



**PROPOSAL FOR**

**CITY OF CUPERTINO**

**TO PROVIDE**

**PUBLIC OUTREACH, AND FINANCIAL ENGINEERING FOR  
STORMWATER FUNDING INITIATIVE AND OTHER PROPOSITION  
218-RELATED SERVICES**

**JANUARY 2019**

**SUBMITTED BY**

**SCIConsultingGroup**

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January 4, 2019

Robert Lee  
City of Cupertino, City Hall  
Public Works Department  
10300 Torre Avenue  
Cupertino, CA 95014

**Re: Public Outreach, Financial Engineering and Other Proposition 218-Related Services  
for a Stormwater Funding Initiative**

Dear Robert:

There is no greater challenge for California municipalities than securing new revenue, especially for the implementation of stormwater management programs, services and infrastructure. To be successful, a strategic approach, sound engineering analysis, and a well-executed outreach plan are essential.

**SCI Consulting Group** and Larry Walker Associates (hereto collectively referred as “SCI Team”) have direct experience analyzing existing programs and developing and implementing successful and comprehensive revenue approaches and are pleased to submit our proposal to assist the City of Cupertino (“City”) with its public outreach, and financial engineering for a stormwater funding initiative. SCI and LWA have collaborated on stormwater funding projects over the last ten years including the City of Santa Ana and the recently completed, successful stormwater management polling, fee study, and balloting project for the City of Berkeley.

Through our experience working with many local agencies on stormwater management funding, we have developed a general approach which includes 1.) Polling, 2.) Project planning and fee study engineering, and 3.) Community outreach and balloting as well as other related Proposition 218 consulting services, as described throughout this SOQ.

Our team is exceptionally well-qualified to provide the requested professional services for the following additional reasons:

**A UNIQUE STRATEGIC APPROACH** Our team understands that specific Proposition 218 limitations on funding for stormwater management, combined with the general public’s lack of understanding of this critical infrastructure, exacerbate the stormwater funding challenge. Traditional political approaches likely will not work. Accordingly, the SCI team proposes a unique, “hands-on” strategic approach which begins with the development of initial messaging and branding, followed by direct engagement with stakeholders, refinement of the messaging and branding through the polling, and finally, effective and authentic community outreach.

**SUCCESSFUL BALLOTING RESULTS** For large agency-wide ballot measures, such as the proposed fee measure for the City, SCI has a success rate of over 94% with over 130 successful Proposition 218-compliant ballot measures to date. This is more than the number of new agency-wide Proposition 218-compliant measures by all other consulting firms in California, combined. Our recent storm drainage and flooding measures are listed:

<b><u>Clients</u></b>	<b><u>SFR Rate</u></b>	<b><u>%Support</u></b>	<b><u>Year</u></b>
City of Berkeley	\$42.89	60.75%	2018
Reclamation District 150	\$128.71	85.78%	2018
Bethel Island Municipal Impr. District	\$132.69	68.00%	2015
Reclamation District 1001	\$216.25	82.27%	2014
City of San Mateo II	\$66.08	82.33%	2013
City of San Carlos	\$190.32	95.40%	2010
City of San Mateo I	\$89.41	79.60%	2009

**PROPOSITION 218 AND STORMWATER FUNDING EXPERTISE** Through the process of designing and establishing new Proposition 218-compliant fees and benefit assessments and working on these projects with many of the leading Proposition 218 specialized attorneys in the State, we have gained unparalleled legal and Proposition 218 compliance expertise.

**STORMWATER AND SB 231 EXPERIENCE** SCI and LWA are recognized as California leaders in stormwater policy, funding, management and implementation. This means we understand and appreciate every aspect of the City's stormwater program and how funding can be leveraged to meet local infrastructure needs and to ensure compliance with the current NPDES permit.

SCI has been actively working in the specific field of stormwater management funding for over 13 years. For example, at the annual CASQA conference in 2006, SCI introduced the concept of non-balloted approaches including realignment of traditional NPDES services. In 2010, SCI promoted Senate Bill 310 and other emerging approaches at the same conference. SCI continues to explore, review and promote a wide variety of approaches to funding, while ensuring the clients do not incur unacceptable levels of risk.

