



Highlights

Why OCA Did This Study

In accordance with the Office of the City Auditor's Fiscal Year 2017 Audit Work Plan, we conducted a performance audit of the Transportation and Storm Water Department's Storm Water Division (SWD).

The objectives of our audit were to evaluate opportunities: to improve SWD's asset management strategies; increase SWD revenues; and increase the efficiency of SWD's code enforcement case management, monitoring, and reporting.

What OCA Recommends

OCA made 9 recommendations to address the issues we identified, all of which management agreed to implement. Key recommendations include:

- To improve the efficiency of SWD's infrastructure maintenance and avoid over-relying on more costly contracted repairs, SWD should conduct a detailed study to determine the optimal size of its in-house repair crew.
- The Communications Department, in consultation with SWD, should develop a communications plan to educate residents on the importance of SWD's water quality and flood control activities, as well as the effects of the current funding shortage.
- SWD should solicit stakeholder feedback to develop and execute a long-term funding strategy to fund storm water needs.
- SWD should seek to include certain case management, monitoring, and reporting features in its new code enforcement tracking system, and should establish and assess re-inspection fees.

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City of San Diego, Office of
the City Auditor

Storm Water Division

The Storm Water Division Can Further Improve the Efficiency of Its Infrastructure Maintenance and Code Enforcement Efforts, but the City Ultimately Needs to Address Significant Storm Water Funding Shortages

What OCA Found

The City of San Diego's (City) Transportation and Storm Water Department Storm Water Division (SWD) is responsible for managing urban runoff to both minimize flood risk and protect and enhance the quality of receiving waters, such as San Diego Bay, Mission Bay, and the San Diego River. To accomplish these goals, SWD manages the City's vast storm water infrastructure network, which includes approximately 48,000 storm drain structures, 900 miles of storm drain pipes, and 14 pump stations. SWD also conducts a variety of activities to ensure compliance with a wide range of local, state, and federal water quality regulations.

[Finding 1: To More Quickly and Efficiently Replace Corrugated Metal Pipes, SWD Should Complete a Detailed Analysis to Further Support Its Plans to Optimize the Size of Its In-House Pipe Repair Crew](#)

Failure to adequately fund maintenance of the City's storm drain system in years past has resulted in a very large storm water infrastructure backlog, and resulting increases in public liability costs and costly emergency repairs. While SWD has recently implemented cost-saving measures, such as establishing an in-house crew to conduct some repairs in lieu of using a contractor, we found some limitations to SWD's ability to maximize the benefits of these efforts. Specifically, without conducting a detailed analysis to determine the optimal size of the in-house crew, SWD may continue to over-rely on more costly contracted repairs.



[Finding 2: Storm Water Funding is Insufficient to Fund Current and Future Storm Water Needs and the City Has Not Taken Action to Develop and Pursue a Long-Term Funding Strategy](#)

While SWD can cut costs by improving maintenance efficiency and continuing to refine the methods it uses to meet water quality requirements, the current gap between SWD's revenues and funding needs is so large that it cannot be closed through efficiencies alone. In just the next five years, SWD needs to spend approximately \$891 million to fully fund infrastructure and water quality needs. However, SWD has only identified \$433 million in available funding, leaving a shortage of \$459 million. This shortage will fuel additional deferred maintenance and potential underfunding of water quality requirements. Although this severe and growing storm water funding shortage has been well-documented, City officials have not taken sufficient action to inform the public or increase storm water revenues in over 20 years.

[Finding 3: A New Tracking System and Re-Inspection Fees Will Improve the Efficiency and Effectiveness of Storm Water Enforcement Efforts](#)

SWD's current tracking system for its code enforcement activities does not have sufficient capabilities to facilitate efficient case management, monitoring, and reporting. Additionally, SWD does not issue re-inspection fees to help recover excessive inspection costs and compel compliance more quickly.