





## City of Sierra Madre Agenda Report

*Denise Delmar, Mayor*  
*John Harabedian, Mayor Pro Tem*  
*Rachelle Arizmendi, Council Member*  
*John Capoccia, Council Member*  
*Gene Goss, Council Member*

*Sue Spears, City Clerk*  
*Michael Amerio City Treasurer*

TO: Honorable Mayor Delmar and Members of the City Council

FROM: James Carlson, Management Analyst 

REVIEWED BY: Gabriel Engeland, City Manager 

DATE: July 10, 2018

SUBJECT: **SAFE, CLEAN WATER PROGRAM – LOS ANGELES COUNTY  
PROPOSED SPECIAL PARCEL TAX**

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### SUMMARY

City Councilmember John Capoccia has asked for this subject to be brought to the City Council for discussion. For this report, staff is providing a summary and analysis of the Program's components. The June 29, 2018 Draft Program Elements from the County of Los Angeles has been included with this report as **Attachment A**. Staff has been informed this is the final draft of the Program, and there will not be any substantial changes before the County of Los Angeles Board of Supervisors take the item into consideration on July 17, 2018. Staff is seeking direction from the City Council.

### Analysis

As stated in the proposed ordinance, this Program would adopt a special parcel tax within the Los Angeles County Flood Control District "to provide for increased storm water and Urban Runoff capture and reduced storm water and Urban Runoff pollution, and help put Los Angeles County on a path to water resiliency and economic security through equity-focused strategies and policies to increase drought preparedness, improve water quality and public health, create jobs, build capabilities, and remove barriers." The parcel tax will require two-thirds support.

The special parcel tax would be assessed at two and one-half cents (\$0.025) per square foot of impermeable surface upon all parcels located in the Flood Control District (exempting government owned parcels, Antelope Valley parcels, and low income/senior citizens as determined by the Board of Supervisors.)

The special parcel tax is estimated to bring in approximately \$300 million dollars per year. Fifty-percent would be used for regional projects, forty-percent would be allocated to municipal projects, and ten-percent would be used by the Flood Control District for administrative efforts and support of the program.

#### San Gabriel Valley Council of Governments Water Committee

Staff along with Councilmember Capoccia regularly attend the monthly SGVCOG Water Committee meetings, in which much time has been spent watching the evolution of the Safe, Clean Water Program. On May 9, 2018, the SGVCOG Board of Directors sent a comment letter to Chair Kuehl of the Los Angeles County Board of Supervisors (**Attachment B**).

#### Staff's Concerns with the Program

Staff shares many of the concerns expressed by the SGVCOG in their correspondence with the Board of Supervisors;

**Technology** – Flood Control District and County staff have indicated that they will be able to determine the square footage of impermeable surface on all affected parcels with the use of LIDAR technology (fly-over and microwaves or similar). Despite technical explanations and assurances from these representatives, the public will not be able to view this technology until “sometime in August” when they are expected to be able to zoom into their own parcel to get an estimate of their respective parcel tax. The program allows the parcel owners to seek a review with the Flood Control District’s impermeable calculations if there is a mathematical error, or the discrepancy is greater than 10% of the impermeable square footage or \$50.00 in the annual tax amount, whichever is greater. Staff feels that this process alone could create great administrative challenges, even if the technology is extraordinary.

**Local Control** – In the early developments of this program, municipalities had a greater stake in the development. The Cities are bound by the Stormwater (MS4) Permit for compliance efforts and costs. During the development of the plan, many Committees and Sub-Committees were formed for various assistance and oversight. The “Watershed Area Steering Committees”, of which there are now 9, are comprised of 17 members with only 7 members being from a City in the area. There is now a “Regional Oversight Committee” as well as a project “Scoring Committee” that are entirely appointed by the Board of Supervisors. The Flood Control District also brings “Technical Assistance Teams” in addition to “Watershed Coordinators” to administer the regional program.

Another cause for Staff’s concern is included with **Attachment A**, “Safe, Clean Water Program Draft Program Elements” in section III. B. In the section titled “Agreements for Transfer of SCW Program Funds”, certain projects will be required to conform to the Los Angeles County-Wide Project Labor Agreement as well as additional county-specific provisions including the Disabled Veteran Business Enterprise Preference Program, the Local Small Business Enterprise Preference Program, Woman-Owned Businesses Preference and a Social Enterprise Preference Program. Cities have State and Federal project requirements that should suffice, and recent similar County Measures (Measure M, Measure R) did not require individual Cities to comply with the County’s buffet of project management requirements.

**The Program is Complicated and Incomplete** – This program has incorporated layers upon layers of granular details. From reporting and auditing requirements, confusing project scoring methodology and the yet, unfinished credit program which would take previous water quality efforts into account for the taxation, this Program will be very difficult to manage for many Cities.

#### Culver City – Clean Water, Clean Beach Parcel Tax

During the November 8, 2016 Special Municipal Election, Culver City residents voted on a municipal stormwater parcel tax. The results of the election surprised many in the stormwater community, as it was passed with 73.82% of the required two-thirds. The measure charges the following:

- \$99/year for single family residential parcel
- \$69/year per multi-family dwelling unit
- \$1096/year per acre of land or portion thereof for non-residential

The measure generates approximately \$2 million per year, and is the primary source for Culver City water quality projects as well as participation with the Ballona Creek Watershed EWMP. It is not clear at this time, however, the County's Safe, Clean Water Program will account for the few cities that have their own stormwater tax. Staff feels that this may be a better option for Sierra Madre, should the City Council find themselves in a position that additional revenue for stormwater compliance is necessary.

#### **STAFF RECOMMENDATION**

Staff is seeking direction from the City Council.

#### **FINANCIAL REVIEW**

The City is a member of the Rio Hondo/San Gabriel River Water Quality Group with the cities of Arcadia, Monrovia, Bradbury, Duarte, the Flood Control District, and Los Angeles County (representing unincorporated areas in the boundaries.) In order to remain in compliance with the 2012 Municipal Stormwater Permit (also "MS4" Permit), the Group submitted an Enhanced Watershed Management Plan (EWMP) which was approved by the Los Angeles Regional Water Quality Control Board on April 21, 2016. The estimated cost for implementing the plan over the next 11 years is \$1.4 Billion.

Over the past 18 months, the Group has engaged with Regional Water Control Board staff, hired a new technical experts (hydrology, biology, water modeling, etc.), and submitted a revised EWMP. The Plan is currently under review by the Regional Water Control Board with an expected October or November decision this year. The revised Plan projects a considerable savings from the \$1.4 Billion dollar figure, and as presented the estimated costs amount to \$95.5 Million plus potential land acquisition costs of \$100 Million over the next 10 years.

Staff feels that if the Clean, Safe Water Program is approved by the voters, funding would most likely be sufficient to pay for the revised EWMP by the target date of 2028. Staff feels that the regional projects in the revised EWMP would be very competitive in the Rio Hondo and Upper San Gabriel River regions.

Alternatively, a Culver City-model local fee would be more efficient and retain much more local control of our residents' tax dollars. A full rate study would be required to determine how far it could fund local project and contribute to regional projects that directly benefit Sierra Madre.

#### **PUBLIC NOTICE PROCESS**

This item has been noticed through the regular agenda notification process. Copies of this report are available at the City Hall public counter, at the Sierra Madre Public Library, and can be accessed on the City's website at [www.cityofsierramadre.com](http://www.cityofsierramadre.com).

Attachments (2)

**Attachment A:** June 29, 2018 Safe, Clean Water Program Draft Program Elements

**Attachment B:** May 9, 2018 Letter from SGVCOG to County Board of Supervisors Chair Sheila Kuehl.

**SAFE, CLEAN WATER PROGRAM**  
Draft Program Elements

*This document constitutes the Final Draft of the Safe, Clean Water Program Elements. The final document, to be considered by the Board of Supervisors on July 10, 2018, shall be published on July 3. We are providing this Final Draft today, prior to the statutory deadline, to allow for additional time for review in light of the July 4 holiday. No significant changes to this document are planned prior to July 3.*

*The draft Credit and Incentive Programs are still under discussion and are provided here in draft form. A final version of the Credit and Incentive Programs will be incorporated in the Program Elements published on July 3.*

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## I. Safe, Clean Water Program Goals

The Safe, Clean Water Program is a multi-benefit Stormwater and/or Urban Runoff capture Program intended to improve water quality in a manner that achieves additional benefits such as increasing water supply and investing in the health and well-being of Los Angeles County communities. The SCW Program helps put Los Angeles County on a path to water resiliency and economic security through strategies, projects, and policies that increase drought preparedness, improve the water quality of rivers, lakes, and streams, and ensure investment in improved quality of life, especially for communities most exposed to pollution and vulnerable to climate change.

The SCW Program Goals are:

- Improve water quality and contribute to attainment of water quality requirements.
- Increase drought preparedness by capturing more Stormwater and/or Urban Runoff to store, clean and reuse.
- Improve public health by preventing and cleaning up contaminated water, increasing access to open space, providing additional recreational opportunities, and helping communities mitigate and adapt to the effects of climate change through activities such as increasing shade and green space.
- Leverage other funding sources to maximize program goals.
- Invest in infrastructure that provides multiple benefits.
- Prioritize Nature-Based Solutions.
- Provide a spectrum of project sizes from neighborhood to regional scales.
- Encourage innovation and adoption of new technologies and practices.
- Invest in independent scientific research.
- Provide funds such that each Municipality receives benefits in proportion to the funds generated within their jurisdiction.
- Provide Disadvantaged Community (DAC) Benefits in proportion to the DAC population in the County.
- Implement an iterative planning and evaluation process to ensure adaptive management.

## II. Definitions

The following definitions apply to this SCW Program Elements document:

**Auditor:** Auditor-Controller of the County of Los Angeles.

**Board of Supervisors:** Los Angeles County Board of Supervisors acting as the governing body of the Los Angeles County Flood Control District.

