

The Big Picture: Statewide Political and Legal Solutions for Stormwater Funding

CASQA Funding Subcommittee | July 7, 2026 | Karen Cowan, Executive Director

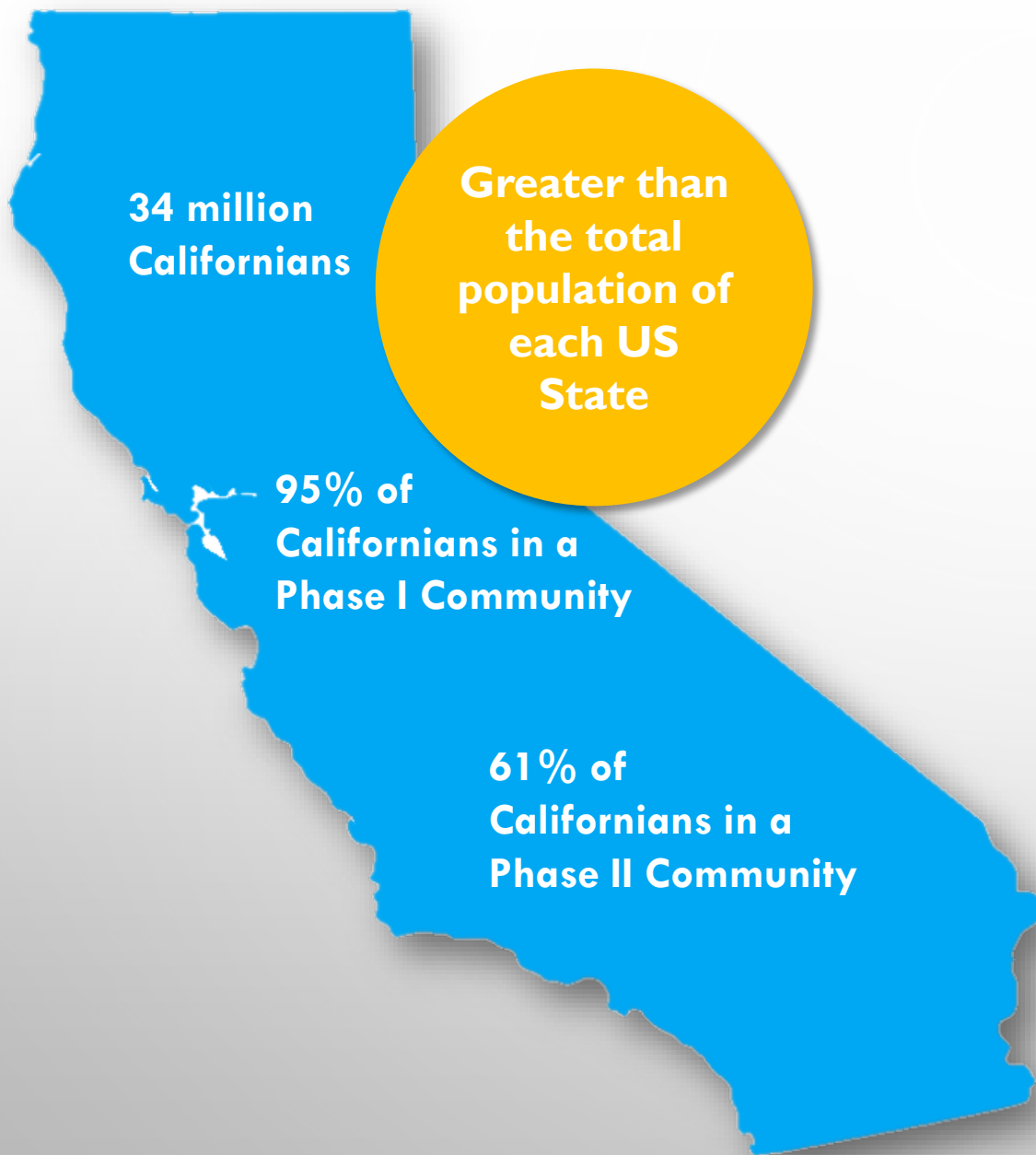


CALIFORNIA STORMWATER
QUALITY ASSOCIATION®

Mission



On behalf of California stormwater permittees, CASQA advances sustainable stormwater management protective of California water resources



Regular Members

- Counties / Cities
- Flood Control Districts
- State Agencies
- Universities / Colleges
- Transportation / Ports / Airports
- Water Districts
- Wastewater Agencies
- Public Utilities
- Construction Permittees
- Industrial Permittees

Affiliate Members

- Consulting Firms
- Conservation Organizations
- Non Profits
- Vendors
- Students





California Stormwater Quality Association®

Dedicated to the Advancement of Stormwater Quality Management, Science and Regulation

