



April 5, 2018

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SGV Water Districts

The Honorable Sheila Kuehl, Chair
Los Angeles County Board of Supervisors
821 Kenneth Hahn Hall of Administration
500 W. Temple Street
Los Angeles, CA 90012

Dear Supervisor Kuehl,

The San Gabriel Valley Council of Governments (SGVCOG) appreciates the Board of Supervisors' leadership in the development of the Safe, Clean Water Program and the extended efforts to engage cities in the stakeholder process to draft a parcel tax for stormwater compliance programs, drought preparedness, water quality, and water sustainability.

The SGVCOG includes membership of 30 cities, 3 Supervisorial Districts, and 3 Municipal Water Districts, representing over 2 million residents. We understand and take seriously stewardship of environmental resources and to that end enacted a Stormwater Policy in November of 2016 in which we pledge to protect our watersheds and natural environment from polluted stormwater, and to capture stormwater and dry weather runoff to augment local water supplies. We continue to support compliance with water quality standards and strive to comply in a reasonable, practical, feasible and affordable manner. Over the last two years, the SGVCOG has actively pursued a path toward compliance within the framework of those four guiding principles—reasonable, practical, feasible, and affordable—and earned a reputation within Los Angeles County and the state as a subregional leader on stormwater policy.

On January 18, 2018, the SGVCOG Governing Board adopted an overarching position statement (Attachment 1) on aspects of the Safe, Clean Water program in order to guide our delegates during deliberations. That position statement includes:

- **Regional Funding.** Due to the already high cost of stormwater requirements, the vast majority of revenue from the Safe, Clean Water Program should go to design, construction, and ongoing operations and maintenance of capital projects, especially those identified in approved stormwater permits, not programs.
- **Governance.** Disbursement of Regional Funds should be approved by a strong governance structure, comprised primarily of MS4 permittees, with responsibility for selecting projects according to defined criteria and overseeing how taxpayer money is spent.
- **Local Return.** Cities should have maximum flexibility and independence in spending local return money in a manner consistent with AB 1180.
- **Project Funding Priority.** Funding priority should be given to those projects that cost-effectively address water supply and water quality concerns.

San Gabriel Valley Council of Governments
1000 South Fremont Avenue, Unit #42 ♦ Alhambra, California 91803

- **Basin Plan.** The Basin Plan establishes the foundation for water quality standards which are then incorporated into MS4 permits. Since the Plan has not received comprehensive review since before stormwater discharges were made subject to it, we support use of the funds allocated to the Flood Control District to fund the cost of studies to update the Basin Plan.
- **Leverage Existing Funding.** Money from existing voter-approved sources should be leveraged as the primary source of funding for community enhancements, leaving all of the stormwater funding raised through this measure strictly for stormwater compliance.

In order to further the discussions around key program elements, the SGVCOG has developed recommendations regarding several of the program elements (Attachments 2 – 5). We have developed these positions through a lengthy and thoughtful consensus-building process within our Water Policy and Water Technical Advisory Committees. In summary, those recommendations are:

Governance (Attachment 2):

- Utilize the proposed delineation of regional watershed groups, with the recommendation that the Upper Los Angeles River be divided into two watershed groups.
- Implement “Scenario 1,” with Watershed Groups controlling 100% of Regional Program Funds and having authority to self-select projects within their watershed.
- Utilize the “City Representative Governance Structure.”

Project Selection (Attachment 3):

Define disadvantaged communities according to the metric used by the 2015 Low-Income Water Rate Assistance Act.

- Use the Flood Control District return to fund a much-needed update to the Basin Plan.
- Specific recommendations on elements of the “Project Prioritization Criteria (Scoring)” matrix have been given in Attachment 3.

Credits, Rebates, and Incentives:

- In considering any particular incentive, credit, or rebate concept, start with an assessment of whether that effort will improve water quality in the end, by how much, and at what cost.
- Offer incentives only—money at the front end to encourage construction of water quality capital projects and/or BMPs.
- Tie inspections and/or verification should be into existing permitting and inspection routines, and base payouts on measurable criteria that is worked into the design of the projects.

Tax Formulation

- Because it is based on lot size, the lot area tax is not regressive. It has the advantage of simplicity in calculating the amount of the annual tax. Finally, it maintains a strong nexus to runoff and stormwater.

The challenges ahead remain daunting, but with your leadership and continued stakeholder outreach we look forward to developing a stormwater funding program that the SGVCOG and its member agencies can support. Should you have any questions, please contact Eric Wolf, Senior Management Analyst, at ewolf@sgvcog.org, (626) 457-1800.

Sincerely,



Marisa Creter
Executive Director
San Gabriel Valley Council of Governments

Attachments

- Attachment 1 – SGVCOG Position on SCW Program Elements, Resolution 18-03
- Attachment 2 – Governance
- Attachment 3 – Project Selection Criteria
- Attachment 4 – Credits, Rebates, and Incentives
- Attachment 5 – Tax Measure Formulation and Return

Cc.

Hon. Janice Hahn, Chair Pro Tem, Los Angeles County Board of Supervisors
Hon. Hilda L. Solis, Supervisor, First District, Los Angeles County
Hon. Mark Ridley-Thomas, Supervisor, Second District, Los Angeles County
Hon. Kathryn Barger, Supervisor, Fifth District, Los Angeles County
Katy Young, Office of Supervisor Sheila Kuehl
Teresa Villegas, Office of Supervisor Hilda Solis
Mark Pestrella, Director of Public Works, Los Angeles County
Russ Bryden, Los Angeles County Department of Public Works

RESOLUTION 18-03

**A RESOLUTION OF THE GOVERNING BOARD OF THE SAN GABRIEL
VALLEY COUNCIL OF GOVERNMENTS (“SGVCOG”)
SGVCOG POSITION ON SAFE, CLEAN WATER PROGRAM ELEMENTS**

WHEREAS, the Safe, Clean Water Program is the stormwater funding element of Los Angeles County’s (the County) water resilience program; and

WHEREAS, the overall goals of Safe, Clean Water are to fund multi-benefit stormwater projects and programs that increase water supply, improve water quality, and provide community enhancements; and

WHEREAS, the County and Los Angeles County Flood Control District (FCD) have formed a Stakeholder Advisory Committee (SAC) to discuss and provide input to the Safe, Clean Water program elements; and

WHEREAS, the SGVCOG is a member of the SAC;


NOW, THEREFORE BE IT RESOLVED, that the Governing Board adopts the following overarching position on Safe, Clean Water program elements and directs its delegates to the SAC to advocate for the following:

- **Regional Funding:** Due to the already high cost of stormwater requirements, the vast majority of revenue from the Safe, Clean Water Program should go to design, construction, and ongoing operations and maintenance of capital projects, especially those identified in approved stormwater permits, not programs.
- **Governance:** Disbursement of Regional Funds should be approved by a strong governance structure, comprised primarily of MS4 permittees, with responsibility for selecting projects according to defined criteria and overseeing how taxpayer money is spent.
- **Local Return: Cities** should have maximum flexibility and independence in spending local return money in a manner consistent with AB 1180.
- **Project Funding Priority.** Funding priority should be given to those projects that cost-effectively address water supply and water quality concerns.
- **Basin Plan.** The Basin Plan establishes the foundation for water quality standards which are then incorporated into MS4 permits. Since the Plan has not received comprehensive review since before stormwater discharges were made subject to it, we support use of the funds allocated to the Flood Control District to fund the cost of studies to update the Basin Plan.

