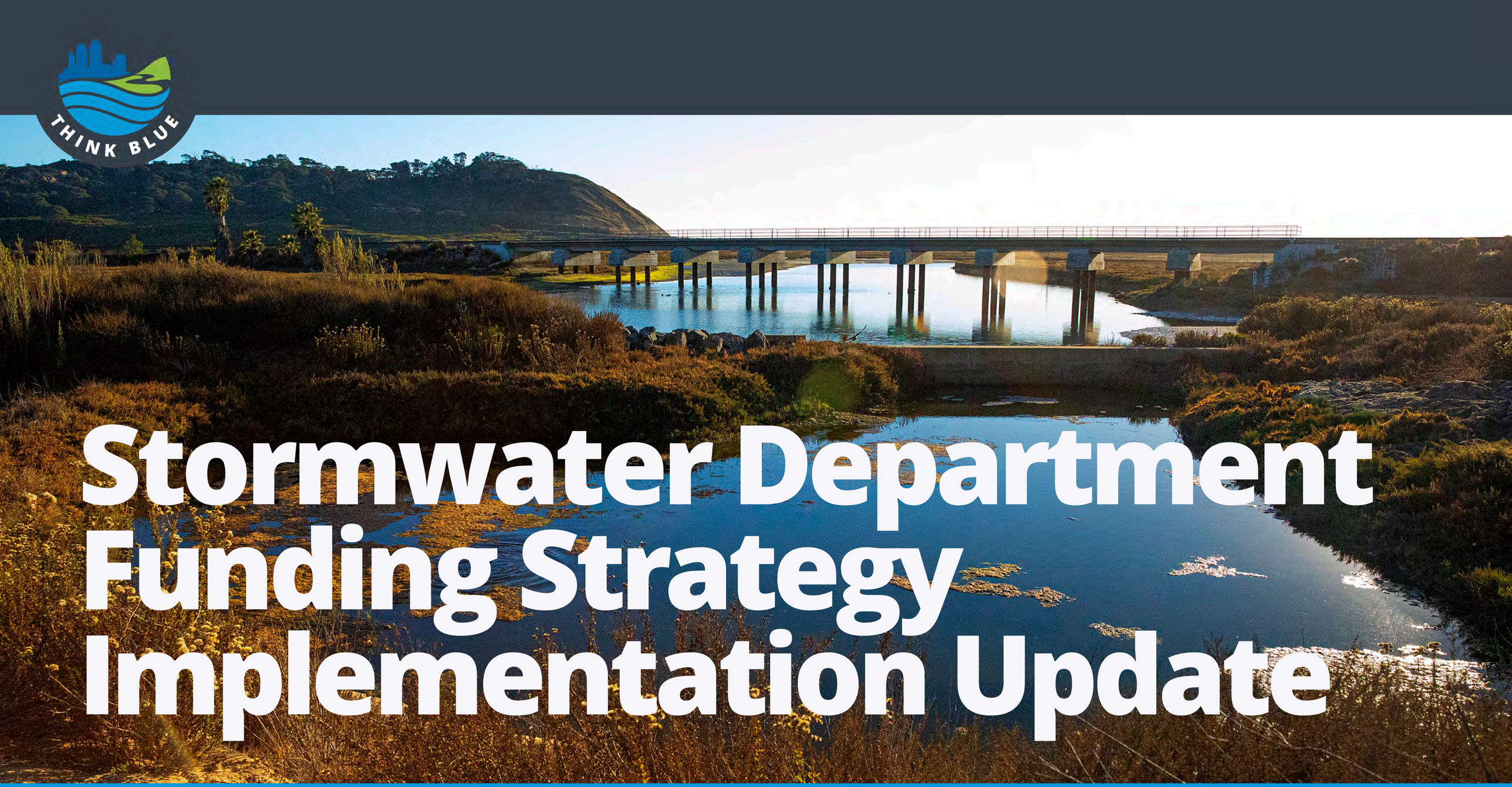
