

A low-angle, upward-looking photograph of the California State Capitol building. The image captures the lower portion of the white marble dome, which is topped with a dark, ribbed cupola and a golden orb. Several flags are visible on tall poles to the left of the dome: the United States flag, the California state flag (featuring a grizzly bear and the words 'EUREKA' and '1848'), and the flag of the City of San Francisco. The sky is a pale, overcast blue. A dark blue horizontal band with white text is superimposed across the middle of the image.

CSMFO 2018: THE RAGING STORM OF STORMWATER

Why are we here today?

What's the deal?

- What is stormwater?
- Stormwater requirements in California
- Costs to fund
- Improvements to finance

Schaaf & Wheeler
CONSULTING CIVIL ENGINEERS



Why are we here today?

What is stormwater?



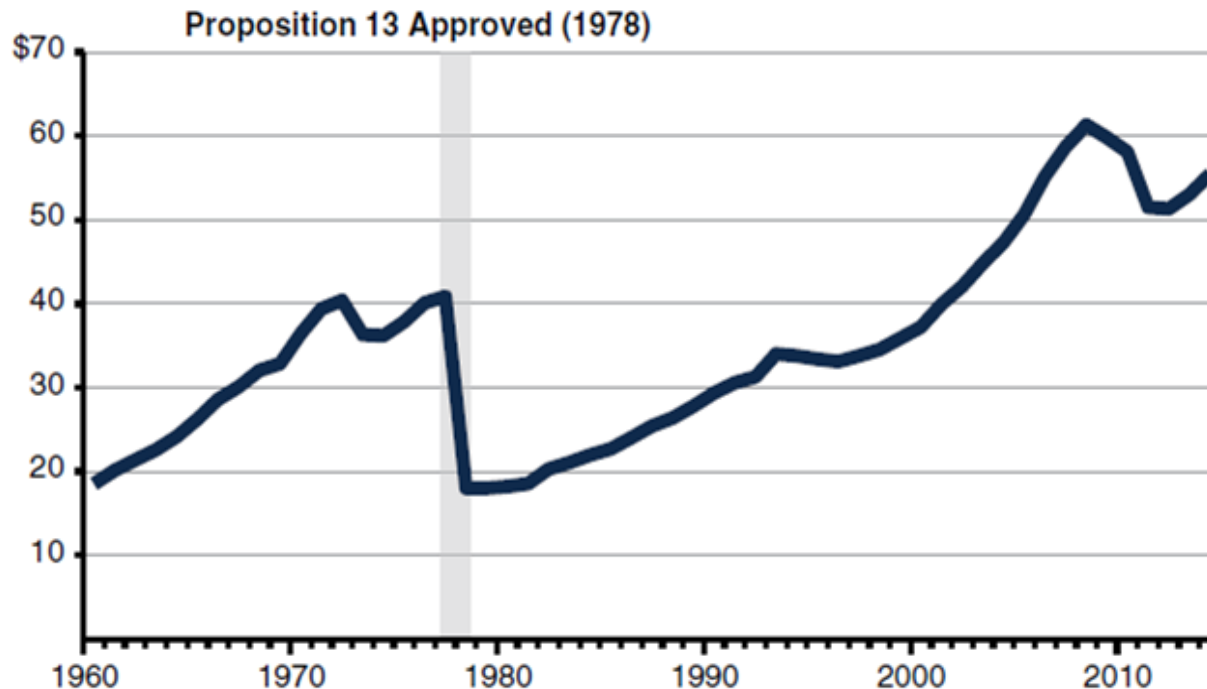
Stormwater in California today



Why are we here today to discuss \$\$\$?