**Census Block Group:** As defined by the United States Census Bureau, a Census Block Group is a statistical division of census tracts, which are generally defined to contain between 600 and 3,000 people and are used to present data and control block numbering. A block group consists of clusters of blocks within the same census tract. A block group usually covers a contiguous area. Each census tract contains at least one block group, and block groups are uniquely numbered within the census tract.

**Chief Engineer:** Chief Engineer of the District or his/her authorized deputy, agent, or representative.

**Community Investment Benefit:** Benefit created in conjunction with Stormwater Capture and reduced Stormwater and/or Urban Runoff pollution Projects and Programs as stated in AB 1180, including but not limited to: improved flood management, conveyance, and flood risk mitigation; creation, enhancement and/or restoration of parks, habitat and/or wetlands; improved public access to waterways; enhanced or new recreational opportunities; and greening of schools. May also include a benefit to the community derived from a Project or Program that improves public health by reducing heat island effect, increasing shade, and/or planting of trees and other vegetation that increase carbon reduction/sequestration and improve air quality.

**County:** County of Los Angeles.

**DAC Benefit:** A Water Quality Benefit, Water Supply Benefit, and/or Community Investment Benefit located in a DAC or providing benefits directly to a DAC population. Benefits may be achieved by Projects, Programs and/or policies including those that promote living-wage jobs and job training; credit and incentive Programs; technical assistance and capacity building; and education Programs. For purposes of evaluating whether a Project or Program provides benefit to a DAC, benefits will be measured by a variety of means including wages paid to workers constructing or maintaining Projects who reside in DACs; credit and incentives for properties located in DACs; funds expended for technical assistance and capacity building paid to individuals and organizations located in DACs; and the amount expended for construction, operations and maintenance of Multi-Benefit Projects located in a DACs or providing benefits directly to a DAC.

**Disadvantaged Community (DAC):** A community defined by a Census Block Group with an annual median household income of less than 80 percent of the Statewide annual median household income (as defined in California Water Code §79505.5).

**District:** Los Angeles County Flood Control District.

**District Program:** Part of the SCW Program as described in Section 2, subsection 8b(A) of the Flood Control Act.

**Feasibility Study:** A detailed technical investigation and report that is conducted to determine the feasibility of a proposed Project. At a minimum, a Feasibility Study must provide: a description of the Project and its objectives; an estimate of the benefits provided (determined through best engineering estimates and modeling as appropriate); a preliminary lifecycle cost estimate and schedule required to design, construct, operate and maintain the Project (including land acquisition costs); a historical background for the Project site location; a review of effectiveness of similar types of Projects already constructed; an engineering analysis of site conditions (e.g. soil sampling, preliminary hydrology report, site layout, utility search, environmental impacts, etc.); an assessment of potential CEQA and permitting challenges; details for how operations and maintenance will be carried out; a plan to address and incorporate stakeholder input on the Project; and a summary of any legal requirements or obligations that may arise as a result of constructing the Project. The District will provide guidance on the minimum requirements, as well as a template for Feasibility Studies.

**Flood Control Act:** Los Angeles County Flood Control Act, as amended by Assembly Bill (AB) 1180 (Holden, 2017).

**Impermeable Area:** Parcel area covered by materials or constructed surfaces, such as buildings, roofs, awnings, roadways, sidewalks, driveways, parking lots, brick, asphalt, concrete, pavers, covers, slabs, sheds, pools, fountains, and other constructed surfaces. Impermeable Areas do not include permeable surfaces such as vegetated or natural areas, grasses, bushes, shrubs, lawns, bare soil, tree canopy, natural water bodies, wetland areas, gravel, gardens and planters on bare soil, rocky shores, and other natural areas.

**Multi-Benefit Project:** A Project that has a Water Quality Benefit as well as either or both a Water Supply Benefit and Community Investment Benefit.

**Municipal Program:** Part of the SCW Program as described in Section 2, subsection 8b(B) of the Flood Control Act.

**Municipal Program Project:** A Project carried out through the Municipal Program that has a Water Quality Benefit. A Municipal Program Project may also be a Multi-Benefit Project.

**Municipality:** A city or a County unincorporated area within the District.

**Nature-Based Solutions:** Projects that utilize natural processes which slow, detain, infiltrate, and/or filter Stormwater and/or Urban Runoff. These methods may include: relying predominantly on soils and vegetation; increasing permeability of Impermeable Areas; protecting undeveloped mountains and floodplains; creating and restoring riparian habitat and wetlands; creating rain gardens, bioswales, and parkway basins; and enhancing soil through composting, mulching, planting trees and vegetation, with preference for native species. Nature-Based Solutions may also be designed to provide additional benefits such as: sequestering carbon, supporting biodiversity, providing shade, and improving quality of life for surrounding communities. Nature-Based Solutions include Projects that mimic natural processes, such as green streets, spreading grounds, and planted areas with water storage capacity.

**Parcel:** A Parcel of real property situated within the established boundaries of the District, as shown on the latest equalized assessment roll of the County and identified by its Assessor's Parcel Number, and that is tributary to a receiving water as identified in the Water Quality Control Plan for the Los Angeles Region as of January 1, 2018. Parcel shall not include a possessory interest based on a private, beneficial use of publicly owned real property.

**Program:** A planned, coordinated group of activities designed to further one or more goals of the SCW Program.

**Project:** The development of Stormwater and/or Urban Runoff infrastructure designed to further the goals of the SCW Program, including the design, preparation of environmental documents, obtaining applicable permits, construction, inspection, operation and maintenance, and similar activities.

**Project Applicant:** Any entity, which could include but not be limited to an individual, group, business or governmental entity including but not limited to a Municipality, public utility, special district, school, community-based organization, non-governmental organization, non-profit organization, corporation, federally recognized Indian tribe, state Indian tribe listed on Native American Heritage Commission's California Tribal Consultation List or mutual water company that submits a Project or Feasibility Study for consideration.

**Project Developer:** The entity that carries out or causes to be carried out part or all the actions necessary to complete a Project. The Project Applicant may or may not be the Project Developer.

**Regional Oversight Committee (ROC):** A body empaneled by the Board of Supervisors whose responsibilities are to assess whether the SCW Program is implemented in accordance with the ordinance, Program Elements, and other implementing documents, and is achieving SCW Program goals.

**Regional Program:** Part of the SCW Program as described in Section 2, subsection 8b(C) of the Flood Control Act. The Regional Program includes subprograms: Infrastructure Program, Technical Resource Program, and Scientific Studies Program.

**Safe, Clean Water (SCW) Program:** Program or system established to administer revenues from a tax levied pursuant AB 1180, including criteria and procedures for selecting and implementing Projects and allocating revenues among the Municipal, Regional and District Programs.

**Stakeholder:** A person, Municipality, citizens' group, homeowner or other property-owner, business, NGO, social justice group, health advocate, local park representative, school board member, environmental group, labor union, academic institution, neighborhood council, town council or other similar community group, water resources agency such as groundwater pumper or manager, private or public water agency, other government agency, or other interested party that has a direct or indirect interest in the SCW Program.

**Stormwater:** Water that originates from atmospheric moisture (rainfall or snowmelt) and falls onto land, water, and/or other surfaces.

**Stormwater Investment Plan:** A five (5) year plan developed by Watershed Area Steering Committees that programs funding for Projects in the Regional Program's Technical Resources Program, Infrastructure Program, and Scientific Studies Program.

**Surface Water:** Water that flows or collects on the surface of the ground.

**Threshold Score:** A minimum score that Projects must meet or exceed in order to be eligible for Infrastructure Program funding. The initial recommendations for the Threshold Score is sixty (60) points.

**Urban Runoff:** Surface water flow that may contain but is not entirely comprised of Stormwater, such as water flow from residential, commercial, and industrial activities.

**Water Quality Benefit:** Reduction in Stormwater and/or Urban Runoff pollution such as improvements in the chemical, physical, and biological characteristics of Stormwater and/or Urban Runoff in the District. Activities resulting in this benefit include but are not limited to: infiltration or treatment of Stormwater and/or Urban Runoff, non-point source pollution control, and diversion of Stormwater and/or Urban Runoff to sanitary sewer system

**Water Supply Benefit:** Increase in the amount of locally available water supply, provided there is a nexus to Stormwater and/or Urban Runoff capture. Activities resulting in this benefit include but are not limited to the following: reuse and conservation practices, diversion of Stormwater and/or Urban Runoff to sanitary sewer system for direct or indirect water recycling, increased groundwater replenishment, storage or available yield, offset of potable water use. Water Supply Benefit created through the SCW Program is subject to applicable adjudicated judgments of water rights.

**Watershed Area:** Regional boundary formed considering hydrologic conditions, as well as Enhanced Water Management Plan (E/WMP) group boundaries. Each Watershed Area has its own Watershed Area Steering Committee.

**Watershed Area Steering Committees:** The nine (9) bodies empaneled by the Board of Supervisors, one for each Watershed Area, whose responsibilities are to program funding for the Regional Program.