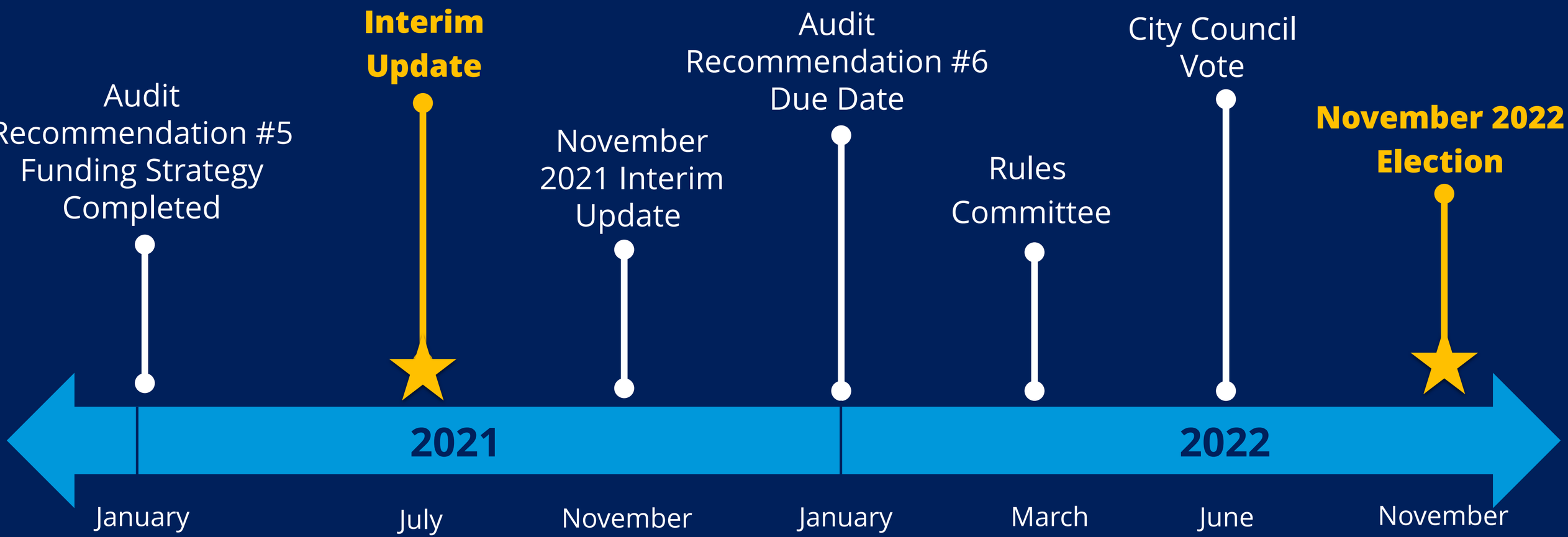


