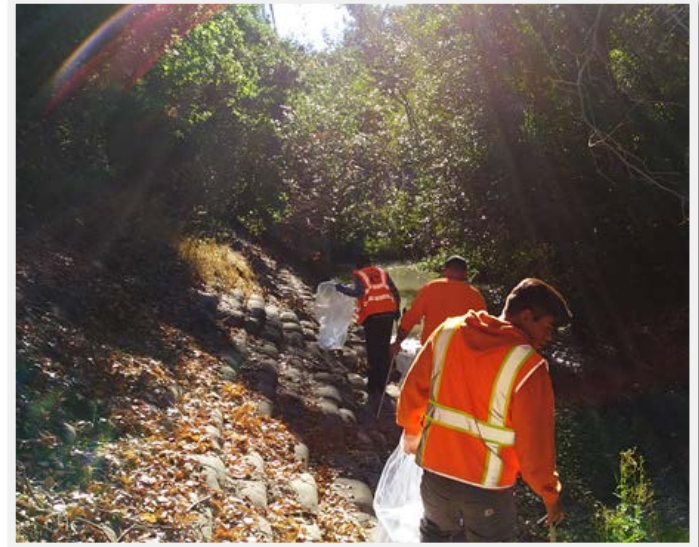


City of Los Altos Clean Water and Storm Drainage Survey Results



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

City of Los Altos Financial Modelling for Storm Drainage Infrastructure

Benefit Units 12,600

	Scenario	Annual Revenue Needed	Financing Type	Bond Rate	CIP pay-off years	Approx Rate
1	O&M Only	\$498,623	Pay as you go		NA	\$39.57
2	High Priority CIP Only	\$403,142	Pay as you go		10	\$32.00
3	High, Med Priority CIP Only	\$1,623,177	Pay as you go		10	\$128.82
4	High, Med, Low Priority CIP Only	\$3,087,219	Pay as you go		10	\$245.02
5	O&M and High Priority CIP	\$901,765	Pay as you go		10	\$71.57
6	O&M and High, Med Priority CIP	\$2,121,800	Pay as you go		10	\$168.40
7	O&M and High, Med, Low Priority CIP	\$3,585,842	Pay as you go		10	\$284.59
8	High Priority CIP Only	\$296,639	Bond Financing	4%	20	\$23.54
9	High, Med Priority CIP Only	\$1,194,362	Bond Financing	4%	20	\$94.79
10	High, Med, Low Priority CIP Only	\$2,271,630	Bond Financing	4%	20	\$180.29
11	O&M and High Priority CIP	\$795,262	Bond Financing	4%	20	\$63.12
12	O&M and High, Med Priority CIP	\$1,692,985	Bond Financing	\$0.04	20	\$134.36
13	O&M and High, Med, Low Priority CIP	\$2,770,253	Bond Financing	4%	20	\$219.86