### III. General SCW Program Requirements

#### A. Authority and Allocation of Revenues

The Board of Supervisors shall annually levy a tax upon the taxable Parcels within the District. The revenues from the tax will be allocated and used, in accordance with the provisions of Section 2, subsection 8b of the Flood Control Act as follows:

- **District Program:** *"(A) Ten percent shall be allocated to the district for implementation and administration of projects and programs described in subsection 8a, and for payment of the costs incurred in connection with the levy and collection of the tax, fee, or charge and the distribution of the funds generated by imposition of the tax, fee, or charge, in accordance with the procedures established by the ordinance adopted pursuant to subsection 8c."*
- **Municipal Program:** *"(B) Forty percent shall be allocated to cities within the boundaries of the district and to the County of Los Angeles, in the same proportion as the amount of revenues collected within each jurisdiction and within the unincorporated territories, to be expended by those cities within the cities' respective jurisdictions and by the County of Los Angeles within the unincorporated territories that are within the boundaries of the district, for the implementation, operation and maintenance, and administration of projects and programs described in subsection 8a, in accordance with the procedures established by the ordinance adopted pursuant to subsection 8c."*
- **Regional Program:** *"(C) Fifty percent shall be allocated to pay for the implementation, operation and maintenance, and administration of watershed-based projects and programs described in subsection 8a, including projects and programs identified in regional plans such as stormwater resource plans developed in accordance with Part 2.3 (commencing with Section 10560) of Division 6 of the Water Code, watershed management programs developed pursuant to waste discharge requirements for municipal separate storm sewer system (MS4) discharges within the coastal watersheds of the County of Los Angeles, issued by the Los Angeles Regional Water Quality Control Board, and other regional water management plans, as appropriate, in accordance with the procedures established by the ordinance adopted pursuant to subsection 8c."*

Requirements for use of funds within the District, Municipal, and Regional Programs are discussed in their respective sections of this document.

#### B. Agreements for Transfer of SCW Program Funds

SCW Program funds will be transferred to Municipalities and Project Developers in advance of eligible expenditures being made. Prior to their receipt of SCW Program funds, Municipalities and Project Developers must enter into an agreement with the District to transfer SCW Program funds. The fund transfer agreement will require recipients of funds to comply with the requirements of the SCW Program and other appropriate provisions established by the Board of Supervisors. A standard agreement will be prepared by the Chief Engineer and approved by the Board of Supervisors, including but not limited to:

- a. Requirements for compliance with the terms of the SCW Program.

- b. Provisions, as necessary, to provide clarity and accountability in the use of SCW Program funds.
- c. Provisions, processes, and schedules for disbursement of funds.
- d. Project parameters such as schedule, budget, scope, and benefits.
- e. Provisions for management of interest funds, debt, liability, and obligations.
- f. Provisions for indemnification of the District.
- g. Requirements for auditing and Annual or Quarterly Progress/Expenditure Reports.
- h. With respect to a Project funded with SCW Program funds through the Regional Program, if the Project has an estimated capital cost over \$25 million, the Project Developer for such a Project shall require that all contractors performing work on such a Project be bound by the provisions of: (1) a County-wide Project Labor Agreement (County PLA), if such an agreement has been successfully negotiated between the County and the Trades and is approved by the Board of Supervisors, or (2) a PLA mirroring the provisions of such County PLA.
- i. With respect to a Project funded with SCW Program funds through the Regional Program, if one or more of the Municipalities that is a financial contributor to a Project has its own PLA, the Project Developer for the Project shall require that contractors performing work on the Project are bound to such PLA.
- j. With respect to all Regional Program Projects funded with SCW Program funds, the Project Developer for such a Project shall apply and enforce provisions mirroring those set forth in the then-current version of the County's Local and Targeted Worker Hire Policy (LTWHP), adopted by the Board of Supervisors on September 6, 2016, as to contractors performing work on such a Project. Alternatively, if the Project Developer is a Municipality and has adopted its own policy that is substantially similar to the LTWHP, the Project Developer may, at its election, choose to apply and enforce the provisions of its own such policy as to contractors performing work on such a Project in lieu of the provisions of the LTWHP.
- k. With respect to all Regional Program Projects funded with SCW Program funds, the Project Developer for such a Project shall apply and enforce provisions mirroring those set forth in County Code Chapter 2.211 (Disabled Veteran Business Enterprise Preference Program), County Code Chapter 2.204 (Local Small Business Enterprise Preference Program), and County Code Chapter 2.205 (Social Enterprise Preference Program), as to contractors performing work on such a Project, subject to statutory authorization for such preference program(s), and subject to applicable statutory limitations for such preference(s); and, furthermore, the Project Developer implementing such a Project shall take actions to promote increased contracting opportunities for Women-Owned Businesses on such a Project, subject to applicable State or federal constitutional limitations.
- l. Requirements for post-construction/implementation monitoring as appropriate.

#### C. Eligible Expenditures

Expenditures eligible for SCW Program funds include, but are not limited to, the following:

- a. The development of Feasibility Studies to enable interested parties to submit Projects for SCW Program funds.

- b. Infrastructure development tasks including design, preparation of environmental documents, obtaining permits, construction, operations & maintenance (O&M), inspection, and similar activities.
- c. Operation and maintenance of Projects.
- d. Water quality and/or regional resilience planning
- e. Real property acquisition, leases, and easements necessary to implement eligible Projects.
- f. Scientific and technical studies such as Stormwater and/or Urban Runoff modeling and monitoring.
- g. Projects or studies to investigate new technologies or methodologies to increase Stormwater and/or Urban Runoff Capture and reduce Stormwater and/or Urban Runoff pollution for improving water quality, increasing local water supplies, or improving the ability of communities to adapt to the impacts of climate change.
- h. The modification, upgrade, retrofit, or expansion of an existing Project to incorporate new elements to increase Stormwater and/or Urban Runoff Capture and reduce Stormwater and/or Urban Runoff pollution to provide additional Water Quality Benefit, Water Supply Benefit, and/or Community Investment Benefit.
- i. Debt financing, should the District or a Municipality determine that bonds or loans are prudent and necessary to implement Projects. Watershed Area Steering Committees may request the District to issue a bond for their Watershed Area's revenue stream for Regional Projects.
- j. Programs such as but not limited to school education and curriculum, public education, watershed coordinators, technical assistance teams, regional water quality planning and coordination, local workforce job training, and others
- k. Administration and implementation of the SCW Program.
- l. Maintenance of Effort: Use of up to 30% annually of a Municipality's Municipal Program funds to pay for SCW Program eligible activities commenced before the election date of the SCW Program Tax. O&M activities for Projects built to comply with the 2012 Los Angeles MS4 Permit or 2014 Long Beach MS4 Permit are not subject to the 30% limitation so long as they comply with Municipal Program requirements.
- m. Stormwater and/or Urban Runoff residential and/or commercial retrofit Programs.

#### D. Ineligible Expenditures

Ineligible expenditures for SCW Program funds include, but are not limited to, the following:

- a. Payment of fines imposed by any State, Federal, or local regulatory agency.
- b. Expenditures related to the investigation, defense, litigation, or judgment associated with any regulatory permit violations, notices of violation, or noncompliance with regulations brought forth by any State, Federal, local regulatory agency, or a third party unrelated to eligible Projects.
- c. Expenditures for the investigation or litigation of any claim or action against the District, County, or their officers, employees or agents alleging improper allocation, withholding or reassignment of SCW Program revenues.

- d. Costs associated with any litigation including investigation, defense, litigation, settlement, and payment of any judgements for claims and liability related to the design and implementation of eligible Projects.

#### IV. Regional Program

##### A. Regional Program Fund Allocation

Fifty (50) percent of the revenue from the tax is allocated for the Regional Program pursuant to the Flood Control Act section 2, subsection 8b(C). The Regional Program will consist of three (3) Programs:

- Infrastructure Program (not less than 85% of Regional Program funds)
- Technical Resources Program (up to 10% of the Regional Program funds)
- Scientific Studies Program (up to 5% of Regional Program funds)

##### Infrastructure Program

The objective of the Infrastructure Program is to plan, build, and maintain Multi-Benefit watershed-based Projects that have a Water Quality Benefit as well as either or both a Water Supply Benefit and Community Investment Benefit.

Infrastructure Program funds:

- Shall be spent on post-Feasibility Study activities such as: design, permits, CEQA compliance, right-of-way and land acquisition, construction, O&M, associated staffing costs, and other related eligible activities. Development of Feasibility Studies is funded through the Technical Resources Program.
- Shall be programmed by the nine (9) Watershed Area Steering Committees proportional to the funds generated in each Watershed Area.
- Shall be programmed such that each Municipality receives benefits in proportion to the funds generated within their jurisdiction, after accounting for allocation of the 110% return to DACs, to be evaluated over a ten (10) year period.
- Shall be programmed such that a spectrum of Project types and sizes are implemented throughout the region, to be evaluated over a five (5) year period.
- Shall be programmed such that Nature-Based Solutions are prioritized.
- Shall be allocated such that funding for Projects that provide DAC Benefits be not less than 110% of the ratio of the DAC population to the total population in each Watershed Area.



**Table 1. Disadvantaged Community Population by Watershed**

Watershed Area	Population*	DAC Population*	Percent DAC
Central Santa Monica Bay	1,757,708	885,846	50%
Lower Los Angeles River	895,933	607,650	68%
Lower San Gabriel River	903,045	177,905	20%
North Santa Monica Bay	71,764	0	0%
Rio Hondo	744,634	259,860	35%
Santa Clara River	286,114	23,753	8%
South Santa Monica Bay	1,003,438	342,049	34%
Upper Los Angeles River	2,969,577	1,496,863	50%
Upper San Gabriel River	1,015,552	218,467	22%
<b>Total</b>	<b>9,647,765</b>	<b>4,012,392</b>	<b>42%</b>

\*These figures are based on the 2016 US Census and will be updated periodically.

The following parameters shall apply to the Infrastructure Program:

- A Feasibility Study is required before a Project can be submitted for consideration for funding. Projects that may already have Feasibility Study level information shall be considered functionally equivalent. Projects with functionally equivalent Feasibility Study level information will not need to conduct an additional Feasibility Study as long as the information and metrics available are conducive to scoring by the Infrastructure Program Scoring Criteria. The District will provide guidance on the minimum requirements, as well as a template for Feasibility Studies.
- Projects may receive funding for any post-Feasibility Study phase. Projected and actual O&M costs for Projects are to be considered and included in the Infrastructure Program to ensure that Projects are properly maintained.
- Project Developers are responsible to carry out the actions necessary to complete a Project that is selected for funding.
- Project Applicants must demonstrate technical, financial, and other necessary capabilities to be the Project Developer. If the Project Applicant is unable to be the Project Developer for any aspect of a Project, the District may take on that role for the Project.
- Applicants are encouraged to bundle small and medium scale, community level Projects to promote efficiency, achieve economies of scale and advance local hire and job training goals.
- Project Developers may utilize a construction authority to implement Projects.
- Projects must be designed for a minimum useful life of thirty (30) years. O&M of Projects constructed with Infrastructure Program funds may be funded by the Infrastructure Program for the useful life span of the Project, even if only a portion of the initial capital costs were funded by the Infrastructure Program.
- Projects commenced before the election date of the SCW Program consistent with the SCW Program but constructed using non-Infrastructure Program funds may receive Infrastructure Program funds for O&M.

