

# FORT BRAGG'S STORMWATER CROSSROADS

NAVIGATING PROPOSITION 218, INFRASTRUCTURE RESILIENCE,  
AND THE PATH TO **SUSTAINABLE FUNDING**

City Council Mid-Year Budget  
Meeting | March 30, 2026

# The Decision at Hand

## The Situation (Baseline)

Fort Bragg faces an aging storm drain system (identified as having 55 deficient structures in the 2004 Master Plan) and strict, unfunded State regulatory mandates (MS4/NPDES compliance).

## The Complication (Friction)

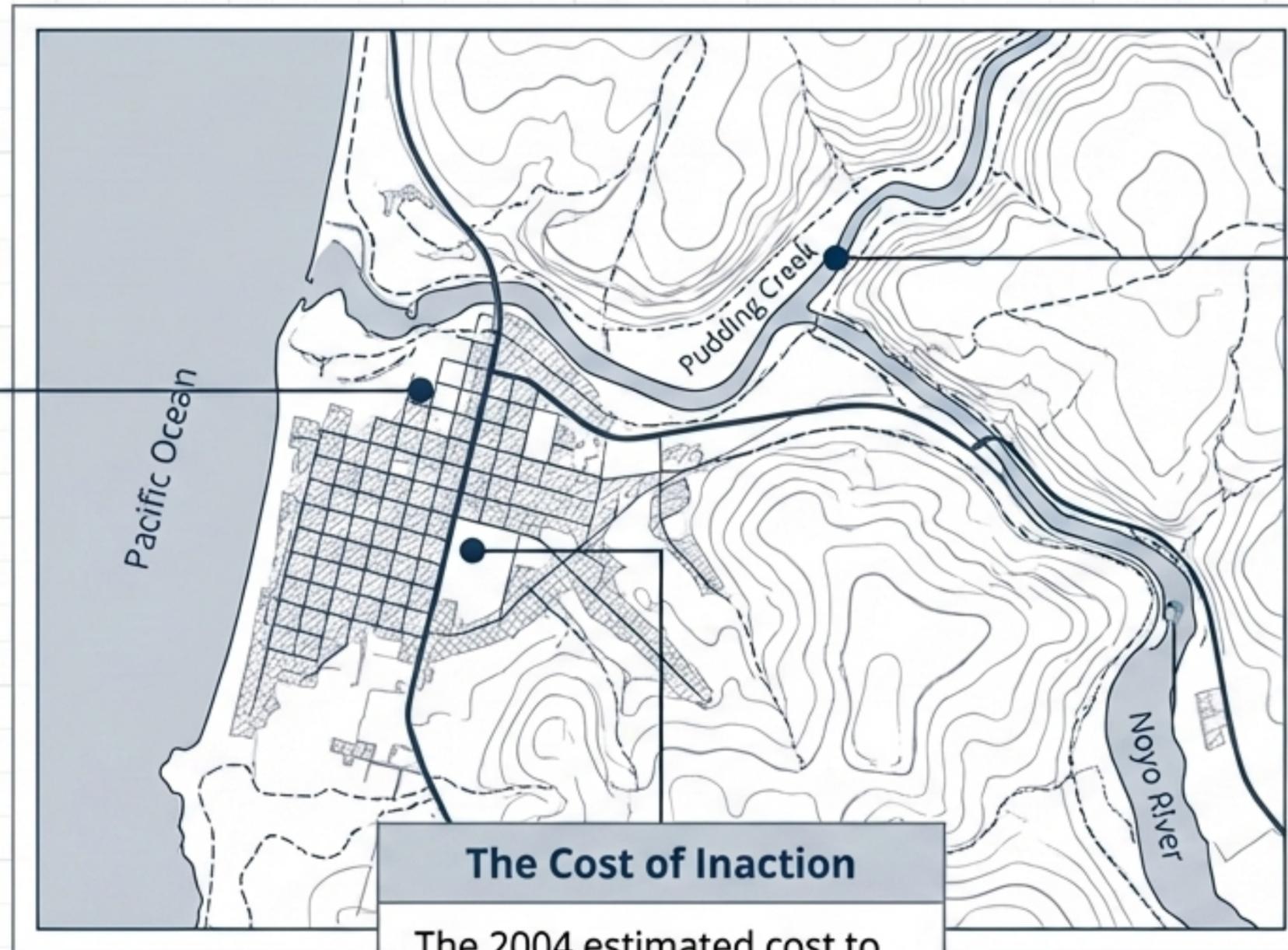
Current funding relies heavily on a Storm Drain Impact Fee limited solely to new development, generating less than \$10,000 annually.

