

Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION DIRECTING THE SUBMISSION OF PROPOSITION 218 BALLOTS FOR CITY-OWNED PARCELS AND THE CASTING OF AFFIRMATIVE VOTES IN SUPPORT OF THE PROPOSED STORMWATER RATE ADJUSTMENTS

California Proposition 218 (1996) outlines the constitutional process for public agencies to adjust property-related fees including stormwater utility rates; and

On August 22, 2023, the City Council adopted Resolution 2023-08-22-1214, authorizing HDR Engineering, Inc. (HDR) to conduct a cost-of-service analysis to develop a fair and proportionate stormwater rate structure for all customer classes; and

The Stormwater Rate Study indicates that, without additional revenue, the utility will face an estimated \$5 million annual deficit beginning in Fiscal Year 2027–28, jeopardizing critical flood protection infrastructure and regulatory compliance. Continued funding shortfalls are projected to deplete reserves below policy-required levels, threatening the utility’s ability to meet ongoing needs; and

On January 27, 2026, the City Council adopted Resolution 2026-01-27-1601, scheduling a public hearing for March 31, 2026, to consider proposed stormwater rate adjustments, and authorized the mailing of notice to all affected property owners and customers; and

On February 10, 2026, staff mailed the required Proposition 218 notice to property owners and stormwater utility customers explaining the proposed rate adjustments, the date and time of the public hearing, and the procedures for submitting written protests; and

At the close of the public hearing on March 31, 2026, the City Council reviewed all written protests and determined that fewer than fifty percent of property owners submitted valid written protests; and

Staff mailed ballots to all property owners within the stormwater service area, and if greater than fifty percent of the returned ballots support the proposed stormwater rate adjustments at the public hearing on June 9, 2026, the City Council may adopt the new rate structure; and

As the owner of substantial impervious surfaces—including roads, parking lots, infrastructure, and rooftops—the City must pay its proportional share to the stormwater utility; and

Submitting ballots for City-owned parcels ensures the City participates in the election on the same basis as other property owners and that publicly owned property contributes equitably to the stormwater system; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The submission of Proposition 218 ballots for parcels owned by the City of Stockton is hereby directed, in accordance with the City's rights as the record owner of those parcels under Article XIII D, Section 6 of the California Constitution (Proposition 218).
2. Ballots for City-owned parcels are hereby directed to be cast in favor of the proposed stormwater rate adjustments.
3. The City Manager is authorized to take all necessary actions to implement this resolution including execution and submission of ballots for City-owned parcels.

PASSED, APPROVED, and ADOPTED April 28, 2026.

CHRISTINA FUGAZI
Mayor of the City of Stockton

ATTEST:

KATHERINE ROLAND, CMC, CPMC
City Clerk of the City of Stockton