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May 11, 2018

Mr. Mark Pestrella, Director of Public Works
Angela George-Moody, Deputy Director – Water Resources
County of Los Angeles
900 S. Fremont Avenue
Alhambra, CA 91803

Via email: mpestrella@dpw.lacounty.gov; agmoody@dpw.lacounty.gov

Dear Mr. Pestrella and Ms. George-Moody:

The City of Rolling Hills Estates City Council has not taken a position on the Safe, Clean Water parcel tax since the program is still under development. However, City staff appreciate the opportunity to offer our comments on the substance of the draft program elements for your consideration. We also appreciate the commitment of time and resources by the Los Angeles County Department of Public Works and the Flood Control District (LACDPW/FCD) staff to develop the Safe, Clean Water Draft Program Elements (Program). It is clear that much thought and stakeholder outreach has gone into the Program's development.

There is no doubt that municipalities in the Los Angeles region are facing enormous Clean Water Act stormwater compliance costs with no secure funding to meet their regulatory compliance obligations—Rolling Hills Estates is no exception. Where feasible the nexus between stormwater capture and water supply should be leveraged to optimize public resources by constructing stormwater capital projects that provide both water quality benefits in terms of stormwater quality improvements and water supply benefits to improve the region's drought resilience. If additional public co-benefits can be realized through stormwater capital project features, they should be considered in the project design as well. That said, municipalities are individually obligated to meet Clean Water Act regulatory compliance objectives in terms of effluent limitations and waste load allocations set by the Los Angeles Regional Water Quality Control Board through the Municipal Stormwater Permit and approved Enhanced/Watershed Management Programs (E/WMPs). As such, the Program must ensure that its stated primary objectives of capturing stormwater and reducing stormwater and urban runoff pollution are realized so that municipalities can obtain regulatory certainty. Certain elements of the Program need to be further clarified and refined to assure that program funding and project selection

support attainment of Clean Water Act compliance objectives for each municipality and E/WMP group.

Comments and suggestions for modifications to the Program are provided for your consideration below.

MUNICIPAL PROGRAM EXPENDITURES

1. Imposition of LA County contracting requirements on every municipality that receives the 40% local return municipal funds would create an unreasonable and untenable burden on small municipalities. It is strongly recommended that this requirement be eliminated from the Agreements for Transfer of SCW Program Funds.
2. Municipal Program Funds expenditure requirements should be flexible to meet agencies' needs rather than mandating that 70% be spent on new water quality activities and that only 30% may be spent on baseline water quality activities. Perhaps a 50/50 split would be more appropriate. Also, it should be clarified that operation and maintenance costs for "new" projects are considered to be ongoing "new" costs since municipalities' needs will change over time as projects are completed and new projects are not needed until the end of their useful life.
3. The "effective start date of the SCW Program" which is the date prior to which municipal program SCW Program eligible activities are considered "baseline" as opposed to "new" program expenditures should be the date of Regional Board approval of the E/WMP rather than the date of approval of the parcel tax by the voters. This will ensure that municipalities that have moved promptly to implement water quality programs, projects and enhanced minimum control measures as described in the E/WMPs are not penalized over those which may not have moved as promptly to carry out E/WMP commitments.

GOVERNANCE STRUCTURE

4. Watershed Area Steering Committees should include a municipal representative from each E/WMP group within the Watershed Area boundaries. No municipality should have more than one seat/vote on the Watershed Area Steering Committees; instead, guaranteeing a seat/vote to the largest municipalities should be sufficient.
5. It is not clear why an open space stakeholder is needed on the Regional Oversight Committee and on every Watershed Area Steering Committee since the primary purpose of the program according to AB 1180 is "to pay the costs and expenses of carrying out projects and programs to increase stormwater capture and reduce stormwater and urban runoff pollution in the district..."¹ Consider eliminating the Open Space Stakeholder position or leaving the position undesignated to allow for flexibility by the Watershed Area Steering and Regional Oversight Committees in filling that seat as they determine is most appropriate to the needs and characteristics of the Watershed Area.
6. It is important that Watershed Area Steering Committees be seated with members that are well qualified to make important decisions on the selection of projects to receive funding. The Watershed Area Steering Committees should be allowed flexibility in the number of Community Stakeholder seats that must be filled. If qualified and interested Community Stakeholders are not available to fill all four seats on each Watershed Area Steering Committee, then it should be up to the discretion of the Watershed Area Steering

¹ AB 1180 (Holden 2017) Section 2. 8a.

Committee to reduce the number of Community Stakeholder seats. Watershed Area Steering Committees should not be required to seat more than one (or at most two) Community Stakeholders who don't meet the General Minimum Qualifications for all Members (page 29).

PROJECT SELECTION PROCESS

7. Based on the schedule provided, assuming the voters approve the Safe, Clean Water tax in November 2018, we understand that funds would not become available for transfer to project proponents until Winter of 2020. However, municipalities must still proceed with capital projects that may be currently in the planning, design or even construction phases in order to meet milestones and deadlines in approved E/WMPs. We recommend setting the E/WMP approval date as the effective start date for cost recovery under the Program for selected regional projects or eligible municipal capital projects, including planning, design and construction costs. Again, this will ensure that municipalities and E/WMP groups that have taken significant steps to implement E/WMP commitments in terms of regional and distributed projects are not penalized.
8. Not all regional stormwater capture projects will have a clear nexus with water supply benefits, particularly those in coastal watershed areas that are located west of the of the West Coast Groundwater Basin Barrier Project or in areas where there is no underlying groundwater basin. Yet such regional projects may be critical to achieve the Clean Water Act compliance objectives identified by an E/WMP group. Such projects should not be penalized in the Regional Project Scoring Criteria.
9. Transparency and accountability are important in expending public funds, however these must be balanced with efficiency and flexibility to ensure the timely selection, development and implementation of projects without unnecessary administrative burden. The Six Step Regional Project selection and funding process is quite complex and could be further streamlined while still maintaining transparency and accountability. An annual frequency/cycle for all six steps in each and every Watershed Area may result in excessive administrative effort and delays in schedule/approvals of projects due to bottlenecks in the process. Since the call for projects will be biennial, and the Stormwater Investment Plans will be 5-year plans, could the six-step process be reduced to a biennial process with staggered calls for projects for different Watershed Area Steering Committees to reduce the burden on the technical review committee?

The City of Rolling Hills Estates appreciates the opportunity to provide comments on the draft elements of the Program and offers these comments to help achieve the most cost-effective and equitable program possible.

Sincerely,



Greg Grammer
Assistant City Manager

cc: Russ Bryden, Principal Engineer, rbryden@dpw.lacounty.gov