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Details

File #: 2019-6706**Type:** Consent Calendar Item**Body:** [City Council](#)**On agenda:** 4/16/2019**Title:** Recommendation to Authorize the City Manager to Execute a Second Amendment to the Agreement with SCI Consulting Group for a Comprehensive Stormwater Fee Study, Community Survey, and Balloting, Extending the Agreement for Seven Months in an Amount not to Exceed \$94,009 for a Total Expenditure Under the Agreement, as Awarded, of \$166,513. (Public Works 351)**Attachments:** 1. [Exhibit 1 - Original Contract](#), 2. [Exhibit 2 - First Amendment](#), 3. [Exhibit 3 - Second Amendment](#)

Text

Title

Recommendation to Authorize the City Manager to Execute a Second Amendment to the Agreement with SCI Consulting Group for a Comprehensive Stormwater Fee Study, Community Survey, and Balloting, Extending the Agreement for Seven Months in an Amount not to Exceed \$94,009 for a Total Expenditure Under the Agreement, as Awarded, of \$166,513. (Public Works 351)

Body

To: Honorable Mayor and Members of the City Council**From:** Amy Wooldridge, Interim City Manager

EXECUTIVE SUMMARY

The City of Alameda's (City) stormwater fund is failing to keep up with the significant operations, capital, and regulatory requirements of the stormwater system. The City's existing stormwater fee has remained flat at approximately \$56 annually per single family home for more than a decade. As a result, the stormwater fund is running a deficit and may run out of money as early as Fiscal Year 2020-21. If this occurs, the City will be forced to eliminate and/or significantly cut its street sweeping and storm drain maintenance programs.

State law requires that any increase in the stormwater fee must be approved by a vote of Alamedans and be supported by a fee study. In response to a request for proposals for a comprehensive stormwater fee study, the City entered into a contract with SCI Consulting Group (SCI) in November 2018 to conduct preliminary financial analysis. Staff seeks the City Council's approval to amend the SCI contract to include the next phase of the scope of work that includes development of the fee study report, conducting a citywide community survey and public outreach, and mail-in balloting of nearly 21,000 property owners.

By approving this item, City Council is not authorizing balloting. The City Council will have the opportunity to authorize (or not) the stormwater fee ballot at City Council meetings on July 16 and October 1, 2019.

BACKGROUND

The City has had a stormwater fee since the early 1990s, prompted by the onset of federal stormwater regulations directed at municipal separate storm sewer system operations. The City's most recent assessment shows that this stormwater fund is running a \$1 million annual deficit. Alameda's stormwater fee has remained flat at approximately \$56 annually per single family home for more than a decade, with no escalator to account for increases in labor, benefits, material costs, and vendors. If the original fee had included an allowable escalator, the existing stormwater fee would generate another \$1,000,000 annually.

At the same time, the City's stormwater system has \$50 million in unmet needs related to stormwater pump stations and pipes some of which are from the 1940s and earlier. Public Works also estimates an additional \$50 million in infrastructure needs over the next 10 years to comply with more rigorous trash capture, pollution control, and green infrastructure requirements imposed by the San Francisco Regional Water Quality Control Board. Failure to comply with those mandates may lead to fines as much as \$50,000 per incident.

The City's existing stormwater fee simply cannot keep up with these significant operating, capital, and regulatory requirements. Most of the revenue generated from the current fee is only sufficient to fund Public Works operation and

maintenance of the stormwater system, and the department's clean water program and municipal stormwater permit responsibilities. Without action to raise more stormwater revenue or use another funding source, the City may be forced to eliminate and/or significantly reduce its street sweeping and storm drain maintenance programs.

From February to July 2018, the City Council discussed the stormwater fee and its possible adjustment in the context of various revenue measures. Alamedans have indicated through various surveys a willingness to raise local funds to address infrastructure needs, including the stormwater system.

DISCUSSION

By approving this contract amendment, City staff and SCI will proceed according to the timeline below:

- May/June: Produce a Citywide community survey.
- July 16: City Council receives community survey results and proposed fee schedule, and considers initiating a Prop 218-compliant process to ballot property owners.
- August: [If City Council approves process] Proposition 218 notices mailed to the City's property owners. This mailing helps determine whether there is a majority protest per Proposition 218.
- August: Community outreach and education, including the first community meeting.
- September: Community outreach and education, including the second community meeting.
- October 1: City Council conducts public hearing and determines whether there is a majority protest. If none, introduction of rate ordinance and authorization to ballot.
- October 10: [If City Council approves balloting] Ballots mailed.
- November 25: Close of ballot period.
- December 3: City Council certifies ballot results.

The Citywide survey will go out to 10,000 (of ~21,000) randomly selected property owners and provide statistically significant results on the community's priorities and interest in a new stormwater fee. City staff will also collect surveys from other parts of the community who are not property owners. Two community meetings will be held in addition to outreach to stakeholders and groups, and ongoing communication between Public Works staff, the consultants, and the community.

For the stormwater fee to be approved, 50% plus one or more of the votes submitted must approve the fee.

FINANCIAL IMPACT

Budget for this contract is included in the Storm Drain Maintenance Program (Fund 351). There is no current impact on the General Fund. However, if no balloting process is initiated, or if the balloting process fails, the Stormwater Fund will be unable to continue its full support of programs to clear the City's storm drains and sweep streets. At that point, General Fund or Gas Tax Fund may be required to help restore, or at least minimize cuts, to those programs.

Contract	Amount Authorized	Expended to Date
Original Contract	\$ 15,280.00	\$12,492.10
First Amendment	\$ 57,224.00	\$ 0.00
Second Amendment	\$ 94,009.00	\$ 0.00
Total	\$166,513.00	\$12,492.10

MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

This action does not affect the Alameda Municipal Code.

ENVIRONMENTAL REVIEW

In accordance with the California Environmental Quality Act (CEQA), this project is Categorically Exempt pursuant to CEQA Guidelines section 15301 - Existing Facilities, and Section 15273 - Rates and Charges.

RECOMMENDATION

Authorize the City Manager to execute a second amendment to the agreement with SCI Consulting Group for a comprehensive stormwater fee study, community survey, and balloting, extending the agreement for seven months in an amount not to exceed \$94,009 for a total expenditure under the agreement, as awarded, of \$166,513.

Respectfully submitted,
Liam Garland, Public Works Director

Financial Impact section reviewed,
Elena Adair, Finance Director

Exhibits:

1. Original Contract
2. First Amendment
3. Second Amendment