City of Los Altos

Clean Water and Storm Drainage Survey Results

Presented by:

John Bliss
May 22, 2018
Survey Objectives

- Evaluate property owners’ support, desires and priorities with respect to the City of Los Altos’ proposed storm drainage improvements.

- Measure the feasibility of funding measures for clean water and storm drainage maintenance and operations and capital improvements.
### City of Los Altos Financial Modeling for Storm Drainage Infrastructure

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Annual Revenue Needed</th>
<th>Financing Type</th>
<th>Bond Rate</th>
<th>CIP pay-off years</th>
<th>Approx Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>O&amp;M Only $498,623</td>
<td>Pay as you go</td>
<td></td>
<td>NA</td>
<td>$39.57</td>
</tr>
<tr>
<td>2</td>
<td>High Priority CIP Only $403,142</td>
<td>Pay as you go</td>
<td></td>
<td>10</td>
<td>$32.00</td>
</tr>
<tr>
<td>3</td>
<td>High, Med Priority CIP Only $1,623,177</td>
<td>Pay as you go</td>
<td></td>
<td>10</td>
<td>$128.82</td>
</tr>
<tr>
<td>4</td>
<td>High, Med, Low Priority CIP Only $3,087,219</td>
<td>Pay as you go</td>
<td></td>
<td>10</td>
<td>$245.02</td>
</tr>
<tr>
<td>5</td>
<td>O&amp;M and High Priority CIP $901,765</td>
<td>Pay as you go</td>
<td></td>
<td>10</td>
<td>$71.57</td>
</tr>
<tr>
<td>6</td>
<td>O&amp;M and High, Med Priority CIP $2,121,800</td>
<td>Pay as you go</td>
<td></td>
<td>10</td>
<td>$168.40</td>
</tr>
<tr>
<td>7</td>
<td>O&amp;M and High, Med, Low Priority CIP $3,585,842</td>
<td>Pay as you go</td>
<td></td>
<td>10</td>
<td>$284.59</td>
</tr>
<tr>
<td>8</td>
<td>High Priority CIP Only $296,639</td>
<td>Bond Financing</td>
<td>4%</td>
<td>20</td>
<td>$23.54</td>
</tr>
<tr>
<td>9</td>
<td>High, Med Priority CIP Only $1,194,362</td>
<td>Bond Financing</td>
<td>4%</td>
<td>20</td>
<td>$94.79</td>
</tr>
<tr>
<td>10</td>
<td>High, Med, Low Priority CIP Only $2,271,630</td>
<td>Bond Financing</td>
<td>4%</td>
<td>20</td>
<td>$180.29</td>
</tr>
<tr>
<td>11</td>
<td>O&amp;M and High Priority CIP $795,262</td>
<td>Bond Financing</td>
<td>4%</td>
<td>20</td>
<td>$63.12</td>
</tr>
<tr>
<td>12</td>
<td>O&amp;M and High, Med Priority CIP $1,692,985</td>
<td>Bond Financing</td>
<td>4%</td>
<td>20</td>
<td>$134.36</td>
</tr>
<tr>
<td>13</td>
<td>O&amp;M and High, Med, Low Priority CIP $2,770,253</td>
<td>Bond Financing</td>
<td>4%</td>
<td>20</td>
<td>$219.86</td>
</tr>
</tbody>
</table>
Survey Scope of Work & Methodology

- Initial property owner analysis
- Surveys were mailed April 2, 2018 and responses through May 1, 2018 were included in the survey results
- Surveys were mailed to over 10,491 property owners with 2,124 responses: 20.6% (Overall Margin of Error: ± 1.90)
- Three rates tested:
  - $39.57 per Single Family Equivalent = Operations & Maintenance Only
  - $71.57 per Single Family Equivalent = Operations & Maintenance and Hi Priority CIP
  - $134.36 per Single Family Equivalent = Operations & Maintenance and Hi & Med Priority CIP

(Rates vary based on a variety of factors such as property type and size, type of structure and impervious area.)
Overall Support by Rate

Overall Support by Proposed Rate

<table>
<thead>
<tr>
<th>Rate</th>
<th>Percent Support</th>
<th>Percent Oppose</th>
</tr>
</thead>
<tbody>
<tr>
<td>$39.57</td>
<td>66.57%</td>
<td>33.4%</td>
</tr>
<tr>
<td>$71.57</td>
<td>57.9%</td>
<td>46.4%</td>
</tr>
<tr>
<td>$134.40</td>
<td>53.5%</td>
<td>46.5%</td>
</tr>
</tbody>
</table>

50% + 1 Threshold
Overall Detailed Support by Rate

Detailed Overall Support by Proposed Rate

<table>
<thead>
<tr>
<th>Rate</th>
<th>Definitely No</th>
<th>Probably No</th>
<th>Probably Yes</th>
<th>Definitely Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>$39.57</td>
<td>30.8%</td>
<td>35.7%</td>
<td>8.6%</td>
<td>24.8%</td>
</tr>
<tr>
<td>$71.57</td>
<td>24.2%</td>
<td>33.8%</td>
<td>12.7%</td>
<td>29.4%</td>
</tr>
<tr>
<td>$134.40</td>
<td>19.9%</td>
<td>33.7%</td>
<td>15.0%</td>
<td>31.4%</td>
</tr>
</tbody>
</table>