- **Leverage Existing Funding.** Money from existing voter-approved sources should be leveraged as the primary source of funding for community enhancements, leaving all of the stormwater funding raised through this measure strictly for stormwater compliance.

PASSED, APPROVED, and ADOPTED this 18th day of January 2018.

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

By: 
Cynthia Sternquist, President

Attest:

I, Marisa Creter, Interim Executive Director and Secretary of the Board of Directors of the San

Gabriel Valley Council of Governments, do hereby certify that Resolution 18-03 was adopted at a regular meeting of the Governing Board held on the 18th day of January 2018, by the following roll call vote:

AYES:	Alhambra, Azusa, Baldwin Park, Claremont, Covina, Diamond Bar, Duarte, El Monte, La Canada Flintridge, La Puente, La Verne, Monrovia, Montebello, Monterey Park, Pasadena, Rosemead, San Dimas, San Marino, Sierra Madre, South Pasadena, Temple City, Walnut, LA County District 1, LA County District 4, LA County District 5, Water Districts
NOES:	West Covina
ABSTAIN:	
ABSENT:	Arcadia, Bradbury, Glendora, Industry, Irwindale, Pomona, San Gabriel, South El Monte



Marisa Creter, Secretary

SGVCOG COMMENTS SAFE, CLEAN WATER GOVERNANCE PROGRAM ELEMENT

These comments refer to the County's March 8, 2018, strawman proposal discussed by the Governance subcommittee, herein referred to as Enclosure 1.

Regional Watershed Groups. We recommend utilizing the proposed delineation of regional watershed groups based on a hybrid of watersheds and E/WMPs (refer to page 1 of 7). This has the benefit of consolidating existing watershed-based groups into logical regions that are manageable based on the size and number of participants. Moreover, this approach rightly recognizes natural boundaries and captures the direction and good work that has already been accomplished in establishing the E/WMPs. These groups have already established relationships with one another and have begun implementing plans and projects. However, we recommend splitting the Upper Los Angeles River Regional Watershed Group in two: a San Fernando Valley-based group and an Arroyo Seco/Rio Hondo-based group. The sheer size (19 agencies) and diverse geology of the entirety of the Upper LA River disadvantages the group vis-à-vis the other watershed groups if left intact. We already see subgroups of the Upper LA River E/WMP breaking away to accomplish smaller scale projects such as the Rio Hondo Load Reduction Strategy, and this is an example of what we believe would become the norm if this group is left as is. Additionally, we note that two of the five regions established within the regions of the Greater Los Angeles Integrated Water Management Plan, which was obviously the basis for identification of the watershed regions proposed in Safe, Clean Water, have been subdivided in two. The Upper LA River region far exceeds the others in geographic scope and number of constituent cities and should be subdivided.

Funding Options: Single-Tier vs. Two-Tier. The County has proposed two regional funding options. We recommend implementing "Scenario 1 (page 3 of 7)," with Watershed Groups controlling 100% of Regional Program Funds and having the authority to self-select projects within their watershed. Under this option, the money raised in San Gabriel Valley would be returned to SGV. With the establishment of numerically-based scoring criteria that are equally applied to all projects, across all watershed groups, there is no reason to believe that project selection and funds apportionment on a countywide basis would produce better results than self-selection at the watershed group. For these reasons, the SGVCOG believes that the ability to control the money raised within a watershed group and self-select projects will result in the best outcomes.

Watershed Group Membership. The SGVCOG recommends utilizing the "City Representative Governance Structure" (pages 4 and 6 of 7). We recognize that it may be difficult for some smaller agencies to staff this structure, but we feel that the city representation model provides the most direct input and oversight of project selection and execution for those agencies that want to be involved. We recommend modifying this model slightly to include a seat for one of the COGs associated with that watershed group. COGs bring a wider perspective that individual cities many not see. Moreover, COGs can tap into resources that may not be available at the local level. Finally, we disagree with giving any agency veto authority—even an agency that generates the largest share of the tax revenue within the watershed group. Alternatively, limit the exercise of a

