Budget Request		\$120,000	\$400,000			\$520,000
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
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$120,000	\$125,000	\$130,000	\$135,000	\$145,000	\$655,000
Other						
Total Budget Request	\$120,000	\$125,000	\$130,000	\$135,000	\$145,000	\$655,000
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 the HO-3 and HO-7 feeders.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2014-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Potential 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs			\$300,000	\$100,000	\$750,000	\$1,150,000
Other						
Total Budget Request			\$300,000	\$100,000	\$750,000	\$1,150,000
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
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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:	\$850,000	\$900,000	\$925,000	\$950,000	\$1,000,000	\$4,625,000
Source of Funds:	Electric Fund with the following reimbursements: Others(\$4,625,000)					



ELECTRIC SYSTEM IMPROVEMENTS (EL-98003)

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" represents reimbursements from the telephone company of \$200,000.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$1,200,000	\$2,300,000	\$2,400,000	\$2,450,000	\$2,500,000	\$10,850,000
Other						
Total Budget Request	\$1,200,000	\$2,300,000	\$2,400,000	\$2,450,000	\$2,500,000	\$10,850,000
Revenues:	\$145,000	\$150,000	\$160,000	\$170,000	\$180,000	\$805,000
Source of Funds:	Electric Fund with the following reimbursements: Others(\$805,000)					

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, which has greatly increased the value of the system.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2008-2012
- **Overall Project Completion:** 20%
- **Percent Spent:** 63.37%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Program T-10
- **Potential 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	\$890,063
PY Actuals as of 12/31/2010	564,024

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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					



HANOVER 22 - TRANSFORMER REPLACEMENT (EL-12002)

Description: This project will replace the Hanover Substation 60/12kV, 20MVA transformer, XF-22, with a new 60/12kV, 28MVA transformer. The new transformer will be installed in the same location as the existing transformer.

Justification: The Hanover XF-22 transformer serves 45 customers in the Stanford Research Park including EPRI, Xerox, SAP, Tesla Motors, Hewlett Packard and the VA Hospital. The existing transformer was installed in 1976 and dissolved gas analysis testing indicates that this transformer is approaching the end of its useful life. The load tap changer has a history of failures and requires a major rebuild every 2 to 3 years at a cost of approximately \$50,000.

Supplemental Information: The existing transformer has a rated capacity of 20 MVA which is insufficient to carry the peak load of the entire switchgear lineup if the adjacent 28 MVA XF-23 transformer fails. This project will replace the existing transformer with a new 28 MVA 60-12kV transformer to provide full transformer backup capability in the event of the loss of XF-23.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy L-79; Program L-81, Policy N-44
- **Potential Board/Commission Review:** UAC

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 enhance the reliability of Hanover Substation and reduce operating expenses involved with equipment maintenance.
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$1,000,000					\$1,000,000
Other						
Total Budget Request	\$1,000,000					\$1,000,000
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:** 6.63%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Potential 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	\$170,830
PY Actuals as of 12/31/2010	11,321

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$150,000					\$150,000
Other						
Total Budget Request	\$150,000					\$150,000
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 has been 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
- **Potential 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	\$150,000
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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 12 (EL-12000)



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 has been 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 2013-2015
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Potential 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$80,000	\$700,000	\$300,000		\$1,080,000
Other						
Total Budget Request		\$80,000	\$700,000	\$300,000		\$1,080,000
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 2011-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Potential 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	\$80,000
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$400,000	\$270,000			\$670,000
Other						
Total Budget Request		\$400,000	\$270,000			\$670,000
Revenues:						
Source of Funds:	Electric Fund					

REBUILD UG DISTRICT 16 (EL-13003)



Description: This project will rebuild and replace the underground electric system in UG District 16. The area is located along Louis Road between Greer Street and Loma Verde Avenue. 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 16 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.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2013-2013
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Potential 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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 20 (EL-14002)

Description: This project will rebuild and replace the underground electric system in UG District 20. The area is located along Louis Road between Greer Street and Loma Verde Avenue. 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 20 was installed in 1979, 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 2014-2015
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Program L-81
- **Potential 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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					

RECONDUCTOR 60kV OVERHEAD TRANSMISSION SYSTEM (EL-11015)



Description: This project will reconductor existing 556 AL 60kV transmission lines with 477 ACCR (Aluminum Conductor Composite Reinforced) conductor to prevent overloads in the event of single contingency line outages. The ACCR has an emergency rating of over 1200 amps compared with 650 amps for the existing 556 AL conductor and can be strung on existing poles designed for 556 AL conductor. The projects will be completed in 4 phases as outlined in the supplemental information.

Justification: Project Justification: Using Summer 2009 actual loads, an outage of the PB-PBS 60kV line will result in an emergency load of 650 amps on the HO-QR 60kV line. This load is right at the thermal limit of 556 AL conductor (650 amps). As new loads are added at Stanford Medical Center and Stanford Shopping Center, the Summer 2010 emergency load is expected to exceed the thermal limit of the 556 AL conductor, resulting in a risk of conductor failure and a complete outage to Quarry Substation.

Supplemental Information: For an outage of the COP-HO 60kV line, the emergency load on the 556 AL conductor of the PBS-QR 60kV line is expected to exceed the 650 amp thermal limit in Summer 2013.

For an outage of the COP-AC 60kV line, the emergency load on the 556 AL conductor of the PBS-MB 60kV line is expected to exceed the 650 amp thermal limit in Summer 2015.

Phase 1 will reconductor the HO-QR 60kV line from the former Alma Substation site to Quarry Substation (4200 feet) in FY 2011 at an estimated cost of \$450,000.

Phase 2 will reconductor the PBS-QR 60kV line from Park Boulevard Substation to Churchill Ave. (7000 feet) in FY 2012 at an estimated cost of \$700,000.

Phase 3 will reconductor the PBS-QR 60kV line from Churchill Ave. to Quarry Substation (7000 feet) in FY 2013 at an estimated cost of \$700,000.

Phase 4 will reconductor the PBS-MB 60kV line from Park Boulevard Substation to Maybell Substation (6900 feet) in FY 2014 at an estimated cost of \$700,000.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2011-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.33%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy L-79
- **Potential Board/Commission Review:** UAC

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 enhance the reliability to Quarry Substation and will reduce operating expenses involved in switching and maintaining additional feeders from other stations to provide service in the downtown and Stanford area.



RECONDUCTOR 60KV OVERHEAD TRANSMISSION SYSTEM (EL-11015) CONTINUED

PRIOR YEARS

PY Budget	\$450,000
PY Actuals as of 12/31/2010	1,473

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$700,000	\$700,000	\$700,000			\$2,100,000
Other						
Total Budget Request	\$700,000	\$700,000	\$700,000			\$2,100,000
Revenues:						
Source of Funds:	Electric Fund					

RELOCATE QUARRY ROAD/HOPKINS SUBSTATIONS 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 2015-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy L-79
- **Potential 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs				\$100,000	\$750,000	\$850,000
Other						
Total Budget Request				\$100,000	\$750,000	\$850,000
Revenues:						
Source of Funds:	Electric Fund					



SCADA SYSTEM UPGRADES (EL-02010)

Description: This project will upgrade the Supervisory Control and Data Acquisition (SCADA) system by upgrading the SCADA System Hardware. In addition, the Water-Gas-Wastewater SCADA that was newly integrated into the Electric SCADA system has placed additional burden on the system. In Fiscal Year 2012, the SCADA servers will become legacy servers and will need to be replaced.

Justification: Upgrade is necessary to keep the hardware and software current to handle the ever increasing demands on the system and maintain manufacturer/industry support.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2009-2016
- **Overall Project Completion:** 50%
- **Percent Spent:** 90.09%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy G-3, Program T-10
- **Potential 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	\$711,144
PY Actuals as of 12/31/2010	640,685

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$200,000	\$50,000	\$55,000	\$60,000	\$65,000	\$430,000
Other						
Total Budget Request	\$200,000	\$50,000	\$55,000	\$60,000	\$65,000	\$430,000
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 needing maintenance and thereby improve service reliability.

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
- **Potential 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	\$40,000
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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					



SMART GRID TECHNOLOGY INSTALLATION (EL-11014)

Description: This project will implement portions of the Smart Grid Road Map, developed in CIP Project EL-10008, that can be cost effectively applied to the City's electric, gas, and water utilities system resulting in operational cost savings, environmental benefits plus an increased quality of life and productivity for the residents and businesses of Palo Alto.

Justification: The justification will be defined during the development of the Smart Grid Road Map. In general, the smart grid will help the City of Palo Alto achieve its goals in: energy conservation, carbon emission reduction, efficient utilization of aging infrastructure, improved system reliability, integration of distributed energy resources, accommodation of battery charging demands, cost-effective commodity purchases and meeting customer demands for information

Supplemental Information: This project could include aspects dealing with: data management system, smart metering, fiber optic infrastructure improvement, distribution system automation, outage management system, load management system, demand-side management system, leak and revenue protection, customer interface to energy usage and customer equipment control.

CIP FACTS:

- **Continuing**
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policies T-3, N-44

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	\$500,000
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$2,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$11,000,000
Other						
Total Budget Request		\$2,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$11,000,000
Revenues:		\$1,333,333	\$2,000,000	\$2,000,000	\$2,000,000	\$7,333,333
Source of Funds:	Electric Fund with the following reimbursements: Gas Fund(\$3,666,666); Water Fund(\$3,666,667)					

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 to 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 2010-2013
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Potential 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	\$50,000
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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					



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 the 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.

PRIOR YEARS	
PY Budget	\$1,366,398
PY Actuals as of 12/31/2010	59,464

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$800,000	\$800,000	\$800,000	\$800,000		\$3,200,000
Other						
Total Budget Request	\$800,000	\$800,000	\$800,000	\$800,000		\$3,200,000
Revenues:						
Source of Funds:	Electric Fund					

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2010-2015
- **Overall Project Completion:** 0%
- **Percent Spent:** 4.35%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policies T-39, N-44
- **Potential 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

SUBSTATION FACILITY IMPROVEMENTS (EL-89044)



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, as well as 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
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$165,000	\$170,000	\$180,000	\$185,000	\$190,000	\$890,000
Other						
Total Budget Request	\$165,000	\$170,000	\$180,000	\$185,000	\$190,000	\$890,000
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
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$250,000	\$260,000	\$270,000	\$280,000	\$290,000	\$1,350,000
Other						
Total Budget Request	\$250,000	\$260,000	\$270,000	\$280,000	\$290,000	\$1,350,000
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" represents reimbursements by the telephone and CATV company.

