

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. The shapes are primarily triangles and polygons, creating a dynamic, layered effect. The overall composition is clean and modern, with a focus on the text.

Investing in Los Altos

Protecting the Environment

A Funding Initiative Supporting
the Clean Water Program

Essential community values

- ❖ Clean water
- ❖ Sustainable infrastructure
- ❖ Protection of property

*We believe investing in
these is a top priority!*





Clean Water Protection

- ❖ Improve water quality to Creeks & Bay
- ❖ Green infrastructure planning
- ❖ Trash capture program
- ❖ Creek clean ups
- ❖ Oversight of development
- ❖ Construction site program
- ❖ Collaborate with partners
 - ❖ Regional Clean Water Program

Protection of Property

- ❖ Proactive operations & maintenance
 - ❖ >1300 catch basins, pipes
 - ❖ 55 miles of pipe
 - ❖ 12 Hot spots
 - ❖ Wet weather response



Sustainable Infrastructure

- ❖ Capital Projects
 - ❖ Sustainable
 - ❖ Green Infrastructure





Strategic Planning

- ❖ 2014 Trash Compliance Plan
- ❖ 2015 Municipal Regional Permit
- ❖ *2016 Stormwater Master Plan*
- ❖ 2018 Community Survey
- ❖ 2018 Engineering Rate Study
- ❖ Green Infrastructure Plan (in progress)



Master Plan Findings

- ❖ \$29m Capital needs
- ❖ \$490k Annual Program Needs
- ❖ **Updated to annual need of \$1.1m**

- ❖ Past General Fund Support = \$500 - 770k
 - ❖ Not sustainable or secure
 - ❖ Inadequate for meaningful CIP
 - ❖ Competes with other General Fund priorities
 - ❖ Subject to economic cycles

Meeting the Challenge

Sustainable
dedicated revenue

Property related

Prop 218 compliant



What is needed?

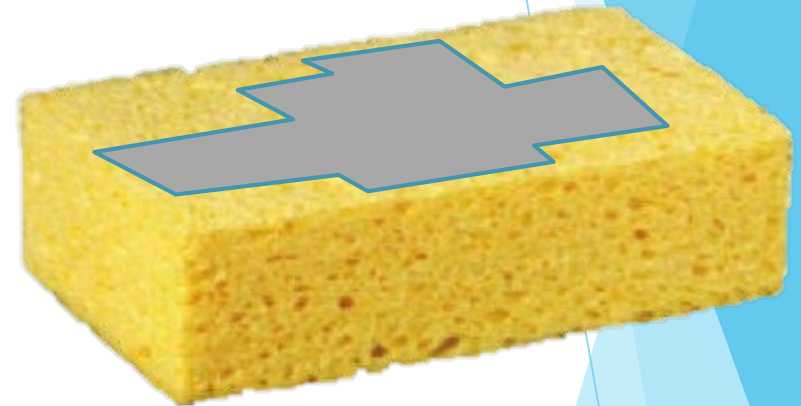
Program Element	2016 Costs	2018 Costs	Revenue Req't for Fees	Annualized Costs	%
CIP High-Priority	\$ 3,820,000	\$ 2,730,000	\$ 2,730,000		
CIP Moderate-Priority	11,460,000	13,080,000	13,080,000		
CIP Low-Priority	13,820,000	15,780,000	-		
CIP Total	<u>\$ 29,100,000</u>	<u>\$ 31,590,000</u>	<u>\$ 15,810,000</u>	<u>\$ 611,000</u>	54%
Clean Water Program	<u>\$ 490,000</u>	<u>\$ 522,000</u>	<u>\$ 522,000</u>	<u>\$ 522,000</u>	46%
				<u>\$ 1,133,000</u>	

30-yr Forecast Assumptions

- ❖ CIP - Mixed Pay-as-You-Go and Debt Financing
- ❖ Debt at 5% interest (multiple 10-yr debt issuances)
- ❖ Capital Escalation at 2.6%
- ❖ O&M Escalation at 3.0%
- ❖ Revenue Escalation at 2.6%

Rates & Rate Structure

- ❖ Based on Fair share of Stormwater Runoff
 - ❖ Impermeable Surfaces
- ❖ Property Classifications
 - ❖ Residential (“per parcel”)
 - ❖ 4 size categories
 - ❖ 80% of revenue (93% of parcels)
 - ❖ Non-Residential (“per acre”)
 - ❖ 7 use categories based on impermeability characteristics
 - ❖ 20% of revenue (7% of parcels)



