



# Stormwater Department Final Audit Response

February 2022





# 2018 Stormwater Audit Documented Historic Underfunding

## **Audit Recommendation #5**

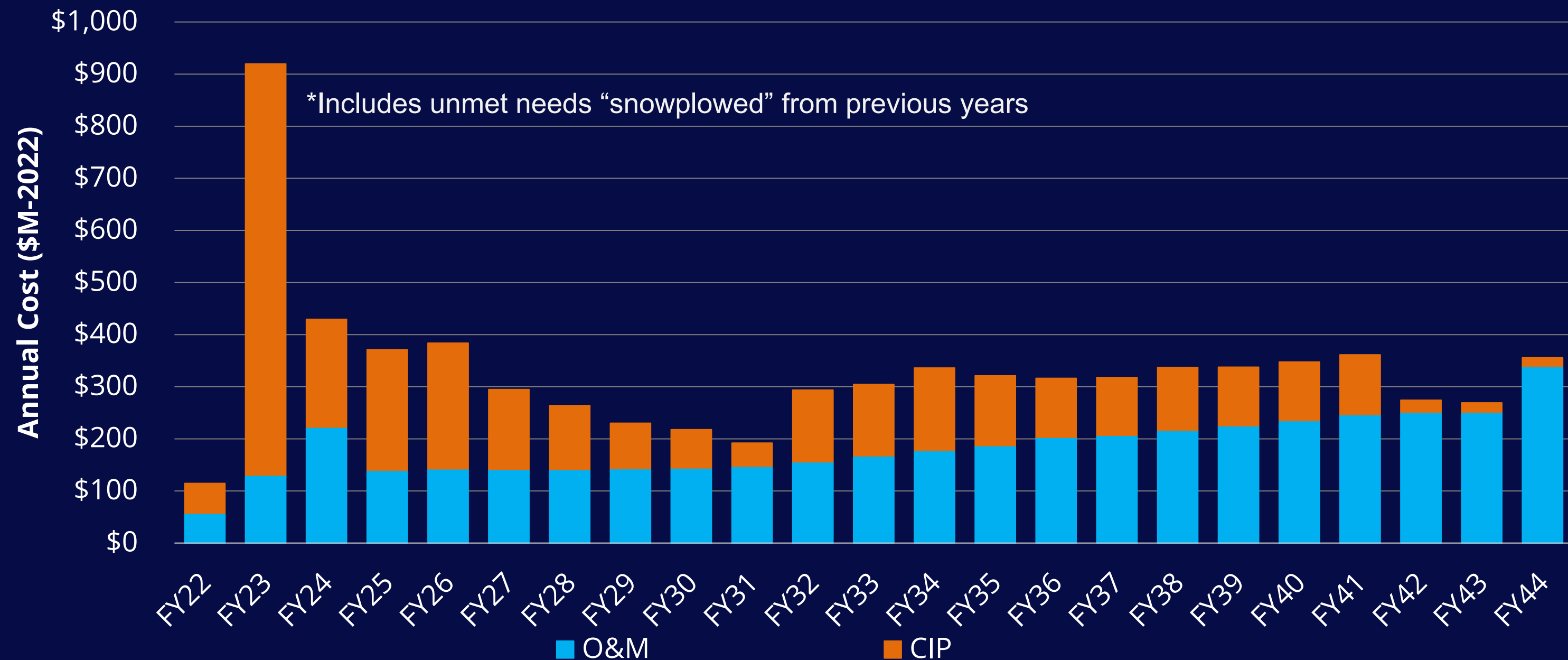
1. Develop a long-term funding strategy
2. Due January 2021
3. Implementation updates provided in July 2021 and November 2021

## **Audit Recommendation #6**

1. Assess funding mechanism options
2. Conduct surveys and stakeholder outreach and engagement
3. Final required item per Audit