PRIOR YEARS	
PY Budget	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs			\$150,000	\$2,000,000	\$500,000	\$2,650,000
Other						
Total Budget Request			\$150,000	\$2,000,000	\$500,000	\$2,650,000
Revenues:				\$750,000		\$750,000
Source of Funds:	Electric Fund with the following reimbursements: Others(\$750,000)					

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2014-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Programs L-80, L-81
- **Potential 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



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" represents reimbursements from the telephone and CATV companies.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2013-2015
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Programs L-80, L-81
- **Potential 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$150,000	\$2,000,000	\$500,000		\$2,650,000
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 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 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" represents 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
- **Potential 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$150,000	\$800,000	\$150,000			\$1,100,000
Other						
Total Budget Request	\$150,000	\$800,000	\$150,000			\$1,100,000
Revenues:		\$400,000				\$400,000
Source of Funds:	Electric Fund with the following reimbursements: Others(\$400,000)					



UG DISTRICT 47 - MIDDLEFIELD, HOMER AVENUE, WEBSTER STREET AND ADDISON AVENUE (EL-11010)

Description: This project includes the design costs to underground the existing overhead distribution system in the area bounded by Middlefield, Homer Avenue, Webster Street and Addison Avenue. Undergrounding will be completed in Fiscal Year 2013 and the overhead system will be removed.

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" represents reimbursements from the telephone and CATV companies.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2011-2013
- **Overall Project Completion:** 0%
- **Percent Spent:** 2.58%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44, Programs L-80,L-81
- **Potential 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 cost due to retirement of facilities.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	\$150,000
PY Actuals as of 12/31/2010	3,864

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$1,500,000	\$200,000				\$1,700,000
Other						
Total Budget Request	\$1,500,000	\$200,000				\$1,700,000
Revenues:	\$700,000					\$700,000
Source of Funds:	Electric Fund with the following reimbursements: Others(\$700,000)					

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Fiber Optics Fund

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FIBER OPTICS CUSTOMER CONNECTIONS (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.

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2010	ongoing

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Managing Department:** Utilities
- **Comprehensive Plan:** Program B-4, L-81
- **Potential 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

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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 (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
- **Managing Department:** Utilities
- **Comprehensive Plan:** Program B-4, L-81
- **Potential 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	ongoing
PY Actuals as of 12/31/2010	ongoing

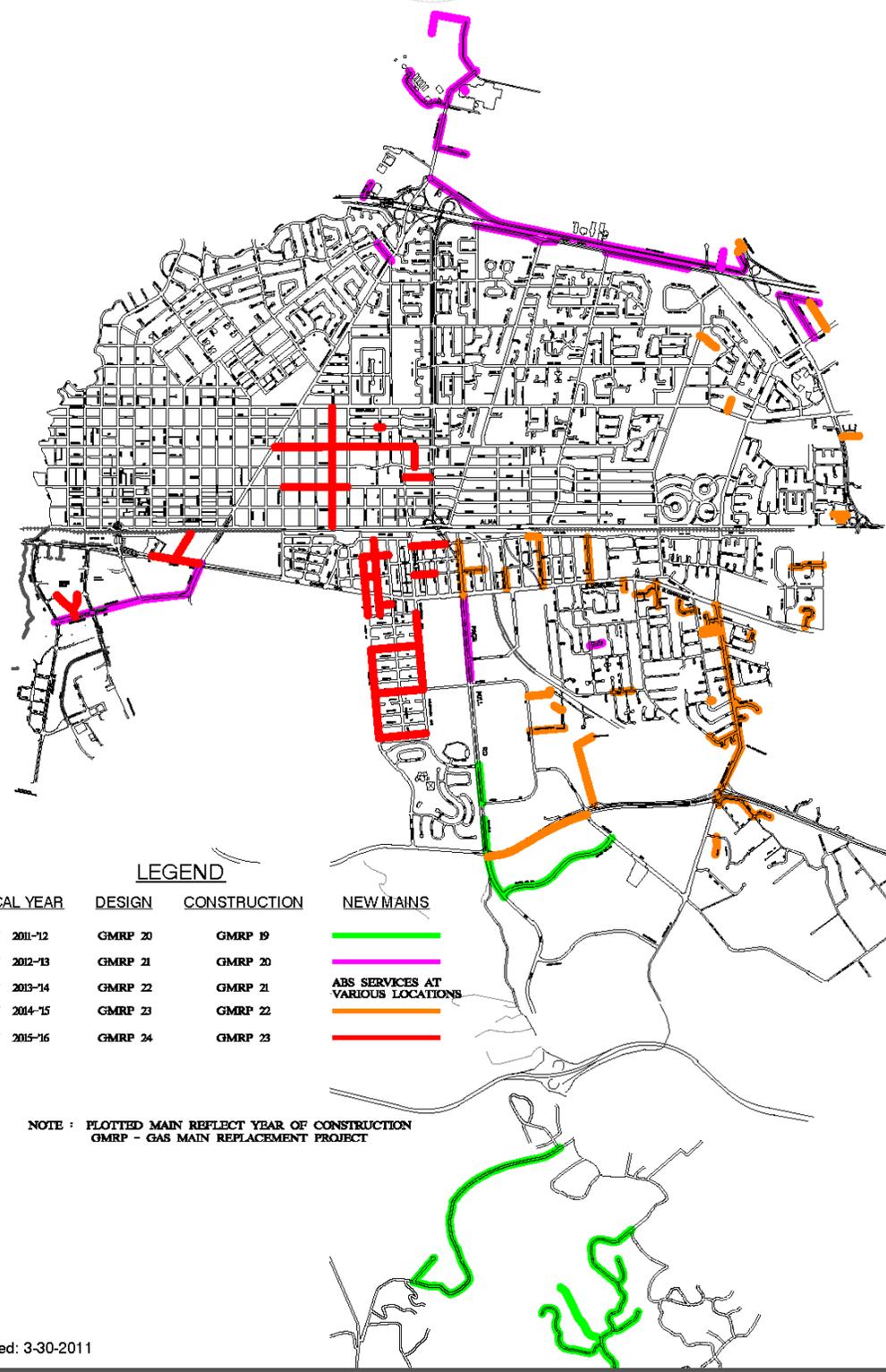
FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$300,000	\$300,000	\$300,000	\$200,000	\$200,000	\$1,300,000
Other						
Total Budget Request	\$300,000	\$300,000	\$300,000	\$200,000	\$200,000	\$1,300,000
Revenues:						
Source of Funds:	Fiber Optics Fund					

Gas Fund

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City of Palo Alto
GAS UTILITY 2012-2016
Capital Improvement Program



LEGEND

FISCAL YEAR	DESIGN	CONSTRUCTION	NEW MAINS
FY 2011-12	GMRP 20	GMRP 19	—
FY 2012-13	GMRP 21	GMRP 20	—
FY 2013-14	GMRP 22	GMRP 21	—
FY 2014-15	GMRP 23	GMRP 22	—
FY 2015-16	GMRP 24	GMRP 23	—

— ABS SERVICES AT VARIOUS LOCATIONS
— ABS SERVICES AT VARIOUS LOCATIONS
— ABS SERVICES AT VARIOUS LOCATIONS

NOTE : PLOTTED MAIN REFLECT YEAR OF CONSTRUCTION
 GMRP - GAS MAIN REPLACEMENT PROJECT

Revised: 3-30-2011

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DIRECTIONAL BORING EQUIPMENT (GS-03007)

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, drill head tracking system, back reamers to expand the bore path and allow larger product lines to be installed with reduced tension and vacuum excavation equipment.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2011-2015
- **Overall Project Completion:** 0%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$64,000		\$68,000		\$132,000
Other						
Total Budget Request		\$64,000		\$68,000		\$132,000
Revenues:						
Source of Funds:	Gas Fund					

DIRECTIONAL BORING MACHINE (GS-02013)



Description: This project purchases a new directional boring machine every three 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
- **Timeline:** FY 2011-2014
- **Overall Project Completion:** 0%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$45,000	\$250,000			\$295,000
Other						
Total Budget Request		\$45,000	\$250,000			\$295,000
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
- **Timeline:** FY 2011-2016
- **Overall Project Completion:** 0%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$306,000	\$315,000	\$325,000	\$335,000	\$351,750	\$1,632,750
Other						
Total Budget Request	\$306,000	\$315,000	\$325,000	\$335,000	\$351,750	\$1,632,750
Revenues:						
Source of Funds:	Gas Fund					

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
- **Timeline:** FY 2012-2016
- **Overall Project Completion:** 0%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$710,000	\$720,000	\$730,000	\$752,000	\$789,600	\$3,701,600
Other						
Total Budget Request	\$710,000	\$720,000	\$730,000	\$752,000	\$789,600	\$3,701,600
Revenues:	\$710,000	\$720,000	\$730,000	\$752,000	\$789,600	\$3,701,600
Source of Funds:	Gas Fund with the following reimbursements: Others(\$3,701,600)					



GAS SYSTEM IMPROVEMENTS (GS-11002)

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

Justification: Gas distribution system reliability and adequate 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.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2011-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Potential 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	\$19,500
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$200,000	\$206,000	\$212,200	\$218,600	\$229,530	\$1,066,330
Other						
Total Budget Request	\$200,000	\$206,000	\$212,200	\$218,600	\$229,530	\$1,066,330
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 32,000 linear feet of ABS pipe. 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; Arboretum — Sand Hill to ECR; Transport — Industrial to San Antonio; Commercial — East Charleston to Transport; East Charleston — Fabian to San Antonio; West Bayshore Amarillo to Matadero Creek; West Bayshore — Loma Verde to 101 Undercrossing; Wildwood - Channing to Embarcadero, and Cass Way - Barron Ave. to End. This project completes the replacement of ABS gas mains.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2010-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.02%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Potential 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	\$644,014
PY Actuals as of 12/31/2010	151

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$5,970,000					\$5,970,000
Other						
Total Budget Request	\$5,970,000					\$5,970,000
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 continue replacement of remaining ABS services, PVC mains, and steel mains with ineffective cathodic protection. The goal of the accelerated infrastructure replacement program is to replace all of the remaining ABS gas services and PVC mains 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 ABS, PVC, and steel gas facilities.

Supplemental Information: Targeted streets will be coordinated with the Public Works Street Maintenance program to replace ABS services, PVC, and steel mains before streets are paved.

PRIOR YEARS	
PY Budget	\$457,000
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$6,150,000				\$6,150,000
Other						
Total Budget Request		\$6,150,000				\$6,150,000
Revenues:						
Source of Funds:	Gas Fund					

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
- **Potential 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 and other expenses.
- **Telecommunications:** None

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 continue replacement of remaining ABS services, PVC mains, and steel mains with ineffective cathodic protection. The goal of the accelerated infrastructure replacement program is to replace all of the remaining ABS gas services and PVC mains 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 ABS, PVC, and steel gas facilities.

Supplemental Information: Targeted streets will be coordinated with the Public Works Street Maintenance program to replace ABS services, PVC, and steel mains before streets are paved.