Strategic Plan

October 2023

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Strategic Plan

Lead

Engage

Educate

Support
Implementation

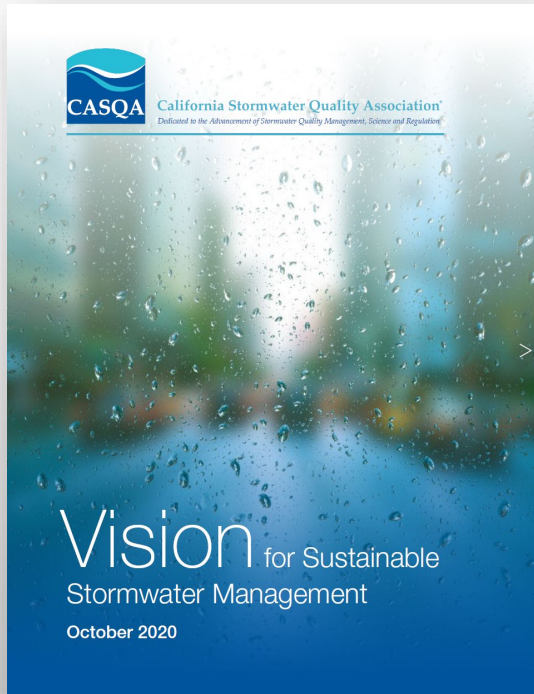
Increase Org
Capabilities



California Stormwater Quality Association®
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Vision for Sustainable
Stormwater Management

October 2020



Projects and Programs

Maximize
Stormwater
Capture

Minimize
Pollution
through True
Source Control

Effective BMPs

Policies, Permits, Legislation

Support and
amplify other
aspects of the
Vision

Public Education

Stormwater is
a resource

Funding

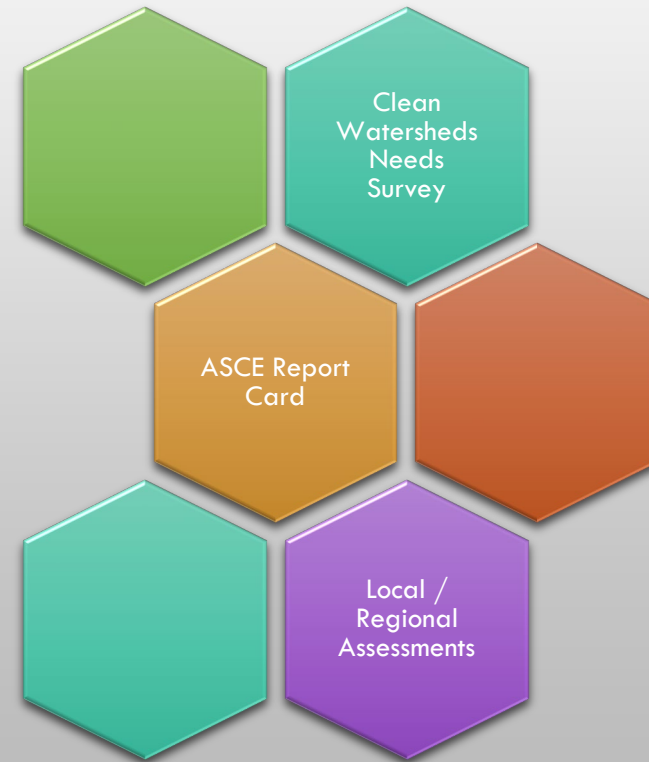
Dedicated
Funding
(Rate Payer)