Rate Schedule

- ❖ Annual Rates
- ❖ Natural terrain exempt
 - ❖ Open Space
 - ❖ Agriculture
- ❖ Collected on property tax bills

Land Use Category	Proposed Fee FY 2018-19
Single-Family Residential *	
Small (Under 9,000 sf)	\$ 72.00 per parcel
Medium (9,000 to 14,500 sf)	\$ 88.00 per parcel
Large (14,500 to 20,000 sf)	\$ 100.32 per parcel
Extra Large (over 20,000 sf)	\$ 117.59 per parcel
Condominium	\$ 72.00 per parcel
Non-Single-Family Residential **	
Multi-Family Residential	\$ 572.37 per acre
Commercial / Retail / Industrial	\$ 656.91 per acre
Office	\$ 572.37 per acre
Church / Institutional	\$ 445.74 per acre
School	\$ 367.33 per acre
Park	\$ 37.07 per acre
Vacant (developed)	\$ 37.07 per acre
Open Space / Agricultural	exempt

* Single-Family Residential category also includes du- tri- and four-plex units

** Non-SFR parcels are charge per the tenth of an acre or portion thereof

Example Rates of 2018 Fee

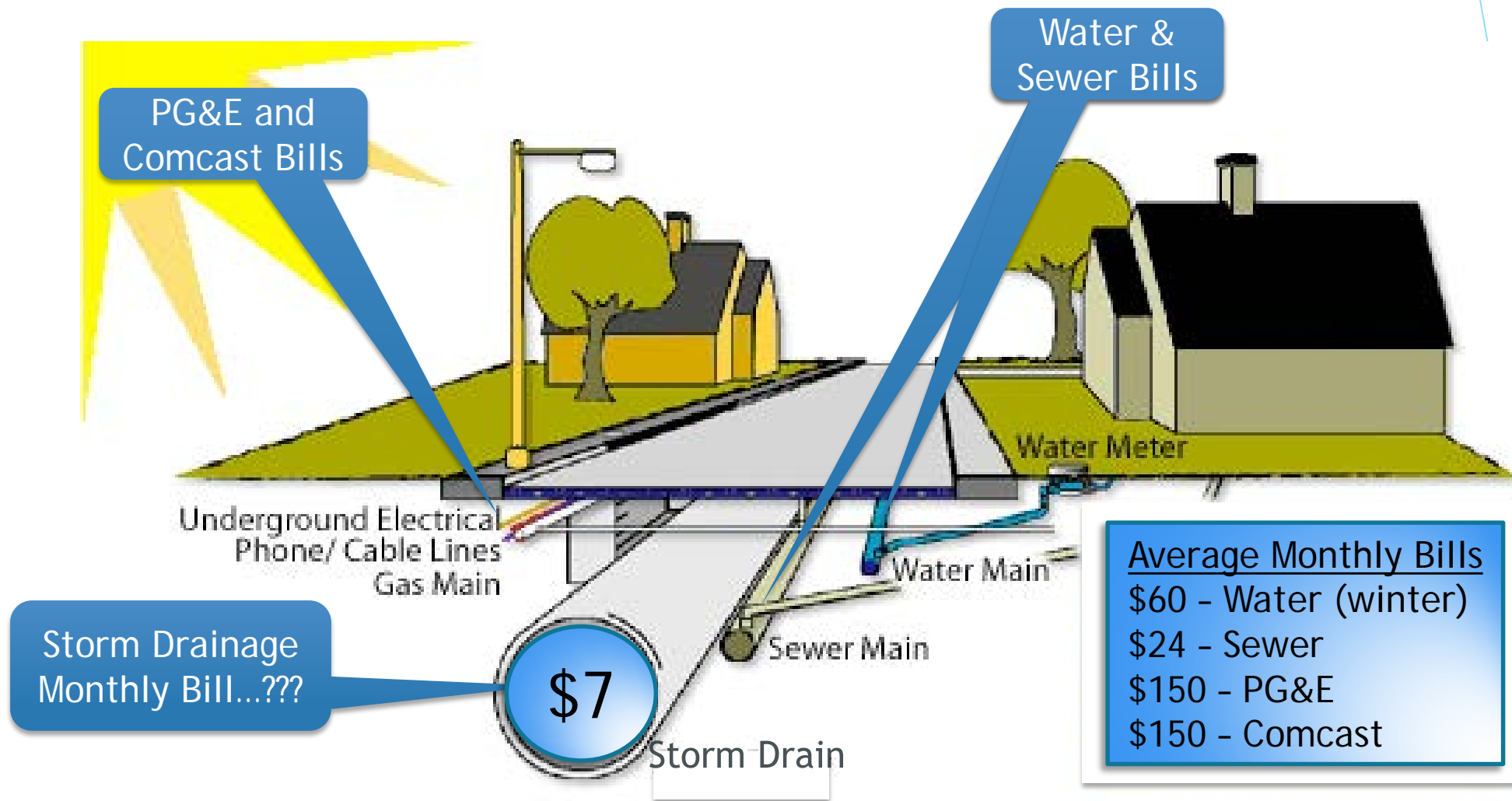
Single Family

Residential = \$7.33 / mo.

Commercial / Industrial
Property = \$11.45 / mo.

Vacant = \$0.97 / mo.

Storm Drain Fee Context



Rate Structure Features

- ❖ Dedicated Fund for Clean Water Program
- ❖ Fiscal Controls & Accountability
 - ❖ Annual Audit
 - ❖ Annual Review by City Council
- ❖ Annual Cost Indexing
- ❖ Appeals Procedure
- ❖ Allows for Future Incentive Program
 - ❖ Discount for installing green infrastructure or flow controls



Proposition 218

❖ Requirements:

- ❖ Vote of property owners
- ❖ 50% +1 majority to approve
- ❖ One parcel - One vote

❖ Process

- ❖ Adopt Fee Study
- ❖ Mailed Notice (45-day)
- ❖ Public Hearing
- ❖ Balloting Period(45-day)
- ❖ Tabulation & Certification