To secure general funding, state law requires a strict Proposition 218 property-owner ballot process.

## The Decision (Resolution)

Staff is seeking direction from Council on whether or not to allocate resources to pursue the Proposition 218 process

# The Physical Reality: Aging Infrastructure & Documented Deficiencies



## The 2004 Baseline

The 2004 Master Plan identified **55** specific drainage structures within the City that are undersized for a 10-year design flow.

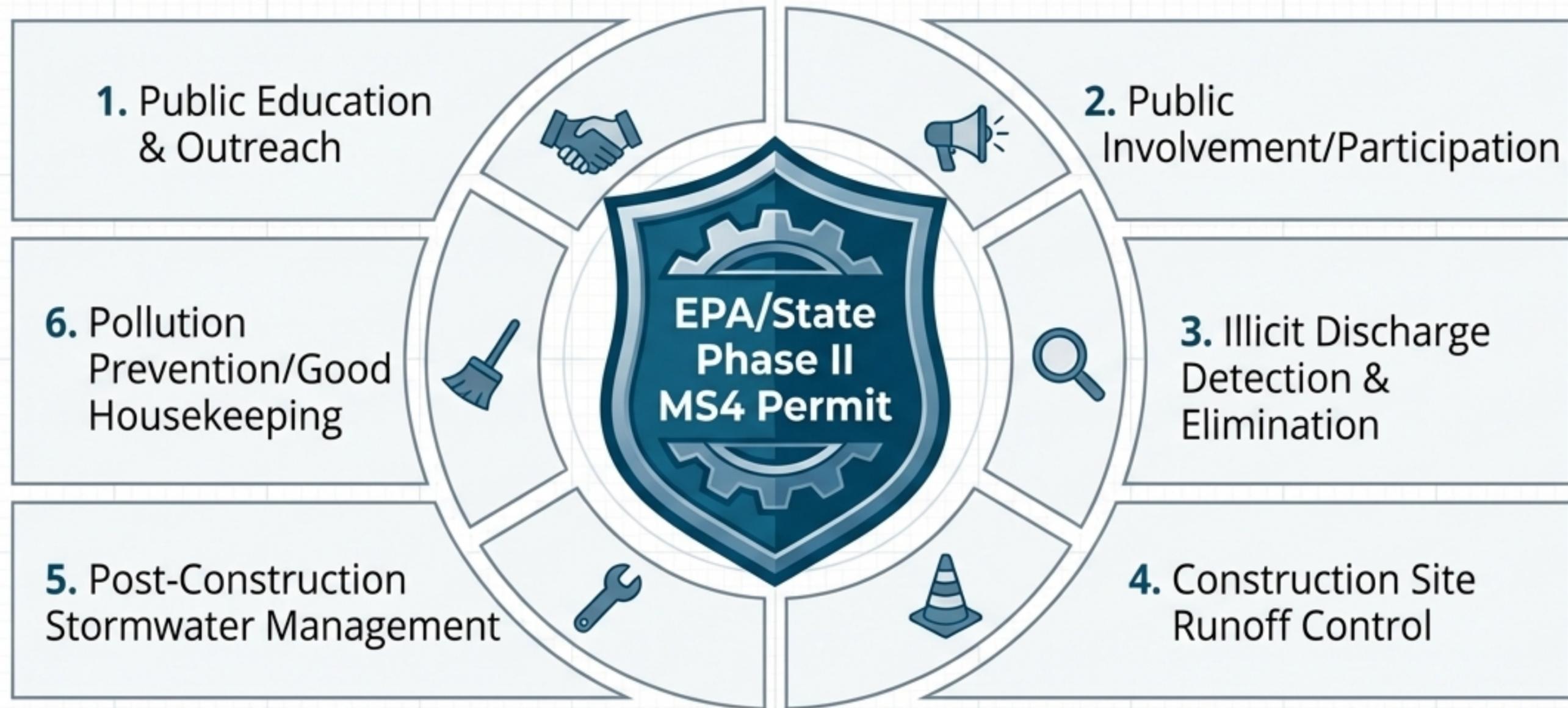
## The Topography

The City encompasses ~1,800 acres bounded by water, relying on **7** discharge points on Pudding Creek, **10** on the Noyo River, and **3** ocean outfalls.