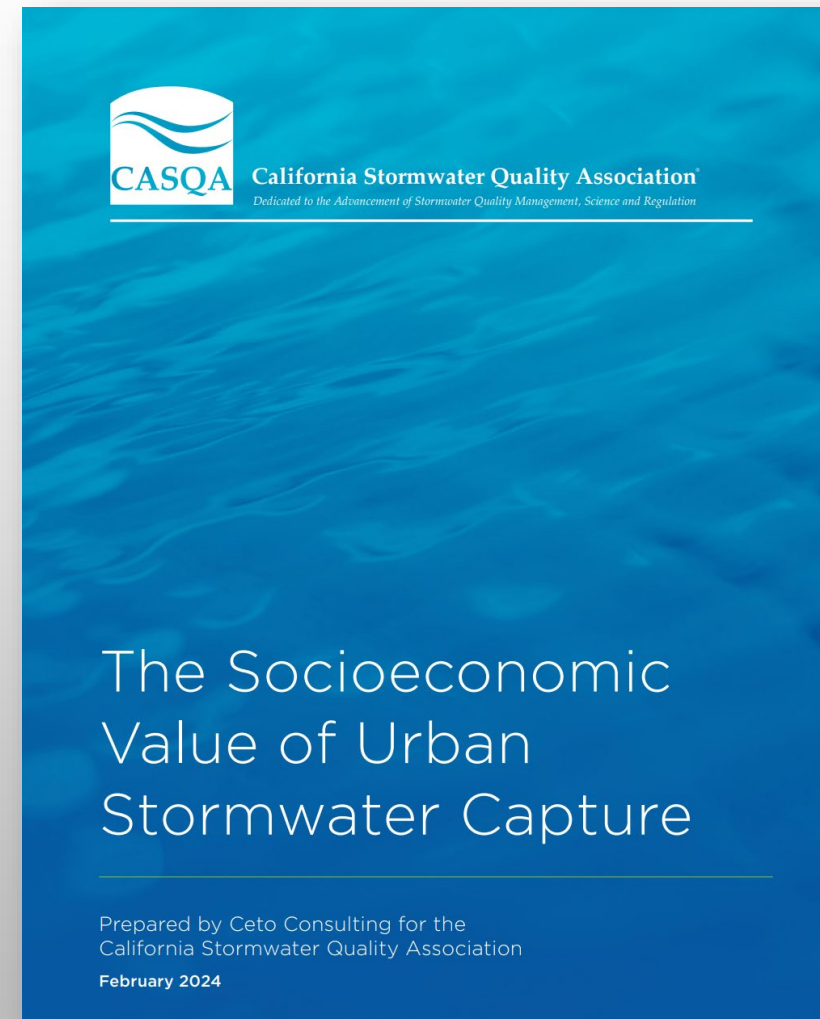
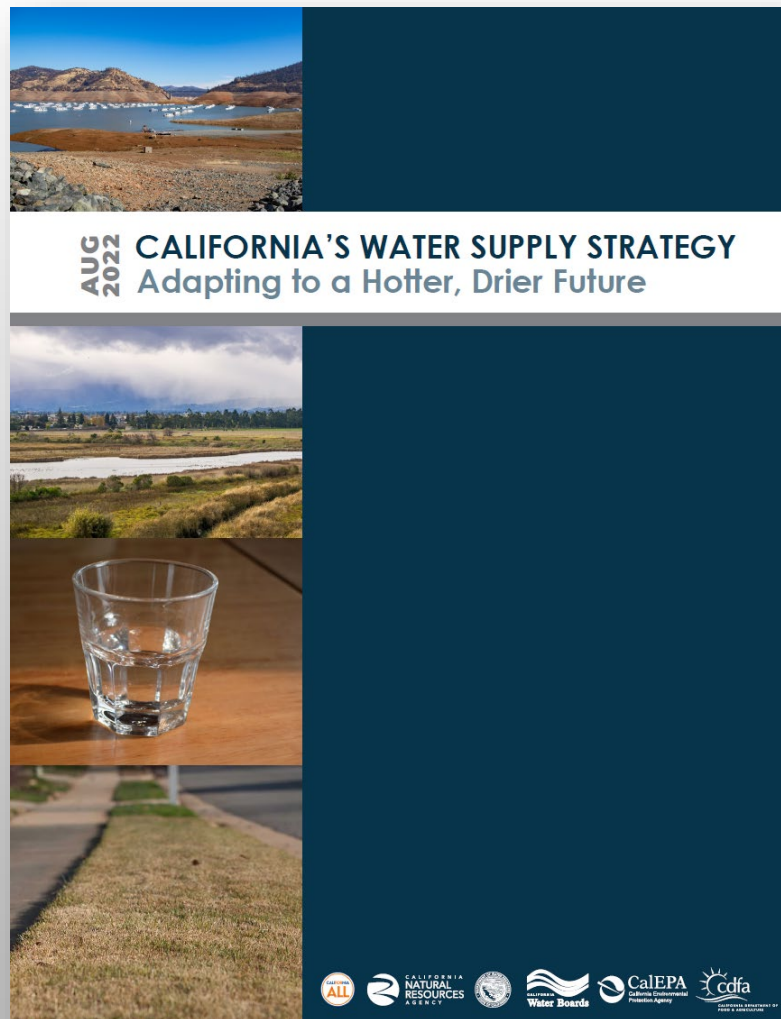
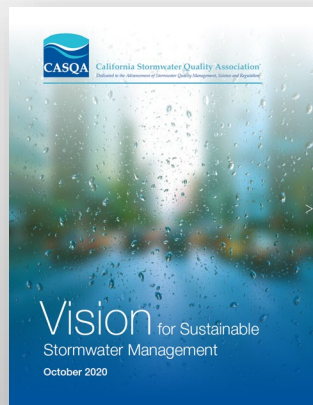
Supplemental
Funding

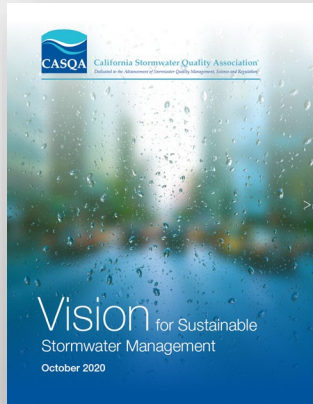
HOW MUCH FUNDING DO WE NEED?

WHO ARE YOU TRYING TO CONVINCE?

WHAT PROBLEM ARE YOU TRYING TO SOLVE?



