



Agenda Report

19-1126

Agenda Date: 12/10/2019

REPORT TO COUNCIL

SUBJECT

Action on Approving Amendment No. 1 to the Agreement with SCI Consulting Group for the Storm Drain Fee and Rate Study and Related Budget Amendment

BACKGROUND

In 2015, the City completed the Storm Drain Master Plan that identifies over \$270 million in storm drain capacity improvement needs plus an annual amount of \$2.6 million for ongoing operations and maintenance. In an effort to evaluate and assess additional funding streams to support the storm drain operations and capital improvement needs, Council approved an Agreement with SCI Consulting Group, Inc. (SCI) for the Storm Drain Fee and Rate Study (Rate Study) on February 21, 2017. SCI's scope of work includes review of the City's storm drain system and needs, analyzing various fees and rate structures, performing public outreach survey and opinion research, and preparing a fee report for Council's approval.

DISCUSSION

The Rate Study began in March 2017 and SCI completed a draft Funding Options Report that analyzes and evaluates various funding mechanism alternatives for storm drain infrastructure and makes initial recommendations in September 2017. The Rate Study for storm drain infrastructure was temporarily put on hold due to initial community research relative to the proposed November 2018 Infrastructure Ballot Measure that indicated lack of support. Although the City is currently considering a much broader General Obligation Bond or Property Tax Measure that considers other infrastructure such as fire stations and parks along with the storm drain system, the work performed under this Agreement can be used to supplement any efforts or policy decisions specific to the storm drain system.

The Agreement with SCI will expire on December 31, 2019 and needs to be extended through this proposed amendment to continue efforts on next phases of the Rate Study. These efforts include items related to finalizing the Funding Options Report, considering property related fee options, conducting public surveys and research, and performing outreach to the community regarding any proposed storm drain fees. Since the Rate Study was on hold and the term of the agreement is being extended, the proposed amendment includes a revised fee due to changes in the consultant's rates.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

The original Agreement amount is \$218,775, which includes \$197,275 for Basic Services, \$1,500 for Reimbursable Expenses, and \$20,000 in contingency for Additional Services. The proposed amended Agreement is in the amount of \$246,498, which includes \$214,998 for Basic Services, \$1,500 for Reimbursable Expenses, and \$30,000 in contingency for Additional Services. The additional contingency is being added because there has been a gap between now and when the consultant last worked on the project so there will likely be information that will require updating when the project picks up again. Additional funds in the amount of \$27,723 are available in and can be appropriated from the Storm Drain Capital Fund Reserve.

**Budget Amendment
FY 2019/20**

	Current	Increase/ (Decrease)	Revised
Storm Drain Capital Fund			
<u>Fund Balance</u>			
Reserve	\$41,986	(\$27,723)	\$14,263
<u>Expenditures</u>			
Miscellaneous Storm Drain Project	\$0	\$27,723	\$27,723

COORDINATION

This report has been coordinated with the Finance Department and City Attorney's Office

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Authorize the City Manager to execute Amendment No. 1 to the Agreement with SCI Consulting Group which increases the amount of the Agreement and extends the term of the Agreement; and
2. Approve the related budget amendment to appropriate funds in the amount of \$27,723 from the Storm Drain Capital Fund Reserve to the Storm Drain Capital Fund Miscellaneous Storm Drain Improvement Project.

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Agreement
2. Amendment