## The Cost of Inaction

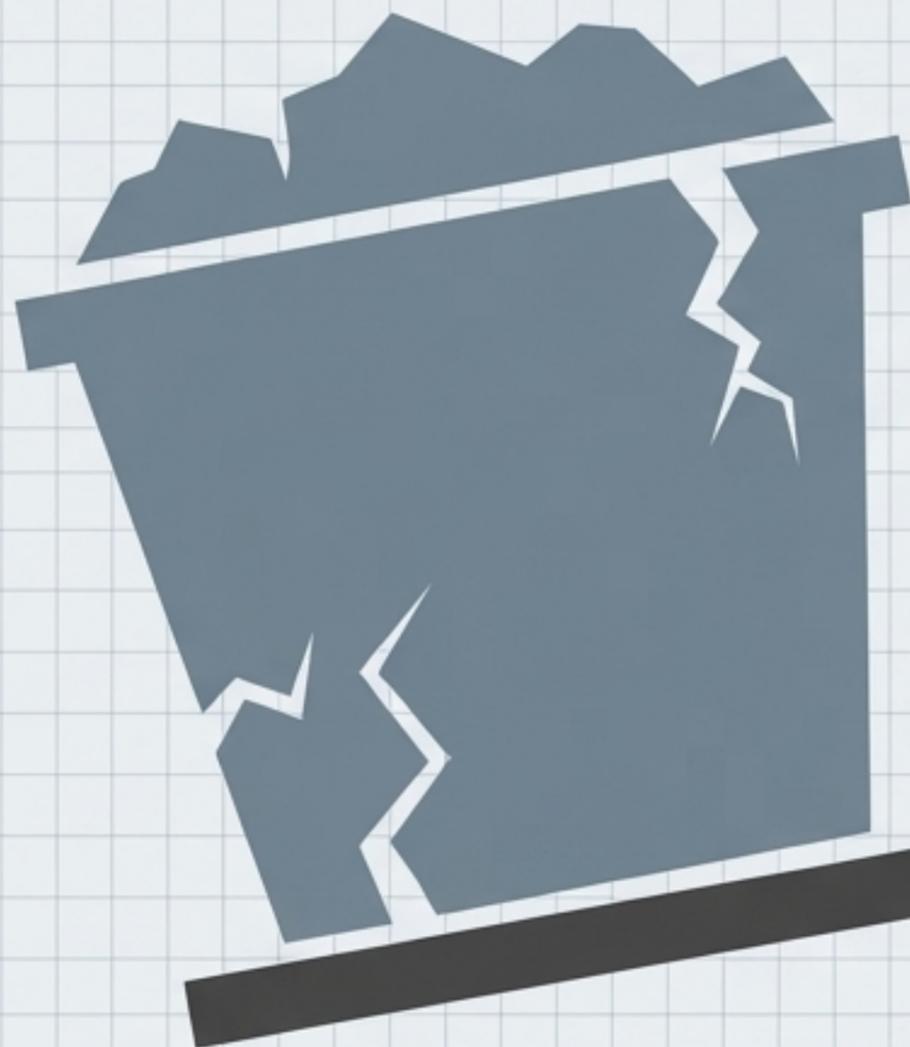
The 2004 estimated cost to correct these physical deficiencies was **~\$5.1M** (in 2004 dollars)—a number that has significantly compounded over two decades.

# The Regulatory Reality: Unfunded MS4 Mandates



**NPDES permits treat stormwater discharges as “point sources” of pollution.**  
Compliance is an ongoing, labor-intensive operational expense, not a one-time capital project.

# The Financial Reality: The Structural Funding Gap



## Documented Needs

**Multi-Million Dollar Backlog**

Regulatory Compliance, O&M, Capital Renewal, Street Rehab Integration.

## Current Revenue

**Storm Drain Impact Fee (Adopted 2024)**

FY 2025 Collections totaled exactly \$8,276.



Legally restricted to addressing impacts from NEW development only. Cannot be used for general system maintenance or MS4 compliance.

