



## Report to City Council

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**TO:** Mayor and City Council

**FROM:** Melissa Walker, Public Works Director/City Engineer

**AGENDA DATE:** June 3, 2025

**TITLE:** PUBLIC HEARING AND ADOPTION OF A RESOLUTION TO CONFIRM THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM REGULATORY RATE SCHEDULE (REPORT OF: PUBLIC WORKS) (ALL DISTRICTS)

**TITLE SUMMARY:** Conduct a Public Hearing and Adopt Resolution Number 2025-XX Confirming the National Pollutant Discharge Elimination System Regulatory Rate Schedule for New and Existing Residential, Common Interest, Commercial, Industrial, and Quasi-Public Use Development Proposed Fiscal Year 2025/2026 Annual Rates

**DISTRICT:** All Districts

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### Recommendation(s)

That the City Council:

1. Conduct a Public Hearing to review and confirm annual regulatory rate schedule for the National Pollutant Discharge Elimination System Program for New Residential, Common Interest, Commercial, Industrial and Quasi-Public Land Uses; and
2. Adopt Resolution No. 2025-XX, a Resolution of the City Council of the City of Moreno Valley, California, authorizing and approving the levy of the National Pollutant Discharge Elimination System Regulatory Rate for New and Existing Residential, Common Interest, Commercial, Industrial, and Quasi-Public Use Development of the County of Riverside Property Tax Roll; and

3. Authorize the Chief Financial Officer to adjust the rates levied on the property tax bills if any changes to the parcels, or other adjustments occur between the City Council meeting date and the date of submission of the fixed charges to the County of Riverside. The adjustments must ensure that the applied rate does not exceed the maximum rate, and complies with the ballot for each parcel, and the adopted budget.

## **SUMMARY**

This report recommends the City Council conduct a Public Hearing to gather public input on the proposed maximum and applied National Pollutant Discharge Elimination System (NPDES) Regulatory Rates for Fiscal Year (FY) 2025/2026. The proposed maximum rates have been adjusted for inflation reflecting the latest applicable Consumer Price Index, as previously approved by the property owners. Revenues from these rates support specific services provided by the Storm Water Management Program and are included in the proposed budget for FY 2025/2026. The revenue received from the NPDES rates is restricted and can only be used within the Storm Water Management program. Adjustments to the amount of applied parcel charges may occur due to changes in service levels.

## **DISCUSSION**

The Clean Water Act of 1987 established requirements for the discharge of urban runoff from Municipal Separate Storm Sewer Systems (MS4s) under the NPDES program, which is administered by the Santa Ana Regional Water Quality Control Board through an NPDES permit. The program requires public agencies to obtain coverage under the Permit to discharge urban storm water runoff from municipally owned drainage facilities, including streets, highways, storm drains, and flood control channels. The City's current NPDES Permit requires all new development projects to comply with storm water management requirements.

As a condition of approval for development projects, the City requires property owners to provide a funding source to support activities for the NPDES program requirements. The City Council adopted the NPDES residential regulatory rate on June 10, 2003, and the NPDES commercial/industrial regulatory rate on January 10, 2006. Revenue received from the rate supports the increased compliance activities related to development. It also reduces the financial impact to the General Fund to maintain compliance with the unfunded requirements of the NPDES Permit.

With revenue received from the NPDES commercial/industrial regulatory rate, the City annually inspects site design, source and treatment control Best Management Practices, (BMPs) monitors maintenance records for those on-site facilities that require periodic monitoring and performs annual inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements, as administered by the State. With revenue received from the NPDES residential rate, the City monitors residential developments by providing the necessary services for the continuous operation, enhancement, and maintenance of the storm water treatment system, and performs inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements.

The City offers the NPDES funding program to assist property owners in satisfying the funding requirement. After a property owner approves the City's NPDES regulatory rate through a mail ballot proceeding, the City can levy the applicable rate on the annual property tax bill of the authorized parcel(s).

