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# **Draft FY26 Budget Includes \$120 Million Investment in Stormwater Projects and Programs**

## **FUNDING FOR CRITICAL FLOOD RESILIENCE WORK AND STORM CHANNEL MAINTENANCE PRESERVED IN DRAFT BUDGET**

SAN DIEGO – As part of the preliminary, draft budget for Fiscal Year (FY) 2026 that was [released on April 15](#), the City of San Diego is poised to invest well over \$120 million in maintenance, repair and regulatory compliance actions associated with the stormwater system.

Due to the projected \$258 million deficit in the next fiscal year, the draft FY26 budget includes cuts to some service levels but prioritizes the most critical City programs and services that residents expect and rely on. For the City's Stormwater Department, reductions were initially anticipated to be approximately 20% of the department annual budget, or \$14 million.

However, thanks to revenue enhancements and following discussions with the City's finance team, the Gloria Administration was able to avoid the elimination of staff positions in the Stormwater Department and preserve funding for critical flood resilience and water quality protection activities. Under the proposed budget, the Stormwater Department expects to be able to keep up with maintenance on the 18 miles of storm channels that were addressed following the January 2024 floods. This includes 12 miles of channels within the heavily impacted Chollas Creek Watershed.

Stormwater will also maintain existing service levels for pump station maintenance, storm drain inspection and cleaning, street sweeping, and many other mandated compliance activities including compliance inspections at businesses, storm water code enforcement, and most regulatory-required water quality monitoring.

**"The Stormwater Department continues to face a widening gap between the cost of upgrades needed to address an aging stormwater system and available revenue sources. That said, this draft budget enables employees to continue the work dedicated for the most critical operations and maintenance tasks required to keep the existing system operating as designed,"** said Todd Snyder, the City's Stormwater Department Director. **"We know that there are communities that are more vulnerable to flooding, and this budget indicates that the Gloria Administration intends to focus on protecting those areas from future concern."**

As part of the City's draft FY26 capital improvement projects (CIP) budget, \$48 million is proposed to be allocated to various flood control infrastructure projects, including approximately \$40 million to address emergency sink holes and deteriorated pipes. This represents \$40 million less than the \$88 million allocated for the same purposes in the adopted FY25 budget and is a direct result of fewer stormwater emergencies occurring in FY25.

The City continues to invest in significant upgrades to its stormwater conveyance system through a \$733 million low-interest loan provided through the U.S. Environmental Protection Agency's Water Infrastructure Finance and Innovation Act (WIFIA) program. WIFIA-funded projects include a combination of pipe replacement, green infrastructure to capture and remove pollution from urban runoff, and a variety of other system upgrades. Nine WIFIA-funded stormwater capital improvement projects are anticipated to initiate construction during FY26.

Proposed reductions in the Stormwater Department's FY26 draft budget include \$6.7 million in contracts and services that will impact the development of long-range plans and conceptual designs for future stormwater infrastructure upgrades, water quality improvement efforts, and wetland mitigation projects. More specifically there will be a reduction in work related to identifying water pollution sources, sponsorship of community trash cleanups, and residential water conservation rebates, along with reductions in water pollution-related education and outreach activities. Stormwater will also scale back some compliance work to reduce its reliance on outside consultants for water quality monitoring, data analysis and regulatory reporting tasks.

City departments are presenting their proposals to the City Council's Budget Review Committee this week. The Stormwater Department budget presentation and discussion are scheduled for Wednesday, May 7. To learn more, visit the City's [Fiscal Year 2026 Draft Budget webpage](#).



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