# Funding Needs Continue to Grow at a Rapid Rate



➤ **Bottom line: A long-term, dedicated funding mechanism is needed.**



# Public Opinion Research Approach



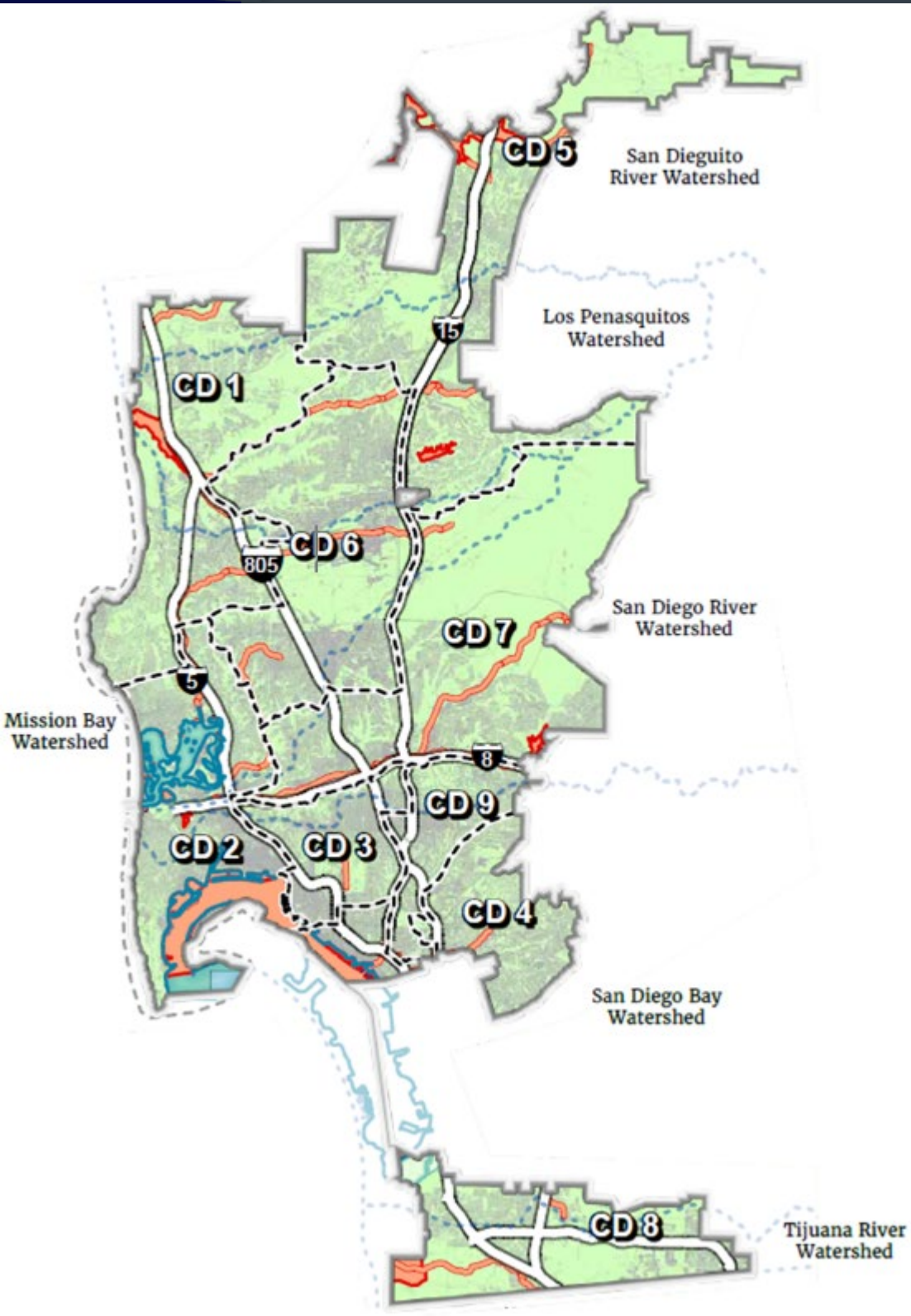
# FY2021 and FY2022: 3 surveys and 4 focus groups