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
- **Potential 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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 continue replacement of remaining ABS services, PVC mains, and steel mains with ineffective cathodic protection. The goal of the accelerated infrastructure replacement program is to replace all of the remaining ABS gas services and PVC mains 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 ABS, PVC, and steel gas facilities.

Supplemental Information: Targeted streets will be coordinated with the Public Works Street Maintenance program to replace ABS services, PVC, and steel mains before streets are paved.

PRIOR YEARS	
PY Budget	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs		\$482,000				\$482,000
Construction Costs				\$3,300,000		\$3,300,000
Other						
Total Budget Request		\$482,000		\$3,300,000		\$3,782,000
Revenues:						
Source of Funds:	Gas Fund					

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2013-2015
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Potential 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

GMR - PROJECT 24 (GS-14003)



Description: The 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 services, continue replacement of targeted PVC mains, and Steel mains with ineffective cathodic protection. The goal of the accelerated infrastructure replacement program is to replace all of the remaining ABS gas services and PVC mains/services in the targeted areas in the distribution system. The project is mandatory due to the need to replace aging infrastructure and to reduce the City's liability exposure.

Supplemental Information: Targeted streets will be coordinated with the Public Works Street Maintenance program to replace ABS services, PVC, and steel mains before streets are paved.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2014-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Potential 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:** The project will reduce future maintenance costs and other expenses
- **Telecommunications:** None

PRIOR YEARS

PY Budget	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs			\$492,000			\$492,000
Construction Costs					\$3,465,000	\$3,465,000
Other						
Total Budget Request			\$492,000		\$3,465,000	\$3,957,000
Revenues:						
Source of Funds:	Gas Fund					



GMR - PROJECT 25 (GS-15000)

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 services, continue replacement of targeted PVC mains, and Steel mains with ineffective cathodic protection. The goal of the accelerated infrastructure replacement program is to replace all of the remaining ABS gas services and PVC mains/services in the targeted areas in the distribution system. The project is mandatory due to the need to replace aging infrastructure and to reduce the City's liability exposure.

Supplemental Information: Targeted streets will be coordinated with the Public Works Street Maintenance program to replace ABS services, PVC, and steel mains before streets are paved.

PRIOR YEARS	
PY Budget	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs				\$542,000		\$542,000
Construction Costs						
Other						
Total Budget Request				\$542,000		\$542,000
Revenues:						
Source of Funds:	Gas Fund					

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2015-2017
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Potential 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

GMR - PROJECT 26 (GS-16000)



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: The project will continue replacement of PVC mains and services located in business districts and steel mains and services with ineffective cathodic protection. This project is mandatory due to the need to replace aging infrastructure and to reduce the City's liability exposure to these PVC and steel gas facilities.

Supplemental Information: Targeted streets will be coordinated with the Public Works Street Maintenance program to replace PVC and steel mains before the streets are paved.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2016-2018
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Potential Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302
- **Design Elements:** The streets for this project will be selected based on recommendations of Distribution Integrity Management Plan (DIMP). The 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						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs					\$570,000	\$570,000
Construction Costs						
Other						
Total Budget Request					\$570,000	\$570,000
Revenues:						
Source of Funds:	Gas Fund					



POLYETHYLENE FUSION EQUIPMENT (GS-03008)

Description: This project purchases new polyethylene (PE) 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 utilize 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.

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$34,000		\$36,100		\$70,100
Other						
Total Budget Request		\$34,000		\$36,100		\$70,100
Revenues:						
Source of Funds:	Gas Fund					

CIP FACTS:
• Continuing
• Project Status: Construction
• Timeline: FY 2011-2015
• Overall Project Completion: 0%
• Managing Department: Utilities
• Comprehensive Plan: Policy N-44
• Potential 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

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
- **Timeline:** FY 2011-2016
- **Overall Project Completion:** 0%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44
- **Potential 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 12/31/2010	ongoing

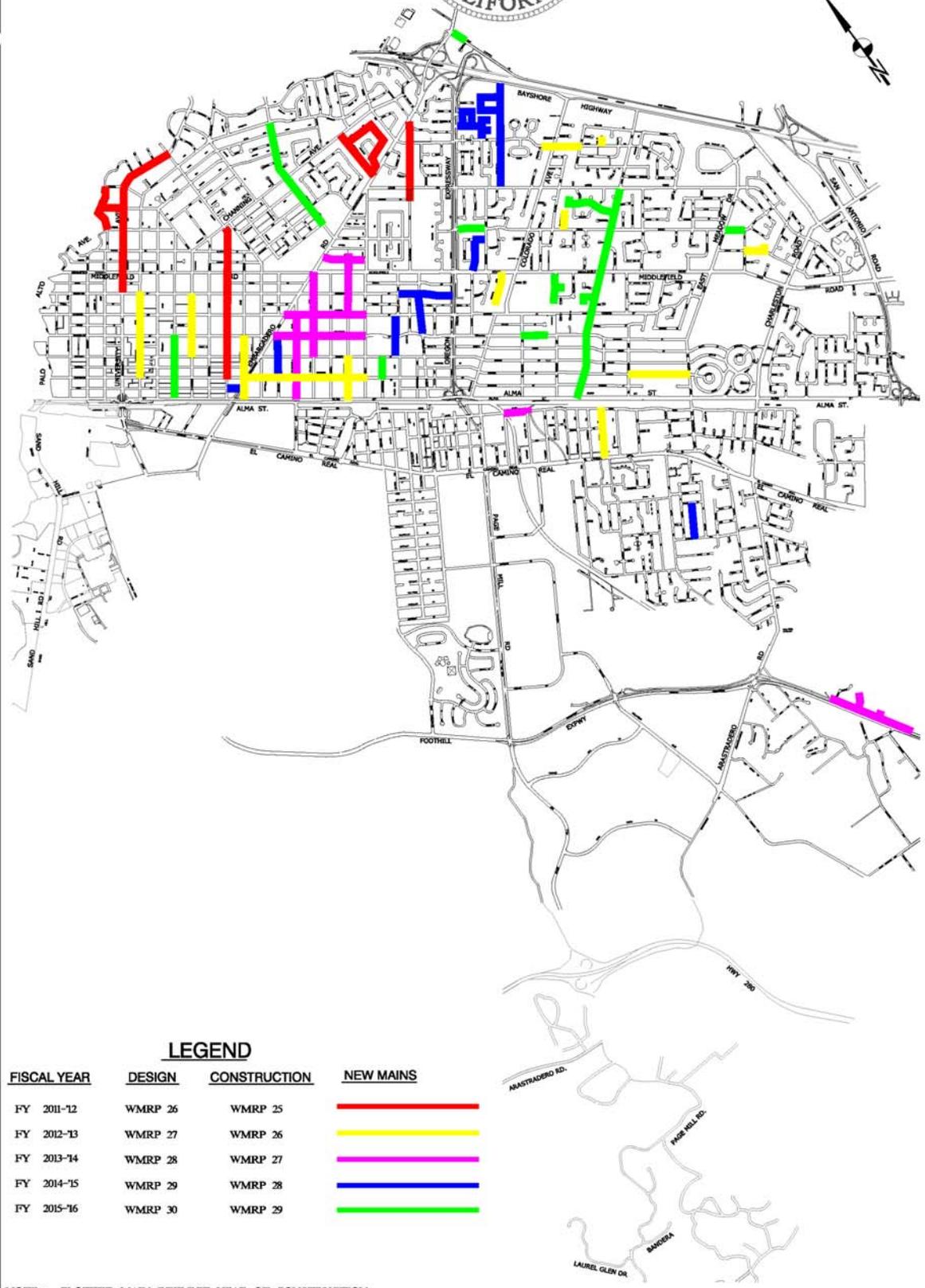
FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$167,000	\$172,000	\$178,000	\$183,500	\$192,675	\$893,175
Other						
Total Budget Request	\$167,000	\$172,000	\$178,000	\$183,500	\$192,675	\$893,175
Revenues:						
Source of Funds:	Gas Fund					

Water Fund

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City of Palo Alto
WATER UTILITY PROJECTS
2012-2016
Capital Improvement Program



LEGEND

<u>FISCAL YEAR</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>NEW MAINS</u>
FY 2011-12	WMRP 26	WMRP 25	—
FY 2012-13	WMRP 27	WMRP 26	—
FY 2013-14	WMRP 28	WMRP 27	—
FY 2014-15	WMRP 29	WMRP 28	—
FY 2015-16	WMRP 30	WMRP 29	—

NOTE : PLOTTED MAIN REFLECT YEAR OF CONSTRUCTION
 WMRP - WATER MAIN REPLACEMENT PROJECT

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SEISMIC WATER SYSTEM UPGRADES (WS-09000)

Description: This project will provide structural reinforcement for the Monte Bello, Corte Madera, Park, Boronda and Dahl reservoirs to improve earthquake resistance in compliance with the American Society of Civil Engineers (ASCE 7) seismic codes. Work at the reservoir sites will also include the installation of: seismic shut off valves, flexible joints at the inlet/outlet piping connections, backup power supplies, the relocation of overflow pipes and reinforcement of interior pipe columns.

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 2010-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 1.16%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Potential 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	\$800,000
PY Actuals as of 12/31/2010	9,247

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$2,700,000	\$3,200,000	\$3,820,000			\$9,720,000
Other						
Total Budget Request	\$2,700,000	\$3,200,000	\$3,820,000			\$9,720,000
Revenues:						
Source of Funds:	Water Fund					

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 FY2015 funding will provide GPS surveying to improve the GIS base map accuracy for CIP project plans.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2011-2015
- **Managing Department:** Utilities
- **Comprehensive Plan:** Program T-10
- **Potential 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

PRIOR YEARS

PY Budget	ongoing
PY Actuals as of 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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:	\$67,000	\$67,000	\$67,000	\$67,000		\$268,000
Source of Funds:	Water Fund with the following reimbursements: Gas Fund(\$134,000); Wastewater Collection Fund(\$134,000)					

WATER DISTRIBUTION SYSTEM IMPROVEMENTS (WS-11003)



Description: This project provides funds as needed to improve water distribution system deliverability and reliability. Typical activities include: installing restraining joints at critical pipelines and bridge crossings, increasing the size of inadequate facilities, system leakage surveys, network modeling and fire flow studies or other system improvements as required.

Justification: Water distribution system reliability and adequate capacity are critical to providing a high level of service to customers in Palo Alto. Continuous evaluation of system needs and making required improvements must be conducted to maintain adequate quantities of quality water, meeting local, State and Federal safe drinking water standards.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2011-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 8.11%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Potential 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 ensure water distribution delivery reliability and minimize operations and maintenance costs.
- **Telecommunications:** None

PRIOR YEARS

PY Budget	\$200,000
PY Actuals as of 12/31/2010	16,216

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$206,000	\$212,000	\$218,000	\$225,000	\$232,000	\$1,093,000
Other						
Total Budget Request	\$206,000	\$212,000	\$218,000	\$225,000	\$232,000	\$1,093,000
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
- **Timeline:** FY 2011-2016
- **Overall Project Completion:** 0%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$215,000	\$222,000	\$229,000	\$236,000	\$243,080	\$1,145,080
Other						
Total Budget Request	\$215,000	\$222,000	\$229,000	\$236,000	\$243,080	\$1,145,080
Revenues:						
Source of Funds:	Water Fund					

WATER RECYCLING FACILITIES (WS-07001)



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 Hetchy potable supplies for irrigation purposes.