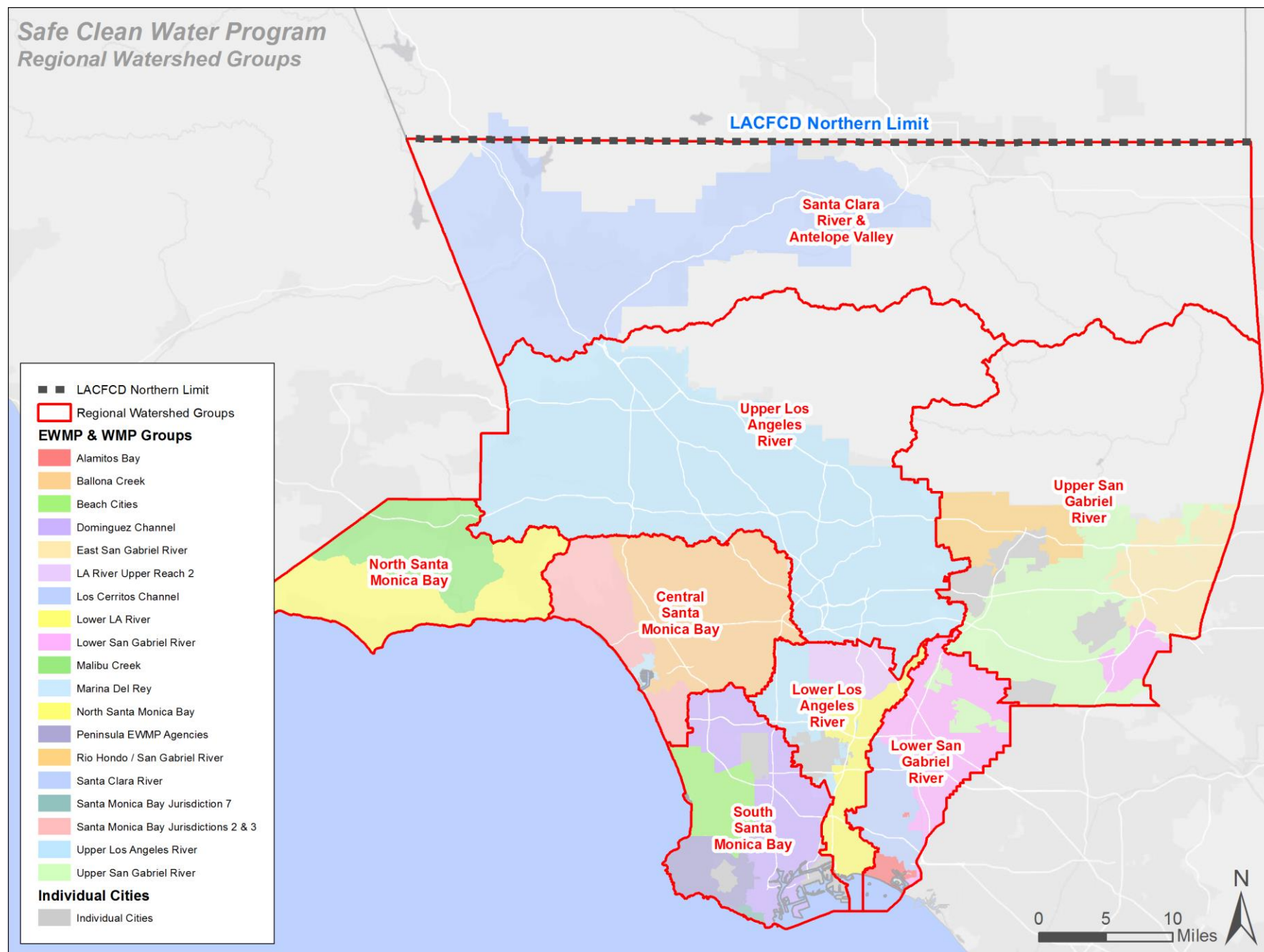
veto to circumstances where one or more Board members agrees the veto is reasonable and appropriate. Again, projects should compete simply on their merit.

Regional Coordination Committee (RCC). Regarding the RCC (page 7 of 7), given our support for well-defined and governed regional watershed groups, it is not clear what role the RCC will play in project selection and/or funding decisions. Our position is that it should not be involved in that process; that funding should be formulaic in the way it is returned, much like the local return, and that project selection should be left to the regional groups for the reasons given above. We do however, see the need for countywide assistance in other areas and a possible role for the RCC. The Governance subcommittee rightly identified the benefit of having county support for issues such as:

- Ongoing studies to improve the science underpinning our MS4 permits;
- Consolidated Integrated Monitoring Programs;
- Operations and Maintenance once projects are constructed, particularly if they are constructed on Flood Control District rights-of-way; and
- Pursuing matching funds on behalf of the region.

Although we would like to see much of this funded from the 10% Flood Control District return, we understand that these efforts would likely require a portion of the 50% regional return to be retained at the county level. This topic is worthy of further discussion.

Hybrid Map: Regional Watersheds and E/WMP Boundaries*



* Boundaries created to keep the maximum number of E/WMP Groups in the same Watershed.

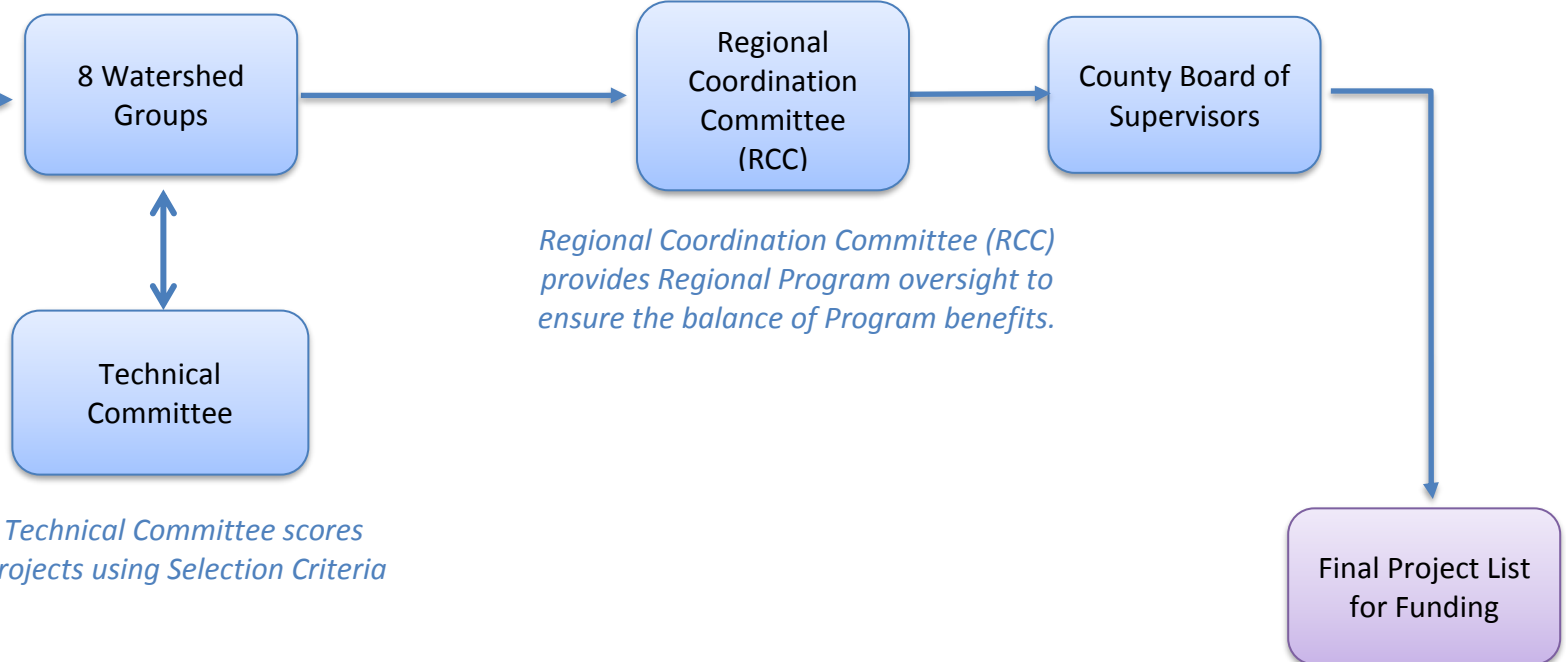
Regional Program Project Selection Process