SCI is an active member of Senator Hertzberg's SB 231 Working Group and is working with several municipalities considering SB 231 implementations. (Please see our webinar: "Opportunities for Funding Stormwater Management without a Ballot Measure: SB 231 Changes Everything!" at [www. http://sci-cg.com/webinars-past.php](http://sci-cg.com/webinars-past.php)) The SCI Team has been active developing funding sources on Green Infrastructure. Finally, the SCI Team continues to explore the important funding and outreach relationship between stormwater management, local flood control and storm drainage asset management, as well as with broader "one water" concepts.

SCI is one of the few firms possessing comprehensive stormwater fee and ballot experience in California. LWA brings extensive regulatory, messaging and storm drainage design and engineering expertise to the team. Below is a listing of some of our stormwater clients:

**SCI Stormwater Clients**

City of Berkeley  
City of Los Altos  
City of Sacramento  
City of San Mateo  
City of Santa Clara  
City of South Lake Tahoe  
El Dorado County  
Placer County  
San Mateo County  
Town of Moraga

**LWA Stormwater Clients**

City of Benicia  
City of Roseville  
City of Sacramento  
City of Sunnyvale  
City of West Sacramento  
Marin County  
Napa County  
Port of Oakland  
San Mateo County

**COMMUNITY OUTREACH EXPERTISE** The SCI Team has a long history of developing and implementing successful stormwater-related and other community outreach initiatives and programs for our clients, including the critical development of key branding and messaging. Our approach is based on the distribution of key messages and supporting information as part of our comprehensive community outreach through talking points, FAQs, newsletters, mailers, e-mail, text, social media

such as nextdoor.com, door-to-door contact, website, hotline, small group meetings, community-wide open house meetings and public hearings.

Over the last 24 months, political communication and discourse have gone through a profound change throughout the United States and especially here in California. The SCI Team has identified three major communication themes for this project:

- **Straightforward messaging, 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, it should be honest but not overly rehearsed, and it should be passionate but not theatrical. The public does not demand perfection from local government; however, they do now demand absolute credibility, and full truthfulness and transparency.
- **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.

**KNOWLEDGE OF SANTA CLARA COUNTY AGENCIES** We have provided consulting and revenue engineering services to many public agencies in Santa Clara County, including cities, school districts and other special districts. Our work includes revenue for stormwater, flood control, parks, landscape and lighting, mosquito and vector control, cannabis policy and other critical infrastructure and services.

Below is a listing of our local clients:

**SCI's Local Clients**

Campbell Union High, Gilroy Unified,  
Mountain View-Whisman and Santa Clara USDs  
Cities of Los Altos, Mountain View, Santa Clara and Sunnyvale  
Santa Clara County  
Santa Clara Valley Open Space Authority  
Santa Clara Valley Water District

**LWA's Local Clients**

City of Palo Alto  
City of San Jose  
Santa Clara Valley Water District

The SCI Team has reviewed and accepts the attached City of Cupertino's standard design Professional Services Agreement, and Master Agreement, including specifically listing the City's Hold Harmless Indemnity requirements and insurance coverage requirements, without modification.

We look forward to this opportunity to assist the City with this important project and stand ready to proceed. If you have any questions or require additional information, please do not hesitate to contact me. I can be reached at (707) 430-4300 or via email at [john.bliss@sci-cg.com](mailto:john.bliss@sci-cg.com).

Sincerely,

John W. Bliss, P.E.,  
President

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## GENERAL ORGANIZATION QUALIFICATIONS

### ABOUT SCI CONSULTING GROUP (SCI)

**SCI Consulting Group** is a Chapter S Corporation public finance consulting firm with over 34 years of expertise in assisting public agencies in California with planning, justifying and successfully establishing new revenues for their service and capital improvement needs and objectives and managing special assessment levies. SCI also offers extensive expertise with the important legal and procedural issues involving benefit assessments, special taxes and fees. The principals at SCI are acknowledged experts on these public financing mechanisms and were involved with the cleanup legislation for Proposition 218.

SCI possesses extensive property-related fee and benefit assessment engineering and formation expertise, particularly for agency-wide assessments in politically challenging areas. These successful agency-wide assessments include all of the largest successful assessments in the State as well.