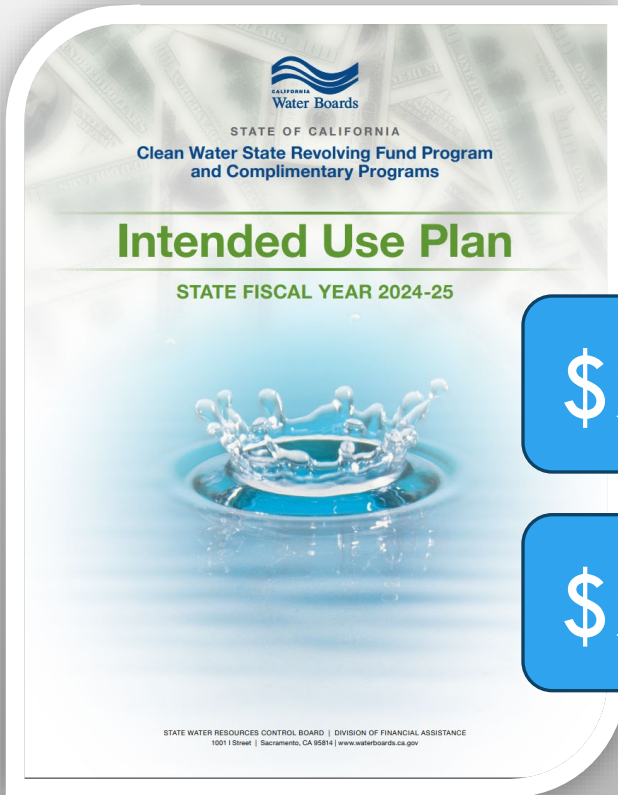




Protecting and Collecting Water for Our Future

<https://www.rainreadyca.org/>

STATEWIDE LANDSCAPE: FUNDING AVAILABILITY



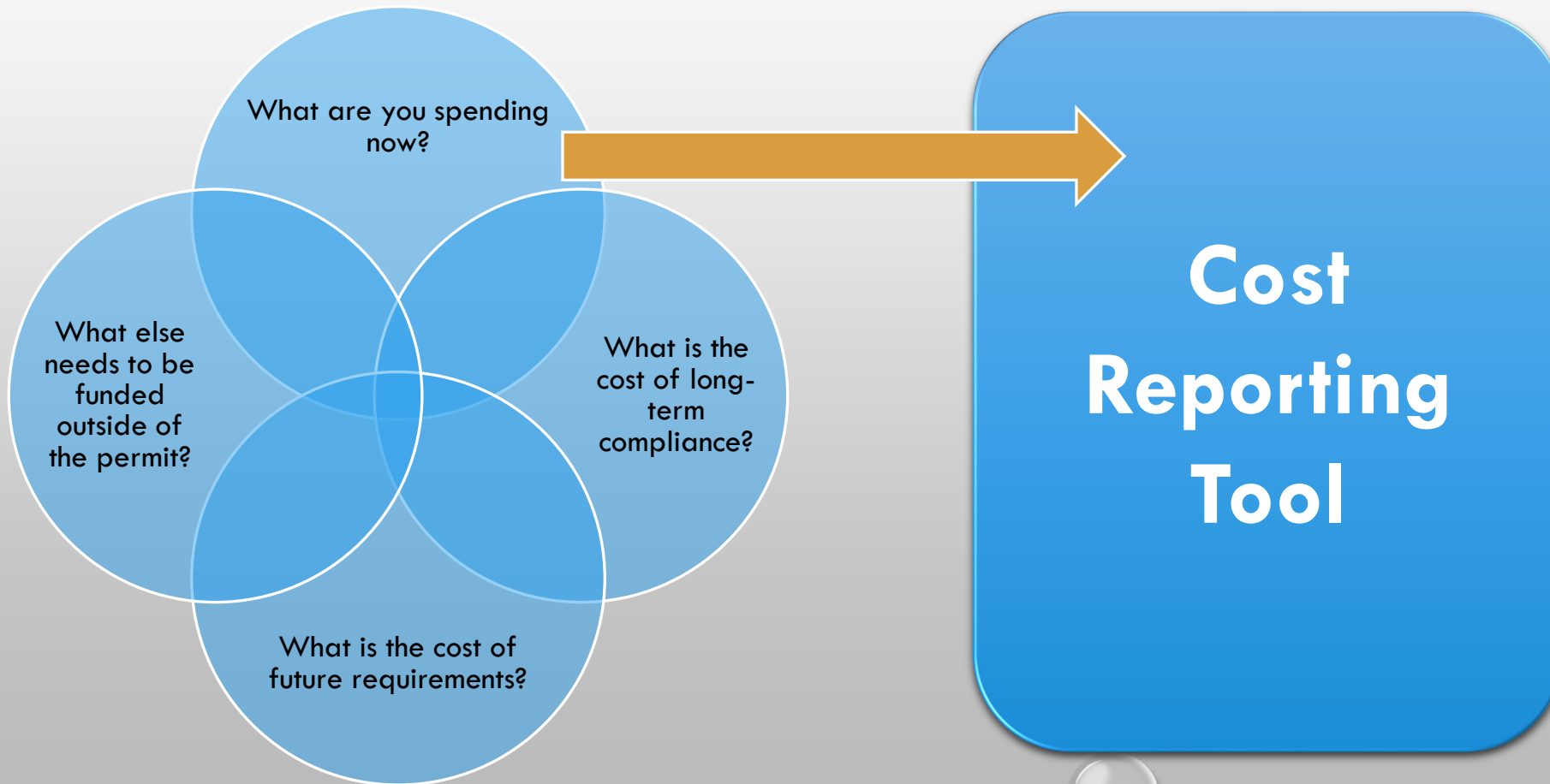
\$20M

\$20M

Proposition 4