Consultant Services Scope: RMC Environmental is preparing the environmental report and facility plan for the project.

Supplemental Information: The success of this project to proceed is dependent on the ability of the Utilities Department to find funding sources either in the form of a grant or other type of financing arrangement.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2011-2016
- **Overall Project Completion:** 10%
- **Percent Spent:** 35.93%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-20
- **Potential 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	\$1,100,122
PY Actuals as of 12/31/2010	395,241

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs		\$500,000	\$500,000			\$1,000,000
Construction Costs				\$8,000,000	\$16,000,000	\$24,000,000
Other						
Total Budget Request		\$500,000	\$500,000	\$8,000,000	\$16,000,000	\$25,000,000
Revenues:					\$8,000,000	\$8,000,000
Source of Funds:	Water Fund with the following reimbursements: Others(\$8,000,000)					



WATER RESERVOIR COATING IMPROVEMENTS (WS-08001)

Description: This project will replace the coatings on the interiors and exteriors of the City's four foothill steel water reservoirs. This project removes and replaces the interior and exterior coatings on the reservoirs. Detailed inspection of the remaining metal structural components will be made after the coatings are completely removed. Minor strengthening of the structural components is expected.

Justification: Recent coating inspection of the interiors showed signs of heavy rusting on the interior walls, roof and support beams on each of the steel reservoirs. The reservoirs coatings need to be replaced to extend the life of the reservoir structures.

Supplemental Information: These reservoirs were last coated in 1995.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2008-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 3.93%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Potential Board/Commission Review:** UAC

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under Section 15302.
- **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	\$2,050,491
PY Actuals as of 12/31/2010	80,489

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$860,000	\$590,000			\$1,450,000
Other						
Total Budget Request		\$860,000	\$590,000			\$1,450,000
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
- **Timeline:** FY 2011-2016
- **Overall Project Completion:** 0%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$217,000	\$222,000	\$229,000	\$236,000	\$243,080	\$1,147,080
Other						
Total Budget Request	\$217,000	\$222,000	\$229,000	\$236,000	\$243,080	\$1,147,080
Revenues:						
Source of Funds:	Water Fund					



WATER SYSTEM EXTENSIONS (WS-80013)

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
- **Timeline:** FY 2012-2016
- **Overall Project Completion:** 0%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$420,000	\$430,000	\$440,000	\$450,000	\$460,000	\$2,200,000
Other						
Total Budget Request	\$420,000	\$430,000	\$440,000	\$450,000	\$460,000	\$2,200,000
Revenues:	\$700,000	\$709,000	\$718,000	\$728,000	\$749,840	\$3,604,840
Source of Funds:	Water Fund with the following reimbursements: Others(\$3,604,840)					

WATER SYSTEM SUPPLY IMPROVEMENTS (WS-11004)



Description: This project provides funding, as needed, to improve the City's water distribution systems. These systems include: connection facilities between the City's and the San Francisco Public Utility Commission's pipelines, emergency water wells within the City, pumping stations used to transport water to the reservoirs in the foothills, improvements to water reservoirs, and pipelines.

Justification: It is critical that the City has an adequate supply of water that meets Federal and State drinking water requirements. To meet these objectives, the City must continually evaluate systems and make improvements when they are required.

Supplemental Information: Typical activities performed under this project would include: piping modifications, equipment replacements associated with water delivery, Supervisory Control software upgrades, system modifications for water system quality compliance, implementation of asset management systems, conditional assessment of the reliability of transmission mains and security system installations.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2011-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 3.06%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Potential 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 ensure water supply reliability
- **Telecommunications:** None

PRIOR YEARS

PY Budget	\$200,000
PY Actuals as of 12/31/2010	6,113

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$206,000	\$212,000	\$218,000	\$225,000	\$232,000	\$1,093,000
Other						
Total Budget Request	\$206,000	\$212,000	\$218,000	\$225,000	\$232,000	\$1,093,000
Revenues:						
Source of Funds:	Water Fund					



WMR - PROJECT 25 (WS-11000)

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 21 miles of the total 214 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 2011-2013
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Potential 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	\$292,000
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$3,152,000				\$3,152,000
Other						
Total Budget Request		\$3,152,000				\$3,152,000
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 18 miles of the total 214 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 2012-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Potential 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

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs	\$305,000					\$305,000
Construction Costs			\$3,245,000			\$3,245,000
Other						
Total Budget Request	\$305,000		\$3,245,000			\$3,550,000
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 15 miles of the total 214 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 Crescent 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 2013-2015
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Potential 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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					

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 12 miles of the total 214 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 Wy to Indian Dr., Coastland Dr. - from Marion Ave. to Moreno Ave., Elmdale Pl. - from Moreno Ave. to end, Indian Dr. - from Oregon 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:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2014-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-20
- **Potential 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs			\$324,000			\$324,000
Construction Costs					\$3,345,000	\$3,345,000
Total Budget Request			\$324,000		\$3,345,000	\$3,669,000
Revenues:						
Source of Funds:	Water Fund					



WMR - PROJECT 29 (WS-15002)

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 9 miles of the total 214 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 the bids received, WMR 29 may include: Newell Rd. from 1350 Newell Rd. to Hamilton Ave., Rinconada Ave. from Emerson St. to Bryant St., Waverley St. from El Dorado Ave. to El Carmelo Ave., Loma Verde Rd. from Ross to Alma, Loma Verde Rd. from Ross Rd. to Louis Rd., Avalon Court from Loma Verde Rd. to the End, David Ave from Loma Verde Rd. to the End, Ross Road from Oregon Ave. to Moreno Ave., Ross Road From East Meadow Ave. to Mayview Ave. Towle Way from Middlefield to the End, Towle Place from Towle Way to the End, East Bayshore From Embarcadero Rd. to Watson Ave., Homer Ave. from Waverly St. to Alma.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2015-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-20
- **Potential 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs				\$334,000		\$334,000
Construction Costs						
Total Budget Request				\$334,000		\$334,000
Revenues:						
Source of Funds:	Water Fund					

WMR - PROJECT 30 (WS-16001)



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: Targeted streets will be coordinated with the Public Works Street Maintenance program to replace mains that are undersized.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2016-2017
- **Overall Project Completion:** 0%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-20
- **Potential 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.

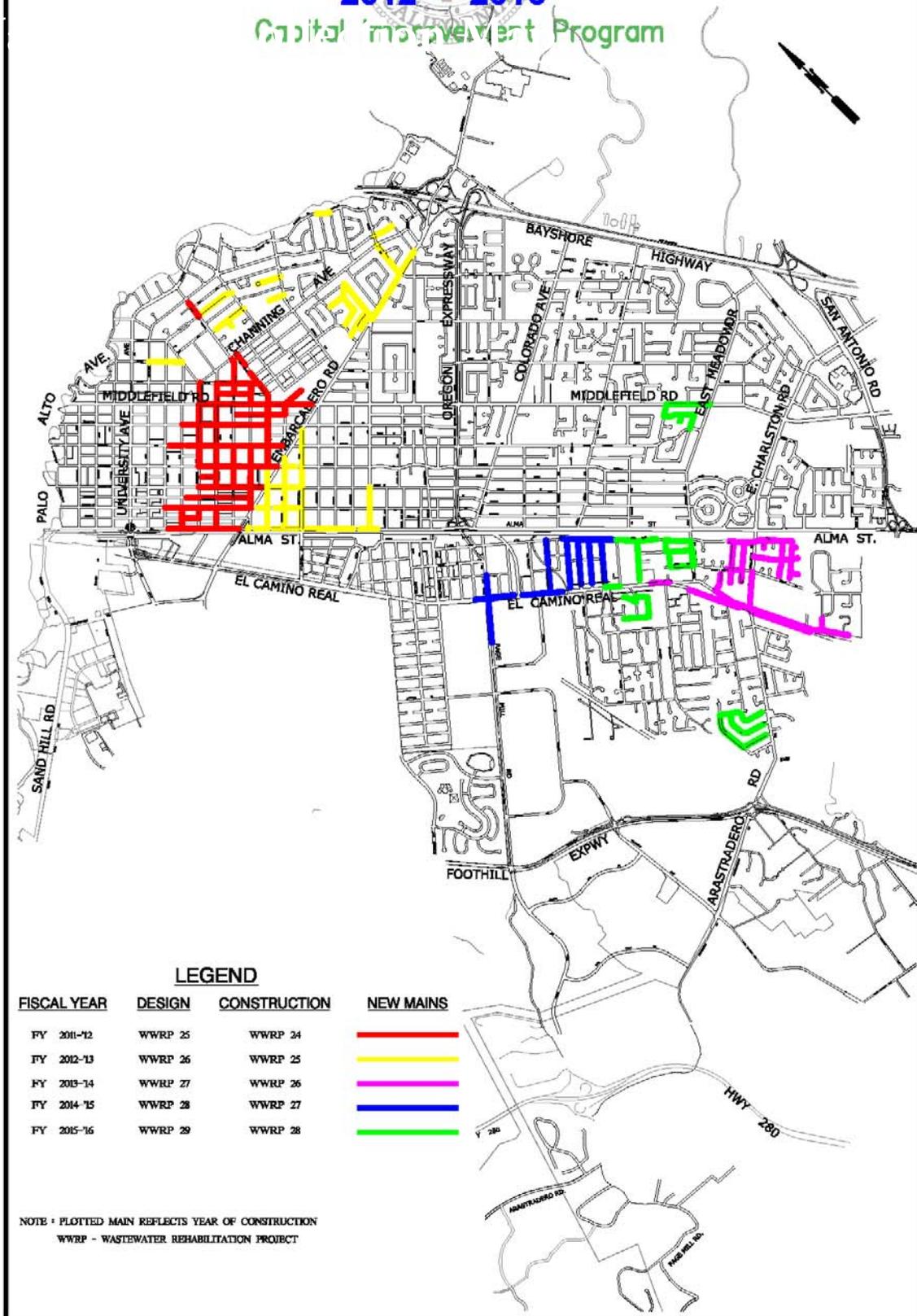
FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs					\$344,020	\$344,020
Construction Costs						
Other						
Total Budget Request					\$344,020	\$344,020
Revenues:						
Source of Funds:	Water Fund					

Wastewater Collection Fund

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WASTEWATER UTILITY PROJECTS 2012 -- 2016

Capital Improvement Program



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SEWER LATERAL/MANHOLE REHAB/REPLACEMENT (WC-99013)

Description: This project will replace defective sewer laterals, cleanouts, manholes; install backwater devices, and purchase equipment to support these activities 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.