SCI provides year-round special tax and assessment administration services and planning services for clients throughout California. SCI's planning projects have included hundreds of development impact studies, facility and financing plans, demographic studies, cost of service and fee justification studies, and other planning and real estate studies.

### ABOUT LARRY WALKER ASSOCIATES (LWA)

Larry Walker Associates, Inc. (LWA), a California Corporation, is a privately-owned firm headquartered in Davis, CA with regional offices in Santa Monica, Ventura, Carlsbad, San Jose, and Berkeley, California and in Seattle, Washington. LWA provides environmental engineering and management services throughout California. Mr. Larry Walker, who is the former Executive Officer of the California State Water Resources Control Board, founded LWA in 1979. LWA currently has a staff of over 40 employees who provide a wide range of consulting services for municipal stormwater programs statewide, including program management, regulatory, and stormwater permit assistance. LWA has been a leader in all phases of stormwater management for municipal and state clients, with extensive experience in the planning and implementation of stormwater management and compliance programs since 1990.

LWA has a long history of serving clients throughout the state, excelling at developing and delivering innovative, strategic, and technically sound solutions to address stormwater and watershed program requirements in an efficient and cost-effective manner. LWA has the background, expertise, and commitment to support this City project as demonstrated by our:

- Familiarity with the current and upcoming Permit requirements gained through intensive involvement with its negotiation, adoption and implementation;
- Long-term support for the development and implementation of stormwater and watershed-based programs; and
- Experience in estimating costs for regulatory programs.

## EXPERIENCE WITH SIMILAR PROJECTS AND CLIENT REFERENCES

Below are summaries of the work from recent and relevant projects. We encourage you to contact these clients regarding our experience and approach.

### **City of Berkeley: Clean Storm Drain Fee Initiative Study**

**SCI & LWA**

2180 Milvia Street, 3rd Floor. Berkeley, CA 94704

Contact: Sean O'Shea, Administrative & Fiscal Manager

(213) 485-0587

Email: [soshea@cityofberkeley.info](mailto:soshea@cityofberkeley.info)

Proposed budget: \$215,000; project completed within budget

The City of Berkeley sought to explore and possibly implement a stormwater funding mechanism to fund an array of stormwater-related needs as outlined in their 2012 Watershed Management Plan. SCI was hired to work through the process in three stages: Program needs evaluation and funding options; public opinion survey to ascertain the community's priorities and willingness to fund this critical infrastructure program; and implementation of a funding mechanism if sufficient support existed. After completing the first phase, SCI conducted an opinion survey that showed approximately 60% of the community supported investment Green Infrastructure to protect the environment and make improvements to the aging storm drain system.

SCI was authorized to proceed with a Stormwater Fee Rate Study and implementation of a property-related fee process. The initiative won soundly with 60.75% support.

This project had the added complexity of being combined with a street light assessment proceeding simultaneously. The opinion survey contained questions on both the storm drain system and street lighting system. While the street lighting was required to follow a different procedure (stipulated for benefit assessments as opposed to property-related fees), the ballots contained both questions.

### **City of San Mateo**

**SCI**

330 West 20<sup>th</sup> Avenue, San Mateo, CA 94403

Contact: Larry Patterson, City Manager

(650) 522-7303

Email: [lpatterson@cityofsanmateo.org](mailto:lpatterson@cityofsanmateo.org)

Proposed budget: \$89,250; project completed within budget

As an initial phase, SCI conducted a scientific survey of property owners to measure the level of support for flood control improvements and a benefit assessment to fund these improvements. This survey found that property owners highly supported the proposed improvements and assessments, if they clearly understood the need for enhanced flood control and the benefits to their property. As a next phase, SCI assisted the City and other project team members with outreach efforts with property owners to build consensus for the proposed improvements and assessments. Thereafter, SCI prepared the Engineer's Report and conducted a successful assessment ballot proceeding that is generating ongoing annual revenues for the maintenance and improvement of levees and other flood control improvements.

