

## ..Title

Stormwater Fee Report Presentation

## ..Staffreport

### **COUNCIL PRIORITY**

- Fiscal Sustainability

### **BACKGROUND & SUMMARY**

At the April 3, 2023 City Council meeting, staff provided an overview of Stormwater operations, including the status of the Storm Water Fund, and the City Council directed staff to proceed with the Proposition 218 voting process to update the fee to address the annual budget shortfall.

The City retained the services of Schaaf & Wheeler to complete a Storm Drain Master Plan (SDMP) to map the City's storm drainage system, evaluate flood risks, recommend actions and prioritize capital projects needed to maintain the stormwater system and meet Clean Water regulations. The SDMP was presented to the Facilities and Transportation Committee on February 7, 2024 and a link to the report is included as Attachment B. The SDMP identified an approximately \$4.8 million annual revenue need to fund clean water, flood protection, and stormwater system operating and capital improvement costs.

An option to generate \$3.2 million to fund the very high and high priority capital improvement projects was developed for Council consideration. While this option would not provide full funding of the system's needs, it would ensure that the highest priority projects are handled. The City would likely need to consider another amendment to the Fee in the next 5-10 years. At that time, additional system and climate adaptability information currently not available could be considered.

The SDMP is the foundation of the Stormwater Fee Draft Report, included as Attachment C, prepared by HF&H being presented to the Council this evening. The Report provides an overview of the City's storm drain system, outlines the funding needs and the analysis performed to develop two rate structure options.

Staff is recommending the Council continue the Proposition 218 process to amend the existing Stormwater Fee to increase revenue from approximately \$1.1 million to \$3.2 million annually to fund the very-high and high priority capital improvement projects and add an annual CPI adjustment. A summary of the impact to ratepayers follows:

## Proposed Updated Stormwater Fee (FY 2024-25) - Fund High and Very High Projects Only

Land Use Category		SFE Rate	Medium SFE Rate	Proposed Fee FY 2024-25	Current Fee	Additional Monthly Cost
		<b>a</b>	<b>b</b>	<b>c = a * b</b>	<b>d</b>	<b>e = (c - d)/12</b>
<b>Single-Family Residential</b>				<b>\$ per parcel</b>	<b>\$ per parcel</b>	
Small	< 3,200 sq. ft.	0.52	\$49.92	<b>\$26.07</b>	\$26.33	<b>(\$0.02)</b>
Medium	3,200 to 7,200 sq. ft.	1.00	\$49.92	<b>\$49.92</b>	\$26.33	\$1.97
Large	> 7,200 sq. ft.	1.51	\$49.92	<b>\$75.15</b>	\$26.33	\$4.07
<b>Non-Single-Family Residential</b>				<b>\$ per Acre</b>	<b>\$ per Acre</b>	
Apartments/Condos		10.13	\$49.92	<b>\$505.70</b>	\$157.98	
Commercial		12.44	\$49.92	<b>\$621.02</b>	\$210.64	
Municipal		12.44	\$49.92	<b>\$621.02</b>	N/A	
Schools		7.87	\$49.92	<b>\$392.88</b>	N/A	
Parks		2.36	\$49.92	<b>\$117.81</b>	N/A	
Golf Courses		0.25	\$49.92	<b>\$12.48</b>	N/A	
Vacant - Developed Parcels		0.25	\$49.92	<b>\$12.48</b>	N/A	
Undeveloped Parcels/Open Space				<b>No Charge</b>		

A flyer with general information on the proposed Stormwater Fee Initiative has been developed and is included as Attachment D.

### Financial Impacts

This presentation is for information only. The Council will be asked to provide direction on moving forward with the Proposition 218 balloting process to amend the Stormwater Fee at the April 2, 2024 Council meeting. If a majority of the returned ballots vote “yes” on the fee amendment, the Council could take action to increase the Stormwater Fee on the Fiscal Year 2024-25 Property Tax Assessments to fund operations, meet clean water mandates, address flood prevention measures and fund very-high and high priority capital improvement projects.

### ATTACHMENTS

**Attachment A:** Stormwater Fee Presentation

**Attachment B:** [Storm Drain Master Plan Study, Draft January 2024](#)

**Attachment C:** Stormwater Fee Draft Report, January 23, 2024

**Attachment D:** Stormwater Fee Initiative Flyer

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