- ❖ If approved, fees take effect July 1, 2019

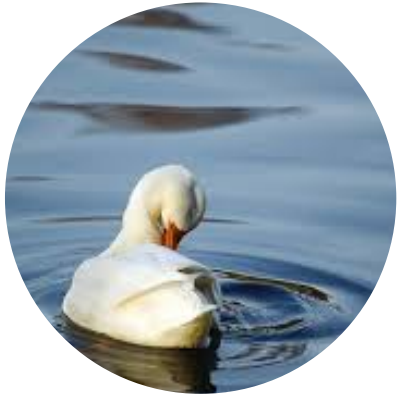
What will the City Deliver?

- ❖ Dedicated Fund for Clean Water Program
 - ❖ Clean Water Protection
 - ❖ Operations and Maintenance
 - ❖ Capital investment for aging infrastructure



Community Outcomes

Clean water



Protection of property



Sustainable Infrastructure



Trash Clean-Up
Reduced Pollution

Reduced
Flooding

Smart
Sustainable CIP
Investment

Next Steps

- ❖ October 9, 2018 - Council Approval of Fee Report
- ❖ Nov 2018 - March 2019 Community Outreach
- ❖ Jan - Mar 2019 Public Notice Period
- ❖ Mar 2019 Public Hearing
- ❖ Mar - Apr 2019 Ballot Period



Prop 218 Process

- ❖ Mail Notice to Property Owners (Jan '19)
- ❖ Conduct Public Hearing (Mar '19)
 - ❖ Majority Protest Can Halt Process
- ❖ Mail Ballots (Due late April '19)
 - ❖ Will Look Different
- ❖ Tabulate Ballots & Announce Results
 - ❖ City Clerk - Official Tabulator
- ❖ 50% + 1 Approves Measure
 - ❖ One Parcel - One Vote



Council Actions

- ❖ Approve the structure of the Stormwater Fees and findings of the Stormwater Fee Report; authorize staff to work in consultation with the City Attorney and the Rate Consultant to finalize the Stormwater Fee Report with such changes deemed advisable and not altering the structure of the Stormwater Fees;
- ❖ Adopt Resolution 2018-39 initiating a proceeding to obtain approval of a property-related fee conforming to Article XIII D, Section 6 of the Constitution;
- ❖ Adopt Resolution 2018-40 adopting ballot procedures for a property-related fee conforming to Article XIII D, Section 6 of the Constitution

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