**Town of Moraga: Stormwater Fee Initiative****SCI**

329 Rheem Blvd Moraga, CA 94556

Contact: Edric Kwan, Public Works Director/Town Engineer

(925) 888-7025

Email: ekwan@moraga.ca.us

Proposed budget: \$135,400; project completed within budget

The Town of Moraga sought to explore and possibly implement a stormwater funding mechanism to fund an array of stormwater-related needs as outlined in their 2015 Storm Drain Master Plan. The Town had performed a community priorities survey in 2016 and found that the residents considered the aging and failing storm drain system to be one of the top three priorities in town (presumably due to the presence of a large sink hole at a major intersection).

SCI was hired to work through the process in three stages: Program needs evaluation and funding options; public opinion survey to ascertain the community's priorities and willingness to fund this critical infrastructure program; and implementation of a funding mechanism if sufficient support existed. Approximately two-thirds of the community expressed support for investing in the aging storm drain system, so SCI was authorized to proceed with a Stormwater Fee Rate Study and implementation of a property-related fee ballot process. Unfortunately, due to a vigorous organized opposition to the fee ballot measure, the initiative was narrowly defeated with only 48% support.

**Bethel Island Municipal Improvement District****SCI**

3085 Stone Road, Bethel Island, CA 94511

Contact: Regina Espinoza, District Manager

E-mail: respinoza@bimid.com

Proposed budget: \$62,000; project completed within budget

Bethel Island is the most heavily populated Delta island and had suffered from severe property tax revenue deflation loss and local economic hardships. The local population had considerable skepticism toward the local governing agency, the Bethel Island Municipal Improvement District ("BIMID"). In fact, BIMID had proposed a special tax in 2010 which was soundly defeated. To complicate matters even more, there was a long-stalled development project (called Delta Cove) that was beginning to be revived and potentially include more than one-third of all the houses on the island. Negotiations between the developer and BIMID were difficult and the proposed assessment was a major point of contention. The community was distrustful of both BIMID and the developer.

SCI was hired to manage all aspects of a proposed new revenue mechanism in order to leverage Department of Water Resources grant funding by providing the required local funding share, and to fund inadequate maintenance. SCI realized that considerable effort would have to be made to regain credibility in the community. A comprehensive, multi-faceted community outreach plan was developed that included direct meetings with major property owners, as well as community meetings, wherein property owners could engage Board members and engineering experts. Several community meetings were conducted along with special one-on-one meetings with major property owners and developers.

SCI developed a proposition 218 compliant engineering approach and Engineer's Report that captured the unique attributes of flood depths and housing stock (i.e., many houses are built on stilts) with a strict goal to create a fair, equitable, and easy-to-understand rate structure. The rate structure was well-accepted by the community and served to help it win widespread support.



SCI assisted the District and other project team members with outreach efforts with property owners and developers. The Assessment was ultimately approved with over 68% support, only four years after a similar tax (Measure X) managed by a different consultant, received only 41% support.

## PROJECT TEAM AND PROJECT ORGANIZATION

If the SCI Team is selected, the project would be staffed as follows:

<b>Leadership Roles</b>	<b>Staff</b>	<b>Firm</b>
Project Manager	John Bliss	SCI
Strategic Implementation Lead	Karen Ashby	LWA
<b>Support Roles</b>	<b>Staff</b>	<b>Firm</b>
Fee Engineer	Jerry Bradshaw	SCI
Balloting and Outreach	Susan Barnes	SCI
Stormwater Services Analysis	Rachel Warren	LWA
Stormwater Costs Analysis	Airy Krich-Brinton	LWA

The project team members would interact in a collaborative and iterative manner, with John overseeing the entire process from start to finish and, as the Project Manager, will be the day to day contact. Jerry and Karen will lead the Planning and Fee Engineering with support from Rachel and Airy; and Jerry and Susan will lead the Outreach and Balloting.

The assigned team members do not have work commitments that would interfere with their ability to successfully complete this project in the timeframe given, and, if selected for a project, the SCI Team will not assign other projects to them which would interfere with our ability perform the scope of work for such a project. Each employee is available to focus primarily on this project with between 20% and 50% of their time.