Stormwater Department Funding Strategy Implementation Update

Funding Strategy Implementation Update

- Funding Strategy implementation timeline
- FY2021 stormwater snapshot
- Funding measure assessment update
- FY2022 lookahead

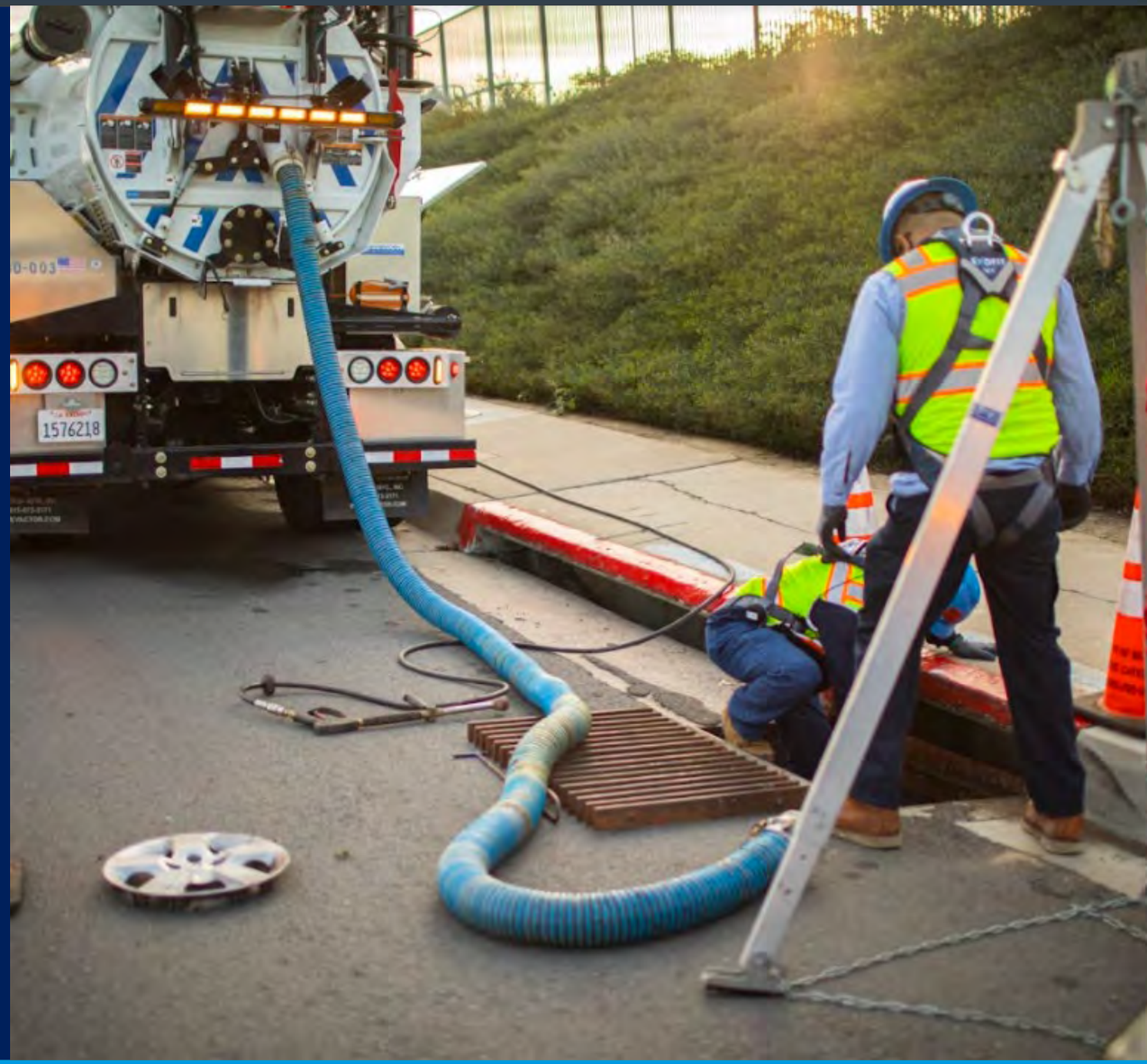
2018 Stormwater Audit Documented Historic Underfunding



