

WATER ADVISORY GROUP

STORMWATER PROP 218 PUBLIC OUTREACH

Item 26-0384

April 1, 2026

Stormwater Rate Study

❖ Today's Presentation

- Overview of the public outreach strategy supporting the stormwater rate-setting process

Stormwater System Overview

- ❖ Large network of storm drains, pipes, pump stations and detention basins that collect and move stormwater from properties into local waterways like rivers, creeks, sloughs and the Delta.
 - The System serves 243,000 customers and includes:
 - 23,200 catch basins, also known as storm drains
 - 77 pump stations
 - 19 stormwater holding ponds
 - 620 miles of pipeline
 - Approximately 100 discharge outlets

Existing Stormwater System Revenues

- ❖ Stormwater Utility is an Enterprise Fund that must be self supporting
 - About 87% of funding comes from rate revenues
- ❖ Current rate of \$2.10/month (~\$25/year for a single-family home) established 33 years ago, has never increased
- ❖ Fee was established to meet the National Pollutant Discharge Elimination System (NPDES) permit requirements, not Operations & Maintenance (O&M)
 - Stormwater monitoring, site inspections, reporting, outreach
- ❖ Since 1992, infrastructure has aged while NPDES requirements and the City have grown
- ❖ Utility faces \$2.7M deficit over the next two fiscal years combined
- ❖ Estimated to begin fiscal year 2027-28 with a ~\$5M deficit for operations and maintenance alone

Challenges to be Addressed

- ❖ Current stormwater utility rate revenues do not adequately fund the cost to provide reliable service
 - Operations and maintenance
 - Emergency repairs
 - Capital improvement projects
 - Regulatory compliance
- ❖ Aging stormwater infrastructure at risk for failures
- ❖ Stormwater Master Plan:
 - Identified and evaluated flooding concerns
 - Developed CIP projects to alleviate flooding
 - Support future development

Proposition 218 Process Timeline – Step 1

❖ January 27, 2026, City Council

- Adopted Resolution 2026-01-27-1601 authorizing a public hearing to consider the proposed rates and charges and authorizing the mailing of a Notice of Public Hearing

❖ Public Hearing scheduled 45 days after the notice of the public hearing has been mailed

- Mailed public hearing notice on February 10, 2026
- Public hearing held on March 31, 2026

Proposition 218 Process Timeline – Step 2

- ❖ The City Council determined that no majority protest has been filed to the proposed Stormwater Fees.
 - If no majority protest (<50%)
 - ❖ Adopt the Final Stormwater Rate Study Report
 - ❖ Direct the City Manager to mail ballots to all property owners or customers of record
 - ❖ Schedule a public hearing on June 9, 2026
- ❖ If majority (>50%) of the ballots received are in favor
 - The City Council may approve the Study and implement proposed rates

Proposed Stormwater Rate Schedule

- ❖ January 27, 2026: City Council meeting to set public hearing
- ❖ Feb. 10, 2026: Public (Protest) Notice Mailed
- ❖ March 31, 2026: Public (Protest) Hearing
- ❖ April 25, 2026: Ballots Mailed
- ❖ June 9, 2026: Public Hearing and Ballot Tally

Key Messages - Topline

- ❖ Stockton's stormwater system protects public health and property.
- ❖ Our stormwater system is at a breaking point.
- ❖ Current rate revenues don't cover the total cost of providing reliable service.
- ❖ Without new funding, Stockton faces a growing stormwater utility fund deficit, leading to service cuts, system failures and increased threats to public health and safety.
- ❖ The city is proposing a gradual, five-year rate adjustment starting in fiscal year 2027 (July 1, 2026).
- ❖ Even with the proposed five-year adjustment, Stockton's stormwater rate will remain lower than many cities in the region.

Outreach/Communication Efforts

- ❖ Online open house at www.stocktonca.gov/stormrates
- ❖ Notice of Public Hearing (Protest notice)
- ❖ Community meeting
 - May 14, 6:30 p.m., Stockton Memorial Civic Auditorium South Hall
- ❖ Business/Civic group presentations
- ❖ Meetings with commercial/industrial customers
- ❖ Mailings
 - Protest notice
 - “Gap mailer” (between protest hearing & ballot mailing)
 - Ballot package (ballot and ballot information guide)
- ❖ Social media
- ❖ Traditional media

Questions and Discussion