### **JOHN BLISS, M.ENG., P.E., PRESIDENT, LICENSE NO. C52091**

**SCI**

Mr. Bliss, a professional engineer and President of SCI, specializes in fee and assessment engineering, special and general benefit analysis, crafting legally compliant, robust Engineer's Reports, assessment administration, cost estimating and budgeting, database design and implementation, regulatory compliance, and revenue measure formations. He has 15 years of experience in this field of expertise. Moreover, Mr. Bliss is a recognized expert assessment engineer and Proposition 218 compliance specialist who has served as an expert witness and technical authority. He also has worked with most of the leading Proposition 218 specialized attorneys in the State, which has further expanded his professional and technical expertise.

During his tenure at SCI, Mr. Bliss has served as the responsible Assessment Engineer on over 300 Fee Studies and Engineer's Reports for new or increased fees and assessments, comprising more post-Proposition 218 new assessment engineering than any other assessment engineer in the State.

Mr. Bliss graduated from Brown University with a Bachelor of Science Degree in Engineering and holds a master's Degree in Civil Engineering from The University of California, Berkeley, where he was a Regent's Scholar. He is a licensed professional Civil Engineer in the State of California and is a LEED accredited professional.

### **JERRY BRADSHAW, P.E., SENIOR ENGINEER, LICENSE NO. C45884**

**SCI**

Mr. Bradshaw brings over 20 years of civil engineering experience, much of it working as a City Engineer and Public Works Director for two Bay Area cities, including 12 years for San Bruno in San Mateo County. During that time, he has been very active in engineering, construction and operations and maintenance of public facilities such as storm drainage and flood control and has also been involved in numerous ballot measures. While at SCI, Mr. Bradshaw has worked on several projects involving ballot measures and new assessment formations. This includes the

recent efforts in the cities of Orange and Placentia where he was the project manager for the formation of new landscape maintenance districts in Proposition 218 ballot proceedings. He is also assisting the City of Sacramento with a storm drainage measure and the San Mateo County Countywide Water Pollution Prevention Program (C/CAG) on a possible county-wide funding measure.

**SUSAN BARNES, SENIOR CONSULTANT**

**SCI**

Ms. Barnes contributes over twenty years of experience in new local revenue measure balloting projects and opinion research to the SCI team. She has extensive experience with all phases of a new revenue project, from the initial feasibility analysis, to opinion research and through balloting and educational outreach. She assisted with the successful funding measure for storm drainage for the City of Berkeley in 2018. Ms. Barnes graduated from U.C. Berkeley with a Bachelor of Arts degree in Business Administration, and holds a Master's Degree in Organizational Development from Sonoma State University.

**KAREN ASHBY, CPSWQ**

**LWA**

(530) 753-6400 x232

[karena@lwa.com](mailto:karena@lwa.com)

Ms. Ashby is a Vice President at LWA and has over 25 years of experience serving in the capacity of Project Manager on stormwater and water management projects. She has a B.S. in Biological Sciences from the University of California, Irvine, and is a Certified Professional in Storm Water Quality (CPSWQ). Ms. Ashby has been responsible for facilitating permit renewals, reviewing and commenting on policies, guidance materials and permits, developing and implementing watershed and stormwater programs and TMDLs, developing program effectiveness strategies and evaluating the effectiveness of SWMPs, developing program cost analyses for funding initiatives, developing and providing stormwater-related adult learning-based training modules, and preparing technical reports.

**RACHEL WARREN, E.I.T.**

**LWA**

(530) 753-6400

[rachelw@lwa.com](mailto:rachelw@lwa.com)

Ms. Warren is a Senior Engineer with LWA. She has a B.A. in Biology from Grinnell College and an M.S. in Civil and Environmental Engineering from the University of California, Davis. She has 16 years of experience in multiple water quality service areas. In particular, she has extensive experience in the development, implementation, and effectiveness assessment of stormwater management programs. Ms. Warren has assisted municipalities with efforts to raise awareness and understanding of water quality issues through the development of outreach materials for the public; identification of seasonally appropriate stormwater topics and positive messaging for specific audiences; and stormwater program public relations documents and tools for public officials and community members. She has prepared stormwater annual reports and program effectiveness assessments. Ms. Warren has assisted more than 30 clients in meeting the requirements of the 2013 Phase II Small MS4 General Permit. She also provided support in developing stormwater program cost analyses for funding initiatives.