50% + 1 Threshold
Support by Political Party

Support by Political Party and Rate

Political Party

- Democrat
- Democrat/Blended
- Republican/Republican

% Support

$39.57
$71.57
$134.36

50% + 1 Threshold
Support by Years in Residence

Support by Years in Residence and Rate

% Support

Years in Residence

0.0% 10.0% 20.0% 30.0% 40.0% 50.0% 60.0% 70.0% 80.0% 90.0% 100.0%

Legend:
- $39.57
- $71.57
- $134.36

Threshold: 50% + 1

00 to 04 05 to 09 10 to 14 15 to 19 20 to 25 25 to 99
The City owns and operates over 1,300 inlets, and over 55 miles of pipe, much of it more than 50 years old. This aging infrastructure must be properly maintained. This fee would be fully dedicated to clean water and storm drainage, and could not be used for any other reason by the City Council. It could not be taken away by the County or State governments. Ensure safe, clean, healthy water in the Creeks flowing through Los Altos and to the Bay, now and for future generations.

When a storm is forecast, a team of City maintenance staff proactively cleans drains and perform other preventative maintenance before the rain even starts. This measure would pay for the maintenance of trash capture devices in storm drains which remove trash and pollution before they enter our local creeks. Protect the City from local street and property flooding by properly maintaining and operating its aging storm drainage infrastructure.

The City plans to address its storm drainage challenges in a way that is environmentally sustainable, including constructing green infrastructure and protecting sources of water. The Federal government has established strict water quality standards through its National Pollutant Discharge Elimination System program. The City should meet or exceed these standards. This measure would decrease flooding on local properties after rainstorms to protect homes and landscaping, businesses, schools and other types of properties. The City should continue to coordinate creek clean-ups and conduct community meetings to make sure everyone participates in and understands our local water issues.

This fee structure would guarantee long-term sustainable funding for clean water and storm drainage that protects from short-term political cycles and financial challenges to the City’s general fund. This measure would protect one of the City’s most critical infrastructure investments.

The City of Los Altos must actively address its High Priority and/or and Medium Priority capital improvements as described in the 2016 Storm Drainage System Master Plan. That makes sense and is good government. Climate change is causing more severe storms in the U.S. than we have seen in the past. This measure will help minimize this risk and ensure quality of life for our residents.

The Federal government has established strict water quality standards through its National Pollutant Discharge Elimination System program. The City should meet or exceed these standards.

This measure would decrease flooding on local properties after rainstorms to protect homes and landscaping, businesses, schools and other types of properties.

The City should continue to coordinate creek clean-ups and conduct community meetings to make sure everyone participates in and understands our local water issues.

This fee structure would guarantee long-term sustainable funding for clean water and storm drainage that protects from short-term political cycles and financial challenges to the City’s general fund.

This measure would protect one of the City’s most critical infrastructure investments.

The City of Los Altos must actively address its High Priority and/or and Medium Priority capital improvements as described in the 2016 Storm Drainage System Master Plan. That makes sense and is good government. Climate change is causing more severe storms in the U.S. than we have seen in the past. This measure will help minimize this risk and ensure quality of life for our residents.
Summary of Findings

Both Operations & Maintenance and Capital Improvement of the Storm Drainage System Are Desired.

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.

Support is Strong for all Three Major Goals of Storm Drainage:
- Effective Infrastructure;
- Prevention of Local Flooding; and
- Improved Water Quality.

Property Owners Desire More Information
- Especially Detailed Information that is Quantitative and Describes Specific Services.

Strong Fiscal Controls and Accountability Are Key Provisions.

<table>
<thead>
<tr>
<th>Annual Fee per SFE</th>
<th>Services</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>$39.57</td>
<td>Operations &amp; Maintenance Only</td>
<td>66.57%</td>
</tr>
<tr>
<td>$71.57</td>
<td>Operations &amp; Maintenance and Hi Priority CIP</td>
<td>57.90%</td>
</tr>
<tr>
<td>$134.36</td>
<td>Operations &amp; Maintenance and Hi &amp; Med Priority CIP</td>
<td>53.50%</td>
</tr>
</tbody>
</table>
Recommendations

- **Straightforward messaging, but with significant supporting detail and analysis.**
  - Rigorous engineering and financial analysis give much-needed heft and credibility to an effort to increase local revenues.

- **Authenticity and credibility are critical!**
  - Authentic communication means communication should be professional but not slick - honest and not overly rehearsed - passionate but not theatrical. The public does not demand perfection from local government - but it now does demand absolute credibility and full truthfulness.

- **Direct public engagement is a must.**
  - Authenticity also means direct, uninhibited communication with the public, often in the form of face-to-face community meetings. E-mails and phone calls from known sources can also be effective.
Questions