\$150M for Stormwater
Other pots to access

STATEWIDE LANDSCAPE: STATEWIDE COST REPORTING POLICY

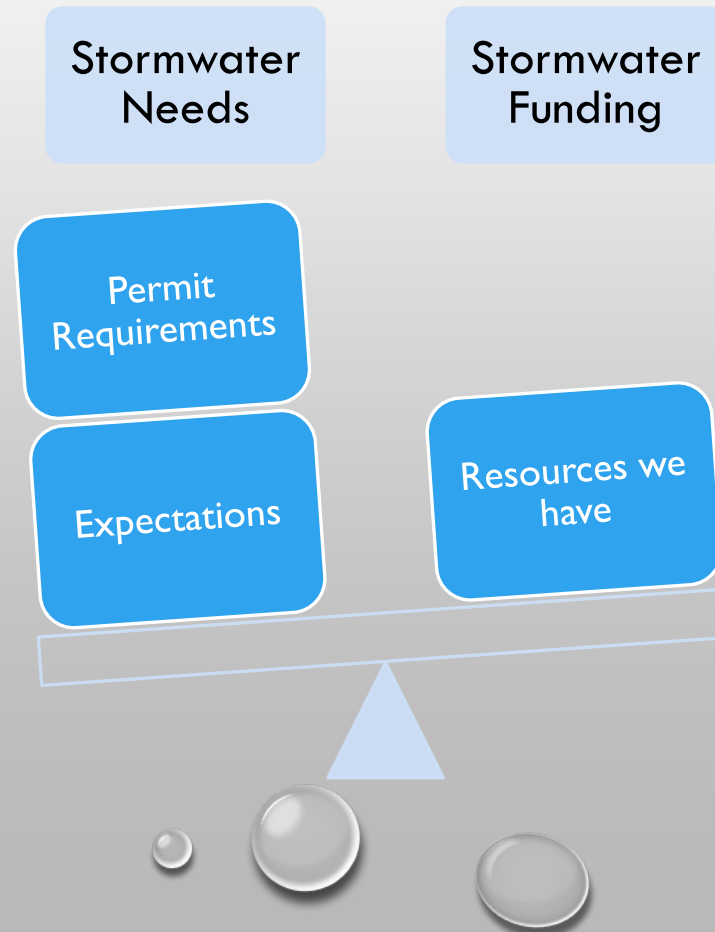


CALIFORNIA STORMWATER NEEDS ASSESSMENT

WHO ARE YOU TRYING TO CONVINCE?

WHAT PROBLEM ARE YOU TRYING TO SOLVE?