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$565,000	\$570,000	\$617,000	\$636,000	\$655,000	\$3,043,000
Other						
Total Budget Request	\$565,000	\$570,000	\$617,000	\$636,000	\$655,000	\$3,043,000
Revenues:						
Source of Funds:	Wastewater Collection Fund					

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2010-2016
- **Overall Project Completion:** 0%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policies N-18, N-25
- **Potential 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

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
- **Timeline:** FY 2012-2016
- **Overall Project Completion:** 0%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policies N-18, N-25
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$340,000	\$350,000	\$361,000	\$372,000	\$383,000	\$1,806,000
Other						
Total Budget Request	\$340,000	\$350,000	\$361,000	\$372,000	\$383,000	\$1,806,000
Revenues:	\$740,000	\$750,000	\$761,000	\$771,000	\$794,000	\$3,816,000
Source of Funds:	Wastewater Collection Fund with the following reimbursements: Others(\$3,816,000)					



WASTEWATER SYSTEM IMPROVEMENTS (WC-15002)

Description: This project provides funding as needed to improve the wastewater collection system. Typical activities include: increasing system capacity for growth, flow monitoring, hydraulic modeling and system analysis, load simulations, asset management analysis and assessment, system inflow/infiltration analysis, and sanitary sewer overflow monitoring and reduction.

Justification: Wastewater collection system reliability and adequate capacity are critical to providing a high level of service to customers in Palo Alto. Mainline sewer backups and overflows into homes and businesses are costly and a health risk. Reducing the losses associated with these backup claims requires a continuous evaluation of system needs and making improvements to maintain a high level of service to our customers.

PRIOR YEARS	
PY Budget	\$0
PY Actuals as of 12/31/2010	0

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2011-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-19
- **Potential 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:** None
- **Telecommunications:** None

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$206,000	\$212,000	\$218,000	\$225,000	\$232,000	\$1,093,000
Other						
Total Budget Request	\$206,000	\$212,000	\$218,000	\$225,000	\$232,000	\$1,093,000
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, the WW Collection Sys Rehab/Aug Project 24 may include: Alma — from Forest to Embarcadero, Emerson - from Forest to Embarcadero, Homer — from Lane 7 to Emerson, High — from Homer to Channing, Channing — from High to Emerson, Channing — from Waverley to Guinda, Addison - from Alma to Emerson, Addison — from Bryant to Guinda, Scott — from Channing to Addison, Bryant — from Channing to Embarcadero, Lincoln — from Bryant to Webster, Lincoln — from Fulton to Channing, Kingsley — from Embarcadero to Webster, Kingsley — from Middlefield to Guinda, Melville — from Waverley to Channing, Waverley — from Channing to Embarcadero, Cowper — from Forest to Embarcadero, Webster — from Homer to Melville, Byron — from Lincoln to Kellogg, Middlefield — from Channing to Embarcadero, Kellogg — from Byron to Middlefield, Fulton — from Addison to Melville, Guinda — from Channing to Melville.

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-18
- **Potential 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

PRIOR YEARS

PY Budget	\$290,000
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$2,829,500					\$2,829,500
Other						
Total Budget Request	\$2,829,500					\$2,829,500
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 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 25 may include: Alma —from Kingsley to Rinconada, Melville — from Alma to Waverley, Kellogg — from Alma to Embarcadero, Churchill — from Alma to Embarcadero, Emerson — from Embarcadero to Churchill, Bryant — from Embarcadero to Churchill, Waverley — from Kellogg to Churchill, Seale — from Alma to Bryant, Arcadia - from cul-de-sac to Newell, Kings — from end to Newell, Martin — from Lincoln to Center, Forest — from Lincoln to Center, Lincoln — from Forest to Hamilton, Kirby — from end to Martin, Seneca — from Hamilton to Boyce, Embarcadero — from Louis to Wildwood, Edgewood — from Jefferson to Jackson, Ivy - from Greer to Wildwood, Greer — from Channing to Embarcadero, easement from 110 Walter Hayes to 126 Walter Hayes, Walter Hayes — from Walnut to 166 Walter Hayes, Lois Lane — from Walnut to Stanley, easement from Lois Lane to Walter Hayes.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2013
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-18
- **Potential 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						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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)

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 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 26 may include: Monroe — from Monroe Drive to ECR, El Camino Real — from Cesano to Vista, El Camino Real — from W. Charleston to El Camino Way, James — from Wilkie to El Camino Way, Whitclem — from Wilkie 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, El Camino Real - 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 2013-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-18
- **Potential 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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					

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 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 27 may include: High priority replacement of 500 laterals, Page Mill — from 845 Page Mill to Ash, El Camino Real — from Sheridan to Fernando, Lambert — from Park to ECR, Fernando — 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:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2014-2015
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-18
- **Potential 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 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs			\$320,000			\$320,000
Construction Costs				\$3,090,000		\$3,090,000
Other						
Total Budget Request			\$320,000	\$3,090,000		\$3,410,000
Revenues:						
Source of Funds:	Wastewater Collection Fund					



WW COLLECTION SYS. REHAB/AUG. PROJECT 28 (WC-15001)

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 either 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 28 may include: High priority replacement of 500 laterals, W. Meadow - from Wilkie Way to Second, Second - from Maclane to W. Meadow, Maclane - from Wilkie Way to Second, La Selva - from Military Way to S. Magnolia, La Selva — from 2835 La Selva to Military, S. Magnolia - from Magnolia to La Selva, Magnolia - from N. Magnolia to S. Magnolia, Donald - from Arastradero to Georgia, Willmar - from Arastradero to Donald, Georgia - from Hubbartt to Donald, Hubbartt - from Arastradero to Georgia, Middlefield - from Ashton to East Meadow, Murdoch - from Ashton to Alger, Alger - from Murdoch to Cowper, Ashton - from Murdoch to Middlefield, Murdoch Court, Ventura - from El Camino Real to Park, El Camino Real - from Wilton to Curtner, and Park - between Maclane and Curtner.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2015-2016
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-18
- **Potential 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						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs				\$330,000		\$330,000
Construction Costs					\$3,183,000	\$3,183,000
Other						
Total Budget Request				\$330,000	\$3,183,000	\$3,513,000
Revenues:						
Source of Funds:	Wastewater Collection Fund					

WW COLLECTION SYS. REHAB/AUG. PROJECT 29 (WC-16001)



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 either 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 29 may include: Forest — from Alma to Middlefield, Hamilton — from Alma to Gilman, University — from Waverley to Middlefield, Lytton — from Alma to Waverley, Byron — from University to Hamilton, Webster — from Lytton to Hamilton, Tasso — from Lytton to University, Cowper — from Lytton to Hamilton, Kipling — from Lytton to University, Waverley — from Lytton to Forest, Florence — from Lytton to University, Gilman — from Hamilton to Forest, Bryant — from Lytton to Forest, Ramona — from Lytton to Forest, Emerson — from Lytton to Forest, High — from Lytton to Forest, Mariposa — from Churchill to Sequoia, Castillja — from Churchill to Sequoia, Easements(3) - from Manzanita to Sequoia, Portola — from Churchill to Sequoia, Churchill — from Portola to Castillja, Sequoia — from Portola to Mariposa.

CIP FACTS:

- **New**
- **Project Status:** Pre-Design
- **Timeline:** FY 2016-2018
- **Overall Project Completion:** 0%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-18
- **Potential 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						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs					\$340,000	\$340,000
Construction Costs						
Other						
Total Budget Request					\$340,000	\$340,000
Revenues:						
Source of Funds:	Wastewater Collection Fund					



WW LATERAL PIPE BURSTING MACHINE (WC-12002)

Description: This project purchases a new pipe bursting machine for WGW Operations to assist with installing new sanitary sewer lateral services. This equipment include a complete stand-alone bursting machine capable of installing 4" diameter main services.

Justification: Due to the cost of open trench digging of sewer laterals, this new equipment will allow for the installation of sewer services by minimizing the amount of excavation needed. This is accomplished by bursting through the old sewer lateral and pulling a new polyethethylene pipe behind it. Time and money is saved because excavation and restoration are minimized.

CIP FACTS:

- **New**
- **Project Status:** Construction
- **Timeline:** FY 2011-2013
- **Overall Project Completion:** 0%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Policy N-44

IMPACT ANALYSIS:

- **Operating:** This project will reduce expenses for installation of mains and services

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	\$33,000					\$33,000
Total Budget Request	\$33,000					\$33,000
Revenues:						
Source of Funds:	Wastewater Collection Fund					

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Refuse Fund

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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 in March 2009. The cost estimate indicated \$6.7 million was 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 2012. 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.

PRIOR YEARS	
PY Budget	\$600,000
PY Actuals as of 12/31/2010	28,967

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$6,100,000					\$6,100,000
Other						
Total Budget Request	\$6,100,000					\$6,100,000
Revenues:						
Source of Funds:	Refuse Fund					

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2011-2012
- **Overall Project Completion:** 0%
- **Percent Spent:** 4.83%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-7

IMPACT ANALYSIS:

- **Environmental:** Negative Declaration.
- **Design Elements:** None
- **Operating:** This project will require funding for postclosure maintenance.
- **Telecommunications:** None

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Wastewater Treatment Fund

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FACILITY CONDITION ASSESSMENT & RETROFIT (WQ-04011)

Description: This project assesses the structural condition of existing plant facilities. Concrete and metal structures are evaluated for evidence of damage, caused by corrosion, weathering, age and ground movement. The prioritized list of repair and retrofit needs is being addressed in ongoing annual design and construction projects.

Justification: Plant facilities are subject to many adverse conditions including a highly corrosive environment and potential ground movements. Facilities with repair and retrofit deficiencies need to be returned to good structural condition to ensure that the plant continues to provide safe and reliable plant operations through the year 2020 and beyond.

Consultant Services Scope: See Supplemental Information.

Supplemental Information: Consultant provides design services, prepares plans and specifications for bidding and construction, and provides support services during construction. Construction support includes response to contractor Requests for Information, submittal review, inspection as needed, and similar. Consulting contracts and construction contracts are typically one to two years in duration. Successive annual repair and retrofit projects are competitively bid anew.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2004-2018
- **Overall Project Completion:** 30%
- **Percent Spent:** 38.12%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Goal N-4, Policies N-25, C-24
- **Potential Board/Commission Review:** None anticipated.