**Impact fees cannot mathematically or legally bridge the gap. A new structural funding mechanism is mathematically necessary.**

# Foundational Work Underway: Gathering the Data

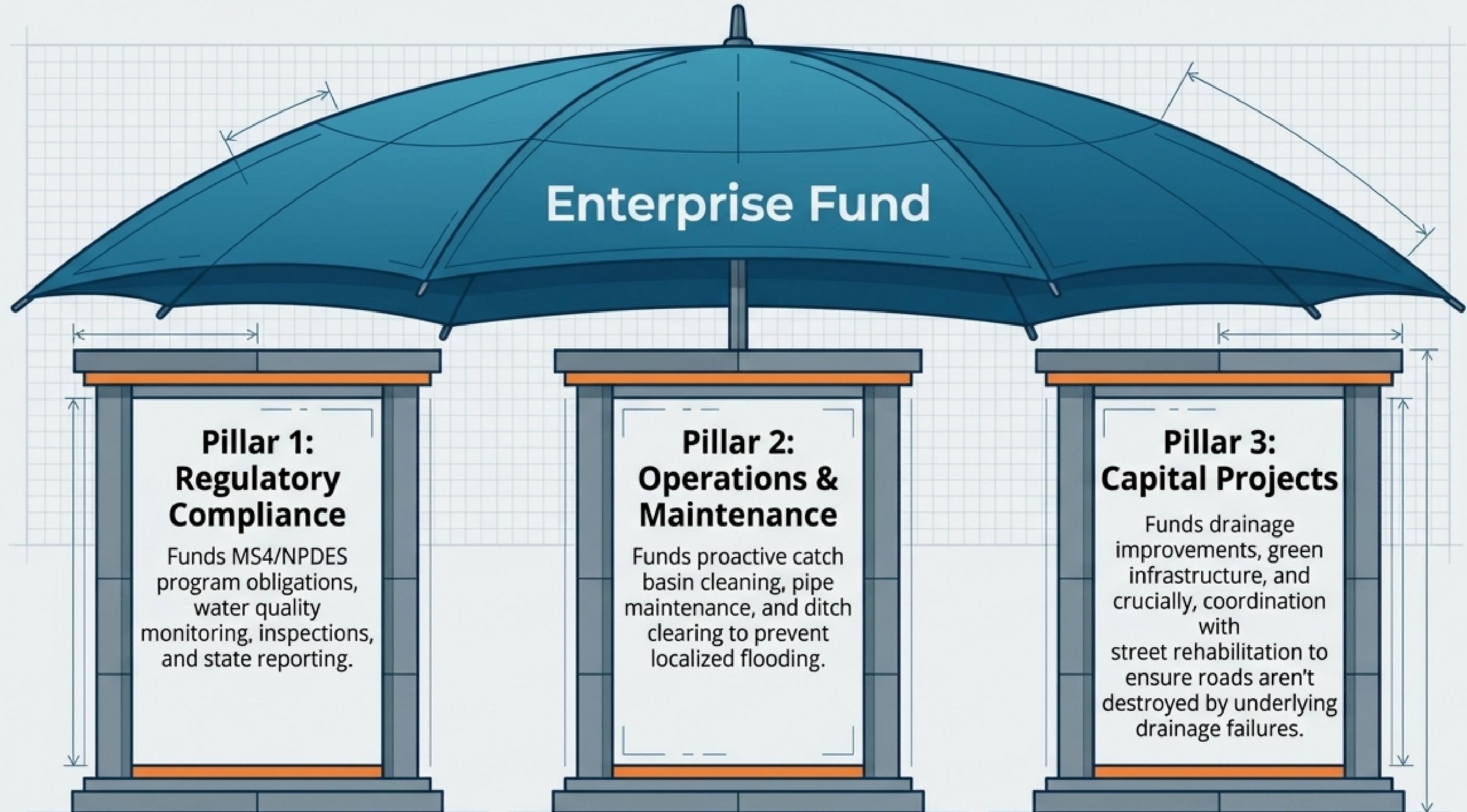
## Stormwater Asset Management Plan (AMP)

-  **1. Asset Inventory & Management:** Develop a full database of our aging storm drain infrastructure to prioritize repairs and maintenance.
-  **2. Compliance Cost Forecasting:** Accurately estimate the 20-year costs required to ensure the City remains in compliance with state and federal environmental regulations.

## Financial Data & Status

-  **Total Estimated Cost:** \$82,566
-  **Current Status:** Project is currently underway with consultant kickoff scheduled April 1, 2026
-  **Timeline:** Significant activity and design work are scheduled for FY 26/27, with an estimated completion date in Winter 2026.

