

June 15, 2018

The Honorable Sheila J Kuehl, Chair
Los Angeles County Board of Supervisors
Kenneth Hahn Hall of Administration
500 West Temple St.
Los Angeles, CA 90012

Dear Chair Kuehl and Supervisors:

We are writing to urge you not to move forward, at this time, with your plan to place a new property tax for general water quality, water supply and community benefits on the November 2018 ballot.

We agree that an adequate supply of water is essential to the economy of Los Angeles County. We also understand that the Board of Supervisors has good intentions to put a process in place that will lead to a specific plan and specific expenditures in the future. Good intentions without a specific plan, however, are not sufficient to support a new tax of this magnitude.

When the voters of Los Angeles County were asked to support Measure M in the fall of 2016, they were presented with a very detailed plan regarding how the money would be used. That plan was the basis for building public support and the voters agreed.

When the voters of Los Angeles County were asked to support Measure H in the spring of 2017, they were presented with a very detailed plan regarding how the money would be used and that plan was the basis for building public support.

The public and the business community have frequently supported new taxes that are justified by well-defined goals and a thoughtful set of priorities with a time schedule. Those components are not included in the current proposal. It is also unclear whether the current proposal is the most cost-efficient plan to improve and enhance our local water supply. It is estimated that \$20 billion has been invested over the decades in the storm water and sanitary sewer systems throughout the county. We have no idea whether the new tax revenue will maximize those investments or ignore them.

What we do know is that the County of Los Angeles and the cities in Los Angeles County face state and federal mandates regarding storm water runoff and water quality. Meeting these mandates will be expensive and it does not appear that the County proposal is focused on solving this problem.

While the proposed tax could provide funds to address these mandates, it is impossible to tell from the current proposal how much funding would be provided relative to the need. If the revenue from this new tax is not focused on meeting these

mandates, then cities will likely be forced to ask taxpayers to authorize a second tax in the future.

In the current proposal, homeowners and businesses that have invested their own money in controlling storm water on their property would not get full credit for their investments. As a result, they would pay twice and be required to subsidize others. Likewise, it is not clear how much credit, if any, the 3500 businesses that currently pay for an industrial storm water permit will be given.

What we do know is that wholesale exemptions from the new tax are contemplated for public agencies that are among the largest property owners in the County. Publically owned property contributes to water runoff and water quality problems as well. When these properties are exempted, homeowners and businesses have to pick up a greater share.

This letter represents businesses and homeowners that would be required to pay the new tax. We stand ready to work with the County and other stakeholders to develop a specific plan that addresses the most urgent water needs in our County and is fair to all taxpayers. The current proposal does not meet those criteria, which is why the business community is urging you not to move forward with a public vote in November.

Signed,