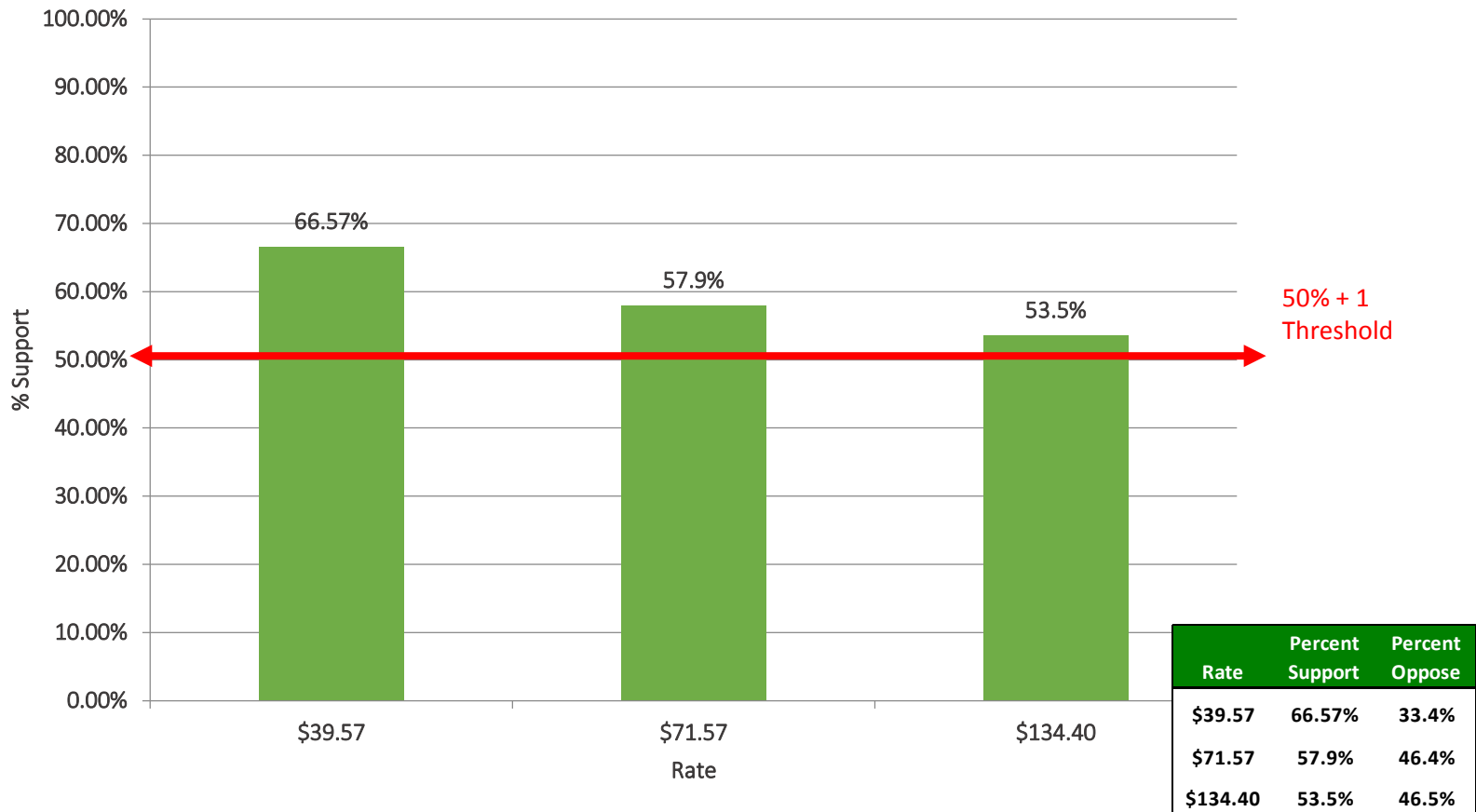
Survey Scope of Work & Methodology

- 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.)