- Funding for O&M of Projects must include an O&M plan that includes the required maintenance activities for the life of the project and minimum required expertise and training to perform the maintenance. The O&M plan shall identify and include a commitment from the agency(ies) that will be responsible for the maintenance and their specific roles.
- Projects must be included in an approved water quality plan such as E/WMPs and their updates, Integrated Regional Water Management Plans, or other approved water quality plans. Projects can be part of a programmatic EIR, but it is not a requirement. Projects will be scored by the Scoring Committee.

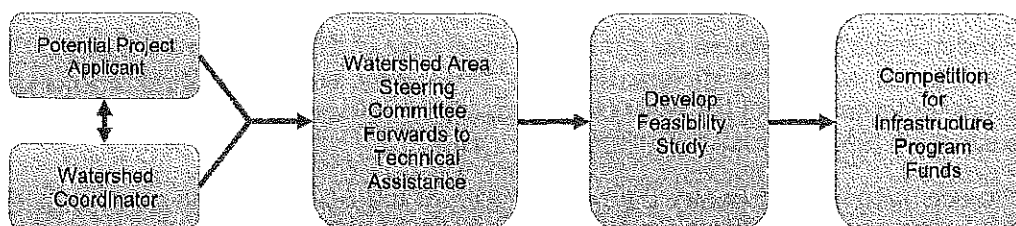
### Technical Resources Program

The objective of the Technical Resources Program is to provide resources for the development of Feasibility Studies through support from Technical Assistance Teams; and provide Watershed Coordinators to educate and build capacity in communities and facilitate community and stakeholder engagement. The Technical Resources Program funds shall be allocated to support achievement of SCW Program goals as articulated in Section I. The Technical Resource Program will provide services to and be funded by the Regional Program. Watershed Area Steering Committees will determine how to appropriate funds for the Technical Resources Program.

#### ***Technical Assistance Teams***

- The District will provide Technical Assistance Teams comprised of subject matter experts in Stormwater and/or Urban Runoff infrastructure design, hydrology, soils, Nature-Based Solutions, green infrastructure, Stormwater and/or Urban Runoff quality, water supply, recreation, open space, community needs, and other areas. The Watershed Area Steering Committees will decide which Project concepts will be forwarded to the Technical Assistance Teams for development. The Technical Assistance Teams will complete Feasibility Studies in partnership with and on behalf of Municipalities, CBOs, NGOs, and others who may not have the technical resources or capabilities to develop Feasibility Studies.
- The Technical Resources Program funds the development of Project Feasibility Studies. Technical Assistance Teams will work with the necessary parties to add the Projects for which there are completed Feasibility Studies to an eligible water quality plan, assist in acquiring a letter of support for non-Municipal Project Applicants, and addressing other prerequisites to apply to the Infrastructure Program. Upon completion, Feasibility Studies shall be submitted to the Watershed Area Steering Committees for consideration.
- The Technical Assistance Teams will be funded through the Technical Resource Program.

**Figure 1. Technical Assistance Process**



### **Watershed Coordinators**

- In addition to working with Technical Assistance Teams to bring resources to potential Project Applicants, Watershed Coordinators will also:
  - Provide leadership in community outreach efforts related to watershed planning.
  - Work with Municipalities and stakeholders to identify and develop Project concepts that may be elevated to the Watershed Area Steering Committees and Technical Assistance Teams to assist with development of Feasibility Studies.
  - Facilitate collaborative decision-making between private and public entities to develop and implement actions that best address community issues.
  - Identify cost-share partners such as local water agencies, conservancies, transportation agencies.
  - Identify and help leverage and secure additional funding including state bond funds, transportation funding such as Measure M, parks funding such as Measure A, and others.
  - Reach out to Municipalities, community groups, and other watershed stakeholders to ensure diverse perspectives are included in planning and implementation of the Regional Program.
  - Integrate community, Municipality, and regional priorities through partnerships and extensive networks.
  - Educate local stakeholders through public outreach events such as workshops, demonstrations, community forums and restoration activities.
- Not less than one Watershed Coordinator will be funded from Technical Resource Program funds for each Watershed Area plus one additional Watershed Coordinator for each one-million of population.
- The District shall provide a list of eligible Watershed Coordinators; Watershed Area Steering Committees shall select Watershed Coordinators from the eligible list.
- The Watershed Coordinators will be funded through the Technical Resource Program.

**Table 2. Watershed Coordinator Breakdown**

<b>Watershed Area</b>	<b>Total Population*</b>	<b>Watershed Coordinators</b>
Central Santa Monica Bay	1,757,708	2
Lower Los Angeles River	895,933	1
Lower San Gabriel River	903,045	1
North Santa Monica Bay	71,764	1
Rio Hondo	744,634	1
Santa Clara River	286,114	1
South Santa Monica Bay	1,003,438	1
Upper Los Angeles River	2,969,577	3
Upper San Gabriel River	1,015,552	1

**\*These figures are based on the 2016 US Census and will be updated periodically.**

### Scientific Studies Program

The objective of the Scientific Studies Program is to provide funding for eligible scientific and other activities, such as but not limited to: scientific studies, technical studies, monitoring, modeling, and other similar activities. Watershed Area Steering Committees will determine how to appropriate funds for the Scientific Studies Program. The District will administer the Scientific Studies Program and will seek to utilize independent research institutions or academic institutions to carry out or help design and peer review activities carried out by other entities. All activities funded by the Scientific Studies Program shall be conducted in accordance with accepted scientific protocols.

#### B. Stormwater Investment Plans

Regional Program funds shall be programmed by each Watershed Area Steering Committee via Stormwater Investment Plans. Stormwater Investment Plans shall be formatted substantially similar to the table below. The table reflects the first budget submittal for the Regional Programs starting in fiscal year 2020-21. Each subsequent annual submittal of the Stormwater Investment Plan shall reflect funds programmed for the next five (5) years.

**Table 3. Stormwater Investment Plan Budget Template**

	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
	Budget	Projection	Projection	Projection	Projection
<b>PROJECT – FEASIBILITY STUDY DEVELOPMENT</b>					
<b>TECHNICAL RESOURCES PROGRAM (up to 10%)</b>					
<b>Feasibility Studies/Concepts</b>					
Watershed Coordinators					
Technical Assistance Team/Feasibility Study					
Technical Assistance Team/Feasibility Study					
<b>PROJECT – POST-FEASIBILITY STUDY</b>					
<b>INFRASTRUCTURE PROGRAM (not less than 85%)</b>					
<b>Design/Permits/CEQA Budget</b>					
Project					
Project					
Project					
<b>Right of Way Acquisition Budget</b>					
Project					
Project					
Project					
<b>Construction</b>					
Project					
Project					
Project					
<b>O&amp;M</b>					
Project					
Project					
Project					
<b>NON-PROJECT ACTIVITIES</b>					
<b>SCIENTIFIC STUDIES PROGRAM (Up to 5%)</b>					
<b>Special Studies</b>					
Project					
Project					
<b>Monitoring</b>					
Project					
<b>TOTAL =</b>					

**Funding Allocations for Projects and Programs**

Watershed Area Steering Committees will assign funding for Regional Projects and Programs in the Technical Resources Program, Infrastructure Program, and Scientific Studies Program. Projects and Programs will be given conditional funding approval for their entire budget, including O&M if applicable. Funding will be transferred to Project Developers in annual increments subject to the Project meeting the schedule, budget, scope and benefit terms outlined in the transfer agreement.

Quarterly, the suite of Projects and Programs included in the Stormwater Investment Plans shall be evaluated by the corresponding Watershed Area Steering Committees using the information provided in the Quarterly Expenditure/Progress Report. Watershed Area Steering Committees will verify that the Project schedule, budget, scope and benefits have not significantly changed and are consistent with the transfer agreement. Projects that run over budget, are behind schedule, or reduce scope or benefits may be subject to loss of funding.

#### C. Regional Program Quarterly Progress/Expenditure Reports

Project Developers receiving Infrastructure Program funds and the District, on behalf of the Technical Resources and Scientific Studies Program, shall arrange for a Quarterly Progress/Expenditure Report for all Projects and Programs. The Project Developer shall be subject to and comply with all applicable requirements of the District regarding Project-reporting requirements. The Quarterly Progress/Expenditure Report details:

- Percent complete estimate.
- SCW Program funds expended.
- Documentation that the SCW Program funds were used for eligible expenditures.
- Discussion of work accomplished during the reporting period.
- Milestones or deliverables completed/submitted during the reporting period.
- Scheduling concerns and issues encountered that may delay completion of the task.
- Work anticipated for the next reporting period.
- Photo documentation, as appropriate.
- Any anticipated schedule or budget modifications.
- Additional information as necessary.

Annually, Quarterly Progress/Expenditure Reports shall include a quantification of the Water Quality Benefits, Water Supply Benefits, and Community Investment Benefits achieved. The annual report shall also include a summary of how funds have been allocated to achieve SCW Program Goals as articulated in Section I for the prior year.