FY2021 Snapshot

Impacts of Continued Underfunding

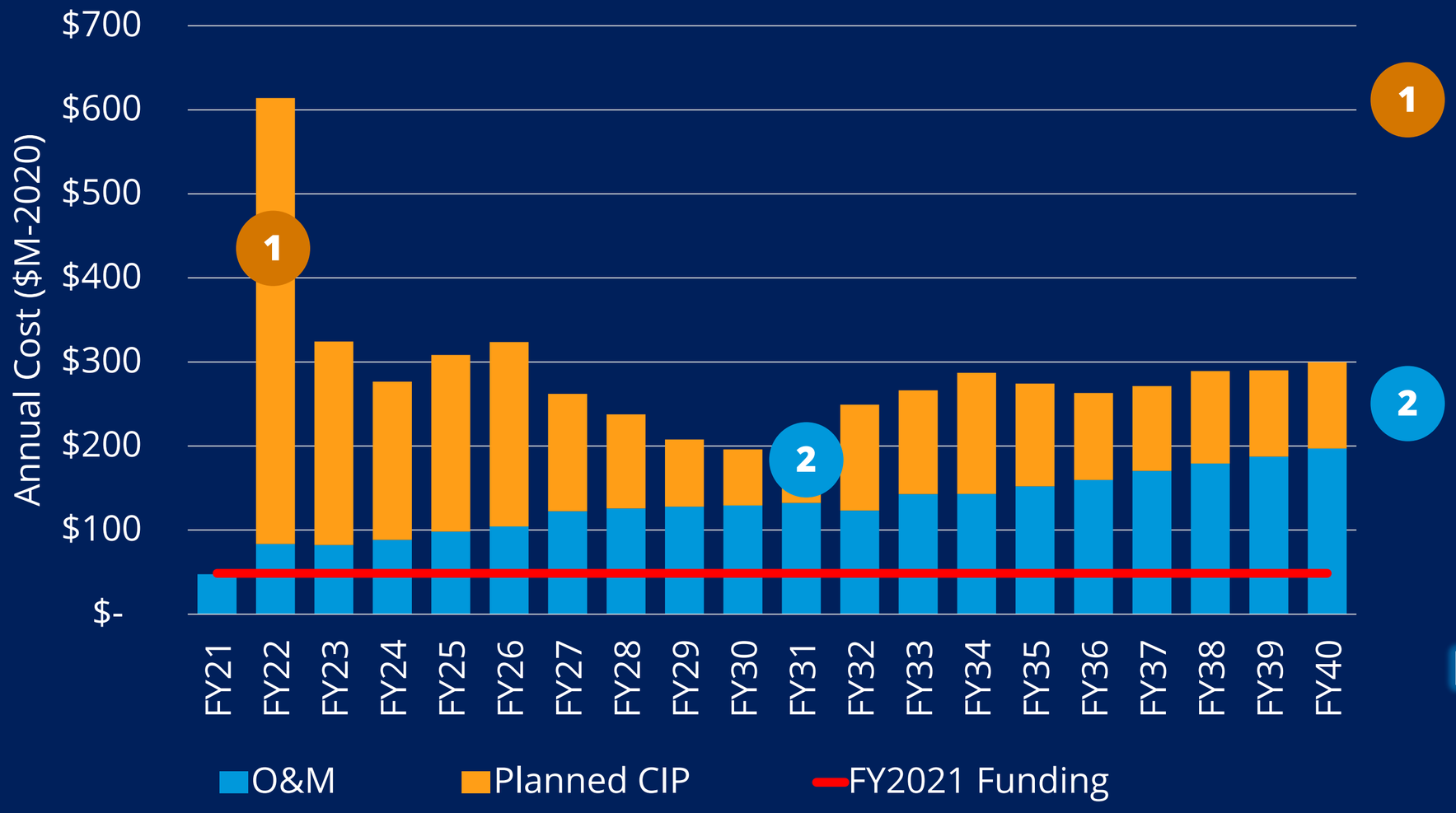
- FY2021 Funding Need = **$521 M**
- FY2021 Budgeted = **$48.5 M**
- Resulted in:
  - **11 emergency failures**
  - Delays in **environmental water quality** progress



FY2021 Progress and Innovation

SRF and WIFIA Loans

Long-term Funding Mechanism Needed



1 Deferred CIP costs continue to accumulate each year as projects are unfunded.

2 O&M costs continue to increase as additional CIP are built and must be cash funded.

BOTTOM LINE: long-term, dedicated funding mechanism(s) needed

Development of a Funding Measure

FY2021 Public Opinion Research

- March 2021 Survey
- May 2021 Focus Groups
- Objectives:
  - Voter values
  - Language that resonates
  - Willingness to pay

Stormwater Methods Tested

- **Impermeable Area**
  - Cents per square foot
- **Property type**
  - Single-family residential
  - Multi-family residential
  - Other types

Impermeable Area Example (Demonstration Purposes)