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	\$4,300,000
PY Actuals as of 12/31/2010	1,639,094

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$700,000	\$1,050,000	\$1,100,000	\$1,100,000	\$3,950,000
Other						
Total Budget Request		\$700,000	\$1,050,000	\$1,100,000	\$1,100,000	\$3,950,000
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
- **Potential 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

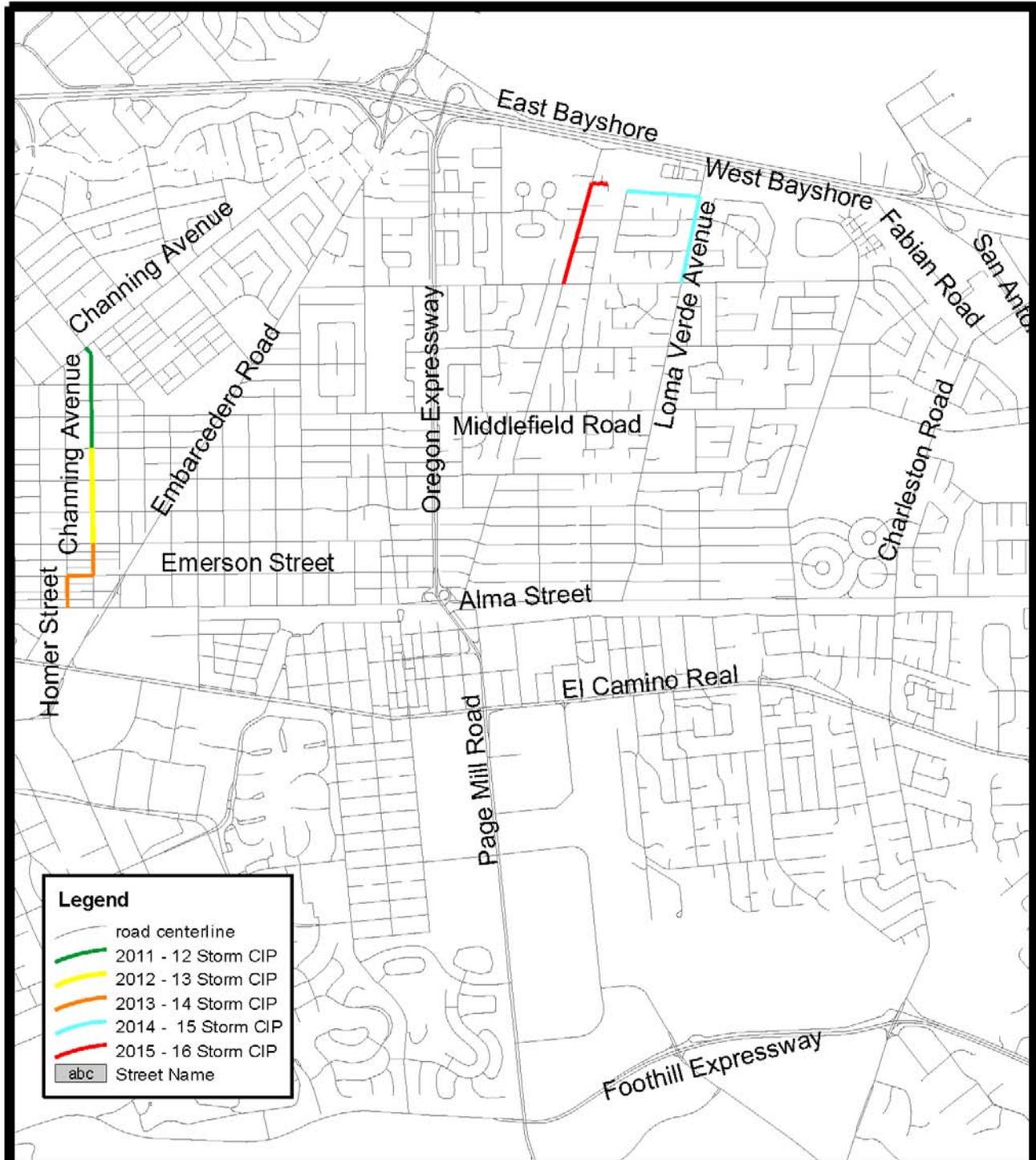
PY Budget	ongoing
PY Actuals as of 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs		\$500,000	\$1,450,000	\$1,500,000	\$1,550,000	\$5,000,000
Other						
Total Budget Request		\$500,000	\$1,450,000	\$1,500,000	\$1,550,000	\$5,000,000
Revenues:						
Source of Funds:	Wastewater Treatment Fund					

Storm Drainage Fund

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The City of
Palo Alto



STORM DRAIN UTILITY 2011 - 2016 CAPITAL IMPROVEMENT PROGRAM

This map is a product of the
City of Palo Alto GIS



rhada, 2011-03-21 09:26:19
Project Coordinator - Stormwater Schedule 2011-2015 (file:///c:/maps/gis/igis/adm/Personal/Storm.mxd)

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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:** Construction
- **Timeline:** FY 2010-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 5.33%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-24, Program N-36
- **Potential 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	\$1,715,000
PY Actuals as of 12/31/2010	91,435

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$1,590,000	\$1,680,000	\$1,430,000			\$4,700,000
Other						
Total Budget Request	\$1,590,000	\$1,680,000	\$1,430,000			\$4,700,000
Revenues:						
Source of Funds:	Storm Drainage Fund					

CONNECT CLARA DRIVE STORM DRAINS TO MATADERO PUMP STATION (SD-06104)



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.

Since the ballot language for the storm drain rate increase election commits the City to completing this project, the Finance Committee has requested that staff consider the relative priority of this project as compared to other Citywide capital needs and determine the feasibility of funding this project through the General Fund Infrastructure Reserve.

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
- **Potential 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 12/31/2010	6,411

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other						
Total Budget Request						
Revenues:						
Source of Funds:	Storm Drainage Fund					



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 pipelines 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: This project 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:

- **Continuing**
- **Timeline:** FY 2013-2017
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-24, Program N-36
- **Potential 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

PRIOR YEARS	
PY Budget	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs			\$315,000			\$315,000
Construction Costs				\$1,840,000	\$1,915,000	\$3,755,000
Other						
Total Budget Request			\$315,000	\$1,840,000	\$1,915,000	\$4,070,000
Revenues:						
Source of Funds:	Storm Drainage Fund					

SOUTHGATE NEIGHBORHOOD STORM DRAIN IMPROVEMENTS (SD-10101)



Description: This project will improve drainage within the Southgate neighborhood. The project will begin with a feasibility study of innovative techniques, including permeable pavement, rain gardens, or rainwater cisterns, to handle storm runoff from the neighborhood. The study will also examine the feasibility of using harvested rainwater for irrigation of Peers Park. Following the identification of feasible alternatives, construction documents will be prepared.

Justification: The Southgate neighborhood bounded by Churchill Ave., the Caltrain corridor, Park Blvd., and El Camino Real, drains to a single drain inlet at the corner of Mariposa and Sequoia Avenues. There are no underground storm drains to collect runoff from the neighborhood. Staff and the Storm Drain Oversight Committee have concluded that this neighborhood presents an opportunity to utilize innovative techniques to improve drainage at a lower cost than traditional pipeline solutions.

Consultant Services Scope: A consultant will conduct the feasibility study and prepare bid documents for the feasible measures.

Supplemental Information: This improvement is consistent with the priorities established with the voter-approved storm drain rate increase. This project has been reviewed with the Storm Drain Oversight Committee, which has been a strong advocate of the project. Due to high bid prices on prior Storm Drainage Fund CIPs, no funding source has been identified for this project to-date. Staff and the Storm Drain Oversight Committee concur that it is prudent to use a portion of the annual allocation for innovative storm drain improvements (which has been used to-date to fund a storm water rebate program) towards the implementation of this project. A large surplus has accumulated in the innovative storm drain account over the past several years, and expenditure of those funds on this high-priority CIP is justified.

CIP FACTS:

- **Continuing**
- **Project Status:** Pre-Design
- **Timeline:** FY 2012-2013
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-24, Program N-36
- **Potential 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 the street resurfacing program
- **Operating:** This project may result in increased operating costs for the Public Works and Community Services Departments, depending upon the drainage measures constructed.
- **Telecommunications:** There may be a need for remote monitoring of a rainwater cistern integrated into the Peers Park irrigation system.

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs	\$143,000					\$143,000
Construction Costs		\$860,000				\$860,000
Other						
Total Budget Request	\$143,000	\$860,000				\$1,003,000
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 project 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 2006-2016
- **Overall Project Completion:** 0%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-24, Program N-36
- **Potential 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 12/31/2010	ongoing

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$572,000	\$590,000	\$607,000	\$626,000	\$644,000	\$3,039,000
Other						
Total Budget Request	\$572,000	\$590,000	\$607,000	\$626,000	\$644,000	\$3,039,000
Revenues:						
Source of Funds:	Storm Drainage Fund					

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OTHER FUND PROJECTS

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Other Funds Overview - Capital Improvement Program

City's Internal Service Funds, the Vehicle Replacement and Technology Funds, also manages CIP projects.

TECHNOLOGY FUND

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

The Technology Fund has a total proposed CIP budget of \$2.3 million in Fiscal Year 2012 - \$1.3 million lower than the prior year. One reason is the Utility Bill Information Enhancement Project which received \$0.8 million in Fiscal Year 2011 and none in Fiscal Year 2012.

Projects proposed for FY 2012 include:

- Enhancements to the City's Utility Customer Billing System
- Implementation of state-of-the-art Library software
- Replacement of the City's voice communications systems

VEHICLE REPLACEMENT FUND

The Vehicle Replacement Fund provides maintenance and replacement of vehicles and equipment used by all City departments. There are no funded CIP projects in Fiscal Year 2012.

In FY 2012, the City staff will continue its efforts to identify the optimal size and composition of the City's vehicle and equipment fleet. These efforts have already resulted in reductions on the size of the City's fleet and increased utilization. As this effort unfolds, replacements are limited to urgently needed vehicles and equipment. As such, the Vehicle Replacement Fund has no proposed CIP budget for FY 2012. Instead, vehicle replacements will be made on as needed-basis by Budget Amendment Ordinance.

NEW PROJECTS

There are no new projects added to the Internal Service Funds in Fiscal Year 2012.

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Vehicle Replacement Fund

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SCHEDULED VEHICLE AND EQUIPMENT REPLACEMENTS (VR-16000)

Description: This project will involve the scheduled replacement of existing City fleet vehicles and equipment for Fiscal Year 2016.

Justification: The ongoing replacement of City fleet vehicles and equipment is prescribed by City Policy and Procedures Section 4-01. The policy includes guidelines for these replacements based on age, mileage accumulation, and obsolescence. Timely replacement of vehicles lowers maintenance costs, helps to maintain or even increase the productivity of client departments, and allows the City to take advantage of new technology.

