



## Legislation Text

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**File #:** 23-160, **Version:** 1

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Adopt a Resolution to Approve and Authorize the City Manager to Execute a Consulting Services Agreement with HF&H Consultants, LLC for Implementation of a Proposition 218 Voting Process for Proposed Stormwater Rates for \$203,350 Budgeted in Account 598-58-006 in Fiscal Year 2024

### **COUNCIL PRIORITY**

- Fiscal Sustainability

### **SUMMARY**

At the April 3, 2023 City Council meeting, staff provided a presentation on the status of the Stormwater Fund. At the conclusion of the presentation, the City Council directed staff to proceed with finalizing a new stormwater rates study and to proceed with a Proposition 218 voting process. Given the legal framework of Proposition 218 and the Proposition 218 Omnibus Implementation Act, staff is desirous of engaging HF&H Consultants, LLC (HF&H) as qualified experts in the field of conducting this process.

### **RECOMMENDATIONS**

Staff recommends that the City Council adopt a resolution to approve and authorize the City Manager to execute a Consulting Services Agreement with HF&H for implementation of a Proposition 218 voting process for \$203,350 that is proposed in Account 598-58-006 for fiscal year 2024.

### **BACKGROUND**

When established in 1993, the Stormwater Fund was intended to provide a funding source for San Leandro's costs to comply with the provisions of the Stormwater Program, supporting activities related to stormwater pollution control, stormwater system maintenance, and improvement and repair of the infrastructure. Additional activities paid for by the fund and required by the National Pollutant Discharge Elimination System (NPDES) Permit include public information/education, street sweeping, elimination of illicit discharges and connections, new development and construction site controls, and implementation of an inspection program for industrial and commercial properties.

Unfortunately, the Fund was established without an inflation factor. In the intervening years, in addition to increased labor costs, the State has added new unfunded mandates to the Program, most notably the requirement for installation of trash capture devices throughout the City. Since 1994, there have been nine years when the General Fund was required to contribute to the Fund in order to make it whole.

### **Analysis**

It is staff's intent that if new stormwater fees are approved, the Fund would be self-sufficient (not

requiring future General Fund contributions), covering fully the operational and maintenance/repair/replacement costs of the Stormwater Program, and thereby improving the City's overall financial sustainability.

Implementation of new stormwater fees involves a two-phased process. First, the City must hold a protest hearing to notify affected parcel owners of the proposed Stormwater Fees. If the protest is not successful, meaning less than 50% +1 of all property owners do not protest, the City may continue to phase two. Phase two requires the City to mail ballots to affected property owners which allows a "yes" or "no" vote to implement the proposed Stormwater Fees. If the City receives a majority of "yes" votes from those property owners who return the ballot, the City Council may adopt the Fee. If the City receives a majority of "no" votes, the Fee may not be adopted.

HF&H's proposed scope of work includes the following tasks:

- Draft Notice of Public Hearing
- Coordination of printing/mailing services
- FAQ sheet for City's website
- Public outreach via City newsletter, and up to 2 public information meetings
- Draft Ordinance/Resolution
- Attendance at Public Protest Hearing
- Draft Mail-in [Prop. 218](#) Ballot, and up to 2 public information meetings
- Attendance at Public Hearing to verify legitimacy of the ballots
- Optional task to calculate and place proposed charges (if approved) on County tax roll

### **Financial Impacts**

Sufficient funds are proposed in the Fiscal Year 20222023-2024 Stormwater Fund budget (Account 598-58-006) for this work.

This Council action will not impact fund balance because there will be funds available in the FY 2023-2024 proposed budget (and consultant's work would not begin prior to July 1, 2023).

### **ATTACHMENTS**

***Attachment A: Resolution for CSA with HF&H Consultants, LLC***

***Attachment B: HFH-Stormwater Rates Prop 218 Scope***

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