Survey and Focus Group Key Takeaways

- **Education and engagement are paramount** for voters to make an informed decision
- **Water quality** is highly valued
- Greater support for rate basis by **impermeable area** than by property type
- **Two-thirds threshold may be feasible** for a stormwater funding measure

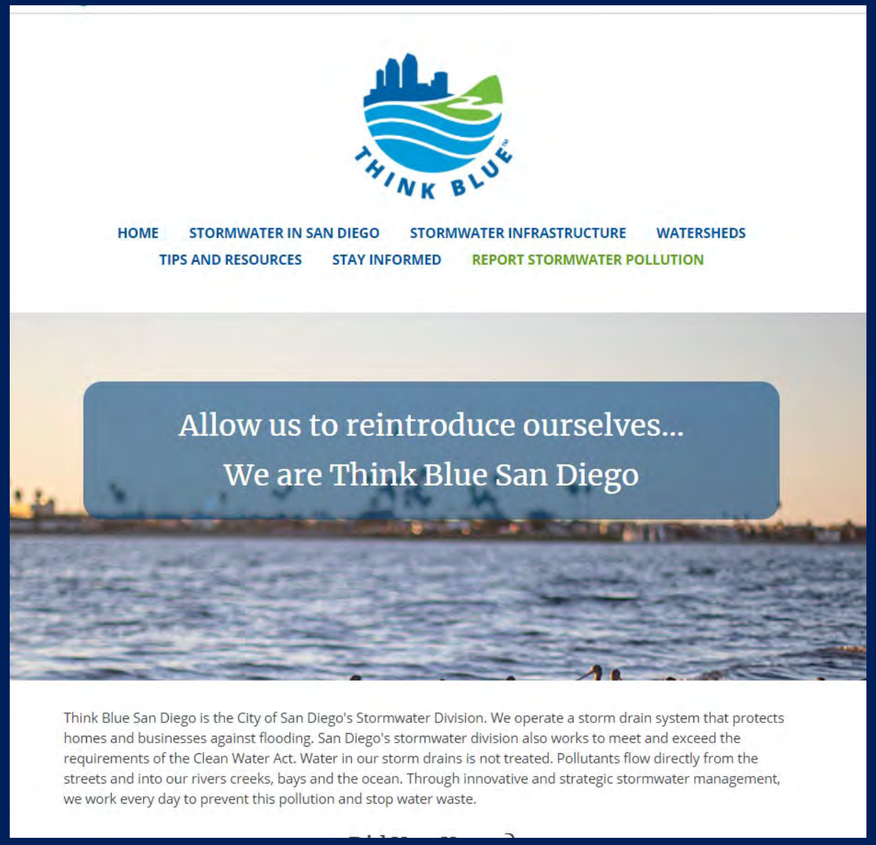
Initial Funding Mechanism Scenarios Evaluated

Funding Mechanism Basis Examples*		Median Single-Family Residential Bill** (per year)	Estimated Revenue Generated (per year)	Annual Funding Needed ($2020)
Property Type	Lower Example	$69	~$32 M	$274 M
	Higher Example	$100	~$46 M	
Impermeable Area	$0.02 per sq-ft	$64	~$33 M	
	$0.05 per sq-ft	$160	~$83 M	

* The scenarios presented represent a sample of methodologies being evaluated and will continue to evolve based on public opinion research and stakeholder engagement

** Ballot measure requires annual ratepayer impacts to be stated; collection can be at other intervals (e.g., monthly)

Education and Outreach



Stakeholder Engagement

- **Common themes:**
  - Climate change/resiliency
  - Drought preparedness
  - Equity
  - Economic growth
  - Workforce development
  - Stormwater harvesting and reuse

FY2022 Lookahead

July to September

- Department Launch
- Focus Groups

October to December

- Survey (Viability)
- Interim Update to City Council (Nov)

January to March

- Survey (Refinement)
- Audit Recommendation #6 Response (January)
- Rules Committee (March)

April to June

- Focus Groups
- Survey (Specific Ballot Viability)
- City Council Vote (June)

Thank you!

Come visit us for more information:
thinkblue.org

BJBezak@sandiego.gov