Supplemental Information: 40 vehicles are scheduled for replacement in Fiscal Year 2015, including 28 vehicles in the General Fund at a cost of \$1,870,500; nine vehicles in the Enterprise Funds at a cost of \$900,000, and three vehicles in the Internal Service Funds at a cost of \$103,600. The vehicle replacement schedule includes the following quantities and vehicle types: five sedans; one police patrol vehicle; seven pickup trucks and vans; three miscellaneous light trucks; two fire apparatus; two street sweepers; one medium/heavy-duty trucks; 14 pieces of miscellaneous equipment and five trailers. Significant purchases include: two fire pumpers (\$1,022,200); a 10-12 yard dump truck (\$170,800); an underground cable tensioner (\$100,500); a street sweeper (\$255,200); a truck with utility body (\$107,300), and a large backup generator (\$218,400). All purchases will be reviewed by the Fleet Review Committee prior to the bidding process.

CIP FACTS:

- **New**
- **Project Status:** Other
- **Timeline:** FY 2016-2016
- **Overall Project Completion:** 0%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-26, Program N-41
- **Potential Board/Commission Review:** none

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under section 15301.
- **Design Elements:** None
- **Operating:** This project requires ongoing maintenance and replacement costs.

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other					\$2,874,100	\$2,874,100
Total Budget Request					\$2,874,100	\$2,874,100
Revenues:						
Source of Funds:	Vehicle Replacement Fund					

SCHEDULED VEHICLE AND EQUIPMENT REPLACEMENTS (VR-15000)



Description: This project will involve the scheduled replacement of existing City fleet vehicles and equipment for Fiscal Year 2015.

Justification: The ongoing replacement of City fleet vehicles and equipment is prescribed by City Policy and Procedures Section 4-01. The policy includes guidelines for these replacements based on age, mileage accumulation, and obsolescence. Timely replacement of vehicles lowers maintenance costs, helps to maintain or even increase the productivity of client departments, and allows the City to take advantage of new technology.

Supplemental Information: 53 vehicles are scheduled for replacement in Fiscal Year 2015, including 34 vehicles in the General Fund at a cost of \$1,157,400, and 19 vehicles in the Enterprise Funds at a cost of \$2,596,700. The vehicle replacement schedule includes the following quantities and vehicle types: one sedan; one police patrol vehicle; one pickup truck; two fire apparatus; two street sweepers; three medium/heavy-duty trucks; 36 miscellaneous equipment units and seven trailers. Significant purchases include: two ambulances (\$370,200); a medium truck with underground cable pulling winch and crane (\$260,400); two street sweepers (\$504,200); two sewer flusher trucks (\$678,200), and four large backup generators (\$918,600*). *Funding will need to be provided by the Storm Drain and Wastewater Treatment Funds.

All purchases will be reviewed by the Fleet Review Committee prior to the bidding process.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2015-2015
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-26, Program N-41
- **Potential Board/Commission Review:** None

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under section 15301.
- **Design Elements:** None
- **Operating:** This project requires ongoing maintenance and replacement costs.
- **Telecommunications:** None

PRIOR YEARS

PY Budget	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other				\$3,254,100		\$3,254,100
Total Budget Request				\$3,254,100		\$3,254,100
Revenues:						
Source of Funds:	Vehicle Replacement Fund					



SCHEDULED VEHICLE AND EQUIPMENT REPLACEMENTS (VR-13000)

Description: This project will involve the scheduled replacement of existing City fleet vehicles and equipment for Fiscal Year 2013.

Justification: The ongoing replacement of City fleet vehicles and equipment is prescribed by City Policy and Procedures Section 4-01. The policy includes guidelines for these replacements based on age, mileage accumulation, and obsolescence. Timely replacement of vehicles lowers maintenance costs, helps to maintain or even increase the productivity of client departments, and allows the City to take advantage of new technology.

Supplemental Information: 16 vehicles are scheduled for replacement in Fiscal Year 2013, including 10 vehicles in the General Fund at a cost of \$654,000 and 6 vehicles in the Enterprise Funds at a cost of \$677,500. The vehicle replacement schedule includes the following quantities and vehicle types: one sedan; one turf mower; six police patrol vehicles; 3 pickup trucks and vans; one street sweeper; two medium/heavy-duty trucks. Significant purchases include: a wildland fire truck (\$300,000) and a 55' material handling aerial (\$267,000).

All purchases will be reviewed by the Fleet Review Committee prior to the bidding process.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2013-2013
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-26, Program N-41
- **Potential Board/Commission Review:** None

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under section 15301.
- **Design Elements:** None
- **Operating:** This project requires ongoing maintenance and replacement costs.
- **Telecommunications:** None

PRIOR YEARS

PY Budget	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other		\$1,331,500				\$1,331,500
Total Budget Request		\$1,331,500				\$1,331,500
Revenues:						
Source of Funds:	Vehicle Replacement Fund					

SCHEDULED VEHICLE AND EQUIPMENT REPLACEMENTS (VR-14000)



Description: This project will involve the scheduled replacement of existing City fleet vehicles and equipment for Fiscal Year 2014.

Justification: The ongoing replacement of City fleet vehicles and equipment is prescribed by City Policy and Procedures Section 4-01. The policy includes guidelines for these replacements based on age, mileage accumulation, and obsolescence. Timely replacement of vehicles lowers maintenance costs, helps to maintain or even increase the productivity of client departments, and allows the City to take advantage of new technology.

Supplemental Information: 43 vehicles are scheduled for replacement in Fiscal Year 2014, including 34 vehicles in the General Fund at a cost of \$1,876,500, and 9 vehicles in the Enterprise Funds at a cost of \$305,500. The vehicle replacement schedule includes the following quantities and vehicle types: 14 sedans; 11 pickup trucks; three miscellaneous light trucks; two fire apparatus; 13 miscellaneous equipment units and two trailers. Significant purchases include: a fire heavy rescue truck (\$650,000); a wildland fire truck (\$300,000); a fire battalion command vehicle (\$100,000); a tow truck (\$135,000), and a dump truck with crane (\$180,000).

All purchases will be reviewed by the Fleet Review Committee prior to the bidding process.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2014-2014
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Public Works
- **Comprehensive Plan:** Policy N-26, Program N-41
- **Potential Board/Commission Review:** None

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA under section 15301.
- **Design Elements:** None
- **Operating:** This project requires ongoing maintenance and replacement costs.
- **Telecommunications:** None

PRIOR YEARS

PY Budget	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other			\$2,182,000			\$2,182,000
Total Budget Request			\$2,182,000			\$2,182,000
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.

PRIOR YEARS	
PY Budget	ongoing
PY Actuals as of 12/31/2010	ongoing

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Managing Department:** Information Technology
- **Comprehensive Plan:** Program T-10
- **Potential Board/Commission Review:** None

IMPACT ANALYSIS:

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

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$375,000
Total Budget Request	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$375,000
Revenues:						
Source of Funds:	Technology Fund					

IMPLEMENTATION OF NEW UTILITY RATE STRUCTURES (TE-11005)



Description: This is a software modification project for the customer information and billing system. The project will require significant programming to upgrade the SAP billing system allowing for new and revised rate structures. This may include new configuration development, testing of the calculation algorithm and changes to the invoice. Potential rate structure changes include new Residential Time-of-Use (TOU) rates; new Electric Vehicle rates and other tiering changes to existing rates schedules.

Justification: In support of the City's Climate Protection Goals the Utility will be proposing new and revised rate structures that provide price incentives for customers to conserve resources.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2011-2013
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Supports Goal N-4 and N-9

IMPACT ANALYSIS:

- **Environmental:** Not a project under CEQA.
- **Design Elements:** None
- **Operating:** None
- **Telecommunications:** None

PRIOR YEARS

PY Budget	\$100,000
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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:	Technology Fund with the following reimbursements: Electric Fund(\$61,941); Gas Fund(\$23,856); Water Fund(\$14,203)					



LIBRARY COMPUTER SYSTEM SOFTWARE (TE-11001)

Description: This project will purchase and implement state of the art software or software services to provide the functionality of the Library's current integrated library system (ILS) and upgrade it. The ILS performs and manages most of the library transactions and operations, including circulation of books and other materials, customer accounts and collections databases; the public library catalog; processes associated with acquiring and cataloging items for the collection; and statistical reporting.

Justification: The average life expectancy of an ILS is about seven years. The Library's most recent ILS was installed in 2005. The project and associated costs are detailed in the Library's technology plan completed in 2009 and reviewed by the Library Advisory Commission.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2012-2013
- **Overall Project Completion:** 0%
- **Percent Spent:** 0.00%
- **Managing Department:** Information Technology
- **Comprehensive Plan:** Program T-10
- **Potential Board/Commission Review:** Library Advisory Commiss

IMPACT ANALYSIS:

- **Environmental:** This project is categorically exempt from CEQA
- **Design Elements:** None
- **Operating:** Annual software maintenance estimated at approximately \$32,000.
- **Telecommunications:** None

PRIOR YEARS	
PY Budget	\$0
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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:	Technology Fund					

LIBRARY RFID IMPLEMENTATION (TE-06001)



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: Implementation of RFID technology and automated materials handling (AMH) equipment will facilitate the use of self-service options and will help staff cope with increasing workloads. It will improve staff efficiency by enabling faster handling of check-out and check-in of books and other library materials. RFID and AMH will enable staff to return materials to the shelves more quickly, reduce repetitive motions and resulting injuries for staff, and free staff to provide direct customer service.

Supplemental Information: The project will be phased to correspond with the construction of the library bond measure projects. In FY 2011 and FY 2012, all items in the library collection will be equipped with RFID tags and the self-check machines will be upgraded to use these tags instead of barcodes for circulation. The Library technology plan recommends installing AMH equipment in the three busiest libraries — the new Mitchell Park, the renovated Main, and Children’s. The AMH equipment for Children’s will be funded by this project and installed in FY 2013. The AMH equipment for the Mitchell Park and Main libraries will be funded by the library bond proceeds and installed as these facilities are constructed. This project responds to the City Council’s direction to employ technology solutions in the Library. The project plan and costs are detailed in the Library’s technology plan completed in 2009 and reviewed by the Library Advisory Commission.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2009-2013
- **Overall Project Completion:** 10%
- **Percent Spent:** 3.95%
- **Managing Department:** Information Technology
- **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

PRIOR YEARS

PY Budget	\$445,000
PY Actuals as of 12/31/2010	17,586

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	\$150,000	\$215,000				\$365,000
Total Budget Request	\$150,000	\$215,000				\$365,000
Revenues:						
Source of Funds:	Technology Fund					



RADIO INFRASTRUCTURE REPLACEMENT (TE-05000)

Description: This project will fund annual replacement of various items in the City's telecommunications infrastructure inventory in accordance with a life-cycle replacement schedule. Having reliable and effective telecommunications (radio) infrastructure is vital to public safety. In Fiscal Year 2011, 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 2011 figure is an estimate based on existing equipment value and will be finalized in Fiscal Year 2010 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 proportionately in the cost of this project.