Municipalities, water agencies, NGOs, community groups, etc. submit projects

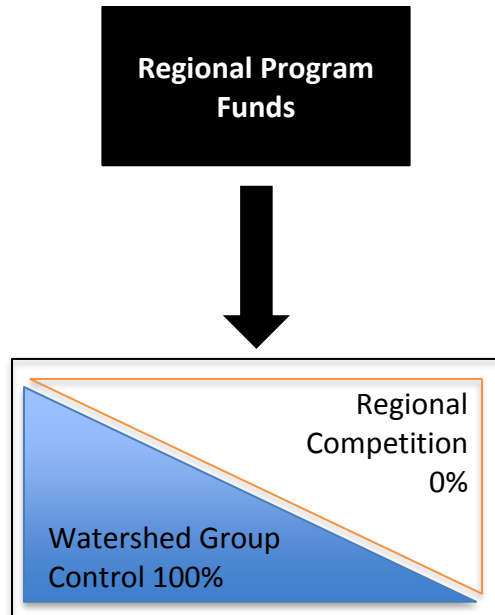
8 Watershed Groups:

- *Compiles Program Targets extracted from E/WMPs and UWMPs*
- *Selects a suite of projects to be funded that will best achieve the Program Outcomes of water quality, water supply, and community enhancements with attention to providing funding to disadvantaged communities*
- *Submits the suite of projects to the RCC for consideration.*

Board of Supervisors reviews and affirms final project list



Funding Options: Single-Tier and Two-Tier



Scenario 1 (Single-Tier)

Watershed Group Control

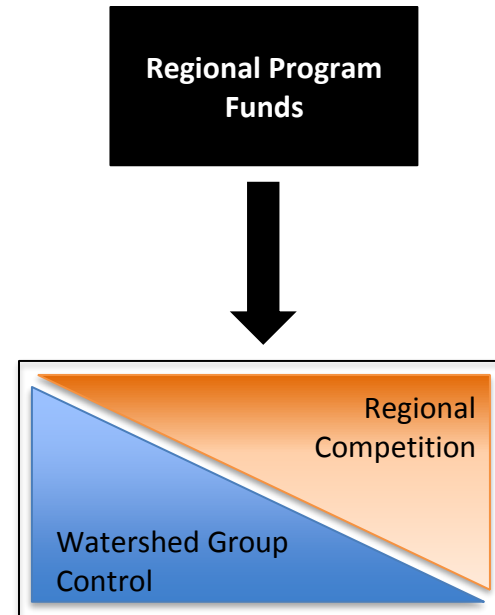
Watershed Groups control 100% of Regional Program funds generated within their boundaries. They self-select projects for funding.

Regional Competition

No regional competition.

RCC Responsibilities

The RCC approves the suite of Watershed Group selected projects, ensures that Program Outcomes are achieved within each Watershed.



Scenario 2 (Two-Tier)

Watershed Group Control

A portion of the Regional Program funds generated within the Watershed Group boundaries are returned to be used for self-selected projects.

Regional Competition

The remaining portion of the Regional Program fund is assigned to the RCC. RCC selects projects from across the region while considering recommendations from the Watershed Groups.

RCC Responsibilities

The RCC approves the suite of Watershed Group selected projects, ensures that Program Outcomes are achieved within each Watershed.
The RCC selects regional projects for funding considering merit and ensures a balance of Program Outcomes in the region.

Watershed Group Membership (8 Groups)

Scenario 1:
City/COG Representative Governance Structure

	Sector	Member
1	City	TBD
2	City	TBD
3	City	TBD
4	COG	TBD
5	COG	TBD
6	COG	TBD
A	LACFCD	Appointed by Board of Supervisors
B	Water Agency	Watershed Group recommended, then Board of Supervisor approved
C	Sanitation	Watershed Group recommended, then Board of Supervisor approved
D	Public Health/NGO/Other	Watershed Group recommended, then Board of Supervisor approved
E	Disadvantaged Communities	Watershed Group recommended, then Board of Supervisor approved
F	Open Space/Recreation	Watershed Group recommended, then Board of Supervisor approved
G	Business	Watershed Group recommended, then Board of Supervisor approved
H	Regional Board (non-voting)	Appointed by Regional Board



Membership based on one of the following options:

- Tax revenue generated
- Population
- Percent Land Area

Scenario 2:
City Representative Governance Structure

	Sector	Member
		Every city within the Watershed area may appoint one Representative (3–24 members)
A	LACFCD	Appointed by Board of Supervisors
B	Water Agency	Watershed Group recommended, then Board of Supervisor approved
C	Sanitation	Watershed Group recommended, then Board of Supervisor approved
D	Public Health/NGO/Other	Watershed Group recommended, then Board of Supervisor approved
E	Disadvantaged Communities	Watershed Group recommended, then Board of Supervisor approved
F	Open Space/Recreation	Watershed Group recommended, then Board of Supervisor approved
G	Business	Watershed Group recommended, then Board of Supervisor approved
H	Regional Board (non-voting)	Appointed by Regional Board

(See next page for membership designations)

Membership for Scenario 1

	Central Santa Monica Bay	Lower Los Angeles River	Lower San Gabriel River	North Santa Monica Bay	Santa Clara River & Antelope Valley	South Santa Monica Bay	Upper Los Angeles River	Upper San Gabriel River
City*	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
City	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
City	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
COG*	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
COG	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
COG	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
LACFCD	FCD	FCD	FCD	FCD	FCD	FCD	FCD	FCD
Water Agency	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>
Sanitation	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>
Public Health/NGO/Other	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>
Disadvantaged Communities	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>
Open Space	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>	<i>Selected by Watershed Group; Approved by BoS</i>
Regional Board (non-voting)	Regional Board	Regional Board	Regional Board	Regional Board	Regional Board	Regional Board	Regional Board	Regional Board

*City and COG representation based on the proportion of tax revenue generated within each Regional Watershed Group.