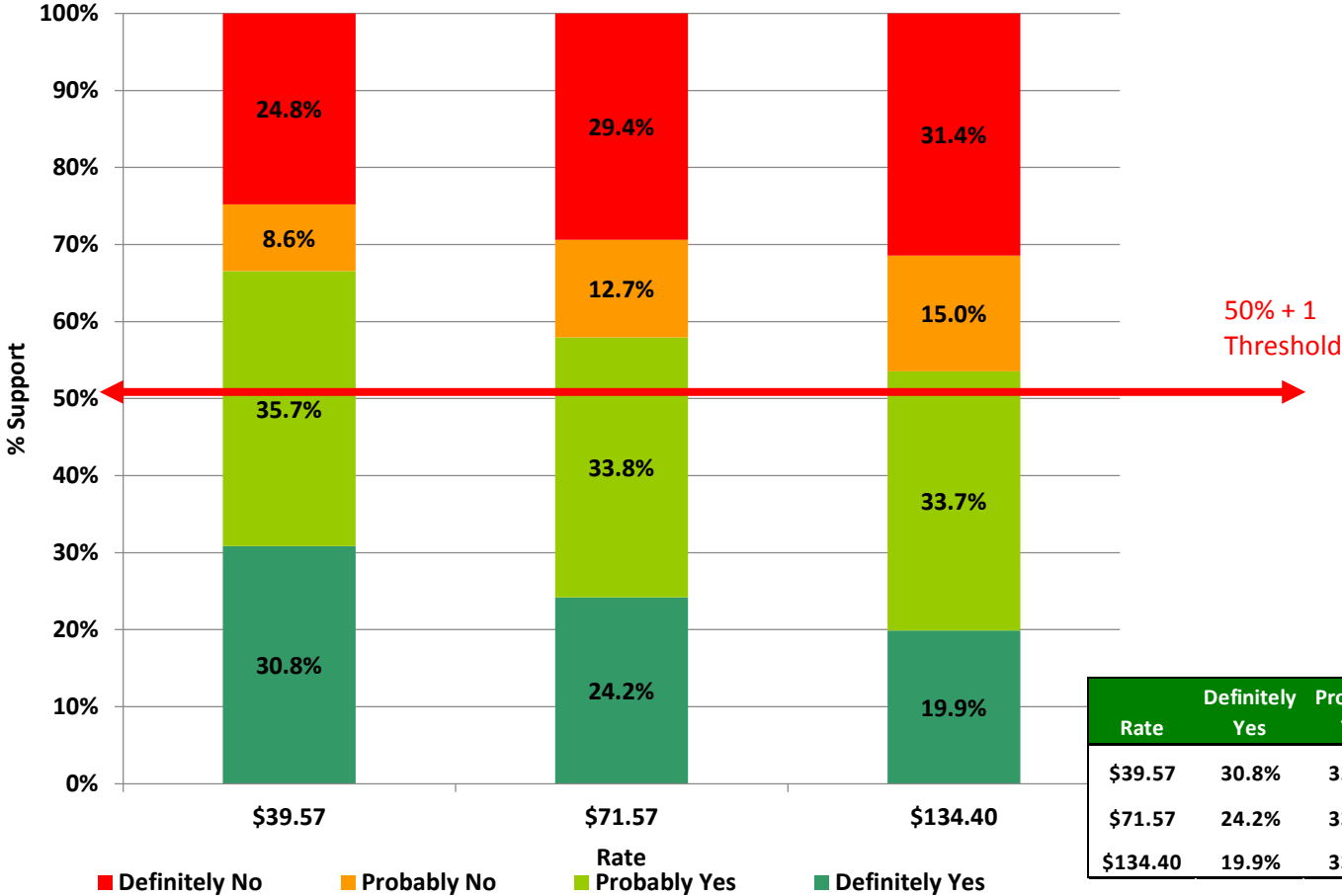
Overall Support by Rate

Overall Support by Proposed Rate



Overall Detailed Support by Rate

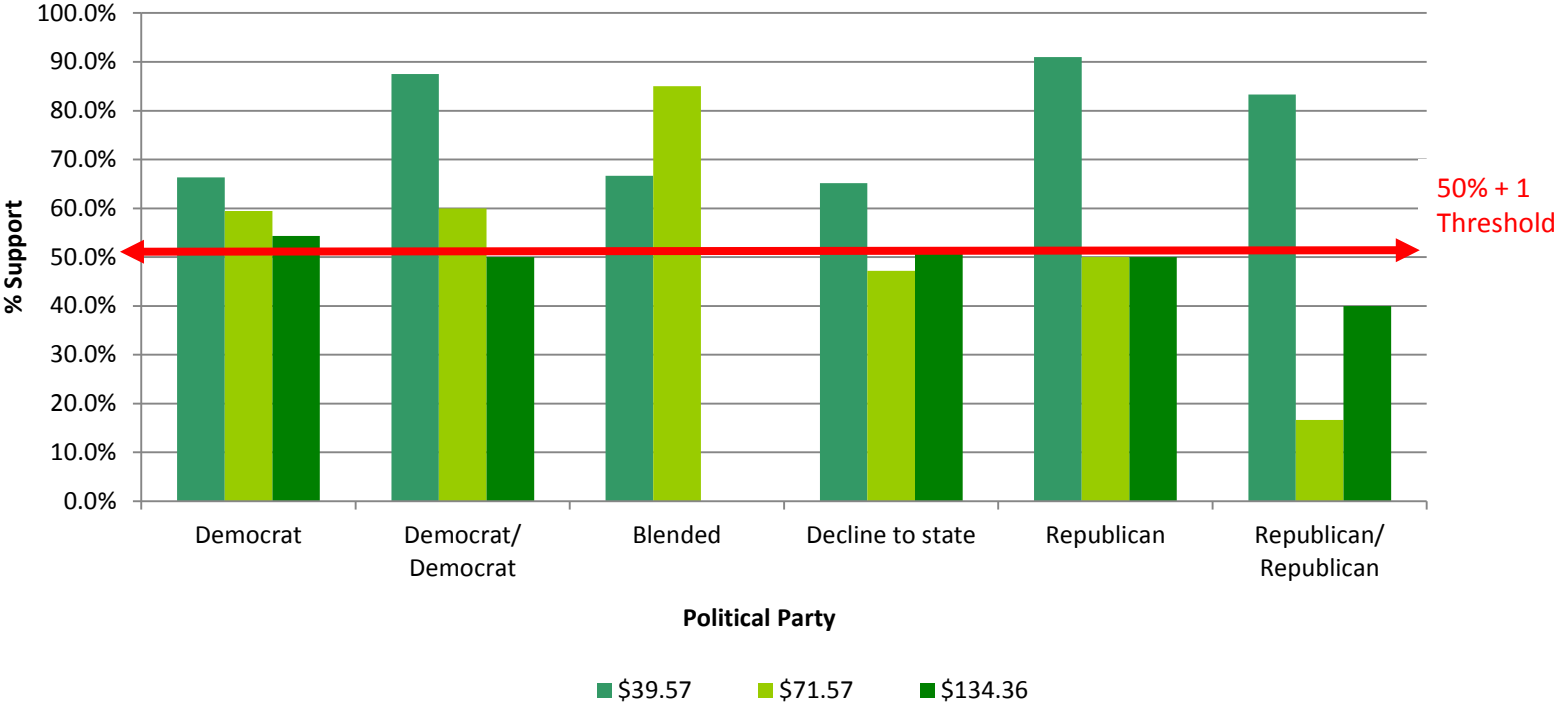
Detailed Overall Support by Proposed Rate