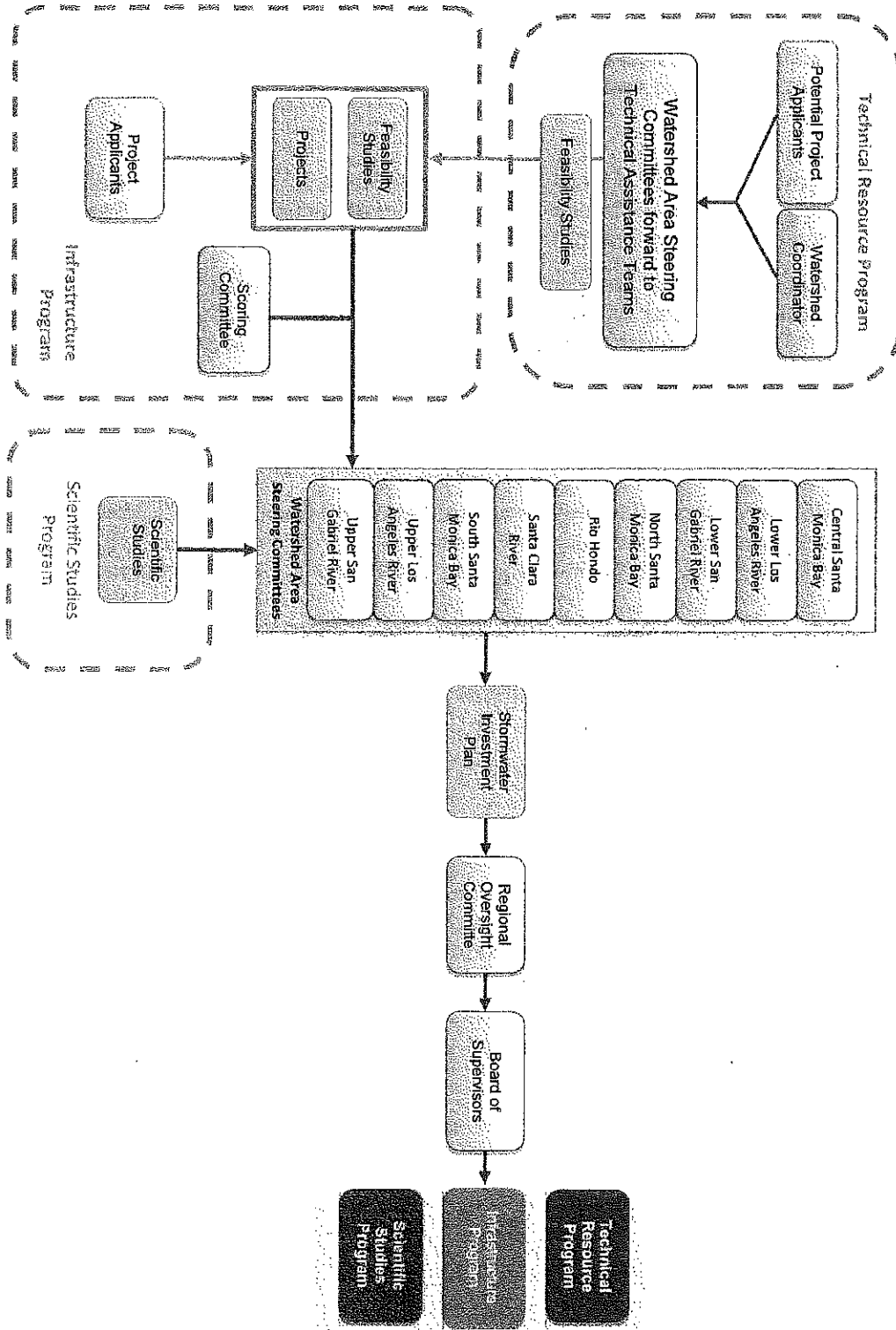
#### D. Regional Program Governance Structure and Selection Process

A procedure is established for the funding for the Infrastructure, Technical Resources, and Scientific Studies Programs.

Annually, these steps will occur:

- Step 1:
  - Board of Supervisors, via the District, prepares a five (5) year revenue forecast for each Watershed Area.
- Step 2
  - District, on behalf of the Watershed Area Steering Committees, initiates a request for Projects to be funded through the Infrastructure, Technical Resources, and Scientific Studies Programs.
  - Watershed Area Steering Committees forward select Projects and Feasibility Studies received to the Scoring Committee. Scoring Committee scores these Projects and Feasibility Studies and applies a Threshold Score.
  - Scoring Committee returns all scored Projects and Feasibility Studies to the Watershed Area Steering Committee.
- Step 3
  - Watershed Area Steering Committee reviews Projects and Feasibility Studies and prepares a Stormwater Investment Plan which programs funds for the Infrastructure, Technical Resources, and Scientific Studies Programs.
- Step 4
  - Watershed Area Steering Committee submits the Stormwater Investment Plan to the Regional Oversight Committee (ROC). For details on the membership of the ROC.
  - The ROC reviews the Stormwater Investment Plans and makes a recommendation to the Board of Supervisors.
- Step 5
  - Board of Supervisors considers approval of the Stormwater Investment Plans. Board of Supervisors may return Stormwater Investment Plans to the Watershed Area Steering Committees for further revision.
- Step 6
  - Project Developers enter into an agreement with the District to transfer annual funding allocations.

**Figure 2. Regional Program Governance Structure and Selection Process Flowchart**





#### E. Regional Program: Initial Year Events

Should voters approve the SCW Program tax in November 2018, the following schedule of events will occur:

- Winter 2018
  - Formation of Watershed Area Steering Committees, the Regional Oversight Committee, and Scoring Committee.
  - Initiation of Technical Assistance Teams and Watershed Coordinators.
  - Initiation of District administered Stormwater and/or Urban Runoff Programs.
- Spring 2019
  - District, on behalf of the Watershed Area Steering Committees, initiates a request for Projects to be funded through the Infrastructure, Technical Resources, and Scientific Studies Programs.
  - Watershed Area Steering Committee forwards select Projects to the Scoring Committee
  - Scoring Committee scores and forwards results to the Watershed Area Steering Committees.
  - Watershed Area Steering Committees prepare Stormwater Investment Plans including budgets for Projects in the Infrastructure, Technical Resources, and Scientific Studies Programs.
  - Develop an evaluation process to quantify Water Quality Benefits, Water Supply Benefits, and other benefits of Nature-Based Solutions for proposed Projects.
  - Develop adaptive management protocols to ensure that SCW Program goals are met.
- Summer 2019
  - Regional Oversight Committee reviews Stormwater Investment Plans and provides a recommendation to the Board of Supervisors.
- Fall/Winter 2019
  - Board of Supervisors considers approval of the Stormwater Investment Plans.
  - District executes agreements for transfer of funds to begin implementation of Projects.
- Beginning of 2020
  - First installment of the tax will be available.
  - District transfers funds to Project Developers.

#### F. Eligible Project Applicants

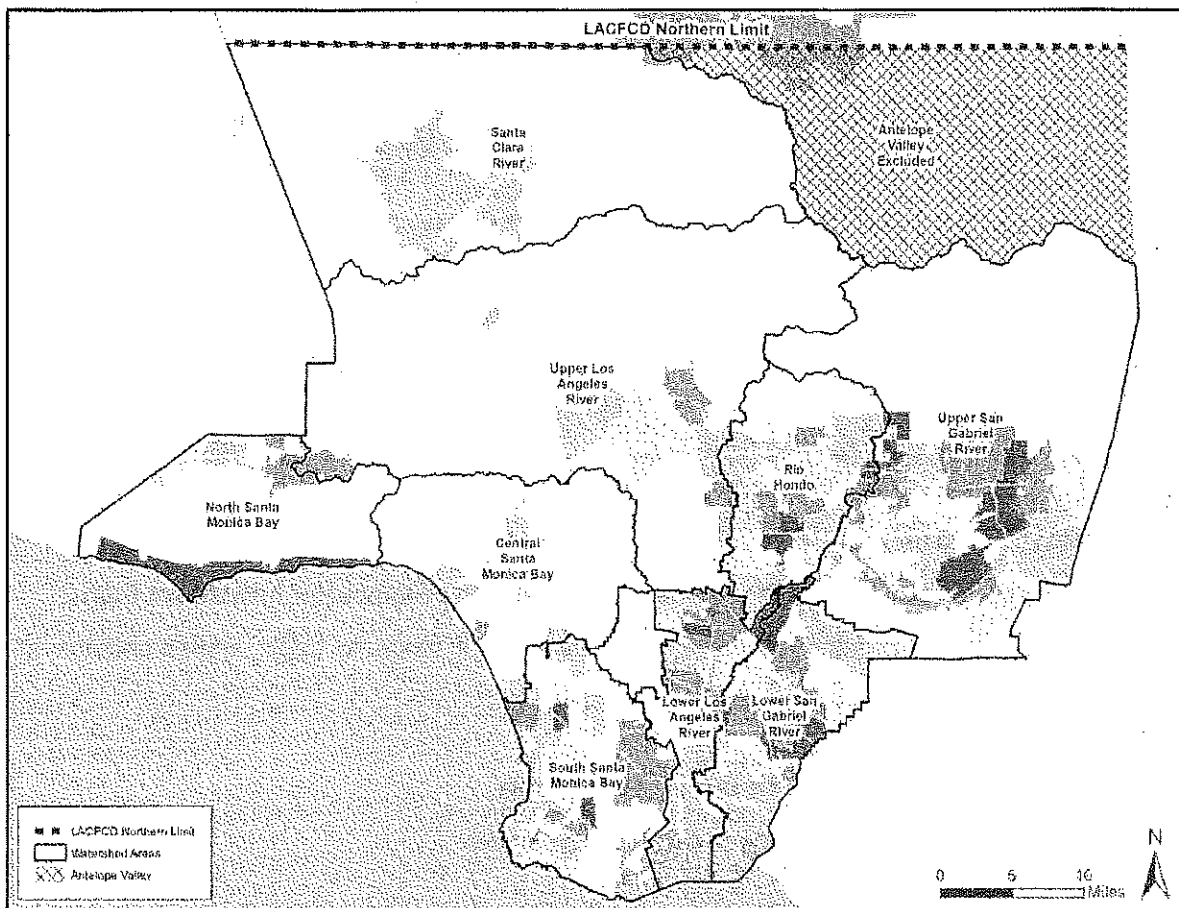
A Project Applicant can be any entity, which could include but not be limited to an individual, group, business or governmental entity including but not limited to a Municipality, public utility, special district, school, community-based organization, non-governmental organization, non-profit organization, corporation, federally recognized Indian tribe, state Indian tribe listed on Native American Heritage Commission's California Tribal Consultation List or mutual water company that submits a Project or Feasibility Study for consideration. Non-Municipal Project Applicants are required to secure a Municipal letter of support, from the Municipality(ies) within which the Project is located, to receive funding through the Infrastructure Program.