Public Opinion Research Activity	Primary Elements Tested
December 2020 Survey	<ul style="list-style-type: none"><li>• Understanding, value, and priorities</li><li>• Perceived funding need</li></ul>
March 2021 Survey	<ul style="list-style-type: none"><li>• Willingness to pay</li><li>• Educational and critical statements</li><li>• Priorities</li></ul>
May 2021 Focus Groups	<ul style="list-style-type: none"><li>• Willingness to pay</li><li>• Outcomes of stormwater programs</li><li>• Awareness and understanding</li></ul>
August 2021 Survey	<ul style="list-style-type: none"><li>• Willingness to pay</li><li>• Educational and critical statements</li><li>• Priorities</li></ul>





# Proportional representation of potential voters throughout City reached



- **Surveys**
  - English and Spanish
  - Online and phone
  - Diverse demographics, geographic locations
- **Focus groups**
  - By geographic region
  - Video conference
  - Screened for representative demographics

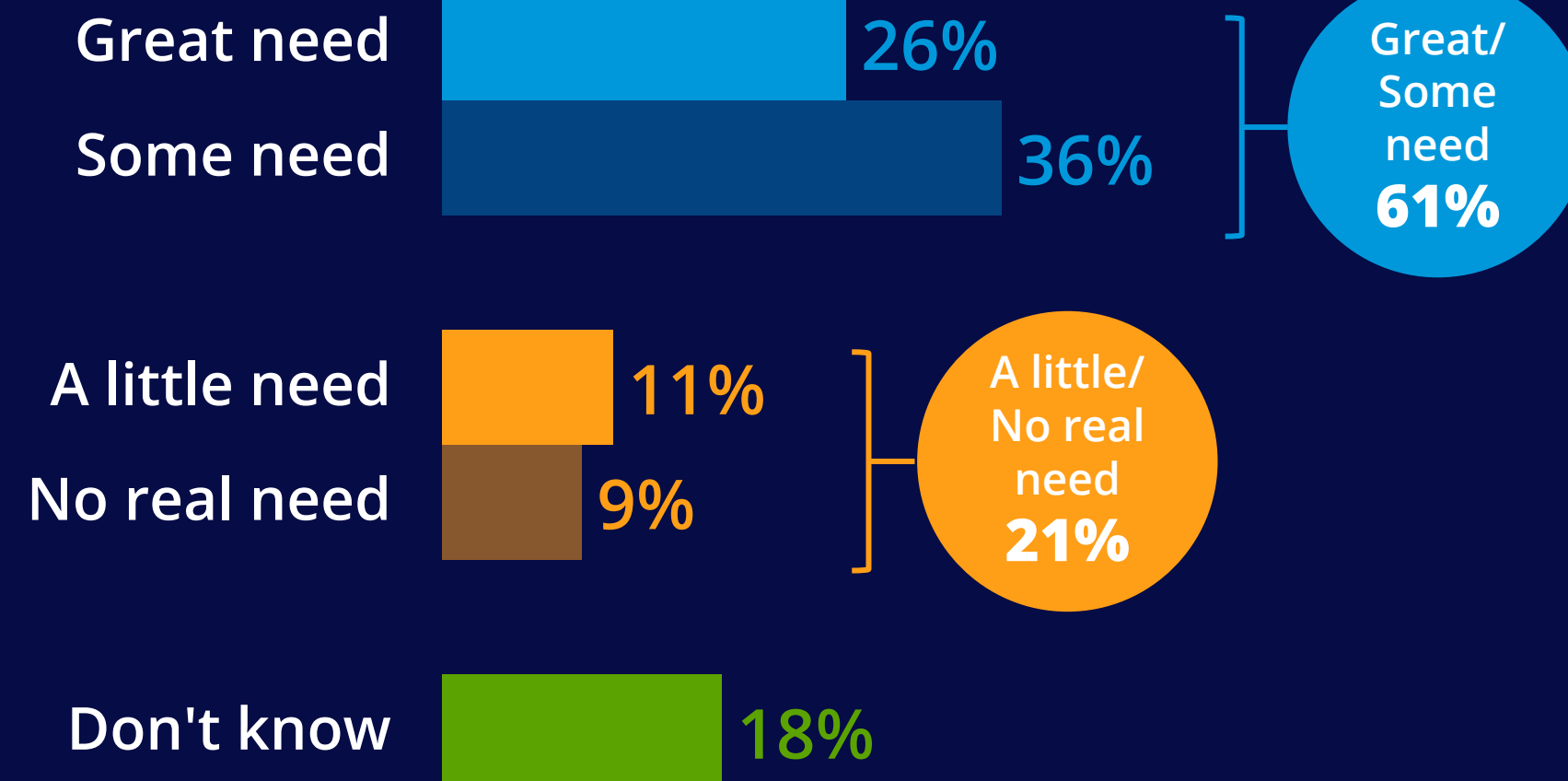


# Public Opinion Research Findings

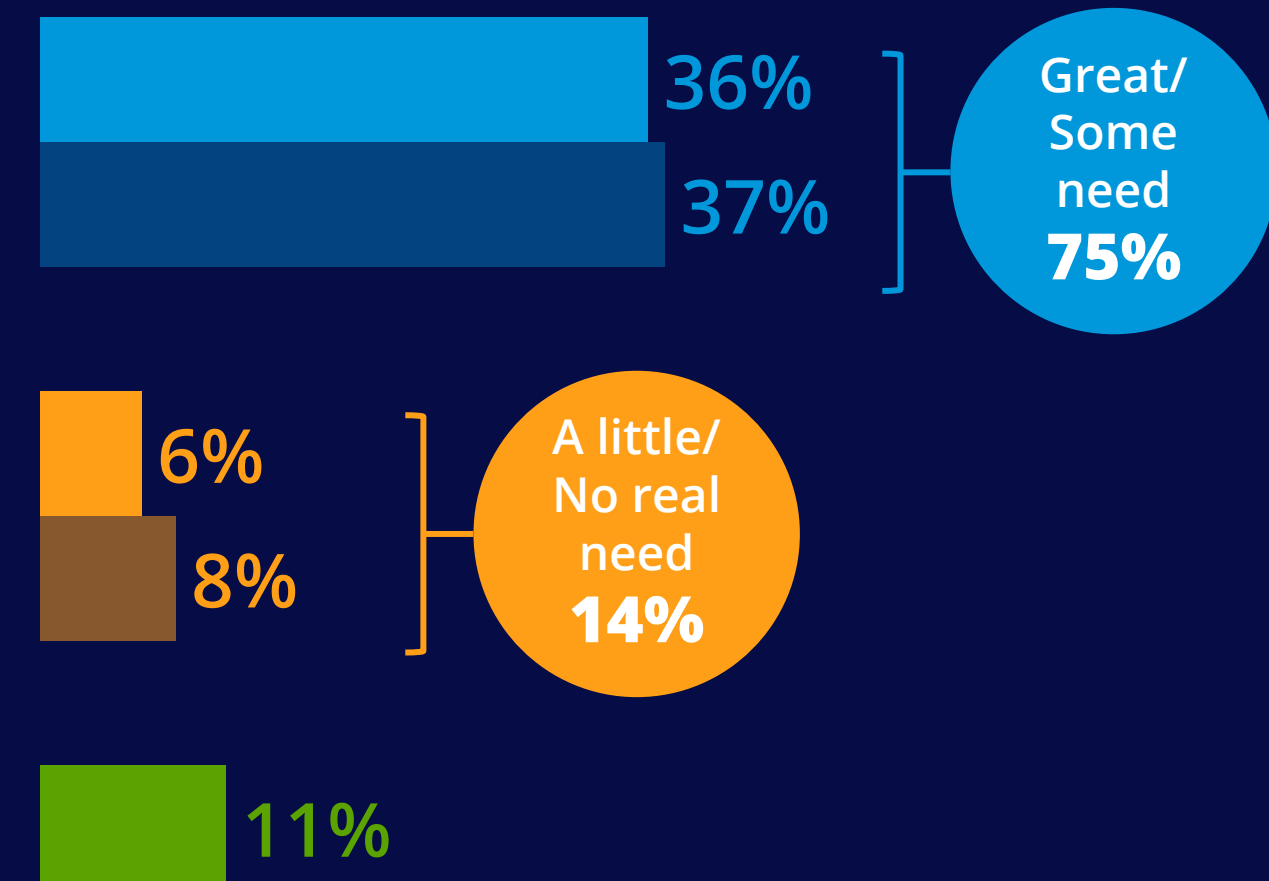


# There is a strong perceived need for additional stormwater funding

## Maintain Existing Storm Drain System



## Clean and Protect Local Water Quality



December 2020 Survey





# San Diegans value the outcomes that could be achieved by funding stormwater



- Improving and protecting water quality
- Protecting Marine Life
- Reducing trash and pollution
- Capturing stormwater for use
- Preventing flooding
- Preventing damage from failed stormwater infrastructure





# Various Funding Mechanism Scenarios Tested

- Impermeable area (per square foot) and property type (flat rate per parcel)
- Variable rates amounts
- Typical ratepayer impacts and estimated revenue estimated for each scenario







# Impermeable area recommended as the basis for a stormwater funding measure

- Impermeable area perceived as more equitable
- Impermeable area is most commonly used basis for stormwater charges nationwide

