



## **PUBLIC WORKS DEPARTMENT**

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### **CITY COUNCIL STAFF REPORT**

Meeting: June 18, 2019

#### Subject

Approve renewal of existing \$12/premise single family, \$144/acre commercial, \$36/acre unimproved premises and collection of storm drain fees for each premise at no increase in rates for FY 2019-2020.

#### Recommended Action

Adopt Resolution No. 19-XXX approving the renewal and collection of existing storm drain fees at no increase in rates for fiscal year 2019-2020.

#### Discussion

Since 1992, the Nonpoint Source Program, mandated by the State of California and the United States Environmental Protection Agency regulations pursuant to the Clean Water Act, has been funded locally from a storm drain fee applied to each property in the City. The fee, collected by the Santa Clara County Tax Collector on behalf of the City, is subject to annual review and approval by the City Council.

The existing storm drain fees partially support the City, State and federally mandated programs and water quality control requirements. Also supported by these funds are the operation and maintenance of storm drain facilities (to the extent not covered by existing General Fund activities), a portion of the annual street sweeping contract, funding for regional watershed monitoring, local public outreach and education, litter reduction measures and all other compliance work conducted on behalf of the cities and agencies by the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP). The City is also responsible for mandatory inspections and data tracking to prevent illegal connections and discharges to the City's storm drain system and impacts to State waters.

The fees have remained the same since they were first levied in 1992 and no increase to the 1992 fee is proposed at this time. The annual fees for each property category are as follows:

| <u>Category</u>                         | <u>Rate per Year</u> |
|---|----------------------|
| Single-Family, Town homes, Condominiums | \$ 12.00 / premise   |
| Commercial/Industrial/Apartments        | \$ 144.00 / acre     |
| Unimproved Land/Recreation              | \$ 36.00 / acre      |

This 1992 approved fee is separate and in addition to the potential Clean Water and Storm Protection fee that the City Council authorized with a Proposition 218 compliant ballot process at a public hearing on May 7, 2019. Cupertino property owners have been provided ballots to vote on the additional Clean Water and Storm Protection fee. Votes will be tallied for that fee after the July 5, 2019 submittal deadline.

#### Sustainability Impact

The storm drainage fee supports water pollution prevention and water conservation (NPDES) activities. Significant sustainability benefits include the reduction or elimination of pollutant discharges, which could degrade local creeks and threaten the supply of clean water, and the capture of rainwater to be used as a resource.

#### Fiscal Impact

The fee schedule, when levied on all properties in the City of Cupertino, generates approximately \$372,000 annually. The approved Nonpoint Source program budget for FY 2018-2019 was approximately \$861,000. The budgeted amount is the minimum necessary to comply with the increasingly stringent State and Federal Clean Water Act requirements, higher municipal National Pollutant Discharge Elimination System (NPDES) fees proposed by the State, and increased SCVURPPP regional program costs. The difference between the budgeted amount for this fund and the revenue from the storm drain fee is proposed to continue to be supported by the General Fund and will be determined by the outcome of the current potential Clean Water and Storm Protection fee initiative.

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Prepared by: Cheri Donnelly, Environmental Programs Manager

Reviewed by: Roger Lee, Acting Director of Public Works

Approved for Submission by: Deborah Feng, City Manager

Attachments: A – Resolution including Engineer’s Report, Assessment of Fees for Storm Drainage Purposes Nonpoint Source Pollution Program (Exhibit A)