# The Mechanism: The Stormwater Enterprise Utility



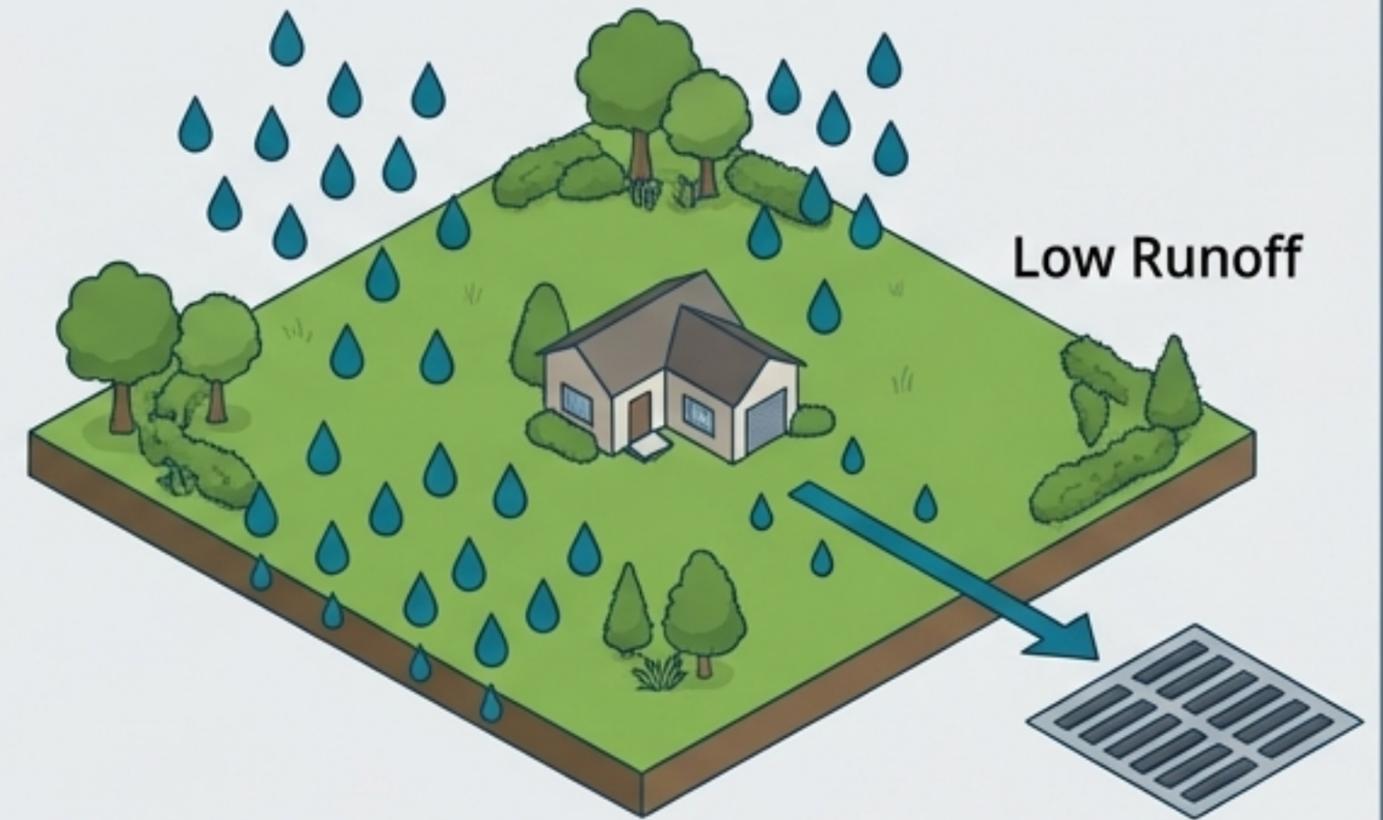
# Anatomy of a Proposition 218 Fee: The Runoff Coefficient

