



Legislation Text

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Report regarding a resolution approving the report of stormwater management service charges, approving the stormwater management service charges for the fiscal year (FY) 2023-24, and directing the collection of stormwater management service charges on the official tax assessment roll. (*Sharon Ranals, City Manager, Karen Chang, Director of Finance, and Andrew Wemmer, Environmental Compliance Supervisor*).

RECOMMENDATION

Staff recommends that the City Council conduct a public hearing and, by a four-fifths vote, adopt a resolution approving the stormwater management service charges for the fiscal year 2023-24; and direct the stormwater management fee collection onto the official tax assessment roll.

BACKGROUND/DISCUSSION

The Environmental Protection Agency enacts regulations that mandate local government to control and reduce stormwater pollution runoff. The Clean Water Act of 1977 and the Water Quality Act of 1987 give regulatory authority to the State of California to enforce stormwater mandates. The framework for regulating stormwater discharge exists through a National Pollution Discharge Elimination System (NPDES) Permit. The California State Water Resources Control Board (SWRCB) implements and enforces NPDES Permits.

The NPDES Municipal Regional Permit (MRP) specifically regulates stormwater compliance in Local Municipalities. The SWRCB renewed the MRP on May 11, 2022. This permit contains 22 provisions, including:

- Municipal operations
- New development and redevelopment
- Industrial and commercial site control
- Illicit discharge detection and elimination
- Construction site control
- Public information and outreach
- Water quality monitoring
- Pesticides toxicity control
- Trash load reduction
- Mercury controls
- Polychlorinated biphenyls (PCBs) controls
- Copper controls
- Control of other chemical compounds

San Mateo Countywide Water Pollution Prevention Program (SMCWPPP) is a countywide program that works

with cities to help them meet the MRP. The FY 2023-24 marks the 32nd year of South San Francisco's participation in this program.

Water Pollution Prevention Program

Examples of general program responsibilities include:

- Coordinate the overall program efforts.
- Submit annual reports to the Regional Water Quality Control Board.
- Develop and sponsor training workshops; and
- Develop educational/informational materials for dissemination within jurisdictions.

Examples of City-specific program activities include:

- Street sweeping, storm drain cleaning, and other maintenance-related activities may increase stormwater quality.
- Minimizing or eliminating potential stormwater pollution sources at commercial and industrial facilities through inspection and educational outreach activities, and effectively prohibit illicit discharges (such as oil, paint, or soapy wash water) to the City's storm drain systems; and
- Educating the public about the differences between the sanitary sewer and storm drain systems and the causes of stormwater pollution.

Accomplishments of the South San Francisco FY 2022-23 Water Pollution Prevention Program to date include:

- Responded to over 35 spill or illicit discharge complaints of materials (i.e., paint, oil, fuel, or concrete materials) that had the potential to enter the storm drain system.
- The Environmental Compliance Inspectors conducted over 114 erosion control inspections.
- The Environmental Compliance Inspectors conducted over 275 stormwater inspections of food facilities, auto repair facilities, and industrial facilities.
- Reviewed over 175 building and construction plans and prepared written comments requesting incorporation of stormwater pollution prevention measures and post-construction stormwater treatment measures.
- On Saturday, September 17, 2022, the City of South San Francisco in partnership with the County of San Mateo, sponsored a Creek Clean-Up Event of Colma Creek, north of the Utah Bridge, which was a three-hour event, collecting over 462 pounds of trash.
- On Saturday, April 22, 2023, the City of South San Francisco, in partnership with the County of San Mateo, sponsored Creek Clean-Up Events of Colma Creek north of the Utah Bridge; collecting over 526 pounds of trash; and
- The Environmental Compliance Program participated in additional city-sponsored and community events, providing pollution prevention information, and distributing outreach materials in-person and virtually in 2022-2023.

Stormwater Fee Structure History

On July 19, 1993, the City Council adopted a stormwater fee that, at the time, represented an equitable distribution of stormwater regulation costs. South San Francisco established the fees in 1993 based on the size and use of the parcel and the estimated amount of stormwater runoff generated. Over the last 30 years, the MRP compliance requirements have increased while the funding mechanisms for stormwater management have remained fixed. Most local agencies with stormwater management responsibilities face rising costs with static funding sources. Due to many legislative constraints at the statewide level, local municipalities offset stormwater programs through the general fund.

The current fee for a single-family residential property averages **\$8.72 per year**, or **\$0.73 per month**, and has remained **unchanged for 29 years**. The proposed program budget for 2023-24 is \$1,287,624. However, current stormwater fees only bring in \$429,270 in revenue. The shortfall of \$858,354 will be supplemented by General fund and Gas Tax revenues in the amount of \$250,000 and \$670,000 respectively.

Potential Fee Amendment Process

In October 2017, the State Legislature passed and the Governor signed Senate Bill (SB) 231, which amended the Proposition 218 Omnibus Implementation Act (the 218 Implementation Action). Previously, neither Proposition 218 nor the 218 Implementation Act expressly defined stormwater fees as eligible fee for the 218-increase process for water and sanitary sewer rates, which does not require property owner or voter approval. Therefore, approval of new or increased charges for stormwater management services would have required voter or property owner approval, which is why most municipalities have not increased their stormwater fees. The Legislature's intention with SB 231 is for stormwater fee increases to follow the same path through Public Notice and protest hearings, much like the sanitary sewer service charges. Taxpayer groups have threatened to challenge any stormwater fees increased utilizing the process for sanitary sewer charges, as authorized by SB 231. The courts have not yet ruled on the validity of SB 231. As a result, very few (if any) municipalities have successfully implemented this process to increase stormwater fees.

RELATIONSHIP TO STRATEGIC PLAN

The Water Quality Control Plant (WQCP) Division promotes public health and environmental stewardship. Continuing to fund the Storm Water Program helps ensure clean stormwater runoff to Colma Creek and the San Francisco Bay. The stormwater program positively influences the quality of life for South San Francisco Residents by protecting public health and safety.

FISCAL IMPACT

Expected revenue from the fiscal year 2023-24 stormwater program service fees is approximately \$429,270. The proposed program budget for the fiscal year 2023-24 is \$1,287,624. Currently, funding will be provided from program service fees and supplemented with other funds, as stormwater fees collected continue to fall short of the total service cost. Under the City's Municipal Code requirements, the Finance Director has filed with the City Clerk a report containing a summary of the annual charges of real property, computed in

conformity with the schedule of charges.

Additionally, the City Clerk published the public hearing notices per the applicable Municipal Code requirements. Following the adoption of the resolution approving the report of stormwater management service charges for the fiscal year 2023-24, the City Clerk will file a copy of the report with the county assessor and/or tax collector so that the stormwater management service charges are collected on the official tax assessment roll.

CONCLUSION

Staff recommends that the City Council conduct a public hearing and, by a four-fifths vote, adopt a resolution approving the stormwater management service charges for the fiscal year 2023-24; and direct the stormwater management fee collection onto the official tax assessment roll for collection.

Attachments:

1. FY 2023-24 Stormwater Charge City Council Presentation