Local Government Revenue Dropped Immediately After Proposition 13

*Local Government Annual Property Tax
Revenue (In Billions, 2014-15 Dollars)*

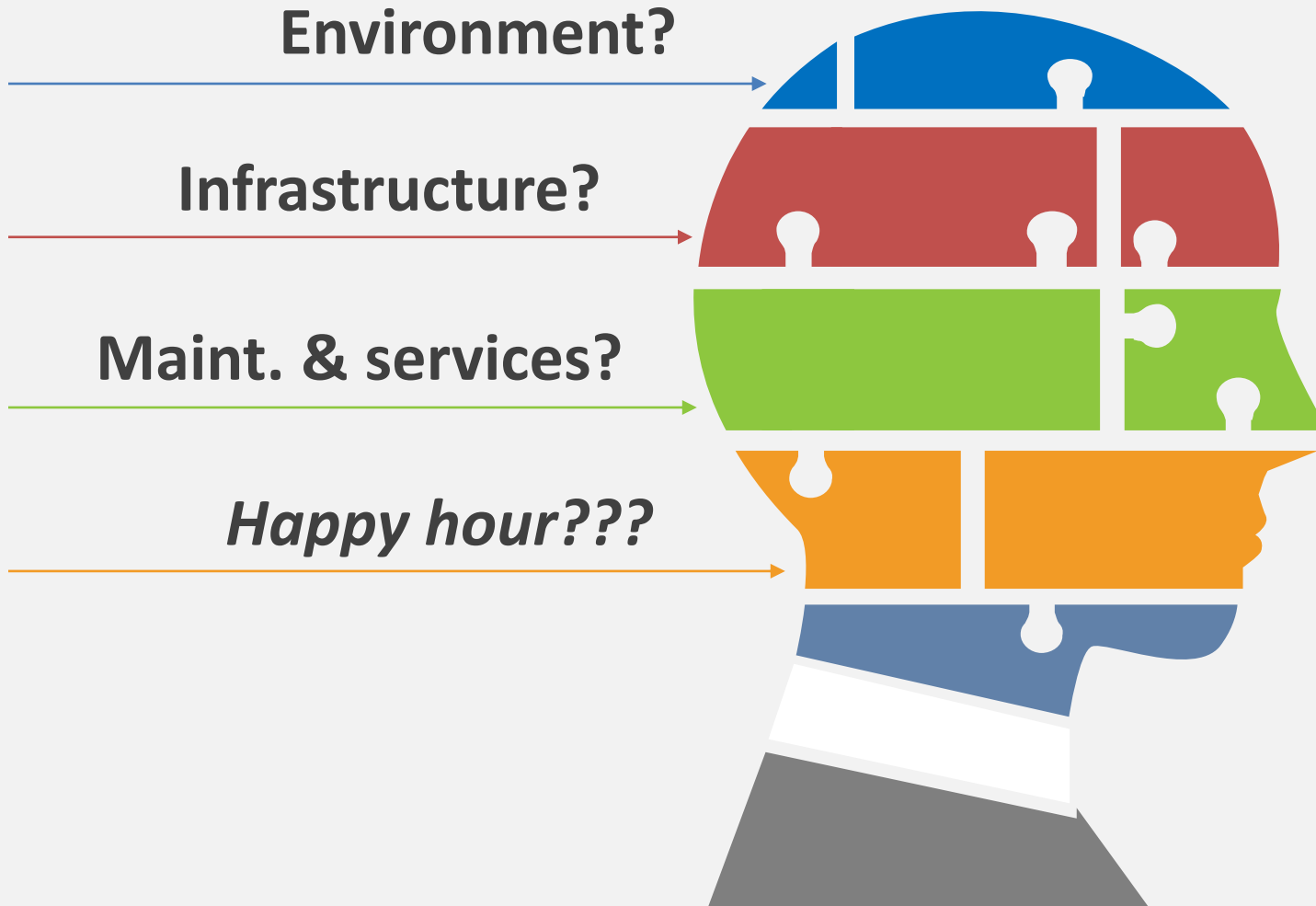


What are we discussing?

Agenda for today:

- Funding opportunities - Ten step plan
- Stormwater 101
- What is a stormwater master plan?
- City of Palo Alto: a case study
- Lessons learned for all
- It's multifaceted challenge/It takes a village

What are your stormwater priorities?



