

MONTHLY SNAPSHOT OF REPORTS AND ACTIVITIES

Highlights of Major Reports Issued in the Month of November:

[Report No. 10-88, Attachment, "Authorization of a Five Year As-Needed Environmental Monitoring Professional Services"](#)

The City Council docket for November 30, 2010 included Item 330, which asked the Council to authorize the execution of a five year as-needed environmental monitoring professional services agreement with MACTEC Engineering and Consulting, Inc (MACTEC). The as-needed contract is for an amount not-to-exceed \$15 million with a term of five years.

Under this agreement, MACTEC would provide tasks to comply with various regulatory requirements. In addition to maintaining compliance with the Municipal Storm Water Permit, the Department must also address requirements related to Areas of Special Biological Significance (ASBS) as well as current and future TMDL requirements.

The IBA recommended that the contract include a not-to-exceed requirement of \$3.0 million annually and if expenditures are anticipated to exceed this amount, the Department must return to the City Council for authorization. The IBA also recommended that the Storm Water Department report to the NR&C on a semi-annual basis regarding the number of task orders that have been issued and the total amount expended. The City Council approved this contract with the IBA recommendations.

Reports Highlighted for the Month of November 2010:

"Authorization of a Five Year As-Needed Environmental Monitoring Professional Services Agreement"

[Report No. 10-88](#) (11/24/10)
[Attachment](#)

"Proposed Water Rate Increases to Offset Increased San Diego County Water Authority Rates"

[Report 10-89](#) (11/24/10)

"Review of FY 2011 General Fund Year-End Revenue Projections Report"

[Report 10-91](#) (11/29/10)

[Report 10-89 "Proposed Water Rate Increases to Offset Increased San Diego County Water Authority Rates"](#)

Currently, 85-90% of the City of San Diego's water supply is derived from purchases from the San Diego County Water Authority (CWA). On June 24, 2010 the CWA approved increases for its Melded Supply Rate, Melded Treatment Rate, Transportation Rate and other charges, following the Metropolitan Water District's (MWD) April 13, 2010 rate increases to the CWA and other MWD member agencies. The CWA subsequently made minor rate increase corrections on October 28, 2010.

The CWA rate increases charged to the City of San Diego will take effect January 1, 2011. The Public Utilities Department has calculated the effect of the CWA's rate increases, and is recommending "pass-through" rate increases for San Diego ratepayers.

On November 29, 2010, the City Council approved Proposition 218 Noticing of the recommended rate increases and set a public hearing date for a Council vote on January 24, 2011. A City Council vote on the proposed rate increases did not occur during the November 29, 2010 Council meeting, but is expected at the January 24, 2011 meeting. The anticipated date for implementation of the proposed rate increases to San Diego ratepayers is March 1, 2011.

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This report provided background information regarding the pending CWA pass-through rate increases to San Diego ratepayers. With the proposed rate increases, the Public Utilities Department is attempting to maintain cost/revenue neutrality for the Water Fund. The IBA recommended approval for Proposition 218 Noticing and setting a public hearing date for Council vote on the proposed water rate increases for January 24, 2011.

Report 10-91 “Review of FY 2011 General Fund Year-End Revenue Projections Report”

On November 29, 2010, the Financial Management Department issued the FY 2011 General Fund Year-End Revenue Projections Report, presenting year-end projections for a selection of major General Fund revenues based on actual receipts data for the first four months of the fiscal year. The report was discussed at the December 1, 2010 Budget & Finance Committee meeting.

In general, the IBA concurred that the adjustments presented in the FY 2011 General Fund Year-end Revenue Projections Report are appropriate for now given current performance data and the economic outlook. It is important to note that the revenue update did not provide a comprehensive review of the General Fund revenue performance. Due to the timing of receipts and also current SAP accounting issues, not enough data was available to provide an update on all General Fund revenues, particularly departmental revenues. In FY 2010, declines in departmental revenues accounted for 42.7% of the projected revenue performance under budget as of the year-end report. The impact of possible fluctuations in the performance of these revenues is unknown, and a full assessment will not be available until late February 2011 with the release of the Mid-Year Budget Monitoring Report.

Other Reports Issued in the Month of November 2010:

“As Needed Contracts for SAP Support”

[Report No.10-87](#) (11/05/10)

“Response to Grand Jury Report Titled ‘San Diego City’s Financial Crisis—The Past, Present, and Future’”

[Report No. 10-84 REV](#), [Attachment A REV](#), [Attachment B](#), [Attachment C](#) (11/2/10)

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