

Stormwater Department Action Strategy

Frequently Asked Questions

What is Stormwater and Why is it Important?

Stormwater is water that comes from rain. From there, it either soaks into the ground or runs off surfaces, such as our roofs and streets, before entering a series of pipes and channels (the stormwater system). Stormwater infrastructure is designed to safeguard our communities from floods and direct stormwater toward the ocean. It is important to be aware that the water entering the storm drains is not treated before reaching the ocean. Any pollution present in our streets, gutters or environment is washed directly into our storm drains, and ultimately into San Diego's creeks, lagoons, bays and ocean.

What are the Benefits of Managing Stormwater?

- **Improves Water Quality:** Safe, clean water is essential for the health of our residents, visitors and environment.
- **Protects Against Flooding:** Proper management safeguards our communities from property damage.
- **Restores/Revitalizes Natural Spaces:** Helps protect and preserve San Diego's most precious natural resources.
- **Reuses Stormwater to Bolster Supply:** When captured correctly, stormwater can become a valuable resource harvested for local use.

- **Strengthens the City:** Creates more sustainable, resilient and vibrant neighborhoods through the reduction of flood risk and protecting water quality.
- **Brings Community Together:** Local partners and community leaders work together to ensure clean water and clean beaches.

How Does the Stormwater Department Help Ensure Clean Water and Clean Beaches for all San Diegans?

The City's Stormwater Department works in all weather conditions to build, maintain and modernize efficient stormwater infrastructure that lays the foundation for safe, sustainable and thriving communities. Part of that job is informing the public of the need for significant investments to upgrade the stormwater system.

The Stormwater Department works to achieve the following goals to improve San Diego's quality of life and create more resilient and sustainable communities:

- **Improve & Protect Water Quality:** To protect local waterways and beaches from pollution and degradation, the City maintains the highest possible standards of water quality for our collective environmental health.
- **Safeguard Neighborhoods from Flooding:** Proactive maintenance and innovation helps improve stormwater infrastructure, ensure public safety, and protect communities from flooding.

- **Modernize Stormwater Infrastructure:** Use technology and innovation to make continuous improvements to stormwater infrastructure and serve a growing population.
- **Prioritize Green Infrastructure:** Create green open spaces with multiple community benefits to prevent pollution and improve water quality for recreational activities like swimming and fishing.
- **Revitalize Our Waterways:** Implement the best science and technology available to preserve and restore local waterways by reducing impacts of pollution, urbanization and a changing climate.
- **Capture Stormwater for Reuse:** Increase the City's capacity for stormwater capture and reuse to boost our local water supply.
- While the projected costs to properly fund the Stormwater Department continue to increase, existing funding sources and projected funding are small, creating a large (and growing) budget deficit.
- The consequences of deferred investment and chronic underfunding are significant. Without immediate investment, crumbling infrastructure is imminent and compliance milestones will continue to be missed with degraded water quality and associated fines.
- Efficiencies and innovation in stormwater management can marginally lower long-term costs but not enough to meaningfully address the funding gap.
- The Stormwater Department should continue to pursue funding options like grants, loans, cost recovery for revenue-generating stormwater programs (e.g., street sweeping, inspections program and fines), and other local, state and federal funding programs.
- Most of all, a **dedicated funding revenue source is necessary** to properly fund the Stormwater Department.

The Funding Strategy

The Stormwater Department's Funding Strategy explains the costs associated with delivering stormwater services, including current and anticipated funding levels, and identifies strategies for addressing funding shortages.

Presented to San Diego City Council in February 2022, the *Stormwater Funding Strategy Report* provides a thorough response to the June 2018 Stormwater Division Audit conducted by the Office of the City Auditor. The report addressed the finding that stormwater funding is insufficient to meet current and future needs and presented a long-term strategy to secure additional funding.

What are the Funding Strategy Key Findings?

- The responsibilities of the Stormwater Department have greatly increased over the past several years, leading to significantly more work to be completed but with no additional budget. Additionally, external drivers – such as increasing regulations, urbanization and aging infrastructure – have further elevated the need for additional stormwater funding.

The City is currently implementing this strategy to maximize resources, efficiencies and funding to meet stormwater goals. Please visit the [Think Blue website](#) for updates on the Funding Strategy and to learn more.

What is the Estimated Annual Cost to Maintain Our City's Stormwater System?