The fundamental process



Priorities and policies

1



Priorities

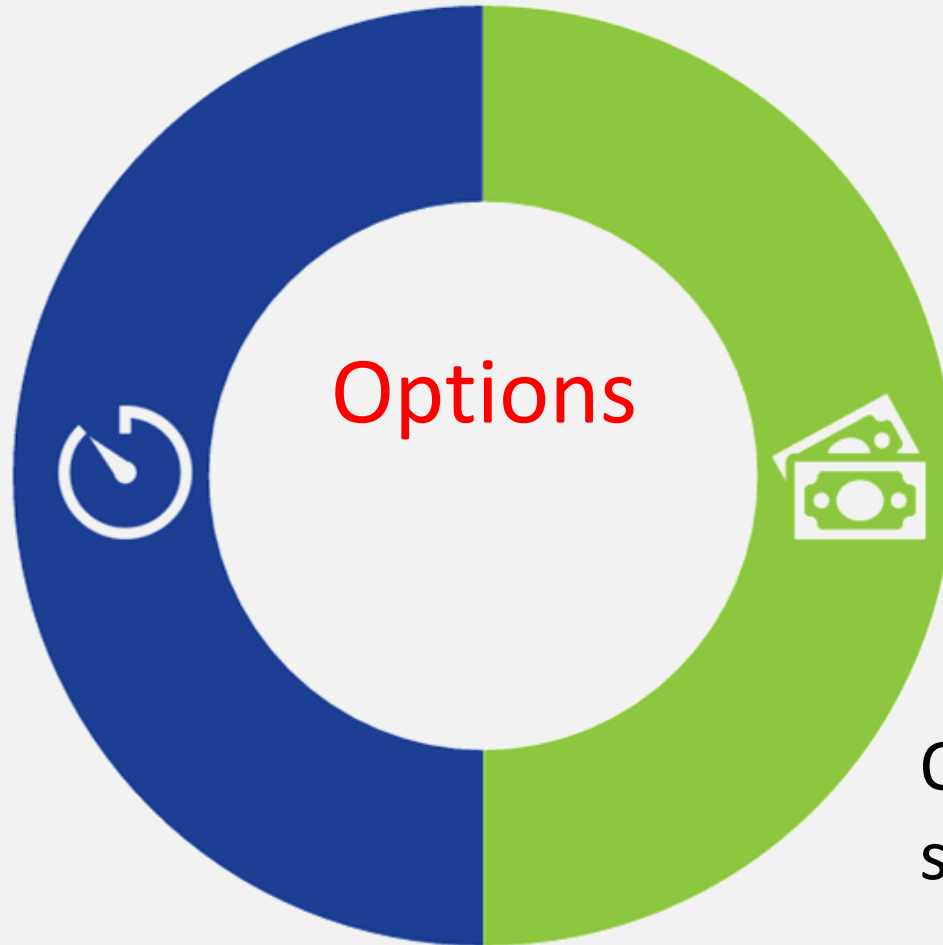
Community needs and desires, fully vetted...and plans!

Choosing funding and financing tools



Capital vs. services

One-time
capital
investment



Ongoing
services

10 step plan

1

Water/Sewer/Trash Utilities

2

Development Impact Fees

3

Regulatory Fees

4

Property-related Fee

10 step plan, continued

5

G. O. Bonds

6

Community Facilities District/CFD

7

Special/Parcel Tax

8

Special/Benefit Assessment

10 step plan, continued

9

Grants

10

The General Fund!

Utility rates and property-related fees



- Utility rates for water, sewer, trash
- Other “property-related fees”

Storm drain fees?

Still need analysis and approval process

- Environment/pollution control
- “Water supply”



CFDs and Parcel taxes

NOT BENEFIT-BASED

- Reasonable metrics
- Achieves local goals and policies

APPROVAL MECHANISM

- Voter approved, still 2/3 required
- CFD landowner vote(s)

SAMPLE PROJECTS

- Schools and libraries
- New development
- Open space acquisition and maintenance

Special Assessments

ARE BENEFIT-BASED

- General benefit
- Rigor of assessment engineering
- Still viable...

APPROVAL MECHANISM

- Property-owner
- Protest ballot
- 50% + protest?

SAMPLE PROJECTS

- Infrastructure, new and replacement
- Ongoing maintenance
- PBIDs/CBDs

Property-related Fee (*not* water, sewer, trash)

ANALYTICAL RIGOR

- Voluntary nature?
- Analytical analysis

APPROVAL MECHANISM

- “Property-based fees” balloted

SAMPLES

- Palo Alto Storm drain fee
- CSA fee

City of Culver City



- Parcel tax for stormwater/NPDES
- Creek restoration/environmental perspective
- Voter approved tax

Storm drain master planning

Holistic Study of System

- Current Conditions Analysis
- Identify Capacity Projects
- Identify Condition Projects
- Identify Water Quality Project
- Engineer's Estimates
- Capital Improvement Program (CIP)
- Climate Adaptation