Membership for Scenario 2
Each City Governance Structure

	Central Santa Monica Bay	Lower Los Angeles River	Lower San Gabriel River	North Santa Monica Bay	Santa Clara River & Antelope Valley	South Santa Monica Bay	Upper Los Angeles River	Upper San Gabriel River
Cities*		Long Beach Los Angeles Unincorporated Compton Commerce South Gate Vernon Downey Lynwood Huntington Park	Long Beach Whittier Santa Fe Springs Unincorporated Lakewood Norwalk Cerritos La Mirada				Los Angeles Unincorporated	Unincorporated
								Industry
								Pomona
								West Covina
						Torrance Los Angeles Carson Unincorporated Rancho Palos Verde Inglewood Gardena Redondo Beach Hawthorne Rolling Hills Manhattan Beach Palos Verdes Estates Rolling Hills Estates El Segundo Lomita	Los Angeles Unincorporated	Diamond Bar
								Glendora
							Pasadena	Arcadia
							Glendale	El Monte
							Burbank	Claremont
							Montebello	San Dimas
							Monterey Park	Walnut
							La Canada Flintridge	Covina
							Alhambra	Baldwin Park
							Rosemead	La Verne
							Calabasas	Monrovia
							Temple City	Azusa
							San Gabriel	La Habra Heights
	Los Angeles	Paramount	La Mirada				San Marino	Irwindale
	Santa Monica	Bell Gardens	Downey	Unincorporated			South Pasadena	La Puente
	Beverly Hills	Bell	Bellflower	Malibu			South El Monte	Duarte
	Culver City	Pico Rivera	Pico Rivera	Agoura Hills			San Fernando	Sierra Madre
	El Segundo	Maywood	Paramount	Westlake Village			Hidden Hills	Bradbury
	Unincorporated County	Cudahy	Artesia	Calabasas	Unincorporated	Lawndale	Whittier	South El Monte
	Inglewood	Signal Hill	Hawaiian Gardens	Hidden Hills	Santa Clarita	Hermosa Beach	Santa Clarita	Pasadena
	West Hollywood	Lakewood	Signal Hill	Los Angeles	Palmdale	Long Beach		
LACFCD	FCD	FCD	FCD	FCD	FCD	FCD	FCD	FCD
Water Agency	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS
Sanitation	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS
Public Health/NGO/ Other	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS
Disadvantaged Communities	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS
Open Space	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS	Selected by Watershed Group; Approved by BoS
Regional Board (non-voting)	Regional Board	Regional Board	Regional Board	Regional Board	Regional Board	Regional Board	Regional Board	Regional Board

* Veto authority given to the cities that generate the largest proportion of tax revenue within each Regional Watershed Group

Regional Coordination Committee (RCC) Membership (16 Members)

	Member	Appointed By
1	LACFCD	Board of Supervisors
2	Santa Clara River & Antelope Valley	Watershed Group
3	Upper Los Angeles River	Watershed Group
4	Upper San Gabriel River	Watershed Group
5	North Santa Monica Bay	Watershed Group
6	Central Santa Monica Bay	Watershed Group
7	South Santa Monica Bay	Watershed Group
8	Lower Los Angeles River	Watershed Group
9	Lower San Gabriel River	Watershed Group
10	Water Agency	RCC Member recommended
11	Sanitation	RCC Member recommended
12	Open Space	RCC Member recommended
13	Disadvantaged Communities	RCC Member recommended
14	Public Health / NGO	RCC Member recommended
15	Business	RCC Member recommended
16	Regional Board (non-voting)	Regional Board

Member required to be city/COG representative

Selection is made with an eye toward keeping the RCC geographically balanced with a nexus to stormwater

SGVCOG COMMENTS SAFE, CLEAN WATER PROJECT SELECTION CRITERIA

The SGVCOG recommends that the vast majority of regional funding be expended on capital projects selected based on defined, numeric criteria, according to the most up-to-date engineering criteria. Priority should go to projects that most cost effectively address water supply and water quality. While we support consideration of projects that are not included in an approved EWMP/WMP, projects that are should receive priority. The following comments refer to Page 1, of Enclosure 1, the County's March 8, 2018, strawman proposal discussed by the Project Selection Criteria subcommittee, herein referred to as Enclosure 1.

Engineering Criteria. One of the issues that has recently emerged concerning the construction of stormwater projects is their propensity to increase the amount of standing water and thereby, the proliferation of mosquito breeding. As part of project selection, engineering criteria must include elimination of sites/structures conducive to mosquito breeding.

Disadvantaged Communities

- Regarding the application of points based upon a community's *disadvantaged* status, we are concerned that there is no consensus regarding the definition of a disadvantaged community (DAC), and believe that application of CalEnviroScreen elements are inappropriate since they focus on air quality and associated impacts. In fact, there is currently no agreed upon nexus between DACs and stormwater, or water quality. We recommend instead, using an existing water-related metric. In 2015, as part of the Low-Income Water Rate Assistance Act, the Legislature defined a low-income household as one whose income is 200% of federal poverty standards or less.¹
- It is important to ensure that money raised through this stormwater funding measure be spent to improve water quality for all residents. Rather than set aside a minimum percentage of funding that would be used to benefit DACs, we recommend that parcels owned by low income residents either be exempt or receive a discount from the proposed tax.

Flood Control District (FCD) Funding. We strongly recommend that FCD funds be used at least in part to fund a much-needed update to the Basin Plan. The need for such an update has intensified in light of the recent report on stormwater issued by the State Auditor, "State and Regional Boards: They Must Do More to Ensure that Local Jurisdictions' Cost to Address Storm Water Pollution is Reasonable and Appropriate," which noted that Regional Boards often established water quality standards in the absence of sufficient information to tailor the standards to local conditions, or has used outdated information to establish standards.

Project Prioritization Criteria (Scoring). The follow comments refer to the scoring matrix on Page 2, of Enclosure 1. Our comments on each element of scoring are embedded in the corresponding cell.

¹ AB 401, Chap. 662, Stat. 2015

Attachment 3

Project Prioritization Criteria (Scoring)	
Section	Scoring Standards
A. Significant Water Supply Benefits	A. 1. As currently written, this “yes/no” criteria requires that a project result in an annual increase in water supply of at least 25 acre feet. We support deletion of this element because it would unnecessarily disqualify projects that might otherwise be competitive. Instead, we support accepting all projects and simply letting them compete on the remaining criteria.
	A.2. We recommend adding more tiers, to reflect the significant variability in cost effectiveness. In addition to those listed, add \$2000-5000 af/yr, >\$5000 af/yr.
	A.3. As stated in A.1., we support the consideration of projects projected to yield less than 25 af/yr. However, we believe there should be more tiers in scoring water supply: <25af/yr, >25 af/yr, >50 af/yr, >100 af/yr, >250 af/yr, and >500 af/yr.
	A.4. We support deletion of this element in that it is double scoring if we include a Community Enhancements category. We cannot identify any community enhancements that do not also involve the use of Nature-Based Solutions (other than perhaps projects to redesign existing stormwater structures that host mosquito breeding).
B. Significant Water Quality Benefits	B.1. This “yes/no” criteria is ambiguous. Criteria B.2. and B.3. quantify this question making B.1. unnecessary. We support deletion of this element.
	B.2. We recommend additional tiers, <0.25 pts, 0.74-.50 pts and modification of the third tier to .99-75 pts.
	B.3. no comment
	B.4. We support deletion of this element for the reasons described above in A.4.
C. Community Enhancement Benefits	C.1. As mentioned before, we have not seen a useful definition of a Disadvantaged Community, especially in light of AB 401. We recommend consideration of a definition where x% or more of residents in a census tract meet the definition of low income pursuant to the referenced statute.
	C.2. no comment
	C.3. no comment
D. Leveraging Funds & Readiness for Implementation	D.1. no comment
	D.2. no comment
	D.3. It is unclear how the project’s ability to commence construction within 18 months would be determined. Instead, we recommend more detail, eg., the project is included within a programmatic EIR or the project appears to qualify for a CEQA exemption.
Total	