#### G. Boundaries of the Watershed Areas

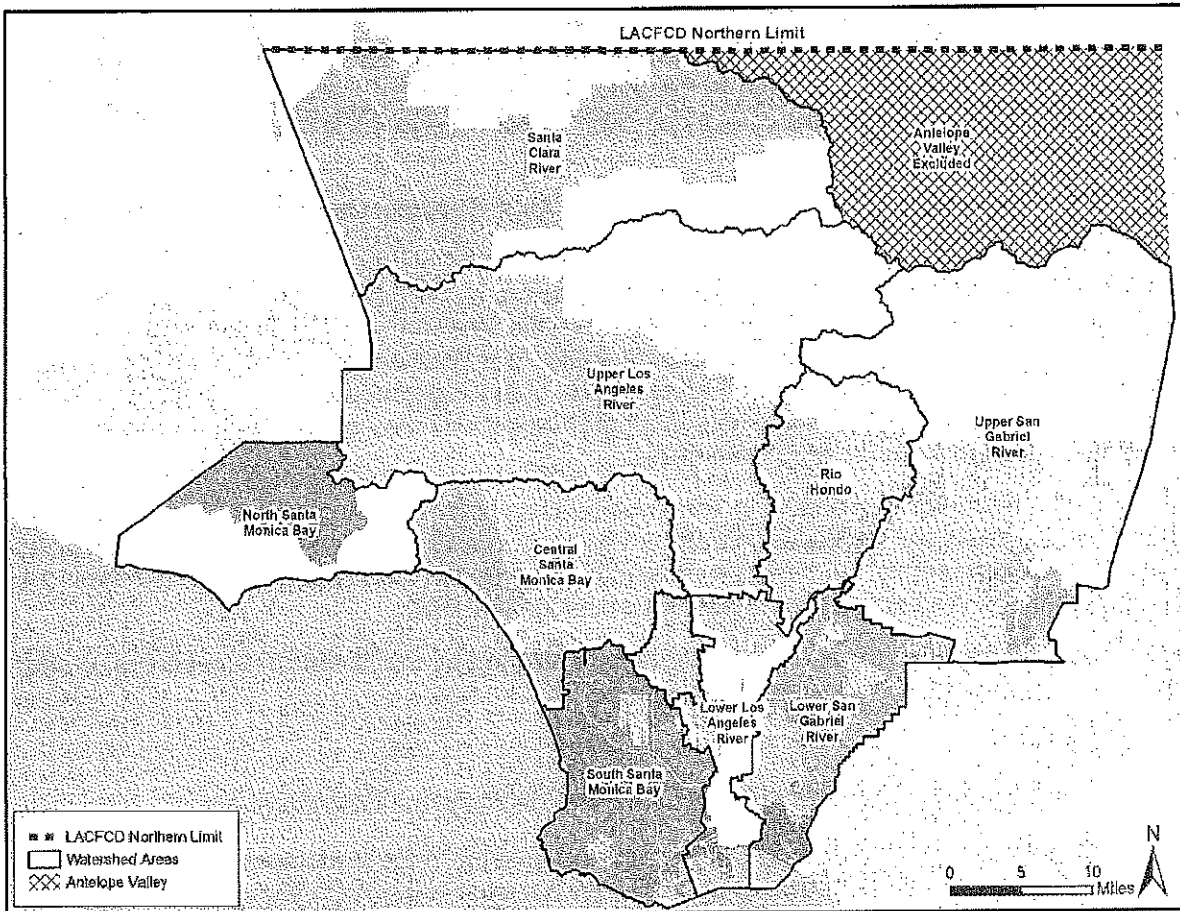
The Chief Engineer will maintain on file detailed maps establishing the precise boundaries of the Watershed Areas. The boundaries of the Watershed Areas are based on hydrologic conditions and modified to keep E/WMP groups whole, wherever practical. The Watershed Area boundaries may be updated as necessary.

There are nine (9) Watershed Areas within the District, as shown in Figure 3 and Figure 4.

**Figure 3. Regional Watershed Area Boundaries with City Boundaries**



**Figure 4. Regional Watershed Area Boundaries with E/WMP Boundaries**



#### H. Membership of the Watershed Area Steering Committees

Watershed Area Steering Committees will be formed for each of the nine (9) Watershed Areas for the purpose of recommending funding allocations for the Regional Program. The District will provide staff support to each Watershed Area Steering Committee and carry out their decisions.

Each Watershed Area Steering Committee consists of seventeen (17) members and each member receives one equally weighted vote. Seven (7) members are designated from Municipalities located within the Watershed Area, five (5) members are agency stakeholder representatives, and five (5) members are community stakeholder representatives, as shown in Table 3.

The five (5) agency stakeholder representatives and five (5) community stakeholder representatives will be chosen to maintain a geographic balance and be representative of a range of interests within the Watershed Area. These representatives must demonstrate a regional focus. Watershed Area Steering Committee members are required to have knowledge of the agency they represent, as described in Appendix A. Each Watershed Area Steering Committee member will assign an alternate, who must also demonstrate knowledge of the agency they represent, to serve in the absence of the member. The alternate will be selected in the same manner the member seat was assigned.

The District will provide staff support to the Watershed Area Steering Committees using funds from the District Program.

Members of the Watershed Area Steering Committees, who are not otherwise compensated to participate, may qualify for a stipend in the amount of one hundred dollars (\$100) per meeting attended, subject to qualifying circumstances. Said compensation will be paid through the District Program.

The anticipated membership for each Watershed Area Steering Committee can be found in Appendix B.

**Municipal Members:** Seven (7) seats will be assigned to Municipalities. Any Municipality with at least 16% of the Impermeable Area located within the Watershed Area receives one seat. A Municipality with at least 33% of the Impermeable Area located within the Watershed Area receives two seats. A Municipality with at least 50% of the Impermeable Area located within the Watershed Area receives three (3) seats. A single Municipality may occupy up to three (3) seats on each Watershed Area Steering Committee.

Municipal members for the remaining seats will be chosen by the unrepresented Municipalities. The remaining seats are flexible and could be assigned to a Municipality, E/WMP, COG, or other jurisdiction. Each member will assign an alternate to serve in their absence who must meet the requirements of a Watershed Area Steering Committee member.

**Agency Members:** Five (5) agency seats will be assigned by the Board of Supervisors. A seat will be assigned to each of the following agencies:

- District
- Water agency (to be filled by municipal water district in the Watershed Area)
- Groundwater (to be filled by the largest watermaster in the Watershed Area), or second water agency if a groundwater agency does not exist in the Watershed Area
- Sanitation (to be filled by the largest sanitation service provider in the Watershed Area)
- Municipal Parks/Open Space (to be filled by the largest local park and/or open space agency in the Watershed Area)

Each agency member will assign an alternate from their specific agency to serve in their absence who must meet the requirements of a Watershed Area Steering Committee member, and is subject to Board of Supervisors' approval.

**Community Stakeholder Members:** Representatives for the five (5) community stakeholder seats will be appointed by the Board of Supervisors. A dedicated seat will be assigned to represent environmental justice interests, business interests, and environment interests. The two remaining seats will be assigned to representatives from the community, such as: public health, labor, non-governmental organization, disadvantaged community, community-based organization, schools, academia, and others.

In addition to these members, the Watershed Coordinator will also participate on the Watershed Area Steering Committee as a non-voting member. Each community stakeholder member will assign an alternate from their organization to serve in their absence who must meet the requirements of a Watershed Area Steering Committee member and is subject to Board of Supervisors' approval.

**Table 4. Regional Program Watershed Area Steering Committee Membership**

	Member	Appointed By
1	Municipality	Varies for Each Watershed Area
2	Municipality	Varies for Each Watershed Area
3	Municipality	Varies for Each Watershed Area
4	Municipality	Varies for Each Watershed Area
5	Municipality	Varies for Each Watershed Area
6	Municipality	Varies for Each Watershed Area
7	Municipality	Varies for Each Watershed Area
8	District	Appointed by Board of Supervisors
9	Largest Service Provider- Water Agency	Appointed by Board of Supervisors
10	Largest Service Provider- Groundwater/Water Agency #2	Appointed by Board of Supervisors
11	Largest Service Provider- Sanitation	Appointed by Board of Supervisors
12	Largest Municipality Agency- Municipal Parks/Open Space/Recreation	Appointed by Board of Supervisors
13	Business	Appointed by Board of Supervisors
14	Environmental Justice	Appointed by Board of Supervisors
15	Environment	Appointed by Board of Supervisors
16	At large	Appointed by Board of Supervisors
17	At large	Appointed by Board of Supervisors
	Watershed Coordinator	Non-voting

**I. Voting and Meeting Requirements of the Watershed Area Steering Committees**

The Watershed Area Steering Committees will determine the frequency and schedule for regular meetings necessary to select Projects for inclusion in their Stormwater Investment Plan.

A quorum is required for Watershed Area Steering Committees to act on any item of business. A quorum will consist of a simple majority of the members or their alternates. If a quorum is present, approval of any item of business requires a simple majority vote of those in attendance.