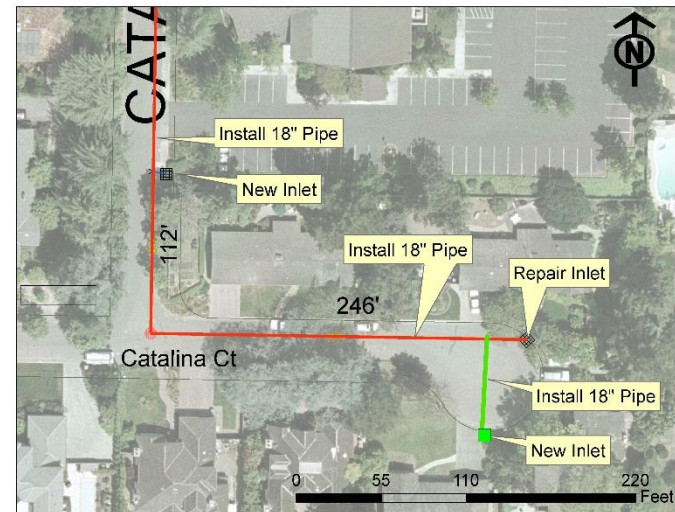


Storm drain master planning

Capacity Projects

“Get it Out!”

- Undersized Pipes
- Underserved Areas
- Nuisance Flooding
- Tidal Impacts
- Pump Stations
- Future Conditions (rain and tides)

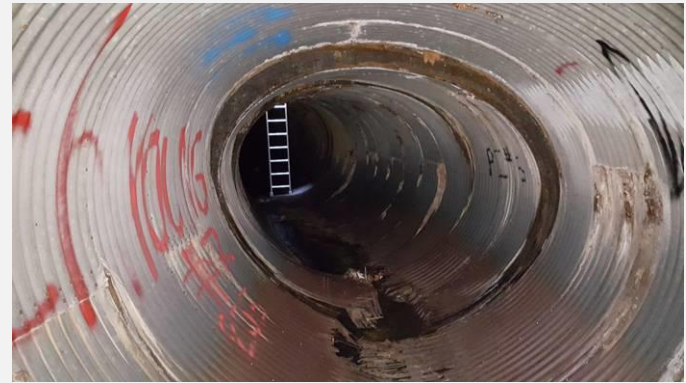


Storm drain master planning

Condition Projects

“Oops!”

- Pipe Failures
- Scour
- Reliability
- Damaged
- O&M Issues



Storm drain master planning

Water Quality Projects

“Slow it down!”

- Trash Capture
- Green Infrastructure (GI)
- TMDL Reduction
- Hydromodification (HMP)

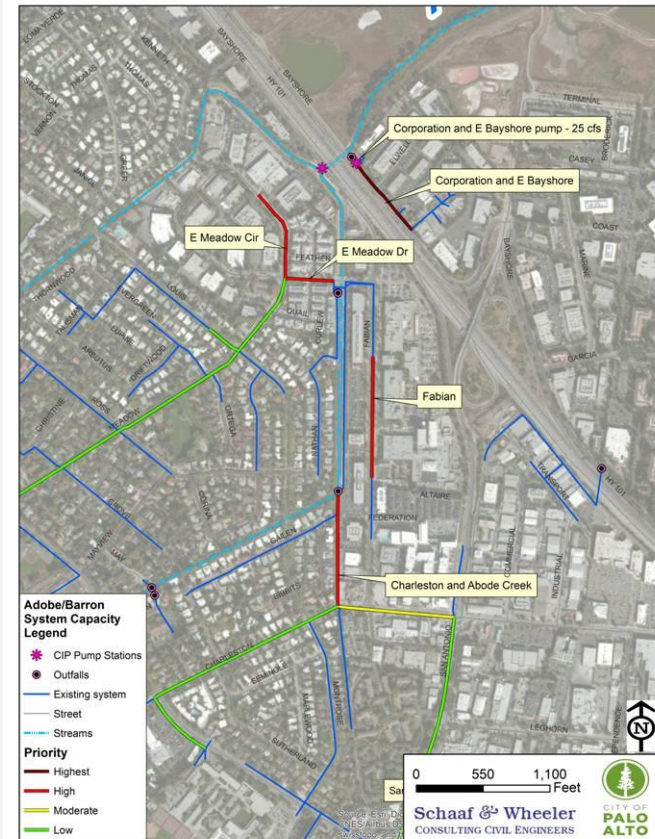


Storm drain master planning

Cost Estimates and Priority

“How much!?!”

- Unitized Costs
- Construction Climate (ENR)
- Cost to Benefit
- Known Issues “Squeaky Wheels”
- O&M Costs
- Available Funding



Storm drain master planning

SDMP Report

“Now I get it!”

