



CITY OF SAN MATEO

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Agenda Report

Agenda Number: 8

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council
FROM: Drew Corbett, City Manager
PREPARED BY: Public Works Department
MEETING DATE: August 16, 2021
SUBJECT:
Storm System Activities Funding Analysis – Amendment

RECOMMENDATION:

Approve Amendment No. 2 to the agreement with SCI Consulting Group for professional services for Storm System Activities Funding Analysis in an amount not to exceed \$145,552 for a new agreement total of \$205,949; establish a contingency of \$20,000; and authorize the Public Works Director to execute the agreement in substantially the form presented and issue change orders within the contingency amount.

BACKGROUND:

Public Works entered into a professional services agreement with SCI Consulting Group on October 19, 2019, for the development of a Stormwater System Funding Analysis. This agreement authorized three tasks: 1) evaluation of projected financial needs; 2) evaluation of potential funding sources; and 3) revenue options and recommendations. The original scope of work was for \$54,907. The Public Works Director authorized Amendment No. 1 in March 2021 in the amount of \$5,490 for additional consulting time.

The stormwater system's annual operating costs total \$3.6 million, while the capital improvement project needs are estimated at \$139 million. Dredging of the Marina Lagoon represents a significant portion of the stormwater system's capital improvement needs. At the May 17, 2021 Council study session, staff presented an overview of the Stormwater System Funding Analysis, which recommended the development of a stormwater utility fee to fund the activities needed to operate, maintain, and improve the system. The analysis estimates that a user fee of up to \$16 per month for the average residential property would be required to provide \$8.4 million in annual revenues based on the amortization of capital costs into a 30-year model. Council provided staff direction to proceed with conducting community outreach and polling to obtain input regarding a potential stormwater system fee and to better inform potential future ballot measures.

Amendment No. 2 with SCI increases the budget by \$145,552. The scope of work includes community polling to understand the priorities of the community and gauge willingness to invest in the stormwater program through a property-related fee. SCI will prepare a Proposition 218-compliant property-related fee engineering and nexus/justification report (Fee Report) for the proposed programs and improvements to be funded. The Fee Report's development is an iterative process and will be interwoven with the early stakeholder outreach, findings from the community survey, and critical input from City staff and Council. Additionally, SCI will assist with public information and educational outreach strategies.

Staff will present the results of the community survey and Fee Report to Council for review and direction on whether to implement a stormwater utility fee. Fee implementation (Task 6) is therefore optional and could include setting and conducting a public hearing; authorization, printing, and mailing of notices and ballots; and tabulation of ballots. The optional fee implementation tasks would cost \$77,880 of the total \$145,552, per the cost schedule

summarized below.

Table - Amendment No. 2 Cost Schedule

Task Number and Description	Total Costs
4 – Community Polling	\$8,675
4a Mailed Survey: Printing, Addressing, Mailing, Return Postage (direct cost)	\$11,250
5 – Fee Report	\$28,437
6 – Fee Implementation*	\$15,620
6a Prop 218 Notice: Printing, Addressing, Mailing, Return Postage (direct cost)*	\$26,885
6b Prop 218 Ballots: Printing, Addressing, Mailing, Return Postage (direct cost)*	\$35,375
7 – Community Outreach	\$15,310
Incidentals Travel, property data, maps, etc., actual costs reimbursed (direct cost)	\$4,000
	\$145,552

*Task 6 Optional based on Council’s direction.

BUDGET IMPACT:

Amendment No. 2 adds an additional \$145,552 to the agreement bringing the total to \$205,949 and adds a \$20,595 contingency. Funds are available in the Storm System Dredging Project for this agreement amendment.

ENVIRONMENTAL DETERMINATION:

In accordance with CEQA Guidelines Section 15378(a), this project is not a ‘project’ subject to CEQA as can be seen that it has no potential to result in either a direct, physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 – Amendment

STAFF CONTACT

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