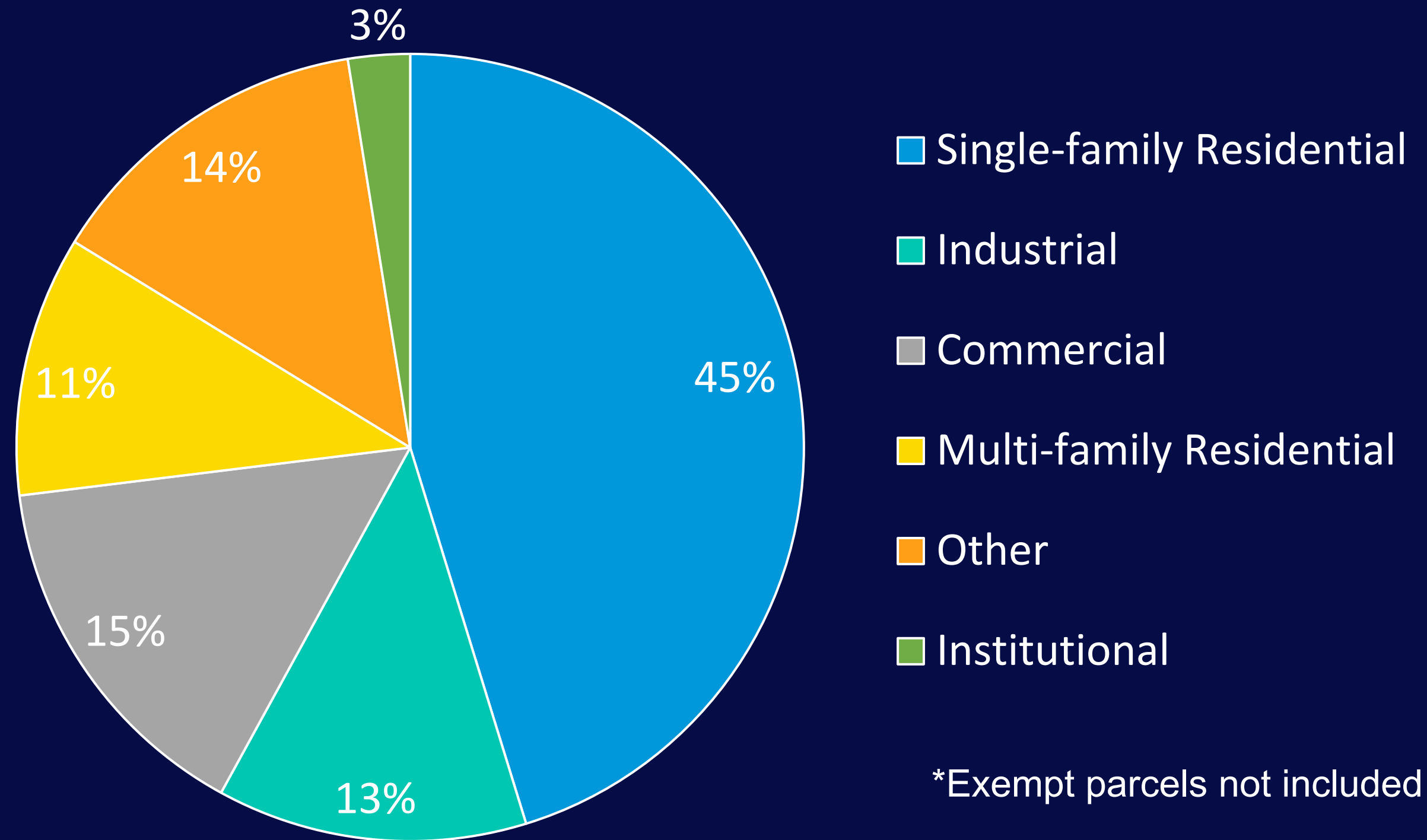


Impermeable Area Example (Demonstration Purposes)