Between 2022 to 2041, the estimated annual funding needs to maintain and operate the stormwater system is more than \$335 million per year (in 2022 dollars). A significant portion of this (73 percent, or \$246 million annually) is for stormwater compliance, to implement projects and activities that clean up the stormwater, which runs off surfaces and through the City's stormwater infrastructure, to ensure the water quality continues to meet regulatory limits within required time frames. These costs will only

continue to increase in future years as stormwater infrastructure continues to fail and will require more expensive repairs. Costs will also continue to increase if the City fails to meet compliance deadlines due to a build up of water quality issues and potential fines/penalties.

Why is There a Budget Shortfall in the Stormwater Department?

Currently, a stormwater fee is included in with water and sewer bills and is charged as a flat rate for single family residences (\$0.95 per month). This small fee produces about \$5.7 million dollars a year, which is significantly less than what is needed to maintain the current system, and certainly does not allow necessary investments in new infrastructure. In addition, stormwater costs have gone up significantly over time due to an increasingly large portfolio of services that the Stormwater Department must now provide. San Diego's stormwater infrastructure and programs were originally designed with the primary goal of managing the risk of local flooding. However, aging infrastructure, urbanization and stricter water quality requirements have increased the breadth of services provided by the Stormwater Department without increasing its funding.

Historically, the Stormwater Department's primary funding source has been the City General Fund. It has generated limited revenue through three sources: (1) parking citations from the street sweeping program, (2) revenue from an existing storm drain fee, and (3) fines from stormwater enforcement. The Stormwater Department has pursued other funding sources like grants and loans, but funding has continued to fail to keep pace with the needs. This has resulted in a rapidly growing funding shortfall that will only continue to grow, if left unaddressed.

What are the Impacts of Underfunding Stormwater?

Without a dedicated funding source to address many pressing stormwater needs, San Diego's beaches will continue to be on the receiving end of toxins and trash, our local water quality will decline, and the safety of our basic infrastructure will continue to be compromised.

On a day-to-day basis, insufficient funding has forced the delay of significant investments in both capital and operations, and existing resources are often diverted to address emergencies, such as broken pipes. In the past three years (2019-2021), over \$65 million has been diverted to address emergencies. The lack of proper investment in a stormwater system can result in neighborhood flooding, beach closures, property damage, sinkholes, human illness, harm to wildlife and more. In addition, the longer we delay in investing in our stormwater system, the more costly addressing these critical issues becomes, including in the form of fines, claims and litigation.

Why has the City Not Prioritized Funding Stormwater and Compliance?

Ensuring we have clean water and clean beaches is a priority for the City of San Diego. But the City has limited funding to invest in stormwater infrastructure and has been forced to prioritize current general fund stormwater expenditures on the most critical needs of the system, while also maintaining some funding to address emergency failures that pose an imminent risk to life and property.

There are many citywide efforts that the Stormwater Department must compete with for funding. Unfortunately, several lean budget years, coupled with the COVID-19 pandemic, have resulted in funding being prioritized for other needs. Across the City's capital infrastructure, over the next five years (2023 - 2027), stormwater represents the highest level of total investment needs, as well as the largest funding gap to overcome, roughly twice as much as the next highest.

What is the Stormwater Department Doing to Close the Funding Gap and Pursue Additional Funding?

The Funding Strategy identified several actions to help close the funding gap, such as streamlining costs, accelerating innovation, applying for more grants and developing a long-term funding mechanism. Some notable successes in the past year (Fiscal Year 2022) include:

- Obtained several grants and loans, including federal Water Infrastructure Finance and Innovation Act (WIFIA) and State Revolving Fund (SRF) loans
- Evaluated the viability of a dedicated stormwater funding measure in coordination with other City departments and stakeholder groups
- Created an in-house pipe repair team for more efficient and timely repairs of failing pipes
- Evaluated how to optimize routes and frequency of street sweeping activities throughout the City
- Assessed various options to modify the street sweeping enforcement and fines

Has the Stormwater Department been Evaluating a Stormwater Funding Measure?

Yes, in alignment with the Funding Strategy finding that a long-term funding source is necessary to support stormwater goals, the Stormwater Department has been evaluating a potential stormwater funding measure. Public opinion research shows initial support, exceeding a 50 percent + 1 threshold and within the margin of error for a two-thirds voter threshold, for a stormwater funding measure.

Has Stakeholder Feedback been Incorporated into the Funding Strategy?

The Stormwater Department conducted several focus groups, opinion surveys and presentations to community and industry groups to ascertain the awareness level of citizens on stormwater issues and what stormwater services they best understand and value. We anticipate a continued level of communication and stakeholder engagement moving forward to ensure that feedback is actively incorporated into implementation of the funding strategy.



To learn more about Think Blue San Diego and the Funding Strategy, please visit ThinkBlue.org. You are invited to fill out the “Stay Informed” form at the bottom of the page.