Project Scoring Criteria Framework

The following describes project scoring criteria for the Safe, Clean Water Program. The Scoring Criteria within this framework is meant to evaluate the merit of every project on an uniform set of scoring criteria. The actual selection of projects that have been scored through this criteria is a function of governance. The role of the selection process is to make sure that the suite of projects selected meet the goals of the Safe, Clean Water Program. Individual project scores are meant to inform the Selection Process, but project scores alone will not be the deciding factor for selection of a project for funding.

I. Overarching Project/Program Criteria

Types of Benefits (Definitions)

- Water supply – Increase in the amount of locally available water. Activities resulting in this benefit include but are not limited to the following, provided there is a nexus to stormwater capture or urban runoff diversion:
 - Reuse and conservation practices
 - Water recycling
 - Increased groundwater replenishment, storage or available yield
- Water quality – Consistent improvement in the chemical, physical, and biological characteristics of stormwater and urban runoff and/or protections of these characteristics in surface waters, rivers, creeks, lakes, streams and the marine environment. Activities resulting in this benefit include but are not limited to:
 - Infiltration or treatment of stormwater runoff
 - Non-point source pollution control
 - Diversion of urban runoff or stormwater to sanitary sewer system
- Community enhancements - A benefit in addition to water supply or water quality, including but not limited to:
 - Improved flood management and flood risk mitigation
 - Creation of parks and wetlands, or restoration of habitat and wetlands
 - Reduction of urban heat island effect, carbon reduction/sequestration, or improved air quality
 - Improved public access and/or enhanced or new recreational opportunities
 - Greening of schools, or green waste reduction/diversion

Funding Program Requirements

Regional Program

- Projects submitted for consideration through the Safe, Clean Water Program do not have to be part of an existing plan. Projects from existing plans as well as new concepts will have equal opportunity for consideration; however existing planned projects will still need to be run through the Safe, Clean Water Program Project Selection Criteria.
- All regional projects must be multibenefit and provide two or more of the following benefits: Water Supply, Water Quality, and Community Enhancement
- All projects must be watershed-based and ~~must impact a combined tributary area exceeding one hundred (100) acres of land,~~ and/or provide benefits to more than one Municipality / EWMP Group / etc.
- As a default, Regional Program projects will be designed, constructed, and operated and maintained by FCD in partnership with project proponents, unless another jurisdiction has the capabilities to take on this role.
- Regional Program Funds restrictions are as follows:
 - Not less than TBD% of Regional Program funds will be used to benefit DACs (where applicable)

Municipal Program

- All Municipal projects must be multibenefit and provide two or more of the following benefits: Water Supply, Water Quality, and Community Enhancement.
- An exception to this requirement may be made for municipal level single-purpose water quality projects

FCD Program

- All FCD projects must be multi-benefit and provide two or more of the following benefits: Water Supply, Water Quality, and Community Enhancement

II. Project Prioritization Criteria (Scoring)

Regional Program projects will be scored using the following framework:

Section	Score Range	Scoring Standards
A. Significant Water Supply Benefits	TBD points max	The project provides water supply benefits
	Yes / No	A1. Project provides Water Supply benefits as defined above and results in a significant increase in local water supply of > 25 acre feet per year (includes offsetting existing potable water use through capture/on-site reuse or reduction in required irrigation).
	TBD points max <i>(If A1 = Yes Only)</i>	A2. Water Supply Cost Effectiveness. The total life-cycle cost* per unit of acre foot of stormwater captured for water supply is awarded as follows: <ul style="list-style-type: none"> • >\$2000/ac-ft = TBD pts • \$1000-2000/ac-ft = TBD pts • <\$1000/ac-ft = TBD pts
	TBD points max <i>(If A1 = Yes Only)</i>	A3. Water Supply Benefit Magnitude. The additional water supply resulting from the project is as follows: <ul style="list-style-type: none"> • >50 ac-ft/year = TBD pts • >100 ac-ft/year = TBD pts • >500 ac-ft/year = TBD pts
	TBD points max	A4. Project utilizes Nature Based Solutions to achieve the water supply benefits
B. Significant Water Quality Benefits	TBD points max	The project provides water quality benefits
	Yes/No	B1. Project provides Water Quality benefits as defined above and addresses pollutants of concern.
	TBD points max <i>(If B1 = Yes Only)</i>	B2. Water Quality Cost Effectiveness. The (ac-ft Volume of stormwater managed in a 24-hour period)** / (Life-Cycle Cost* in \$Millions) is awarded as follows: <ul style="list-style-type: none"> • <0.49 = TBD pts • 0.99-0.5 = TBD pts • >1.0 = TBD pts
	TBD points max <i>(If B1 = Yes Only)</i>	B3. Water Quality Benefit Magnitude. Quantify the pollutant reduction for the controlling pollutants identified in appropriate E/WMP using the LACFCD's Watershed Management Modeling System. The analysis should be an average reduction over a ten year period showing the impact of the project. <ul style="list-style-type: none"> • <50% = TBD pts • 74-50% = TBD pts • >75% = TBD pts
	TBD points max	B4. Project utilizes Nature Based Solutions to achieve the water quality benefits
C. Community Enhancement Benefits	TBD points max	The project provides community enhancement benefits
	TBD points	C1. Project provides community enhancement benefits directly to and within a disadvantaged community
	TBD points	C2. Project has at least one of the Community Enhancement benefits defined above
	TBD points	C3. Project has at least two of the Community Enhancement benefits defined above
D. Leveraging Funds & Readiness for Implemen- tation	TBD points max	The project achieves one or more of the following:
	TBD points max	D1. Cost-Share. Additional Funding has been awarded for the project. <ul style="list-style-type: none"> • >25% Funding Matched = TBD pts • >50% Funding Matched = TBD pts
	TBD points	D2. The project demonstrates strong local, community-based support and/or has been developed as part of a partnership with local NGOs/CBOs.
	TBD points	D3. Project will begin construction within 18 months
Total	Total Points All Sections TBD	

*Total Life-Cycle Cost: The Present Value of all planning, design, land acquisition, construction, and total life O&M costs for the project for the entire life span of the project (eg. 50-year design life span)

**Management of the 24-hour event is considered the maximum capacity of a project for a 24-hour period. For water quality focused projects, this would typically be the 85th percentile design storm capacity.

