



Agenda Report

Fullerton City Council

MEETING DATE: NOVEMBER 2, 2021

TO: CITY COUNCIL

SUBMITTED BY: STEVE DANLEY, ACTING CITY MANAGER

PREPARED BY: MEG McWADE, DIRECTOR OF PUBLIC WORKS
GINGER IVEY, ADMINISTRATIVE ANALYST II

SUBJECT: STORMWATER COST OF SERVICE / SANITATION
CHARGE FEE REVIEW - CONSULTANT CONTRACT
AWARD

SUMMARY

Request for approval of a \$204,321 agreement with SCI Consulting Group to perform a Stormwater (Sanitation Charge) Cost of Service Study and related Prop 218 balloting process, should City Council opt to revise the fee.

RECOMMENDATION

1. Approve agreement with SCI Consulting Group for Stormwater Cost of Service (Sanitation Charge) Review.
2. Appropriate \$204,321 in the Sanitation Fund (Fund 23).
3. Authorize Acting City Manager, or designee, to execute the agreement and any necessary related documents, including amendments, subject City Attorney review.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability
- Infrastructure and City Assets.

FISCAL IMPACT

The Cost of Service study to review the City's current Sanitation Charge and make recommendations for an appropriate fee structure will cost \$125,021. Any required

Prop 218 process related to proposed fee increases would cost an additional \$79,300 for other direct charges such as postage and printing costs. The total cost of the agreement will total \$204,321 for the review of programs and charges as well as Prop 218 balloting process necessary for approval of a revision to the fee structure. The Sanitation Fund (Fund 23) has sufficient fund balance from which to appropriate \$204,321 for the cost of service study and the corresponding Prop 218 process charges.

DISCUSSION

Programs and Services Supported by the Sanitation Charge

In 1969, City Council established the Sanitation Charge to provide the maintenance, improvement and construction of sewer and drainage facilities.

The City typically allocates the largest share (approximately 75 to 80 percent) of Sanitation Charge revenues contained in the Sanitation Fund (Fund 23) to stormwater-related operations, maintenance and regulatory compliance. The City utilizes the remaining amount (20 to 25 percent) for drainage capital improvements. These revenues provide for programs and services including, but not limited to:

- Storm drain cleaning and maintenance
- Underpass maintenance
- Concrete curb and gutter repairs
- Drainage system and channel maintenance
- Street sweeping
- Sidewalk cleaning and median maintenance
- Tree trimming near gutters and storm drains.

Stormwater (Sanitation Charge) Cost of Service Study – Consultant Selection

Due to regulation changes in the decades since the City first established the Sanitation Charge, the City will undertake a cost of service study to align program expenditures with an appropriate fee structure, in compliance with current legislative and legal requirements. The City released a Request for Qualifications (RFQ) in 2021 for the stormwater cost of service study and received four responses from qualified firms by the June 21, 2021 submittal date.

An interdepartmental team conducted a thorough review of the proposal submittals and invited the firms to participate in an interview process. Based on the proposal review and interviews, staff selected SCI Consulting Group as the firm most qualified to perform the work. SCI's familiarity with stormwater policy, funding and implementation, as well as their experience successfully completing numerous stormwater cost of service studies for other agencies, exceeded that of the other proposers.

Key tasks of the consultant would include project management, data collection and document review, revenue requirement analysis and community outreach. The

anticipated cost for the first phase of the project – cost of service study and related fee recommendations – totals \$204,321, funded from the Sanitation Fund reserves. Of this amount, \$79,300 will pay for direct charges such as printing and postage costs related to implementation of a Prop 218 mailed ballot process should City Council opt to modify the fee. Staff anticipates completion of the study by summer 2022 with recommendations presented to City Council for consideration along with any appropriate public process.

Attachments:

- Attachment 1 – Professional Services Agreement