Meetings conducted by the Watershed Area Steering Committee will be made public and meeting materials will be made available

**J. Responsibilities of the Watershed Area Steering Committees**

Watershed Area Steering Committees have the following responsibilities including, but not limited to:

- a. Select studies for submittal to the Scientific Studies Program.
- b. Select Project concepts for submittal for the Technical Resources Program.
- c. Forward select Project Feasibility Studies or functionally equivalent Feasibility Study level information to the Scoring Committee for scoring.
- d. Review the list of scored Projects and Feasibility Studies returned by the Scoring Committee.

- e. Prepare a Stormwater Investment Plan detailing funding allocations to the Infrastructure Program, Technical Resource Program, and Scientific Studies Program.
- f. Provide the recommended Stormwater Investment Plan to the ROC which will be submitted to the Board of Supervisors.
- g. Quarterly, review Quarterly Progress/Expenditure reports submitted by Project Developers. The Watershed Area Steering Committees will review the Quarterly Progress/Expenditure reports to verify that the Project schedule, budget, scope and benefits have not significantly changed and are consistent with the transfer agreement. Projects that run over budget, are behind schedule, or reduce scope or benefits may be subject to loss of funding.
- h. Quarterly, forward the Quarterly Progress/Expenditure reports to the ROC with any recommendations and/or concerns.
- i. Annually, provide the ROC a Watershed Area Regional Program Progress (WARPP) report on Stormwater Investment Plan activities authorized for the previous year. The WARPP reports shall summarize how funds have achieved SCW Program Goals as articulated in Section I.
- j. Provide additional relevant information, as requested by the Board of Supervisors.
- k. Help identify Project partners and additional sources of funding to augment and leverage SCW Program revenues for Projects and Programs.
- l. Select Watershed Coordinators from a list of eligible candidates provided by the District.

#### K. Watershed Area Steering Committee Conflict of Interest

No member of the Watershed Area Steering Committee shall participate in discussions or vote where that member has a direct personal financial interest in the Project under consideration.

#### L. Formation and Composition of the Regional Oversight Committee

The ROC is an independent body that reviews all Regional Program Stormwater Investment Plans to ensure Regional Program goals are met. The ROC consists of nine (9) subject matter experts, with knowledge in Water Quality Benefits, Water Supply Benefits, Nature-Based Solutions and Community Investment Benefits, public health, sustainability, and/or other pertinent subject matter. The Board of Supervisors will confirm the final members of the ROC to ensure a diverse mixture of subject-matter experts. The ROC members shall not have any direct personal connection to Projects implemented through the SCW Program. The District will provide staff support to the Regional Oversight Committee.

Members of the Regional Oversight Committee, who are not otherwise compensated to participate, may qualify for a stipend in the amount of one hundred dollars (\$100) per meeting attended, subject to qualifying circumstances. Said compensation will be paid through the District Program.

The District will provide staff support to the Regional Oversight Committee using funds from the District Program.

**Table 5. Regional Oversight Committee Membership**

	Member	Appointment
1	<u>Subject Matter Experts:</u> Water Quality Benefits Water Supply Benefits Nature-Based Solutions / Community Investment Benefits	Appointed by Board of Supervisors
2		Appointed by Board of Supervisors
3		Appointed by Board of Supervisors
4		Appointed by Board of Supervisors
5		Appointed by Board of Supervisors
6		Appointed by Board of Supervisors
7		Appointed by Board of Supervisors
8		Appointed by Board of Supervisors
9		Appointed by Board of Supervisors

**M. Voting and Meeting Requirements of the Regional Oversight Committee**

The ROC will determine the frequency and schedule for regular meetings necessary to process the review of Stormwater Investment Plans submitted by the Watershed Area Steering Committees.

A quorum is required for the ROC to act on any item of business. A quorum will consist of five (5) members of the ROC. If a quorum is present, approval of any item of business requires a simple majority vote of those in attendance.

Meetings conducted by the ROC will be made public and meeting materials will be made available.

**N. Responsibilities of the Regional Oversight Committee**

The ROC has the following responsibilities including, but not limited to:

- a. Annually, review each of the Watershed Area Steering Committee's Stormwater Investment Plans to forecast whether Regional Program requirements will be met.

Additionally, the ROC will summarize how the Stormwater Investment Plans will meet the SCW Program Goals as articulated in Section I for the upcoming year.

Through this review process, the ROC will provide feedback to the Watershed Area Steering Committees and report findings and recommendations to the Board of Supervisors.

- b. Annually, review WARPP reports submitted by the Watershed Area Steering Committees to determine whether Regional Program requirements were met for the prior year and make recommendations for adjustments to the following year's Stormwater Investment Plans if Regional Program requirements were not met the prior year.

Additionally, the ROC will determine the extent to which Regional Program funds were expended to achieve SCW Program Goals as articulated in Section I for the prior year.

The ROC will provide feedback to the Watershed Area Steering Committees and report findings to the Board of Supervisors.

- c. Annually, review the Annual Progress/Expenditure Reports received from Municipalities to determine the extent to which Municipal Program funds were expended to achieve SCW Program Goals as articulated in Section I. The ROC will provide feedback to the Municipalities and report findings to the Board of Supervisors.
- d. Biennially, draft a SCW Program Progress Report that summarizes the Regional Program WARPP reports, the Municipal Program Annual Progress/Expenditure Reports, and District Program's annual summary to determine whether SCW Program requirements were met. Additionally, the ROC will determine the extent to which SCW Program funds were expended to achieve SCW Program Goals as articulated in Section I for the entire region.
- e. Biennially, hold a noticed public hearing to obtain feedback from the public on the SCW Program Progress Report and recommend actions and adjustments to the SCW Program to better achieve SCW Program Goals. Public feedback will be incorporated into the final SCW Program Progress Report and submitted to the Board of Supervisors. The final report will be made publicly available.

#### O. Regional Oversight Committee Conflict of Interest

The intent of the Regional Oversight Committee is to be a fully independent oversight committee with no direct personal financial connection to Projects or Programs implemented through the SCW Program. However, in the event a member has a direct personal financial interest in a Project, that member shall abstain from discussions or voting on the Project under consideration.

#### P. Board of Supervisors Approval of Stormwater Investment Plans

The Board of Supervisors shall confirm that the Stormwater Investment Plans conform to the parameters of the SCW Program. Upon approval of each of the Stormwater Investment Plan, the Board of Supervisors will direct the District to transfer funds.

#### Q. Scoring Committee

The Board of Supervisors will empanel a Scoring Committee composed of six (6) subject matter experts in Water Quality Benefits, Water Supply Benefits, Nature-Based Solutions, and Community Investment Benefits. The Board of Supervisors shall provide a list of eligible candidates for Scoring Committee membership. The Watershed Area Steering Committees will select from the list of eligible candidates. The Board of Supervisors will confirm that the final members of the Scoring Committee will include at least two subject-matter experts in Water Quality Benefits, not less than one subject-matter expert in Nature-Based Solutions/Community Investment Benefits, and not less than one subject-matter expert in Water Supply Benefits.

The members of the Scoring Committee shall not have any personal connection to Projects implemented through the SCW Program. District will provide staff support for the Scoring Committee using funds from the District Program. The Scoring Committee will utilize technical documents for reference and consideration such as new water quality and water supply studies, plans, and white papers.



The Scoring Committee will score Projects and Feasibility Studies selected by the Watershed Area Steering Committee using the Infrastructure Program Project Scoring Criteria and will apply a Threshold Score. The Threshold Score is currently set at sixty (60) points. The Scoring Committee forwards Projects with their respective score to the appropriate Watershed Area Steering Committees. Projects that lack sufficient information to be scored, or that fail to pass the Threshold Score will be referred to the Technical Resources Program at the discretion of the Watershed Area Steering Committee.

Members of the Scoring Committee, who are not otherwise compensated to participate, may qualify for a stipend in the amount of one hundred dollars (\$100) per meeting attended, subject to qualifying circumstances. Said compensation will be paid through the District Program.

Meetings conducted by the Scoring Committee will be made public and meeting materials will be made available.

**Table 6. Scoring Committee Membership**

	Member	Appointment
1	<u>Subject Matter Experts:</u> Water Quality Benefits Water Supply Benefits Nature-Based Solutions/ Community Investment Benefits	Appointed by Board of Supervisors
2		Appointed by Board of Supervisors
3		Appointed by Board of Supervisors
4		Appointed by Board of Supervisors
5		Appointed by Board of Supervisors
6		Appointed by Board of Supervisors

#### R. Infrastructure Program Project Scoring Criteria

Scoring of Projects utilizes the Infrastructure Program Project Scoring Criteria, shown in Table 5. Projects will be eligible for scoring if they have a completed Feasibility Study or functional equivalent. The District will provide guidance on the minimum requirements, as well as a template for Feasibility Studies. All Projects must have a Water Quality Benefit and either or both a Water Supply Benefit or a Community Investment Benefit. The Projects shall be scored according to the Infrastructure Program Project Scoring Criteria. All scores will be made available to the public.

Project Scoring Criteria include the following four sections, which are assigned different ranges of points:

- Section A: Water Quality Benefit (50 Points)
  - Wet weather Projects:
    - Applies a range of points for effectiveness and extent of pollution reduction
  - Dry weather Projects:
    - Applies a range of points for full capture of Urban Runoff and tributary size.
- Section B: Water Supply Benefit (25 Points)
  - Applies a range of points for cost effectiveness and volume of supply created or offset

- Section C: Community Investment Benefit (10 Points)
  - Applies a range of points for Projects that provide one or more Community Investment Benefits.
- Section D: Nature-Based Solutions (15 Points)
  - Applies a range of points for Projects that utilize Nature-Based Solutions.
- Section E: Leveraging Funds (10 Points)
  - Applies points for Project funding match, partnerships, and community involvement.
  - Funding matches could include but are not limited to: grants, other local bonds and taxes, in-kind services, Municipal Program funds, and others.