# Parcel Distribution by Ownership



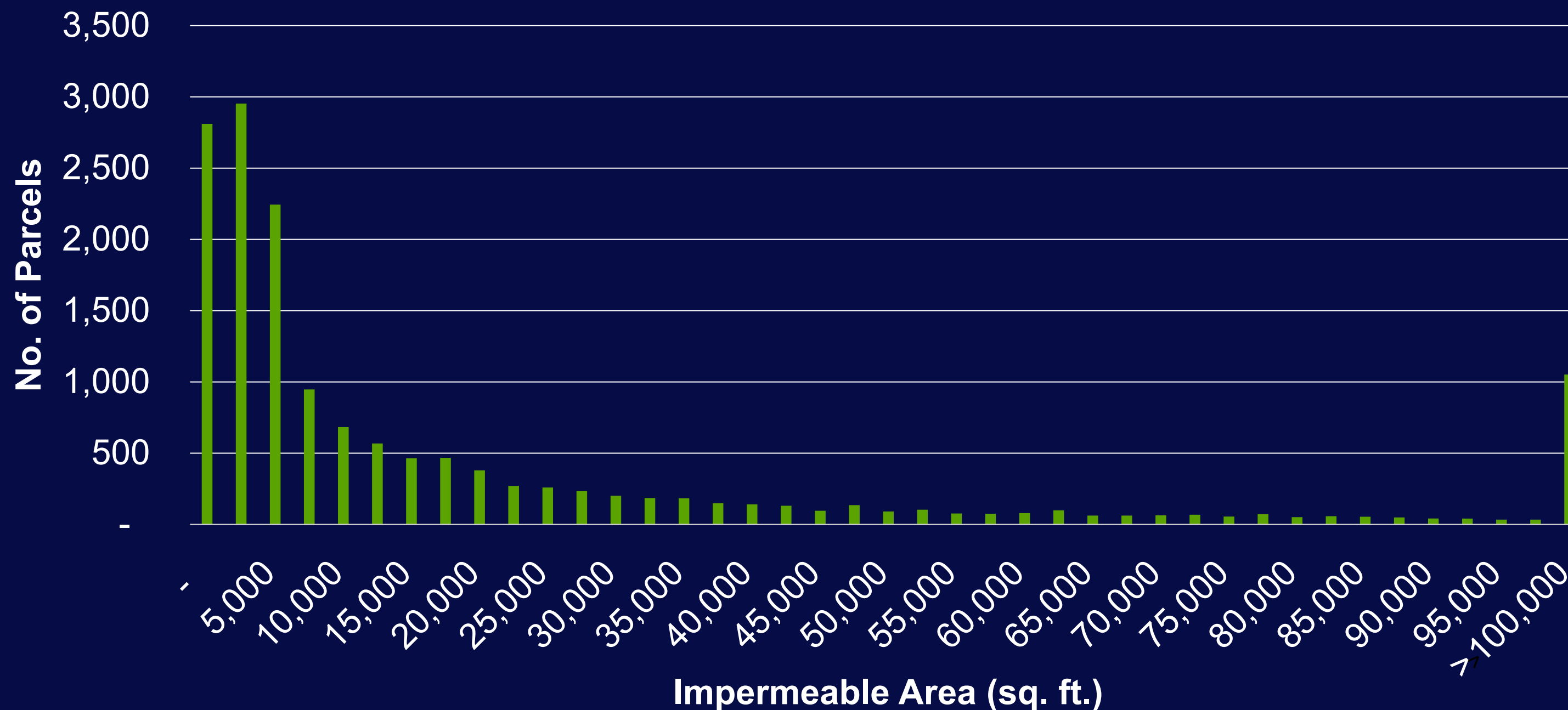


# Impermeable Area Funding Mechanism Scenarios Tested

Rate Basis Tested in Surveys	Typical Single-Family Residential Bill		Commercial/Industrial Bill	Estimated Annual Revenue Generated (\$M)
	Median Annual	Median Monthly		
\$0.04 per SF	\$128	\$10.67	See Next Slide  Non-residential ratepayer impacts vary widely based on parcel-specific impermeable area	~\$74 M
\$0.045 per SF	\$144	\$12.00		~\$83 M
\$0.05 per SF	\$160	\$13.33		~\$93 M