**AIRY KRICH-BRINTON**

**LWA**

(530) 753-6400

[airyk@lwa.com](mailto:airyk@lwa.com)

Ms. Krich-Brinton is a Project Engineer II and has 19 years of experience as a water quality engineer with LWA. She has provided regulatory assistance with NPDES permitting and compliance for over fifty municipalities in California. She has recently performed funding analyses for the City of Santa Ana, Napa County Stormwater Pollution Prevention Program, and

the City of Berkeley, in which she compiled and compared historic and current funding information for program elements and estimated future permit term costs and necessary annual revenue. She has also provided stormwater program assistance by preparing annual reports and program effectiveness assessments, developing and implementing effectiveness assessment tracking tools, and analyzing water quality data and presenting the results graphically to show spatial and temporal trends.

#### **SUB-CONSULTANTS AND SUPPLIERS**

The SCI Team plans to print and mail the notices and ballots using our highly experienced supplier, Admail West. This firm has accurately handled the printing and mailing of over 5,000,000 ballots for SCI. Moreover, Admail West also handles official election mail for several County Elections departments. The project manager for Admail West would be Amber Cox-Espejo.

## METHODOLOGY/APPROACH

The City is seeking an expert consultant team to analyze its current funding and regulatory compliance requirements, develop a financial plan, and assist with implementation of a stormwater rate to address its long-term funding needs. The hurdles set by Proposition 218 are considerable, and every effort must be made to make this project a success. We also recommend that the City move step by step through the tasks, making decisions to move forward each time based on the work in the prior task.

### FINANCIAL ENGINEERING

#### ➤ FINANCIAL ENGINEERING

##### ➤ Fee Study

The SCI Team will prepare a comprehensive Proposition 218 compliant property-related fee engineering and nexus/justification report for the proposed storm drain services and improvements to be funded. The report will include a detailed description of the services and improvements to be funded by the proposed fees, plans for the services and programs, future capital and facility improvement needs, the rationale used for the fee apportionment, the method of fee apportionment (likely to include impervious area), and calculation of the specific proposed fee amount for each parcel in the City.

The Fee Report may also include provisions to incentivize on-site runoff abatement that could apply to traditionally impervious large sites such as commercial, industrial and institutional parcels to help the City implement hydrograph modification practices. Additionally, the report will include legal considerations and issues for the fee methodology, appeal processes, and alternative revenue enhancement options. The report may also include exemptions for seniors, low income, etc. The process will build on the data gathered in previous tasks including parcel data, community priorities, and budgets, cost estimates, and multi-year proforma for all services and improvements.

A large part of this task will be the compilation of the parcel attributes. In particular, we will need to perform an audit of lot coverage of impervious surfaces for the various land classes. This is a time-consuming task that will require looking at all our data sources, viewing aerial photos and possibly some site visits. The data generated in this effort will be the backbone of the analysis that follows, where the nexus of parcel attributes to the fee structure is developed. This analysis uses many layers of statistical work as well as a reasoned and stout rationale for the resulting nexus.

We will present these fiscal plans, our data review and analysis, and the proposed fee methodology to the City in a review session. Issues uncovered by the review will be highlighted and remedies suggested. After the City staff and legal counsel have reviewed the data and information, we will prepare a final Fee Report that satisfies the requirements of Articles XIII C and XIII D of the California Constitution (Proposition 218), the Government Code and other relevant code sections. The Report will be prepared and signed by Jerry Bradshaw, PE, a registered Civil Engineer with extensive experience in this field. The Report will include a detailed description of the proposed fee structure for the improvements and services, future capital and facility improvement needs, a detailed cost estimate, the rationale used for the fee apportionment, calculation of the specific proposed fee amount for each parcel in the City, any necessary maps or diagrams, and other elements.

The Fee Report will be the document that the City Council will approve as the first step in the implementation process.

## COMMUNITY EDUCATION AND FUNDING MEASURE IMPLEMENTATION

### ➤ COMMUNITY EDUCATION

#### ➤ **Public Information and Education**

The SCI Team shall assist with public informational and educational outreach strategies and property owner informational services. Our firm's informational outreach efforts, which will continue up to and throughout the ballot proceeding, include tasks necessary to ensure that the property owners are adequately informed about the assessment ballot proceeding and the proposed services/improvements in their area prior to the mailing of ballots. Throughout this process, the SCI Team will work closely with volunteers, City staff and other stakeholders.

