RECOMMENDATION
Staff recommends that Council approve and adopt the attached resolution establishing a Storm Drain Oversight Committee and direct staff to proceed with the solicitation of potential Committee members.

BACKGROUND
On December 6, 2004, Council approved a resolution proposing an increase in the monthly Storm Drainage Fee (Resolution No. 8483; see Attachment 1 to Attachment A) and a related resolution establishing procedures for a ballot measure seeking property owner approval of the rate increase (CMR:508:04). The ballot measure contained a provision for the appointment of a committee to oversee the expenditure of funds generated by the potential fee increase. Specifically, the resolution stated that:

“The City Council will appoint an oversight committee to monitor and review the proposed storm drain capital improvements and insure that the money raised from the increased Storm Drainage fee is spent in accordance with this resolution. The oversight committee would report its findings to the City Council at least annually.”

On April 26, 2005, a majority of Palo Alto property owners approved the ballot measure authorizing an increase in the Storm Drainage fee. Council approved a resolution amending the Storm Drainage utility rate schedule on May 9, 2005, and the higher rates went into effect on June 1, 2005. Staff has begun implementation of the storm drain capital improvement projects authorized by the ballot measure with the planning and design phases of several of the projects.

DISCUSSION
Staff has met to discuss the options for establishing and appointing a Storm Drain Oversight Committee consistent with Council direction. Details to be established include membership criteria, the member appointment process, the duties of the Committee, and Committee procedures. Staff’s recommendations are summarized below and are included in the attached resolution.

1. Committee membership criteria
• Committee shall consist of five members.
• Committee members must be either a Palo Alto resident, an employee of a Palo Alto business, or own property within the City of Palo Alto.
• Committee members shall be selected and appointed by the City Council. It is anticipated that Council will use procedures similar to those used for appointments to City boards and commissions.
• Committee members shall serve a term of four years.

2. Duties of the Committee
• Committee shall review the proposed budget (including both operating and capital elements) for the Storm Drainage Fund as prepared by staff in order to assess its consistency with the capital improvements and program enhancements included in the approved Storm Drainage fee increase ballot measure (Exhibit B to Council Resolution No. 8483).
• Committee shall review the year-end financial report prepared by staff documenting the expenditures of the Storm Drainage Fund in order to assess the consistency of the expenditures with the approved Storm Drainage fee increase ballot measure (Exhibit B to Council Resolution No. 8483).
• Committee shall be an advisory body only, and the City Council shall retain full authority to approve the annual budget and associated expenditures for the Storm Drainage Fund.

3. Procedures of the Committee
• Committee shall meet annually in March to review the proposed Storm Drainage Fund budget. The Committee shall prepare a report documenting its findings with respect to the proposed budget and submit such report to the Finance Committee of the City Council during annual City budget hearings.
• Committee shall meet annually in January to review the year-end financial report of Storm Drainage Fund expenditures. The Committee shall prepare a report documenting its findings with respect to the Storm Drainage Fund year-end expenditure report and submit such report to the City Council annually.
• The Committee shall conduct open public meetings, duly noticed in accordance with the Ralph M. Brown Act, California Government Code Section 54950, et seq.
• The Committee may establish rules and procedures governing the conduct of its meetings.

Staff recommends that Council establish the Storm Drain Oversight Committee by adopting the attached resolution and direct the City Clerk to solicit potential Committee members by placing advertisements announcing Committee vacancies in a newspaper of general circulation in the city, four times within a two week period. The expected timeline for selection and appointment of Committee members is described below.

RESOURCE IMPACT
Committee members shall not be compensated for their service. There will be relatively minor costs incurred for staff to provide information to the Committee, attend Committee meetings, and draft the Committee’s reports to Council. These staff costs will be covered within the Storm Drainage Fund budget.
**POLICY IMPLICATIONS**
The formation of a Storm Drain Oversight Committee as recommended in this report is consistent with Council direction as documented in Resolution 8483, adopted on December 6, 2004.

**TIMELINE**
The following is the recommended timeline for appointment of members to the Storm Drain Oversight Committee:

- Advertise Committee vacancies January 2 through 13
- Due date for member applications January 20
- Council review of applications January 23 through February 3
- Appointment of Committee members February 6

**ENVIRONMENTAL REVIEW**
Adoption of the attached resolution creating a Storm Drain Oversight Committee is not considered a project for purposes of the California Environmental Quality Act (CEQA).

**ATTACHMENTS**
Attachment A: Resolution Establishing a Storm Drain Oversight Committee

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