# Commercial/industrial ratepayer impacts vary widely based on impermeable area

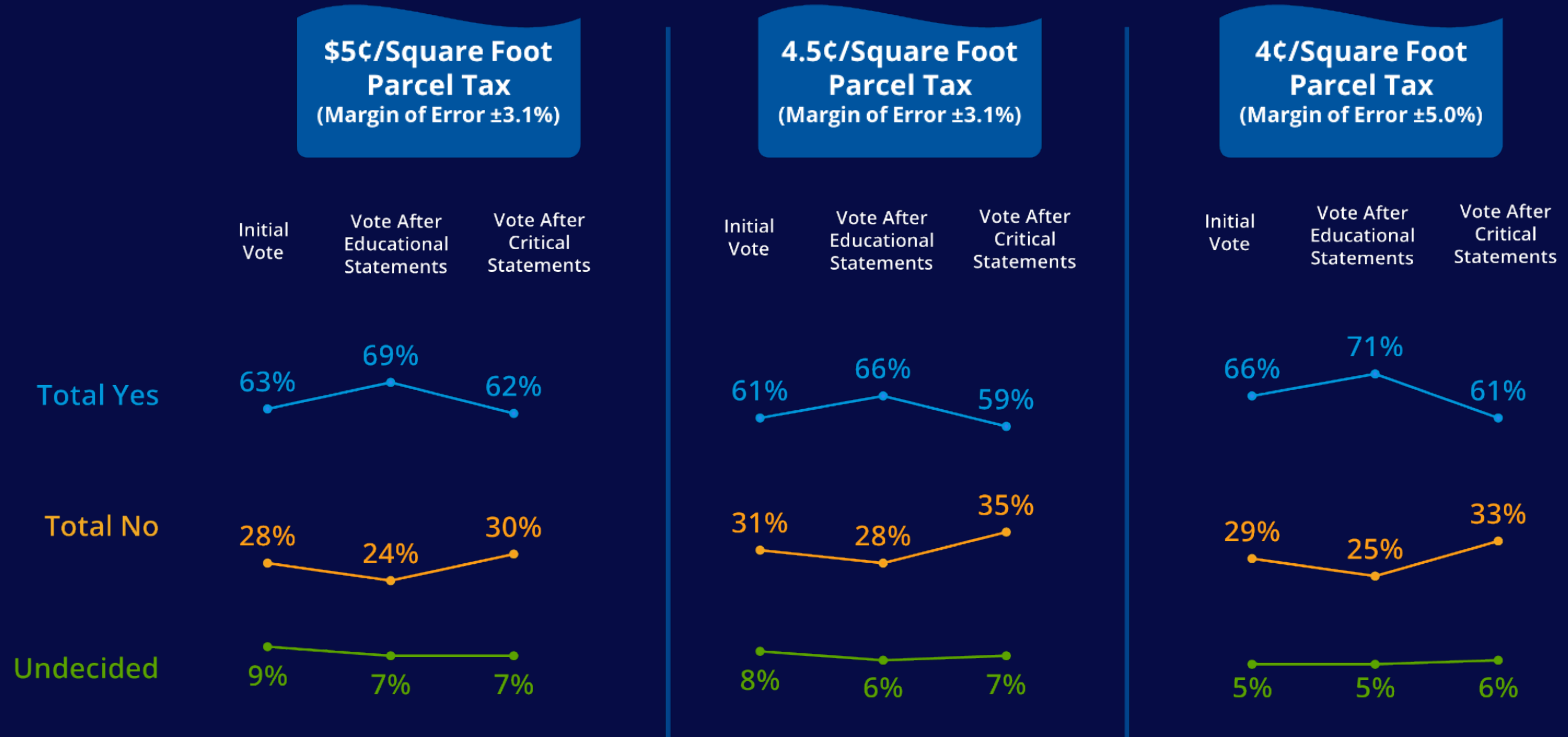


Example: Parcel with 5,000 sq-ft impermeable area at rate of 4 cents per sq-ft impermeable area  
 $5,000 \text{ sq-ft} * \$0.04 \text{ per sq-ft} = \text{\$200 per year}$





# Several funding mechanism options were surveyed





# Ongoing education and engagement for stormwater is essential



- Stormwater issues and services are not well understood, **but the outcomes are valued**
- **Ongoing education & engagement** should continue through Think Blue San Diego
- Coordinated media campaign on importance of improving stormwater quality
- Revamped ThinkBlue.org

Think Blue 2021  
Relaunch Event







# Moving Forward with Limited Resources





# Stormwater is Continuing to Further High-Priority Efforts Even with Limited Funding

- Pipe repair team has doubled rate of repairs
- Stormwater harvesting/drought resilience assessments are underway
- Communications & engagement through Think Blue San Diego has accelerated



Stormwater  
Harvesting



Pipe Inspections





# Near-term Funding and Financing Options

- WIFIA in negotiations
- CWSRF being evaluated
- Grants awarded
- State Budget Allocation anticipated
- Cost recovery efforts in progress

Los Peñasquitos Lagoon







# Near-term Funding and Financing Options

- Stormwater enforcement – proposed updates to monetary penalties
- Street sweeping – outlining process for fine increase and/or addition of posted routes
- Stormwater inspection & reinspections – pursuing municipal code change







# Moving Forward

- Upcoming staffing and budget requests will reflect need
- Continued coordination with Mayor, City Councilmembers, and key stakeholders



San Dieguito River





# Thank you!