- Wide Audience

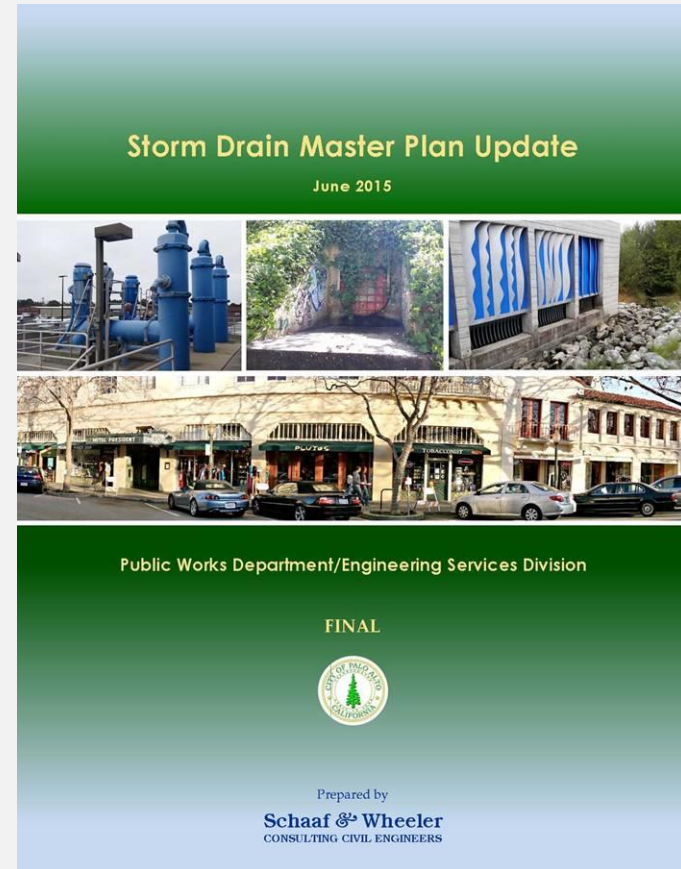
(Engineering, Financial, Political, Public)

- Layered Information

(Data, Methods, Results, Details)

- Hydraulic Models

- Basis of Design



City of Palo Alto

Creation of a Storm Drainage Enterprise Fund:

- Property-related fee set at \$3.25 per month for single family residential properties
- 1993 Storm Drain Condition Assessment and Master Plan
- \$60 million in capital needs identified over 30 years
- Debt financing would be covered by a series of fee increases



City of Palo Alto

Creation of a Storm Drainage Enterprise Fund:

- Council approved a fee increase to \$4.25 per month in 1994
- Proposition 218 passed in 1996
- In 2000 mailed ballots to 20,000 property owners asking for approval to increase fee to \$9 per month with CPI for a \$48 million capital plan over 30 years
- Received 53 percent response rate – results NO 63 percent!



City of Palo Alto

What now?

- Created 15 member Blue Ribbon SD Committee
- Developed a community based proposal \$17 million over 12 years with a sunset fee proposal
- In 2005 Mailed 20,000 ballots asking for fee to be \$10 per month - this time YES 58%



City of Palo Alto

What now?

- Completed all projects identified in \$17 million plan, but more work was needed and funding for ongoing operations was not keeping up with inflation and labor costs
- In 2017 asked for permanent fee increase to cover ongoing operations (\$7.48 per month) and sunset fee for capital needs (\$6.17 per month) over 15 years – ballot results YES 64%
- The new \$13.65 per month also included the building of a small reserve and coverage of prior bond debt



Lessons learned

Palo Alto:

- Creation of independent Blue Ribbon SD Committee and Oversight Committee
- Having a sunset on the capital portion of the fee and a detailed list of projected to be funded
- Cap on annual increases (CPI) and creating small reserve
- Brought together leaders for business, neighborhoods and environmental interest, which led to campaigning for ballot and endorsements



Lessons learned

Palo Alto:

- Focused presentations to Council, community, media and created clear, informative ballot materials
- Volunteers raised \$20,000 for the campaign and called property owners to inform of upcoming ballot
- This led to two successful ballot measures with strong Council, media and community support!



It takes a village....

- Final thoughts?
- Questions?

Recommended resources

Additional Resources:

- League Municipal Revenue Handbook
- NBS' SFD Primer and Compendium
- League and CSDA Proposition 218 Implementation Guides
- NBS' Stormwater: A Ten Step Plan

Questions and Comments

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