The attached resolution sets the proposed maximum and applied regulatory rates for both Residential Development and Common Interest, Commercial, Industrial, and Quasi-Public Use Development and authorizes the County to levy the applicable rates on the FY 2025/2026 property tax roll. The proposed applied regulatory rates are consistent with the programs and budgets included within the City's FY 2025/2026 adopted budget.

### **Proposed Regulatory Rates**

The proposed rates shall be levied against each assessable benefiting parcel of real property that is required to comply with the City's NPDES Storm Water Management Program and whose property owners have previously approved by ballot to participate.

The FY 2025/2026 proposed maximum regulatory rates are calculated by applying an annual inflationary adjustment to the FY 2024/2025 maximum rates. The annual inflationary adjustment is based on the Consumer Price Index (3.42%), as approved by the property owners at the time they approved the rates to be applied to their annual property tax bill.

The proposed applied regulatory rate is the amount levied on the property tax roll. It is the amount necessary to fund the applicable service levels required to fund the costs of maintaining the improvements benefiting each parcel during the upcoming fiscal year. An individual analysis of each parcel, its current development status, and maintenance needs was completed to determine the necessary levels of service required. The applied regulatory rate can be lower than the maximum regulatory rate, but it cannot be higher.

The applied rates for each parcel were made available at the City Clerk's Office as well as posted online at <https://moval.gov/departments/public-works/services-stormwater.html>.

For FY 2025/2026, the proposed maximum regulatory rate per parcel for single-family Residential Development is \$420.53. For FY 2025/2026, the proposed maximum regulatory rate for Common Interest, Commercial, Industrial, and Quasi-Public Use Development is \$316.67.

### **ALTERNATIVES**

1. Conduct a Public Hearing and approve the recommended actions as presented in this staff report. *Staff recommend this alternative because these actions are needed to place the NPDES Regulatory Rates on the County property tax roll.*
2. Do not conduct Public Hearing and do not approve the recommended actions as presented in this staff report. *Staff does not recommend this alternative because the County of Riverside may challenge our ability to place the NPDES Regulatory*

*Rates on the County property tax roll and increase General Fund obligations.*

## **FISCAL IMPACT**

For FY 2025/2026, projected revenue from the applied NPDES Regulatory Rates is \$973,591.28 and is included in the City's FY 2025/2026 budget detail (Attachment 2). Costs to maintain compliance with current NPDES regulations, that are not otherwise funded by the revenue from the NPDES Regulatory Rate, are subsidized by other funding sources, including the General Fund.

## **NOTIFICATION**

Publication of the Agenda.

Newspaper advertising was published on May 20, 2025, and May 27, 2025, with information about the June 3, 2025, Public Hearing.

FY 2025/2026 applied rates for each parcel are available at the City Clerk's office as well as posted online at <https://moval.gov/departments/public-works/services-stormwater.html>.

## **PREPARATION OF STAFF REPORT**

Prepared By:  
Rae Beimer  
Storm Water Program Manager

Department Head Approval:  
Melissa Walker, P.E.  
Public Works Director/City Engineer

Concurred By:  
Adolfo Gutierrez, P.E.  
Land Development Principal Engineer

Concurred By:  
Harold Zamora, P.E.  
Engineering Division Manager/Assistant City Engineer

## **CITY COUNCIL GOALS**

Public Facilities and Capital Projects: Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Revenue Diversification and Preservation: Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

## **CITY COUNCIL STRATEGIC PRIORITIES**

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs



## Report Approval Details

Document Title:	STAFFREPORT_PW_LD_NPDES_REGRATE.docx
Attachments:	- Attachment 1 Resolution 2025-XX.doc - Attachment 2 NPDES Reg Rate FY 25-26 Budget Detail.pdf
Final Approval Date:	May 28, 2025

This report and all of its attachments were approved and signed as outlined below:

Sean Kelleher

Natalia Lopez

Dena Heald

Launa Jimenez

Brian Mohan

Patty Rodriguez