- CASQA LED
- STATE WATER BOARD SUPPORTED
- INITIATING 2026

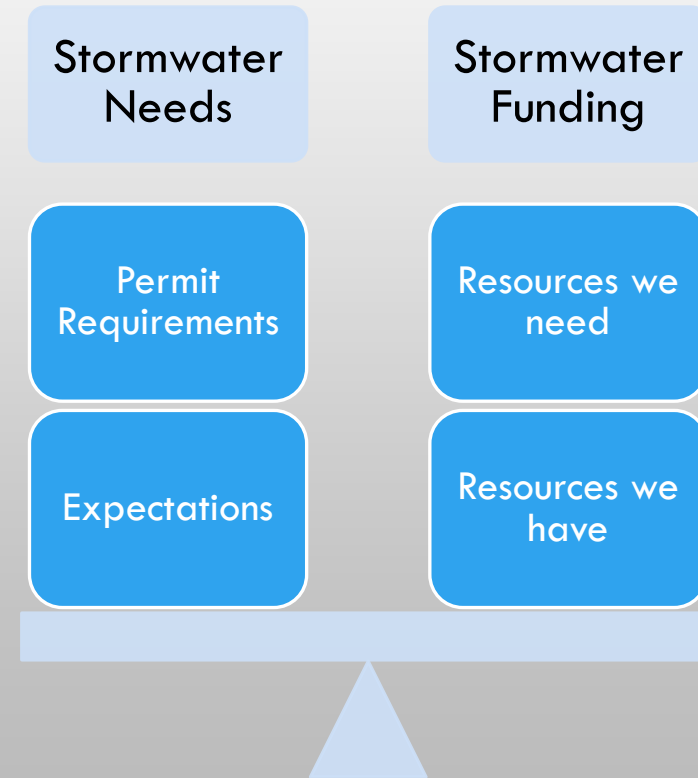


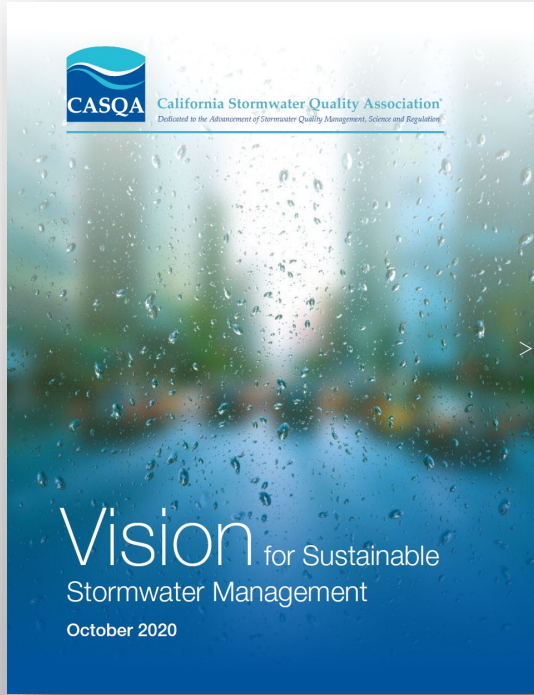
CALIFORNIA STORMWATER NEEDS ASSESSMENT

WHO ARE YOU TRYING TO CONVINCE?

WHAT PROBLEM ARE YOU TRYING TO SOLVE?

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- INITIATING 2026





Projects and Programs

Maximize Stormwater Capture

Minimize Pollution through True Source Control

Effective BMPs

Policies, Permits, Legislation

Support and amplify other aspects of the Vision

Public Education

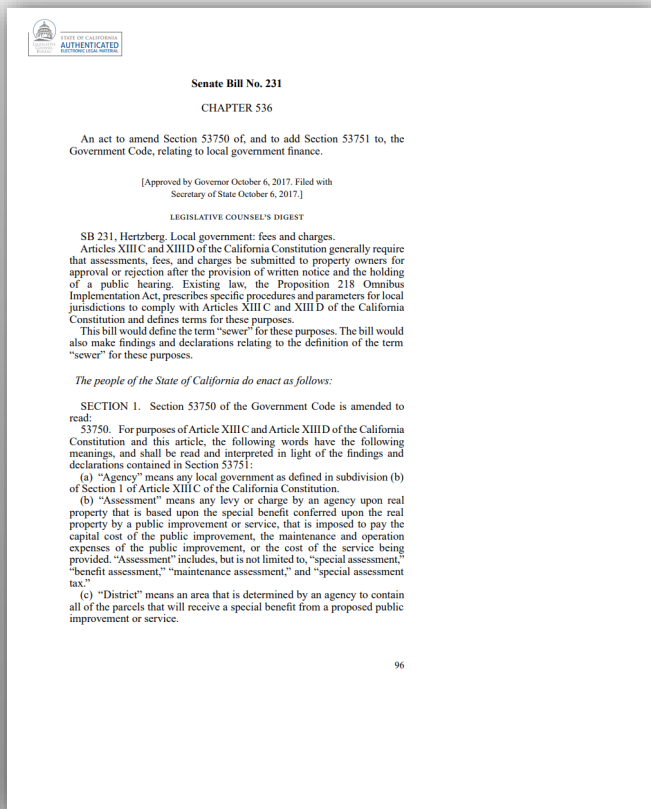
Stormwater is a resource

Funding

Dedicated Funding (Rate Payer)

Supplemental Funding

POLITICAL AND REGULATORY LANDSCAPE: DEDICATED FUNDING (RATE PAYER)



SB 231 (HERTZBERG; 2017)

- CLARIFIED SEWER = STORM SEWER IN PROP 218
- CONSTITUTIONAL?

UNFUNDED MANDATES LITIGATION

- CITED AS REASON BY WATER BOARDS FOR NO REIMBURSEMENT (HAVE ABILITY TO LEVY FEES)
- SAN DIEGO COUNTY CLAIM (2023) – COURT DECISION LIKELY NOT CONSTITUTIONAL

POLITICAL AND REGULATORY LANDSCAPE: DEDICATED FUNDING (RATE PAYER)

ACA-1 Local government financing: affordable housing and public infrastructure: voter approval. (2023-2024)

Text Votes History Bill Analysis Today's Law As Amended Compare Versions Status Comments To Author

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Assembly Constitutional Amendment No. 1

CHAPTER 173

A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Sections 1 and 4 of Article XIII A thereof, by amending Section 2 of, and by adding Section 2.5 to, Article XIII C thereof, by amending Section 3 of Article XIII D thereof, and by amending Section 18 of Article XVI thereof, relating to local finance.

[Filed with Secretary of State September 20, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

ACA 1, Aguilar-Curry. Local government financing: affordable housing and public infrastructure: voter approval.

