



May 11, 2018

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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. Our cities appreciate the county's interest in helping them fund their substantial unfunded liability for stormwater permit compliance costs.

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 pledged 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 regional 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.
- **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, and impedes cost-effective use of existing infrastructure, 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.

We are very pleased to say that the draft program released on April 12, 2018 generally meets the elements of our overarching position. In an effort to assist the further development of the program, we offer the following specific categorized recommendations regarding the latest draft.

Definitions/Eligible Expenditures

- **Project Applicants.** Recommend that only permittees be allowed as applicants for the Regional Program in order to maximize focus on attainment of stormwater quality standards. Other agencies/organizations can work with a permittee as the “sponsor” of their program. Furthermore, there is no need to define project applicants under the Municipal Program because the authority to spend that money is left to the discretion of the cities.
- **Eligible Expenditures.** Recommend removing “a community’s ability to adapt to climate change.” This is not directly stormwater related. Moreover, other funding sources such as the Caltrans Sustainable Communities grants are specifically designed to address this.

Municipal Program

- **Stakeholder Engagement.** Recommend that all references and requirements for stakeholder engagement be deleted. Municipal residents are, by definition, stakeholders and have the opportunity to participate in all city strategic planning and budget review processes already.
- **Los Angeles County Contracting/Hiring Practices.** Recommend removing all requirements to follow Los Angeles County contracting requirements. Municipalities are already guided by state law on hiring and contracting practices, and requiring compliance with unfamiliar County contracting requirements will unnecessarily increase the city’s project administration costs. For precedent, note that Measures M, R, and Proposition A do not include the requirement to follow Los Angeles County hiring and contracting requirements as a stipulation for receiving funds.

Regional Program

- **Selection Process/Flowchart.** In general, recommend this process be simplified and streamlined. Specific recommendations are identified below.
- **Watersheds map.**
 - **Arroyo Seco/Rio Hondo Watershed.** Recommend that the Arroyo Seco (AS) watershed be split off from the Upper Los Angeles River (ULAR) watershed and joined with the Rio Hondo (RH) watershed area. Changing the proposed watershed map simply recognizes the on-the-ground reality of how these watersheds should be grouped. As an example, the current Memorandum of Agreement between AS/RH cities for a Load Reduction Strategy shows that these cities, in practice, are already executing stormwater pollution actions apart from the ULAR.
 - **Rio Hondo/San Gabriel River (RH/SGR) EWMP.** Recommend grouping the RH/SGR EWMP in the Upper San Gabriel River (USGR) watershed area. Currently, the proposed map shows this EWMP split between the RH (Arcadia, Monrovia, Sierra Madre) and USGR (Azusa, Bradbury, Duarte) watersheds. This is a concern because the EWMP is in the process of proposing a major revision to their watershed plan, including construction of five regional projects.
- **Watershed Area Steering Committee (WASC)**
 - **County/Municipal Membership.** Recommend further discussion. As proposed, the County is represented both as a municipal member, due to its unincorporated area, and with a sector specific seat allocated to the FCD.
 - **Community Stakeholder Qualifications.** Recommend establishing minimum requirements for Community Stakeholders. Because MS4 compliance requires extensive knowledge, we believe there should be minimum qualifications for community stakeholders, just like there are for municipal and sector specific representatives.
- **Technical Committee.** Recommend the Technical Committee be staffed by one person from each watershed area steering committee in order to preclude county bias in project selection scoring. Those members should be eligible to score all projects except those originating from their own watershed area.
- **Project Selection and Scoring Criteria.**
 - **Project Selection.** Recommend that project score be the only basis upon which projects are selected. If other factors (e.g., regional diversity, 110% return) will be considered beyond a given project's score, specific project selection guidelines must be developed by the County for those other factors, with the opportunity for stakeholder comment on those guidelines.
 - **Project Scoring.** Recommend the following changes to the project selection scoring matrix:
 - **A. Water Quality.** 50 points total (split 25/25 for dry and wet weather)
 - **B. Water Supply.** 25 points total
 - **C. Community Investments.** 13 points total.

- **C1.** 5 points
 - **C2.** 8 points
 - **C3.** Delete C3 as this section duplicates C1 in part.
 - **D. Leveraging/Readiness.** 12 points total
 - **D1.** 5 points
 - **D2.** 2 points
 - **D3.** Delete D3 as there are too many uncertainties with project development to be able to state that a project will commence within 18 months.
 - **D4.** 5 points
- **Stormwater Investment Plan.**
 - **Staffing, Level of Effort.** Recommend that County provide staff support—funded by the FDC Program—to the development of stormwater investment plans. Because there are more than one E/WMP and/or WMP within the proposed watershed areas, it will be time consuming and difficult to meld existing planned projects into the 5-year stormwater investment plan. Moreover, County support will lead to consistency in the plans across the entire region.
 - **BOS Review.** Recommend review of this step for consolidation and/or deletion. It is unclear what role the BOS will play in the review and approval of these plans.
- **Stormwater Management Targets.** Recommend deleting development of stormwater management targets from the program for the following reasons.
 - **Water Quality Targets.** Development of these targets duplicates what the regional board and E/WMPs have already established.
 - **Water Supply Targets.** The 2016 Bureau of Reclamation Basin Study identified water supply targets on a regional level and each adjudicated basin has set specific targets year-by-year. Additionally, precipitation drives stormwater-sourced water supply.
 - **Community Investment Targets.** Establishing these targets is subjective and potentially not measurable.
- **Regional Oversight Committee (ROC).** Recommend review of this step for consolidation and/or deletion. The responsibilities of the ROC are ill defined and it is unclear what value the ROC will add to the project selection process.
- **Disadvantaged Communities (DACs)**
 - **110% Return.** Recommend that the definition of “benefit” be such that a downstream project (built in a non-DAC community) that accepts stormwater from a DAC, be included in the definition. Currently, the program states that the 110% return must “benefit” a DAC. How to define “benefit” requires more discussion.
 - **Accounting for 110% Return.** Recommend that the County develop a system for accounting for the 110% return and report out annually. How the 110% return will be accounted for, and by whom, requires more discussion. Since projects will be built over multiple years and in many places throughout a watershed area, accounting is not straightforward.

- **DAC Count.** Recommend clarifying if DAC population count is by census block or bounded by permittee (city) jurisdiction.

Flood Control District (FCD) Program

- **Scientific Studies.** Recommend that the amount for scientific studies be equal to the amount set aside for FCD education programs (currently \$20 million over five years) and come from FCD funds.
- **Job Training.** Recommend more discussion and reconsideration of how this element is structured. A few concerns are: 1) certification for project “design” requires an engineering degree and is not an applicable goal for a vocational job training program, 2) unions are already required to provide construction training in all public works projects. This element seems to be duplicative of other ongoing governmental requirements.
- **Watershed Monitoring.** Recommend an allocation of FCD funds for water quality monitoring.
- **Watershed Coordinator.** Recommend removal of this position from the program as the duties of this position are ill defined.

Miscellaneous

- **1st/2nd Ordinance.** Recommend that both ordinances be passed at the same time with wording that says the 2nd ordinance will only go into effect upon voter approval of the tax.
- **Credits/Incentives/Rebates.** In the SGVCOG’s letter of April 5, 2018, we stated our recommendations regarding this program element. (See Attachment 2.)
- **Conflict of Interest.** Recommend clarification. As written, the conflict of interest policy is ambiguous whether it is personal to the representative or extends to the organization represented.

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 – SGVCOG Position on Credits, Rebates, and Incentives

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 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.