



CONSENT CALENDAR

Agenda Item # 10

AGENDA REPORT SUMMARY

Meeting Date: June 12, 2018

Subject: Clean Water and Storm Drainage Funding Initiative – Contract Amendment

Prepared by: Christopher Lamm, Engineering Services Manager

Reviewed by: Susanna Chan, Public Works Director

Approved by: Chris Jordan, City Manager

Attachment(s): None

Initiated by:

City Council

Previous Council Consideration:

April 26, 2016; May 22, 2018

Fiscal Impact:

\$98,122.60 budgeted in the Capital Improvement Program

Environmental Review:

A Stormwater fee would be exempt from environmental review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guideline 15378 as the adoption of any fee does not meet the definition of a “project” because it serves as the creation of new government funding mechanism or constitutes other government fiscal activities that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Policy Question(s) for Council Consideration:

None – Staff is proceeding under direction provided at the May 22, 2018 City Council Meeting

Summary:

- The current stormwater program is funded by General Fund
- The survey found that Los Altos property owners strongly desire increased investment in storm drainage infrastructure, and are willing to pay for it especially at a rate less than \$100 per year per parcel
- Consultant will be contracted to perform Phase II (Financial Engineering, Outreach and Implementation) of the Stormwater Funding Initiative Request for Proposals issued in 2017

Staff Recommendation:

Authorize the City Manager to execute an amendment on behalf of the City with SCI Consulting Group in the amount of \$98,122.60 to provide additional consulting services for the Clean Water and Storm Drainage Funding Initiative



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Purpose

To authorize the City Manager to execute an amendment on behalf of the City with SCI Consulting Group in the amount of \$98,122.60 to provide additional consulting services for the Clean Water and Storm Drainage Funding Initiative.

Background

Stormwater management is one of the core functions of the City. The Public Works Department is responsible for the operation and maintenance of a network of stormwater conveyance facilities that deliver stormwater runoff to the four creeks in Los Altos which terminate at the San Francisco Bay. The estimated replacement value of the stormwater conveyance network is approximately \$170 million in current dollars.

The stormwater program is currently funded by General Fund with annual allocation of approximately \$470,000 for operation, maintenance, and regulatory compliance and \$300,000 for capital improvements. On April 26, 2016, the City Council adopted the Stormwater Master Plan which determined the appropriate service levels for operation and maintenance as well as identified and prioritized capital improvement needs. As part of adopting the Master Plan, the council expressed interest to explore options to develop a dedicated revenue source to fully or partially fund the stormwater program.

The City issued a Request for Proposal (RFP) in 2017 to seek technical assistance to evaluate available funding options for the stormwater programs, gauge public support, provide public outreach and education, and implement the preferred funding mechanism based on polling results and direction from the City Council. Two proposals were received and SCI Consulting Group (SCI) was selected based on their expertise. SCI's contract with the City is structured in two phases, with Phase I for community opinion survey and Phase II for implementation based on the outcome of Phase I. The completed Phase I contract was for \$62,557; the proposed contract for Phase II is for \$98,122.60.

At the May 22, 2018 City Council Meeting, Council provided direction to staff to proceed with Phase II of the funding initiative.

Discussion/Analysis

Phase II of the funding initiative scope includes performing a financial engineering study (fee report), developing a plan and strategies for conducting public outreach and education, and implementation of the funding measure. More detail of each task is as follows:

Financial Engineering – Fee Report

SCI will prepare a comprehensive Proposition 218 compliant property-related fee engineering report and justification for the proposed stormwater services and improvements to be funded. The report will include a detailed description of the services and improvements to be funded by the proposed



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fee, plans for the services and programs, future capital and facility improvement needs, the rationale used for the fee structure, the method of fee appointment and calculations of the specific proposed fee amount for each parcel in the City.

Community Education and Outreach

SCI will assist with public informational and educational outreach strategies and property owner informational services. Information Outreach efforts, which will continue up to and throughout the ballot proceeding, include tasks necessary to ensure that the property owners are adequately informed about the assessment ballot proceeding and the proposed services/improvements in their area prior to the mailing of ballots. Throughout this process, the SCI will work closely with volunteers, City staff and other stakeholders.

SCI understands that basic message components will need to be simple, clear and transparent, and need to be well supported with detailed and substantive information.

SCI will evaluate and develop the potential communication infrastructure. Working with City staff (i.e., Public Information Officer, etc.), they will evaluate and ultimately coordinate existing communication infrastructure including stakeholder contacts, print media, website, social media, print publications, neighborhood groups and newsletters, etc., and prioritizing and integrating the various methods, as appropriate. They will also look at e-mail contacts with HOA and neighborhood leaders, as well as web-based platforms like nextdoor.com and will develop a schedule for the dates of community stakeholder meetings, due dates for local group newsletters, etc.

Implementation

Once the Fee Report and Outreach Plan are complete, the next steps for the implementation of a property-related fee includes several steps:

1. City Council approval of the Fee Report, establishing public hearing (protest hearing) date and time, and authorizing the mailing of notices
2. Printing and mailing of notices
3. Conducting a protest hearing no less than 45 days after mailing of notices
4. City Council authorization mailing of ballots (if no protest exists)
5. Printing and mailing of ballots
6. Tabulation of ballots after close of ballot period (at least 45 days after protest hearing)
7. City Council certification of results of the balloting, authorizing the fee structure if support is over 50%

The total costs of Phase II is \$98,122.60 which includes the tasks above as well as direct costs associated with printing, addressing, and mailing of notices and ballots.



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Options

- 1) Authorize the City Manager to execute an amendment on behalf of the City with SCI Consulting Group in the amount of \$98,122.60 to provide additional consulting services

Advantages: City staff will proceed forward with funding measure implementation as directed by City Council on May 22, 2018

Disadvantages: None

- 2) Do not authorize the City Manager to execute an amendment on behalf of the City with SCI Consulting Group

Advantages: None

Disadvantages: The City will need to continue to fund stormwater related activities and projects from the General Fund.

Recommendation

The staff recommends Option 1.