## Parcel A (High Impervious Area)



**Result:** Higher demand on City storm drains  
= Proportionally Higher Fee.

## Parcel B (Low Impervious Area)

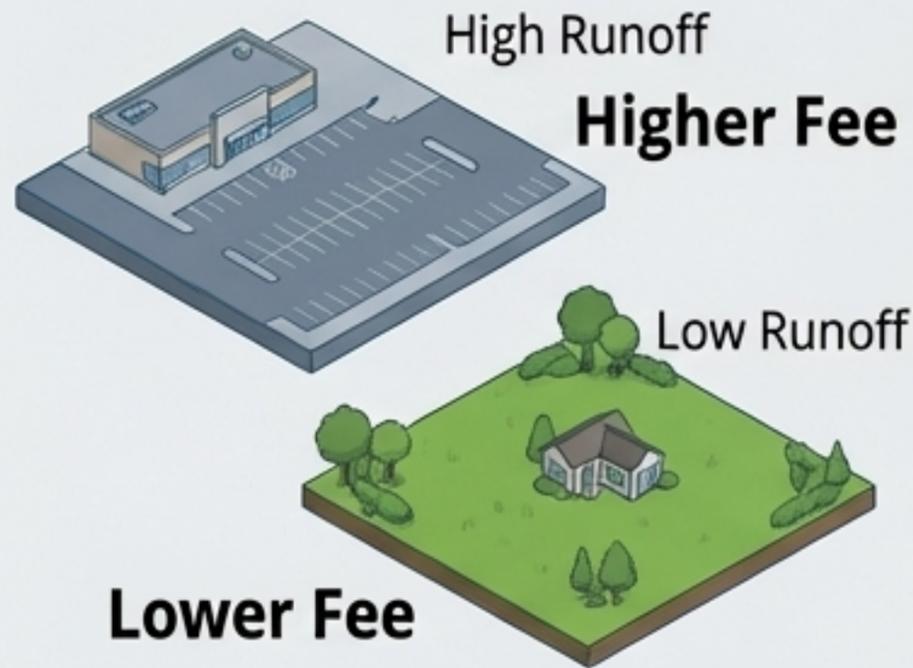


**Result:** Lower demand on City storm drains  
= Proportionally Lower Fee.

Proposition 218 mandates that fees are not based on property value, but on the estimated stormwater runoff burden a parcel places on the system.

# Proposition 218: Process, Principles, and Legal Guardrails

## Fee Basis: Runoff Burden (Not Property Value)



Fees based on estimated stormwater runoff burden, not property value.

## City-Administered Process (CA Const. Article XIII D)

- **Administrator:** The City
- **Who Votes:** Property Owners (by APN)
- **The Ballot:** Mailed by City, requires public protest hearing
- **Approval Threshold:** Simple majority of returned ballots.

## Strict Legal Guardrails (Case Law)

- **Strict Proportionality:** Fees must match parcel's cost of service, not for other goals.
- **Separate Accounting:** Heightened scrutiny requires clean separation from general fund.
- **Mandatory Process:** Stormwater fees must undergo a mailed ballot proceeding.

A compliant Proposition 218 process requires **significant City staff time** and **outreach** to meet these strict legal and procedural standards.

# The Proposition 218 Roadmap (12–18 Month Horizon)



**What:** Consultant Kickoff (April 2026), Draft fee structure and public outreach materials. Conduct Nexus Cost Study and Map Impervious Area (to determine costs to property owners).

**Who:** City Staff & Consultants

**What:** Mail notices to all property owners, Conduct public education. Determine if majority protest exists.

**Who:** City Staff (with Consultant support)

**What:** Mail ballots, conduct public tabulation, certify results.

**Dependency Milestone:** SWAMP Completed (Winter 2026) validates final numbers.

**Who:** City Staff & Public

**What:** Establish enterprise fund; integrate into billing (coordinated via annual County tax roll).

**Who:** City Council & City Staff

# Requested Council Action: The Fork in the Road

## Stay on Current Track

**Immediate Action:** Proceed with consultant work and public outreach plans.

**Impact:** Keeps city on track for potential adoption and implementation in Fall 2027

## Expedite Processing

**Immediate Action:** Accelerate consultant work and outreach efforts to meet earlier timelines.

**Impact:** Potentially brings funding mechanism sooner, requires intense resource commitment.

## Abandon Prop 218 Utility Fund

**Immediate Action:** Abandon Prop 218 model; research alternative funding sources (e.g., General Obligation Bonds, Special Tax).

**Impact:** Shifts funding burden, significantly alters legal and administrative strategy.

**Staff requests direction on which path to pursue.**