(1) The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions.

This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, including downpayment assistance, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, city and county, or special district, as applicable, and the proposition includes specified accountability requirements. The measure would prohibit a city, county, city and county, or special district from placing a proposition on the ballot pursuant to these provisions if the voters have previously approved a proposition pursuant to these provisions or the below special tax provisions until all funds from the previous proposition are committed to programs and projects listed in the specific local program or ordinance, as described. The measure, subject to certain vote thresholds, would authorize the Legislature to enact laws establishing additional accountability measures and laws for the downpayment assistance programs authorized by the measure, as specified. The measure would specify that these provisions apply to any city, county, city and county, or special district measure imposing an ad valorem tax to pay the interest and redemption charges on bonded indebtedness for these purposes that is submitted at the same election as this measure.

(2) The California Constitution conditions the imposition of a special tax by a local government upon the approval of $\frac{2}{3}$ of the voters of the local government voting on that tax.

This measure would authorize a local government to impose, extend, or increase a sales and use tax or transactions and use tax imposed in accordance with specified law or a parcel tax for the purposes of funding the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, including downpayment assistance, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by a majority vote of the membership of the governing board of the local government and by 55% of its voters voting on the proposition and the proposition includes specified accountability requirements. The measure would prohibit a local government from placing a proposition on the ballot pursuant to these provisions if the voters have previously approved a proposition pursuant to these provisions or the above ad valorem tax provisions until all funds from the previous proposition are committed to programs and projects listed in the specific local program or ordinance, as described. The measure, subject to certain vote thresholds, would authorize the Legislature to enact laws establishing additional accountability measures and laws for the downpayment assistance programs authorized by the measure, as specified. This measure would also make conforming changes to related provisions. The measure would specify that these provisions apply to any local measure imposing, extending, or increasing a sales and use tax, transactions and use tax, or parcel tax for these purposes that is submitted at the same election as this measure.

(3) The California Constitution prohibits specified local government agencies from incurring any indebtedness exceeding in any year the income and revenue provided in that year, without the assent of $\frac{2}{3}$ of the voters and subject to other conditions. In the case of a school district, community college district, or county office of education, the California Constitution permits a proposition for the incurrence of indebtedness in



California Stormwater Quality Association
Dedicated to the Advancement of Stormwater Quality Management, Science and Regulation

August 29, 2023

The Honorable Cecilia Aguilar-Curry
Assemblymember, California State Assembly
1021 O Street, Suite 6350
Sacramento, CA 95814

Subject: ACA 1 (Aguilar-Curry) Local government financing – SUPPORT and AMEND

Dear Assemblymember Aguilar-Curry:

On behalf of the California Stormwater Quality Association (CASQA), we write in strong support of ACA 1, which will lower the necessary voter threshold from a two-thirds supermajority to 55% to approve local general obligation (G.O.) bonds and special taxes for affordable housing and public infrastructure projects such as stormwater capture. **Additionally, we are requesting a clarifying amendment** that will further the objectives of ACA 1 by allowing stormwater projects to undergo the same process as funding for water and sewer projects, a technicality that has already been approved by the Legislature in SB 231 (Hertzberg, 2017), yet has faced severe implementation challenges due to the lack of clarity in the California Constitution. CASQA is a nonprofit corporation that advances sustainable stormwater management protective of California water resources. With approximately 2,000 members, our membership is comprised of a diverse range of stormwater quality management organizations and individuals, including over 180 cities, 23 counties, special districts, federal agencies, state agencies, ports, universities and school districts, wastewater agencies, water suppliers, industries, and consulting firms throughout the state. Collectively, CASQA represents over 36 million people in California.

ACA 1 is targeted to the urgent needs facing local communities. Among other critical projects, this measure gives local governments a more realistic financing option to fund stormwater capture and urban flood prevention projects to address the most critical challenge cities, counties, and special districts are facing in constructing—funding.

The California Constitution currently requires a two-thirds vote at the local level for both G.O. bonds and special taxes, regardless of what the city, county, or special district proposes to use the funds for. However, local school districts can seek approval for bonded indebtedness with only a 55% vote threshold for the construction, reconstruction, rehabilitation, or replacement of schools.

ACA 1 will level the playing field and create parity with school districts so that cities, counties, and special districts have a viable financing tool to help address important community needs for critical stormwater capture infrastructure. Local voters would still need to overwhelmingly support a bond or special tax (with 55%) in order for it to be approved, thus protecting voters' control over how their tax dollars are spent. The bill also provides specific requirements for voter protection, public notice, and financial accountability.