The SCI Team understands that basic message components will need to be simple, clear and transparent, and need to be well supported with detailed and substantive information.

However, stormwater infrastructure, maintenance and operations are not well known, and not well understood by the general public, and as a result, the general public is commonly hesitant to invest in local stormwater infrastructure. Accordingly, answers to the following questions must be effectively provided to the rate payers:

- What is the purpose of stormwater infrastructure, operations and maintenance?
- Why is the additional funding revenue needed?
- Has the City done all it can to reduce costs before raising rates?
- What protections are there that this additional funding will be spent wisely?

More recently, communities have demanded greater detail and explanation for these questions, particularly the third and fourth questions. We recommend, from our experience providing community outreach throughout the state, that the outreach material and approach combine straightforward, plain-language explanations with detailed, substantive information. Again, credibility is the most important factor in this outreach.

#### ➤ **Develop Communication Infrastructure**

Next, the SCI Team will carefully evaluate and develop the potential communication infrastructure. Working with City staff (i.e., Public Information Officer, etc.), we will evaluate and ultimately coordinate existing communication infrastructure, including stakeholder contacts, print media, website, social media, print publications, neighborhood groups and newsletters, etc., and will prioritize and integrate the various methods as appropriate. We will also look at e-mail contacts with HOA and neighborhood leaders, as well as web-based platforms like nextdoor.com. We will develop a schedule for the dates of community stakeholder meetings, due dates for local group newsletters, etc. Our extensive experience has shown that the most effective communication mechanisms for this type of infrastructure are small, local, and neighborhood-based, with a personal communication or face-to-face element. This approach is not expensive, but is a fair amount of work, and is very effective when well-executed.

➤ **Develop Communication Messaging**

The development of the messaging and supporting information is an iterative process with City staff, the SCI Team, and members of the public. Throughout this process, the SCI Team will analyze and refine messaging associated with stormwater infrastructure.

In this task, the SCI Team will develop draft communications of various types. These may include Frequently Asked Questions (FAQ) documents, camera-ready mailers and brochures, PowerPoint presentations, and emails, scripts and other adaptable messages.

➤ **Rollout and Implementation**

Once the outreach plan is well-vetted, reviewed and refined, the SCI Team will coordinate the rollout and implementation of the plan. The implementation includes all aspects of the outreach including coordination of the Proposition 218 Public hearing.

➤ **FUNDING MEASURE IMPLEMENTATION**

Upon the completion of the Fee Report, the next steps will depend on the type of funding mechanism that is selected. Since a property-related fee is most typical, this statement of qualifications is based on the process and procedures required for that type of mechanism.

Implementation of a property-related fee includes several steps:

1. City Council approval of the Fee Report, establishing public hearing (protest hearing) date and time, and authorizing the mailing of notices.
2. Printing and mailing of notices.
3. Conducting a protest hearing no less than 45 days after mailing of notices.
4. City Council authorization of mailing of ballots (if no protest exists).
5. Printing and mailing of ballots.
6. Tabulation of ballots after close of ballot period (at least 45 days after protest hearing).
7. City Council certification of results of the balloting, authorizing the fee structure if support is over 50%.
8. Submittal of the first year levies to the County, and response to phone calls from property owners who are seeing the fee on their bill for the first time.

The first three steps are similar to those required for water, sewer and/or solid waste rate setting. The steps four through seven are unique to stormwater fees in accordance with Proposition 218 and subsequent legal rulings.

The SCI Team will draft all notices, resolutions, ordinances and staff reports as well as the ballot packet required for each step in the process. City staff, including the City Clerk and legal counsel, will review and finalize all these documents. We will also assist the City and its legal counsel with responding to property owner testimony at the public hearing.

The design of the official notices, ballot and supporting informational items and mailers is one of the most important elements of a successful ballot outcome. The SCI Team will utilize its unmatched expertise and track record to design these items that clearly and concisely explain the reason for the stormwater fee and that meet all legal requirements.

