



DATE: September 10, 2018

AGENDA ITEM # 2

TO: Environmental Commission

FROM: Susanna Chan, Public Works Director

SUBJECT: City of Los Altos Clean Water Program

RECOMMENDATION:

Receive Report from Public Works Director Susanna Chan on City of Los Altos Clean Water Program

BACKGROUND

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.

In addition to operation and maintenance responsibilities, the City is required to comply with the Municipal Regional Permit (MRP) under the National Pollutant Discharge Elimination System (NPDES) permit issued by USEPA through the San Francisco Regional Water Quality Control Board (Water Board). The program aims to improve stormwater runoff quality and protect local creeks, channels and the San Francisco Bay. Compliance with the MRP requires a significant level of City resources.

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.

In April 2018, the City conducted a community opinion survey to gauge support for a new fee for the stormwater program and mailed 10,491 surveys to property owners in Los Altos. There were three different survey versions mailed, each with a unique set of proposed storm drainage services and improvements and a corresponding fee rate and detailed questionnaire. The rates associated with the three versions are \$39.57, \$71.57, and \$134.36 per parcel per year.

A total of 2,214 surveys were returned for a return rate of 20.6%. 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. Other key findings from the survey include:

1. Both operation and maintenance and capital improvements of the storm drainage system are desired
2. Support is strong for all three major goals of stormwater program, including effective infrastructure, prevention of local flooding, and improved water quality
3. Property owners desire more information, especially detailed information that is quantitative and describes specific services
4. Strong fiscal controls and accountability are key provisions
5. A strong, effective, and comprehensive information outreach effort would be required

Based on the findings from the survey, Council directed staff to move forward with developing a property related fee for stormwater systems at a rate less than \$100 per year per parcel.

DISCUSSION

Establishment of a new fee requires property owners' approval. Staff and Consultant have been working to develop a Los Altos Clean Water Program which can be supported by the new fee. Consistent with the essential community values demonstrated in the citywide survey, the Clean Water Program will include clean water protection and operation, maintenance, and capital improvement of the storm water system. An engineering financial study is also being prepared which details the proposed rate structure. The City Council is scheduled to review the engineering financial study at its October 9, 2018 meeting.

At the September 10, 2018 Environmental Commission meeting, staff will present the details of the Clean Water Program, information related to the proposed rate structure, and the process and timeline for establishing the new fee. The Commission is requested to review the information and provide feedback.