SGVCOG COMMENTS ON SAFE, CLEAN WATER CREDITS, REBATES, AND INCENTIVES PROGRAM ELEMENT

While the SGVCOG has not previously developed a position statement on Credits, Rebates, and Incentives, it has become clear that this program element is the most difficult to craft.

Measurable Water Quality Improvement. Throughout the subcommittee meetings, the SGVCOG has maintained its focus on helping our local agencies comply with water quality standards. Preserving that as the goal of any incentive, credit, or rebate program is essential. Often with this program element, discussion has drifted to consideration of concepts that may not produce water quality benefits. The SGVCOG recommends that consideration of a particular incentive, credit, or rebate concept start with an assessment of whether that effort will improve water quality in the end, by how much, and at what cost. Just as Safe, Clean Water has developed numeric metrics for project selection, there must be measurable criteria for any incentive, rebate, or credit program.

Incentives vs. Credits. The SGVCOG recommends offering incentives only—money at the front end to encourage construction of water quality capital projects and/or BMPs. Continuing to pay for projects on the back end through credits for projects that are already done, could theoretically grow and grow to the point that the credits payouts consume every dollar of the annual revenue generated. Additionally, depending on how the tax is structured, parcel owners may inherently receive a kind of credit, by paying less tax due to the amount of pervious area on their property. This, in and of itself, serves as an incentive for which they would reap an annual benefit.

Administration.

The SGVCOG is concerned with the cost of administering a program, in whatever form it emerges. If a program is offered it must be simple to access and apply for. Inspections and/or verification should be tied into existing permitting and inspection routines, and payouts must be based on measurable criteria that is worked into the design of the projects. The County has posited the concept of *oversizing* Low Impact Development (LID) projects; that is, incentivizing retailers to build projects that collect and treat more runoff than they are otherwise required to under LID ordinances. We believe this type of project meets our simplicity of administration goals. We can imagine working an incentive program into existing LID ordinances in such a way that it encourages big box retailers (or other similar businesses) to oversize their projects in order to receive a financial savings. The design of these projects can be prescribed up front and the compliance can be checked during the normal inspection/construction process. This type of project and incentive program seems to us to be the best in terms of moving toward meeting water quality objectives at the municipal level.

SGVCOG COMMENTS SAFE, CLEAN WATER TAX FORMULATION AND RETURN

While the SGVCOG has no position on the formulation of the tax, subsequent discussions with our Water Policy Committee confirm the concerns with the current formulation that were first raised by stakeholders at their meeting on March 14, 2018. Our comments refer to the tax formula slides discussed by the SAC, herein referred to as Enclosure 1.

Tax Formula and Example Ballot Question. Following are the benefits and challenges of the proposed tax formulations and refer to Page 4 of 13:

- Impermeable Tax Area. The proposed phrase, “establishing a parcel tax of x (x) cents per square foot of impermeable surface” (Page 13 of 13), is too ambiguous for the average parcel owner to understand, let alone compute.
- Flat Tax. A flat tax is regressive in that large parcel owners would pay the same as very small parcels.
- Land Use Based Tax. The land use based tax amounts to a flat tax based on different parcel uses, and is likewise regressive.
- Improved Area Tax. Since property improvements include everything from landscaping to home additions, the improved area tax formulation has the challenge of proving a direct nexus to stormwater.
- Tiered Land Use Based Tax. The tiered land use based tax does a better job of accounting for different parcel sizes by taxing at different rates, but it suffers from complexity that is hard to convey to voters given that the ballot question must state exactly how much each parcel owner can expect to pay and the limitation on the number of words that can be used.
- Lot Area Tax. Because it is based on lot size, the lot area tax is not regressive. It has the advantage of simplicity in calculating the amount of the annual tax. Finally, it maintains a strong nexus to runoff and stormwater.

Safe, Clean Water Program

Tax Formula

BASED ON PRELIMINARY DATA
SUBJECT TO CHANGE

Overview

- ▶ Existing FCD Authorities
- ▶ Tax Formulas Explored
- ▶ Revenue Targets & Sample Properties

BASED ON PRELIMINARY DATA
SUBJECT TO CHANGE

Existing FCD Authorities

- ▶ Stormwater capture for flood risk management and water conservation, incidental associated activities
- ▶ Authorities for raising revenue
 - ▶ Pre 1180 revenue authorities
 - ▶ 1180 revenue authorities
- ▶ Authority to fund stormwater quality
 - ▶ FCD limits on funding water quality for FCD
 - ▶ FCD inability to fund water quality for cities pre 1180
 - ▶ FCD authorities to fund water quality for cities through 1180

Safe, Clean Water Tax Formulas

▶ Flat Tax

- ▶ \$X Per Parcel

▶ Improved Area Tax

- ▶ X¢ Per SqFt of Improved Area

▶ Lot Area Tax

- ▶ X¢ Per SqFt of Lot Area
- ▶ Exempt Vacant Land

▶ Impermeable Area Tax

- ▶ X¢ Per SqFt of Impermeable Area

▶ Land Use Based Tax

- ▶ \$X Per Single Family Residential Parcel
- ▶ \$X Per Multi Family Residential Unit
- ▶ \$X Per Lot Acre Non Residential
- ▶ Exempt Vacant Land

▶ Land Use Based Tax (Tiered SFR)

- ▶ Single Family Residential Parcel
 - ▶ \$X < 1,170 SqFt Home (improved area)
 - ▶ \$X < 2,000 SqFt Home (improved area)
 - ▶ \$X > 2,000 SqFt Home (improved area)
- ▶ \$X Per Multi Family Residential Unit
- ▶ \$X Per Lot Acre Non Residential
- ▶ Exempt Vacant Land

Tax Formula

- ▶ **Impermeable Area Tax**
 - ▶ X¢ Per SqFt of Impermeable Area
 - ▶ Based on Land Cover type:
 - ▶ Preliminary numbers are based on Statistical data
 - ▶ Final impermeable area will be based off LIDAR, vegetation infrared imagery, and aerial photography (Exact Impermeable area)

Tax Base

▶ **Parcels in the Flood Control District**

- ▶ 2.24 Million Parcels
- ▶ 2.02 Million Residential Parcels
- ▶ 171-k Non Residential Parcels
- ▶ 43-k Government Parcels