CIP FACTS:

- **Continuing**
- **Project Status:** Construction
- **Timeline:** FY 2008-2016
- **Overall Project Completion:** 30%
- **Percent Spent:** 20.79%
- **Managing Department:** Information Technology
- **Comprehensive Plan:** Policy C-9
- **Potential Board/Commission Review:** Possibly ARB review

IMPACT ANALYSIS:

- **Environmental:** Possible exemption.
- **Design Elements:** None
- **Operating:** This project will incur operating expense, and the budget is included in the Police Department.
- **Telecommunications:** None

PRIOR YEARS

PY Budget	\$2,430,980
PY Actuals as of 12/31/2010	505,464

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	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:	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$180,000
Source of Funds:	Technology Fund with the following reimbursements: Electric Fund(\$25,000); Gas Fund (\$25,000); Stanford(\$80,000); Wastewater Collection Fund(\$25,000); Water Fund(\$25,000)					

TELEPHONE SYSTEM REPLACEMENT (TE-00010)



Description: This project funds the services of a consultant to conduct an analysis and assessment of current and future requirements for voice-related communications within the City, and to acquire the new system. Requirements will be determined for all City departments, and include 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.

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 in the costs of this project.

CIP FACTS:

- **Continuing**
- **Project Status:** Other
- **Timeline:** FY 2007-2012
- **Overall Project Completion:** 10%
- **Percent Spent:** 2.07%
- **Managing Department:** Information Technology
- **Comprehensive Plan:** Policies B-16, C-9
- **Potential 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	\$1,230,000
PY Actuals as of 12/31/2010	25,421

FUTURE FINANCIAL REQUIREMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs						
Other	\$1,421,842					\$1,421,842
Total Budget Request	\$1,421,842					\$1,421,842
Revenues:	\$530,507					\$530,507
Source of Funds:	Technology Fund with the following reimbursements: Electric Fund(\$158,028); Fiber Optics Fund(\$8,531); Gas Fund(\$79,206); Refuse Fund(\$56,503); Storm Drainage Fund(\$14,644); Wastewater Collection Fund(\$40,570); Wastewater Treatment Fund(\$105,393); Water Fund(\$67,632)					



UTILITIES CUSTOMER BILLING SYSTEM CONTINUOUS IMPROVEMENTS (TE-10001)

Description: This is a software related project to enhance the Utilities billing modules in SAP. The primary purpose is to enhance the system to include new legislation and legal requirements. This project will also be utilized to improve existing system business processes where efficiencies or changes are required. Recent plans include further securing customer sensitive data, improvements to the CSR's most commonly used SAP screens, and to begin a Utilities Technology Strategic Plan.

Justification: After the Utilities billing software implementation in May 2009, staff identified ongoing changes required to add necessary legislative and regulatory requirements. This project also includes enhancement to online e-services, bill presentation, quality controls, process integration, new functionality, enhanced reporting capabilities, and data accessibility. These may require business process re-engineering, utilities bill updates, and/or rate adjustments.

Consultant Services Scope: Scoping study will determine plan and costs for implementation.

Supplemental Information: In May 2009, the ten year-old Utilities Customer Information System (BANNER) was replaced with the SAP Industry-specific Solution for Utilities. This project is necessary in order to provide software system updates to meet customer, regulatory, and governing requirements. This project is in response to Council requests regarding enhancements to the Utilities billing system. The Enterprise Funds share proportionately in the costs of this project.

CIP FACTS:

- **Continuing**
- **Project Status:** Design
- **Timeline:** FY 2010-2016
- **Overall Project Completion:** 10%
- **Percent Spent:** 0.00%
- **Managing Department:** Utilities
- **Comprehensive Plan:** Program C-12
- **Potential 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

PRIOR YEARS	
PY Budget	\$350,000
PY Actuals as of 12/31/2010	0

FUTURE FINANCIAL REQUIREMENTS						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total Funding
Pre-Design Costs						
Design Costs						
Construction Costs	\$150,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,150,000
Other						
Total Budget Request	\$150,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,150,000
Revenues:	\$150,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,150,000
Source of Funds:	Technology Fund with the following reimbursements: Electric Fund(\$565,133); Fiber Optics Fund(\$4,333); Gas Fund(\$217,658); Refuse Fund(\$132,107); Storm Drainage Fund(\$28,249); Wastewater Collection Fund(\$72,938); Water Fund(\$129,582)					

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Supplemental Information

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General Fund Infrastructure Backlog Summary

General Fund Infrastructure Backlog Summary						
		Adopted General Fund CIP Budget	Unfunded Backlog	Projected Future Backlog FY 2014 through FY 2028		
	Current Backlog	FY 2008 - FY 2013	FY 2008 - FY 2013	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	<u>\$153,232,824</u>			<u>\$54,983,739</u>	<u>\$49,378,057</u>	<u>\$44,074,597</u>
			Total			<u>\$301,669,218</u>

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

<u>Other Major Infrastructure Projects</u>	<u>Project Cost¹</u>
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
Public Safety Building	\$60,000,000
	\$208,280,000

¹ 2009 Dollars

² This is the general fund portion only.

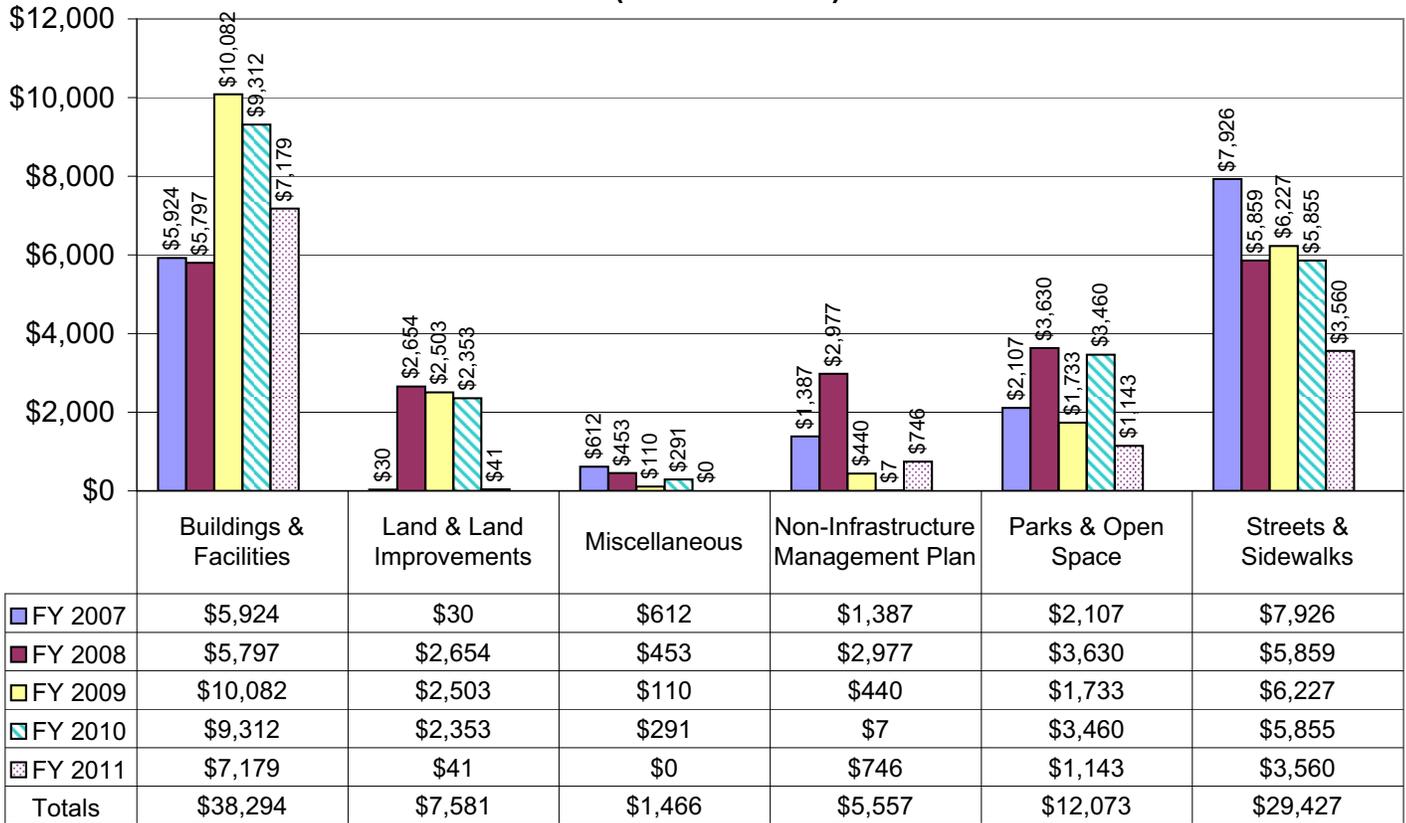
Notes:

This infrastructure backlog summary was last updated in May 2009. Staff is in the process of updating this list and will have it completed in summer 2011. Since its last update, certain projects identified above have been funded and are either already completed or are currently in progress. These projects include the Lytton Plaza and the San Antonio Road Median & Roadway Improvement Phase II. The Charleston Arastradero Corridor is planned in FY 2013 through FY 2015 with planned funding of \$4 million, while the Public Safety Building is added to the list due to the lack of funding source. This list does not include future infrastructure such as an intermodal transit center and Caltrain grade separations for pedestrians.

Source: CMR:167:08 updated on May 13, 2009

Infrastructure Future Needs - Backlog

General Fund Capital Improvement Program Expenditures Summarized by Project Category - Fiscal Years 2007-2011
(in thousands)



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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.

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.

Glossary

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.

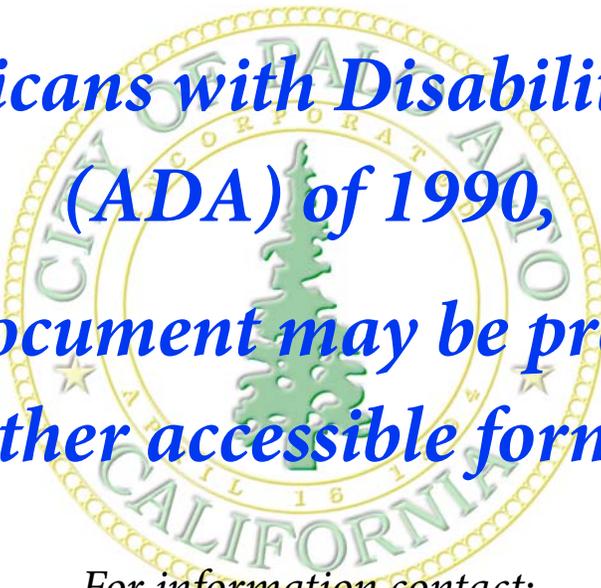
Reserve: Represents the portion of fund balance set aside for financing future capital improvements or the outlay of capital projects in any given year, and addressing one-time emergency needs.

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

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For information contact:

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**Visit the City's Website at:
www.CityofPaloAlto.org**

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