Rate	Definitely Yes	Probably Yes	Probably No	Definitely No
\$39.57	30.8%	35.7%	8.6%	24.8%
\$71.57	24.2%	33.8%	12.7%	29.4%
\$134.40	19.9%	33.7%	15.0%	31.4%

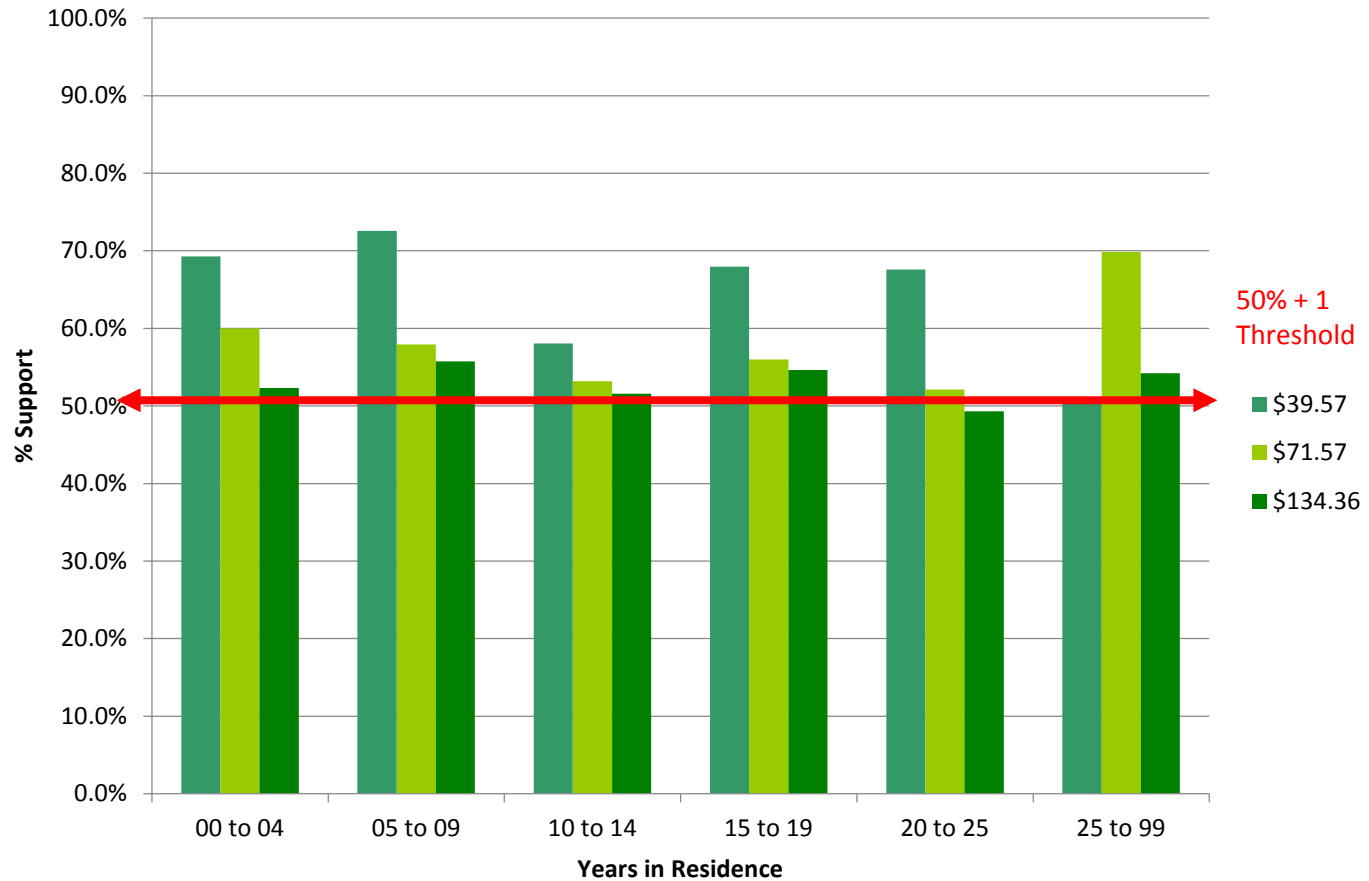
Support by Political Party

Support by Political Party and Rate



Support by Years in Residence

Support by Years in Residence and Rate



Service Priorities – Most Popular Projects

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.

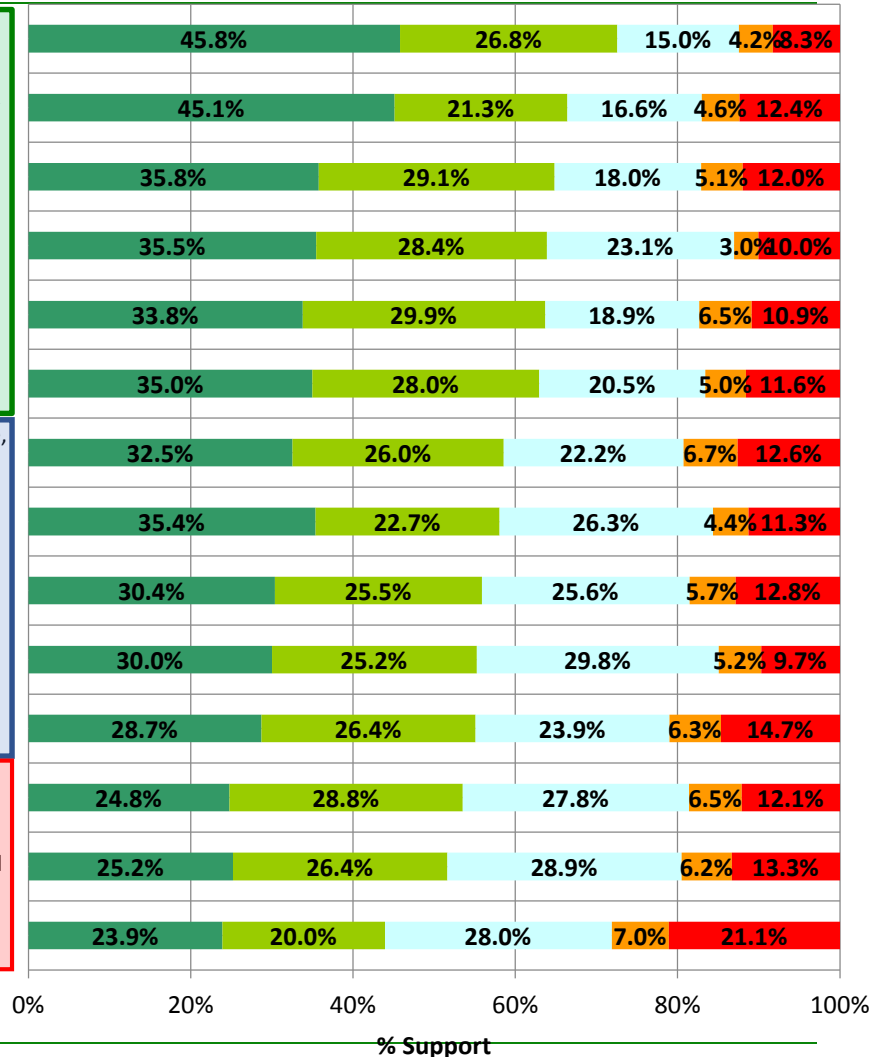
The City should continue to coordinate creek clean-ups and conduct community meetings to make sure everyone participates in and understands our local water issues.

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.



Summary of Findings

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

Annual Fee per SFE	Services	Support
\$39.57	Operations & Maintenance Only	66.57%
\$71.57	Operations & Maintenance and Hi Priority CIP	57.90%
\$134.36	Operations & Maintenance and Hi & Med Priority CIP	53.50%

- 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.

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