After the notices and ballots are finalized, the SCI Team will oversee the printing, addressing and mailing of the packets. Although the RFQ indicates that all printing and mailing costs would

be borne by the City, SCI recommends reconsideration of this and assigning this work to the control of the SCI Team for quality control and ease of execution, and possibly cost reduction. This work will be performed by our sub-contractor, Admail West, a printing and mailing firm with industry leading experience with registered voter elections and mail ballot proceedings. After the notices and ballots are printed and addressed, they will be mailed, pursuant to the California Constitution and the Government Code, to all property owners in the City with a proposed assessment.

Throughout the balloting, the SCI Team will also field and respond to property owner inquiries, will research and confirm new owners that are not reflected on the official county property ownership records, and will issue replacement ballots upon request.

Tabulation, in accordance with Proposition 218, must be either done by a disinterested third party or done in a place accessible to the public. The SCI Team is proposing to do the manual work of the tabulation efforts using its proven bar scan technology under the direction of the City Clerk (who is defined by law as a disinterested third party). Further, we would recommend conducting the tabulation process in a room accessible to the public to avoid any appearance of impropriety. We estimate that the tabulation will take about two days to complete.

#### ➤ **FIRST YEAR LEVY ADMINISTRATION**

If the measure passes, SCI will obtain the July 2019 lien roll for Santa Clara County, use it as the basis to calculate the fee due from each parcel in the City, and submit the levy roll to the County for collection on the property tax bills for 2019-20. SCI will publish its toll-free number on the property tax bill and answer any questions it receives from the public about how the fee was calculated or the process used to approve the fee.



## FEE AND PAYMENT SCHEDULE

In consideration for the work accomplished, as outlined in this proposal, SCI will be compensated as detailed below.

<b>Services</b>	<b>Fees</b>
Fee Study	\$47,250
Proposition 218 compliant public hearing notice & ballot	\$51,750
Informational Outreach Services	\$27,250
Levy Administration – First Year	\$11,250

Payment for the Fee Study will be due when the Fee Study is submitted to the City. Payment for the half of the public hearing notice and ballot amount will be due when the notices are mailed, and the second half will be due when the ballots are mailed. Payment for informational outreach services will be due after when the ballot period is closed. Payment for the first year levy administration will be due upon submission of the levy roll to the County.

The scope of services includes up to nine meetings with the City and/or the community. Any additional meetings, if required, will be billed at the rate of \$550 per consultant per meeting.

Incidental costs incurred by SCI or LWA for the purchase of property data, maps, travel and other out-of-pocket expenses will be reimbursed at actual cost with the total not to exceed \$3,000 without prior authorization from the City.

In the event the City elects to request optional, additive scope of work, SCI will work with the City to negotiate compensation for these additional tasks and execute an Addendum to the agreement for these additional services.

## OTHER INFORMATION

1. SCI Consulting Group shall serve as the prime consultant on this project, and LWA shall be a subcontractor to SCI.
2. SCI Team agrees to accept the standard single project agreement, including specifically the City's Indemnification requirements and insurance coverage requirements, without modification.
3. SCI Team shall perform all services included in this statement of qualifications as an independent contractor.
4. SCI carries professional Errors and Omissions insurance in the amount of \$2 million per occurrence and \$2 million aggregate. SCI also carries general liability insurance in the amount of \$2 million per occurrence and \$4 million aggregate. Proof of insurance will be provided if requested.
5. SCI Team does not and shall not discriminate against any employee in the work place or against any applicant for such employment or against any other person because of race, religion, sex, color, national origin, handicap, or age or any other arbitrary basis. SCI Team insures compliance with all civil rights laws and other related statutes. SCI Team complies with all State and Federal regulations concerning employment. SCI Team attests to its current internal policies which are aimed at eliminating unlawful discrimination.
6. SCI Team has no known past, ongoing or potential conflicts of interest for working with the City, performing the Scope of Work or any other work for this project.
7. There are currently no suspensions, disbarments, voluntary exclusions or ineligibility determinations by any government agencies towards the SCI Team.
8. SCI Team has not had any contracts terminated within the last five years.
9. In the event the City elects to request optional, additive scope of work, SCI Team will work with the City to negotiate compensation for these additional tasks and execute an Addendum to the agreement.