▶ **Potential Exemptions**

- ▶ Credit or Rebate Program - *would need to apply, not automatically applied*

Preliminary Tax Revenue Targets

▶ \$300M / year

- ▶ 3.49¢ Per SqFt of Impermeable Area
- ▶ Regional Program (50%) = \$150M
- ▶ Municipal Program (40%) = \$120M
- ▶ FCD Program (10%) = \$30M

▶ \$400M / year

- ▶ 4.65¢ Per SqFt of Impermeable Area
- ▶ Regional Program (50%) = \$200M
- ▶ Municipal Program (40%) = \$160M
- ▶ FCD Program (10%) = \$40M

Safe, Clean Water Program Regional Watershed Groups

(Draft Findings Using Preliminary Data)

All Regional funds collected within a Regional Watershed Group
returns to the same Regional Watershed Group

LACFCD Northern Limit

Regional Watershed Groups

EWMP & WMP Groups

Alamitos Bay

Ballona Creek

Beach Cities

Dominguez Channel

East San Gabriel River

LA River Upper Reach 2

Los Cerritos Channel

Lower LA River

Lower San Gabriel River

Malibu Creek

Marina Del Rey

North Santa Monica Bay

Peninsula EWMP Agencies

Rio Hondo / San Gabriel River

Santa Clara River

Santa Monica Bay Jurisdiction 7

Santa Monica Bay Jurisdictions 2 & 3

Upper Los Angeles River

Upper San Gabriel River

Individual Cities

Individual Cities

Regional Watershed Group (50% of Total Funds)	Impermeable Area Tax (\$300M)	Impermeable Area Tax (\$400M)
Central Santa Monica Bay	\$19.4M	\$25.9M
Lower Los Angeles River	\$18.1M	\$24.1M
Lower San Gabriel River	\$15.8M	\$21.0M
North Santa Monica Bay	\$1.9M	\$2.6M
Santa Clara River & A.V.	\$8.1M	\$10.8M
South Santa Monica Bay	\$18.2M	\$24.3M
Upper Los Angeles River	\$44.7M	\$59.5M
Upper San Gabriel River	\$23.8M	\$31.8M
Total:	\$150M	\$200M

Enclosure 1, Attachment 5

0 5 10 Miles

8

Sample Property Tax Scenarios

▶ Median Single Family Home

- ▶ Parcel Size = 1/6th acre = 7,200 sq-ft
- ▶ Impermeable Area = 2,100 sq-ft

\$300M
Impermeable Area Tax
3.49¢ Per Sq-Ft of Impermeable Area



Single Family Home
\$73

\$400M
Impermeable Area Tax
4.65¢ Per Sq-Ft of Impermeable Area

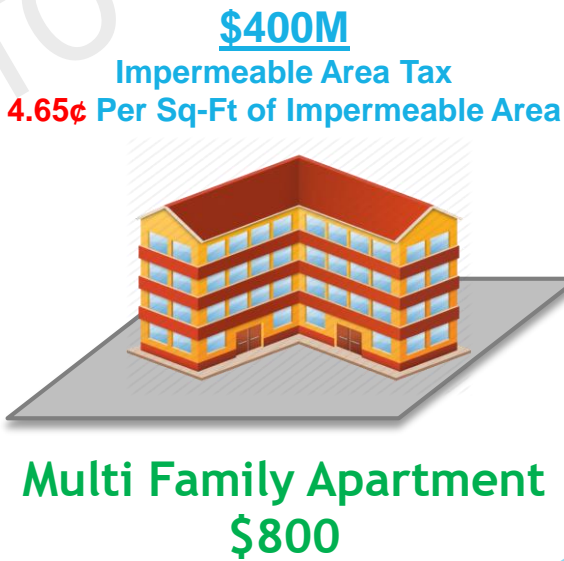
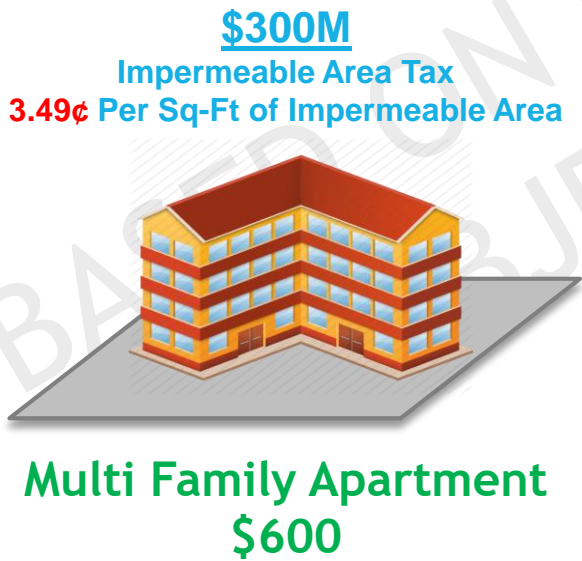


Single Family Home
\$98

Sample Property Tax Scenarios

► Apartment Building

- Parcel Size = 1/2 acre = 21,800 sq-ft
- Impermeable Area = 17,200 sq-ft
- Typical: 14-18 units for this sized apartment building



Sample Property Tax Scenarios

► **High Rise Office Building**

- Parcel Size = 1/2 acre = 21,800 sq-ft
- Impermeable Area = 18,200 sq-ft
- (Example 9-story Office Building: 130,000 sq-ft of office floor space)

\$300M
Impermeable Area Tax
3.49¢ Per Sq-Ft of Impermeable Area



High Rise Office Building
\$635

\$400M
Impermeable Area Tax
4.65¢ Per Sq-Ft of Impermeable Area



High Rise Office Building
\$846

Sample Property Tax Scenarios

► Regional Shopping Center (Costco Example)

- Parcel Size = 10 acres = 435,600
- Impermeable Area = 418,180 sq-ft

\$300M

Impermeable Area Tax
3.49¢ Per Sq-Ft of Impermeable Area



Costco Shopping Center
\$14,594

\$400M

Impermeable Area Tax
4.65¢ Per Sq-Ft of Impermeable Area



Costco Shopping Center
\$19,445

2018 SCW Tax - Ballot Question

► Example Ballot

Shall an ordinance intended to improve and protect water quality; increase safe drinking water supplies; protect public health; reduce stormwater pollution entering Los Angeles County waterways and beaches; prepare for future droughts; protect marine life; and upgrade outdated water infrastructure by establishing a parcel tax of x (x) cents per square foot of impermeable surface, exempting low-income senior citizens, raising x million dollars annually until ended by voters, with audits, oversight and local control of funds be adopted?