Funding Strategy Implementation Update

- Funding Strategy implementation timeline
- FY2021 stormwater snapshot
- Funding measure assessment update
- FY2022 lookahead
2018 Stormwater Audit Documented Historic Underfunding

- Audit Recommendation #5 Funding Strategy Completed
- Interim Update
- November 2021 Interim Update
- Audit Recommendation #6 Due Date
- City Council Vote
- Rules Committee
- November 2022 Election

Timeline:
- 2021:
  - January
  - July
  - November
- 2022:
  - January
  - March
  - June
  - November
• 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

Modernizing Stormwater

SRF and WIFIA Loans

Strategic/efficient infrastructure repairs

Construction Site Patrol Program

Partnerships

Water Quality Response Team
Long-term Funding Mechanism Needed

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

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

STRATEGIC PROGRAM DESIGN

RESOURCE COMMITMENTS

RESEARCH-DRIVEN DECISION MAKING

STAKEHOLDER ENGAGEMENT

COMPELLING COMMUNICATIONS
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)
• **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

<table>
<thead>
<tr>
<th>Funding Mechanism Basis Examples*</th>
<th>Median Single-Family Residential Bill** (per year)</th>
<th>Estimated Revenue Generated (per year)</th>
<th>Annual Funding Needed ($2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property Type</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower Example</td>
<td>$69</td>
<td>~$32 M</td>
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</tr>
<tr>
<td>Higher Example</td>
<td>$100</td>
<td>~$46 M</td>
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<tr>
<td>Impermeable Area</td>
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<tr>
<td>$0.02 per sq-ft</td>
<td>$64</td>
<td>~$33 M</td>
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<tr>
<td>$0.05 per sq-ft</td>
<td>$160</td>
<td>~$83 M</td>
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</tbody>
</table>

* 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).
Keeping communities flood-safe is a year-round job.

The Stormwater Department, powered by Think Blue, is finishing up a stormwater pipe replacement in this University City neighborhood. It’s a difficult and delicate job performed by our in-house pipe repair crew and one of the many services that keep our communities flood-safe.

Green infrastructure is a strategy used by the City of San Diego’s Stormwater Division at many scales—from smaller sites to entire neighborhoods—to protect us from flooding and our waterways from pollutants. When paired up with traditional infrastructure, it works as a system to manage stormwater for safe, sustainable, and thriving communities.

In our parks
Multi-use recreational areas are being created or renovated to capture pollutants and reduce flooding. They can also improve public spaces for local communities.

In our neighborhoods
Rain barrels, rain gardens, and other on-site stormwater management systems reduce runoff and use of rainfall to water plants.

Along our streets
Green infrastructure is also being designed to capture stormwater from road gutters and storm drain pipes and divert it into natural systems.
• 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
- Survey (Viability)
- Interim Update to City Council (Nov)

October to December

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!

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