If we have learned anything from California's record-breaking wet winter and severely changing climate, it is that we must invest in better infrastructure to prepare for more extreme droughts and floods. Investing and incentivizing stormwater capture projects will build water resilience across the state, enhance water quality in our sacred watersheds and protect communities from catastrophic flooding events. As identified by the California Water Supply Strategy, most stormwater capture/urban flood projects in California lack dedicated funding. While stormwater

POLITICAL AND REGULATORY LANDSCAPE: DEDICATED FUNDING (RATE PAYER)

ACA-10 Local gov

Text Votes Histor

SHARE THIS: 

A resolution dire

ACA 10, Aguar-C

Assembly Constitu
would add Section
transactions and
infrastructure, aff
approved by a ma
ACA 1 would also

This measure wou
those amendment

ACA 1 would crea
city, county, or s
supportive housin
applicable, voting
for these purposes

This measure wou
voted on at the s
developments, or
income household

2024 CALIF. 5 - LOWER LOCAL APPROVAL THRESHOLD TO FUND HOUSING PROJECTS GENERAL BALLOT MEASURE

AP
certified
results

No wins. AP race call at 8:39 a.m. on Nov. 8, 2024.

CANDIDATE	VOTES	PCT.
 No	8,239,337	55.0%
Yes	6,738,890	45.0%

Updated Dec 16, 2024, 9:03 AM



June 21, 2024

The Honorable Cecilia Aguiar-Curry
Assemblymember, California State Assembly
1021 O Street, Suite 6350
Sacramento, California 95814

Subject: ACA 10 (Aguiar-Curry) Local government financing – OPPOSE UNLESS AMENDED

Dear Assemblymember Aguiar-Curry:

On behalf of the California Stormwater Quality Association (CASQA), we were pleased to support ACA 1, which would, if approved by voters, lower the necessary voter threshold from a two-thirds supermajority to 55% to approve local general obligation (G.O.) bonds and special taxes for affordable housing and public infrastructure projects such as stormwater capture. Given ACA 10 removes special taxes from ACA 1 and proposes a definition of public infrastructure that omits stormwater infrastructure, we must unfortunately OPPOSE UNLESS AMENDED.

Local communities face urgent infrastructure needs for stormwater capture and flood control projects. The largest barrier to meeting these local needs is funding. Proposition 218 created a significant barrier to funding these projects in local communities, resulting in a reliance on local general funds for capital investments – the same source of funding for law enforcement, fire, paramedics, parks, street lighting and libraries. The result – this infrastructure remains largely unfunded and stormwater programs are the only water resource sector without a rate base.

Many communities can achieve local voter approval at the 55% threshold, yet struggle to meet the substantially higher barrier of a two-thirds approval. ACA 1 rightfully aligns the voter approval threshold for new public infrastructure to 55%, consistent with the existing threshold established in the California Constitution for school districts. Status quo, as proposed by ACA 10, ensures that this critical infrastructure will continue to lag behind, falling short of providing these fundamental services and meeting local community needs.

The risks of failing to invest in this infrastructure are growing. Flooding costs the US economy between \$179.8 and \$496 billion per year, equivalent to 1-2% of the US GDP.² Through the benefits lens, stormwater capture projects

¹ CASQA is a nonprofit corporation that advances sustainable stormwater management protective of California water resources. With well over 2,000 members, our membership is comprised of a diverse range of stormwater quality management organizations and individuals, including cities, counties, special districts, federal agencies, state agencies, ports, universities and school districts, wastewater agencies, water suppliers, industries, and consulting firms throughout the state. Collectively, CASQA represents over 34 million people in California.

² JEC Report on Economic Cost of Flooding. Senate Joint Economic Committee. June 10, 2024.

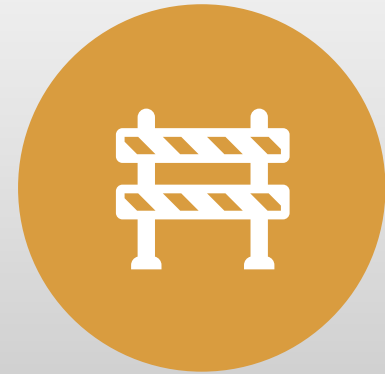
POLITICAL LANDSCAPE: DEDICATED FUNDING (RATE PAYER)



AFFORDABILITY



PARTNERSHIPS WITH
OTHER WATER SECTORS



PUSH FOR A STATEWIDE
CII PERMIT

PATHS FORWARD

Dedicated Funding

- Prop 218 constitutional fix
- Continued push at local level (where 2/3 threshold can be met)
- Sales Tax?

Supplemental Funding

- Clean Water State Revolving Fund (Principal Forgiveness + Loans)
- Prop 4
- Creative regional Funding Strategies (Post-Construction)
- Ensure Supplemental funding does not create new barriers to Dedicated Funding

WHAT YOU CAN DO

01

Support Prop
218 Reform

02

Initiate work
to support
local measures

03

Initiate plans
for projects

04

Access funding
when it is
available



WHAT YOU CAN DO

01

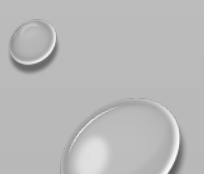
Implement
Rain Ready
California

02

Manage and
regulate
stormwater as
a resource

03

Develop
projects that
collect the rain





TOGETHER!
WE CAN MAKE A DIFFERENCE!