

Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION APPROVING THE 2025 STORMWATER RATE STUDY REPORT, DETERMINING THAT NO MAJORITY PROTEST EXISTS TO THE PROPOSED STORMWATER FEE RATE INCREASE, DIRECTING THE CITY MANAGER TO MAIL BALLOTS AND AUTHORIZING A PROPOSITION 218 PUBLIC HEARING TO CONSIDER PROPOSED STORMWATER RATE ADJUSTMENTS

The Stormwater Utility was first established in 1991 in response to the Porter Cologne Clean Water Act (CWA). The CWA governs water quality regulation in California and was established to protect the beneficial uses of water and water quality including surface water bodies, groundwater, and wetlands; and

The requirements of the Stormwater Utility have expanded extensively since the approval of the stormwater fee, which was intended to fund the first annual budget of the Stormwater operations in FY 1991-92. The rate for the stormwater fee set 34 years ago is insufficient to fund the maintenance necessary to sustain an aging system and meet State and Federal regulatory requirements; and

Following the completion of the Stormwater Master Plan, on August 22, 2023, by Resolution 2023-08-22-1214, the City Council approved a professional services contract with HDR Engineering, Inc., to evaluate the Stormwater Utility's revenue requirements, prepare a cost-of-service analysis, and design rates that proportionately allocate the costs of providing stormwater service among all customer classes and customers within each class; and

The Stormwater Rate Study Report used three interrelated analyses to address the adequacy and equity of the utility's rates: the revenue requirement analysis, which compares the revenues to the expenses of the utility to determine the overall rate adjustments required; the cost-of-service analysis, which allocates the revenue requirement to the various customer classes of service in a fair and equitable manner; and the rate design analysis, which considers both the level and structure of the rate design to collect the target level of revenue; and

On January 27, 2026, by Resolution 2026-01-27-1601, the City Council authorized the mailing of a Notice of Public Hearing (Notice) to be held no less than 45 days from the mailing of the Notice at 5:30 p.m. in the City Hall, to take testimony and consider written protests to the proposed stormwater rate adjustments; and

The Notices were mailed on February 11, 2026, to 84,871 record owners of any parcels upon which the stormwater service charges are proposed for, and any customers who are directly responsible for the payment of stormwater service charges; and

Notice of the time and place of the Public Hearing was published in The Record on February 13, 2026, and March 19, 2026; and

The Draft 2025 Stormwater Rate Study Report containing the proposed rates is available at www.stocktonca.gov/StormRates and hard copies are on file with the City Clerk; and

The City Council held the Public Hearing on March 31, 2026, not less than forty-five days after the Notice was mailed, and at the Public Hearing the City Council heard all oral testimony, and considered all written materials and written protests concerning the adoption of the proposed stormwater rate adjustments; and

At the close of the Public Hearing, the City had not received written protests opposing the proposed stormwater rate adjustments from a majority of affected property owners, nor from a majority of affected stormwater utility customers who are not property owners but are directly liable for the payment of the stormwater service charges; now, therefore,

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

1. The City Council, after holding a public hearing, determines that no majority protest has been filed by the property owners and customers of record subject to the proposed Stormwater Fees.

2. The City Council hereby adopts the Final Stormwater Rate Study Report (Attachment A) prepared by HDR Engineering, Inc.

3. The City Manager is directed to mail ballots to all property owners or customers of record subject to the proposed rates and charges, and to schedule a public hearing as required by Proposition 218 on June 9, 2026, as the deadline for submission of ballots and the end of the voting period.

4. The City Manager is hereby authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED March 31, 2026.

CHRISTINA FUGAZI
Mayor of the City of Stockton

ATTEST:

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