The Scoring Committee will score Projects, apply the Threshold Score, and forward all scored Projects to the appropriate Watershed Area Steering Committee.

**Table 7. Infrastructure Program Project Scoring Criteria**

Section	Score Range	Scoring Standards				
<b>A.1 Wet Weather Water Quality Benefits</b>	50 points max	The Project provides water quality benefits				
	20 points max	A.1.1: For Wet Weather BMPs Only: Water Quality Cost Effectiveness (Cost Effectiveness) = (24-hour BMP Capacity) <sup>1</sup> / (Capital Cost in \$Millions) <ul style="list-style-type: none"><li>• &lt;0.4 (acre feet capacity / \$-Million) = 0 points</li><li>• 0.4-0.6 (acre feet capacity / \$-Million) = 7 points</li><li>• 0.6-0.8 (acre feet capacity / \$-Million) = 11 points</li><li>• 0.8-1.0 (acre feet capacity / \$-Million) = 14 points</li><li>• &gt;1.0 (acre feet capacity / \$-Million) = 20 points</li></ul> <i><sup>1</sup>. 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 85<sup>th</sup> percentile design storm capacity. Units are in acre-feet (AF).</i>				
	30 points max	A.1.2: For Wet Weather BMPs Only: Water Quality Benefit - Quantify the pollutant reduction (i.e. concentration, load, exceedance day, etc.) for a class of pollutants using a similar analysis as the EWMP which uses the Districts Watershed Management Modeling System (WMMS). The analysis should be an average percent reduction comparing influent and effluent for the class of pollutant over a ten-year period showing the impact of the Project. Modeling should include the latest performance data to reflect the efficiency of the BMP type. <table><tr><th>Primary Class of Pollutants</th><th>Second or More Classes of Pollutant</th></tr><tr><td><ul style="list-style-type: none"><li>• &gt;50% = 15 points</li><li>• &gt;80% = 20 points</li></ul>(20 Points Max)</td><td><ul style="list-style-type: none"><li>• &gt;50% = 5 points</li><li>• &gt;80% = 10 points</li></ul>(10 Points Max)</td></tr></table>	Primary Class of Pollutants	Second or More Classes of Pollutant	<ul style="list-style-type: none"><li>• &gt;50% = 15 points</li><li>• &gt;80% = 20 points</li></ul> (20 Points Max)	<ul style="list-style-type: none"><li>• &gt;50% = 5 points</li><li>• &gt;80% = 10 points</li></ul> (10 Points Max)
Primary Class of Pollutants	Second or More Classes of Pollutant					
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<b>- OR -</b>						
<b>A.2 Dry Weather Water Quality Benefits</b>	20 points	A.2.1: For dry weather BMPs only, Projects must be designed to capture, infiltrate, or divert 100% of all tributary dry weather flows.				
	20 points max	A.2.2: For Dry Weather BMPs Only: Tributary Size of the Dry Weather BMP <ul style="list-style-type: none"><li>• &lt;200 Acres = 10 points</li><li>• &gt;200 Acres = 20 points</li></ul>				
<b>B. Significant Water Supply Benefits</b>	25 points max	The Project provides water supply benefits				
	13 points max	B1. Water Supply Cost Effectiveness. The Total Life-Cycle Cost <sup>2</sup> per unit of acre foot of Stormwater and/or Urban Runoff volume captured for water supply is: <ul style="list-style-type: none"><li>• &gt;\$2500/ac-ft = 0 points</li><li>• \$2,000–2,500/ac-ft = 3 points</li><li>• \$1500–2,000/ac-ft = 6 points</li><li>• \$1000–1500/ac-ft = 10 points</li><li>• &lt;\$1000/ac-ft = 13 points</li></ul> <i><sup>2</sup>. Total Life-Cycle Cost: The annualized value of all Capital, planning, design, land acquisition, construction, and total life O&amp;M costs for the Project for the entire life span of the Project (e.g. 50-year design life span should account for 50-years of O&amp;M). The annualized cost is used over the present value to provide a preference to Projects with longer life spans.</i>				
	12 points max	B2. Water Supply Benefit Magnitude. The yearly additional water supply volume resulting from the Project is: <ul style="list-style-type: none"><li>• &lt;25 ac-ft/year = 0 points</li><li>• 25 - 100 ac-ft/year = 2 points</li><li>• 100 - 200 ac-ft/year = 5 points</li><li>• 200 - 300 ac-ft/year = 9 points</li><li>• &gt;300 ac-ft/year = 12 points</li></ul>				
<b>C. Community Investments Benefits</b>	10 points max	The Project provides Community Investment Benefits				
	10 points	C2. Project includes: <ul style="list-style-type: none"><li>• One of the Community Investment Benefits defined above = 1 points</li><li>• Four distinct Community Investment Benefits = 4 points</li><li>• Seven distinct Community Investment Benefit = 10 points</li></ul>				

**Table 7. Infrastructure Program Project Scoring Criteria (continued)**

Section	Score Range	Scoring Standards
<b>D. Nature-Based Solutions</b>	15 points max	The Project Implements Nature-Based Solutions
	15 points	D1. Project: <ul style="list-style-type: none"> <li>• Implements natural processes or mimics natural processes to slow, detain, capture, and absorb/infiltrate water in a manner that protects, enhances and/or restores habitat, green space and/or usable open space = 5 points</li> <li>• Utilizes natural materials such as soils and vegetation with a preference for native vegetation = 5 points</li> <li>• Removes Impermeable Area from Project (1 point per 20% paved area removed) = 5 points</li> </ul>
<b>E. Leveraging Funds and Community Support</b>	10 points max	The Project achieves one or more of the following:
	6 points max	E1. Cost-Share. Additional Funding has been awarded for the Project. <ul style="list-style-type: none"> <li>• &gt;25% Funding Matched = 3 points</li> <li>• &gt;50% Funding Matched = 6 points</li> </ul>
	4 points	E2. The Project demonstrates strong local, community-based support and/or has been developed as part of a partnership with local NGOs/CBOs.
<b>Total</b>	<b>Total Points All Sections 110</b>	

## V. Municipal Program

Forty (40) percent of the funds from the SCW Program tax are allocated for the Municipal Program pursuant to the Flood Control Act section 2, subsection 8b(B). Municipal funds shall be allocated proportionally to the revenues generated within each Municipality or the County Unincorporated Areas in the District. Considering the geologic, geographic and demographic diversity within the District, the Municipal Program is designed to maximize the ability of local governments to address local Stormwater and/or Urban Runoff challenges and opportunities. Projects are required to include a Water Quality Benefit. Multi-Benefit Projects and Nature-Based Solutions are strongly encouraged. Municipal Program funds allow flexibility for Municipalities to fund Stormwater and/or Urban Runoff Programs, activities, studies, associated staffing costs, as well as capital Projects along all phases of Project development, including but not limited to: concept development, planning, design, construction, monitoring, and O&M.

### A. Municipal Program Responsibilities

Each Municipality receiving Municipal Program funding from the SCW Program will have the following responsibilities including, but not limited to:

- Prepare, prior to the start of that Municipality's fiscal year, a budget for how SCW Program funds will be used.
- Prepare within six (6) months after the end of that Municipality's fiscal year an Annual Progress/Expenditure Report that details a Program-level summary of expenditures and a description of Water Quality Benefits, Water Supply Benefits, Nature-Based Solutions, and Community Investment Benefits realized through use of Municipal Program funds.
- Comply with all SCW Program reporting and audit requirements, and provide the District additional financial and other information, as required by SCW Program or upon request.
- As part of the Municipal Program planning process, consider a Municipal level request for Projects from eligible Project Applicants.

- e. Prepare informational materials to provide members of the public with up-to-date information on the Municipality's actual and budgeted use of revenues from the SCW Program and make the information available to the public through the Municipality's websites and upon request.
- f. Operate in accordance with best practices for government agencies.
- g. Be strictly accountable for all funds, receipts, and disbursements by the Municipality.
- h. Engage stakeholders in the planning process for use of the Municipal Program funds during the planning and implementation of Municipal Program Projects.
- i. Comply with revenue transfer agreement requirements.

#### B. Maintenance of Effort

A Municipality must spend at least 70% of their Municipal Program funds annually on new Projects, which also includes O&M of infrastructure Projects built to comply with the 2012 Los Angeles MS4 Permit or 2014 Long Beach MS4 Permit, so long as the Project complies with Municipal Program requirements. Up to 30% of a Municipality's Municipal Program funds may be used to pay for SCW Program eligible activities commenced before the election date of the SCW Program Tax.

#### C. Municipal Program Annual Progress/Expenditure Reports

Each Municipality shall arrange for an Annual Progress/Expenditure Report for all Projects. The Annual report shall include details that summarize the expenditures and describe the benefits of Water Quality, Water Supply, and Community Investment realized through use of SCW Program funds. Annual Progress/Expenditure Reports will include a summary of funds that have been allocated to achieve SCW Program Goals as articulated in Section I for the prior year. The Municipality shall be subject to and comply with all applicable requirements of the District regarding Project-reporting requirements. The Annual Progress/Expenditure Report details:

- SCW Program funds expended.
- Documentation that the SCW Program funds were used for eligible expenditures.
- Description of work accomplished during the reporting period.
- Milestones or deliverables completed/submitted during the reporting period.
- Work anticipated for the next reporting period.
- Photo documentation, as appropriate.
- Additional information as necessary.

## **VI. District Program**

Ten (10) percent of the revenue from the tax on each Parcel is allocated for the District Program pursuant to the Flood Control Act section 2, subsection 8b(A).

### **A. Responsibilities**

The District will have the following responsibilities including, but not limited to:

- a. Administer the SCW Program, including activities such as: Tax and payment administration including costs incurred in connection with the levy and collection of the tax and distribution of the funds, review annual budgets and reports, conduct audits, and manage appeals of scoring process.
- b. Annually prepare a five (5) year revenue forecast for each Watershed Area.
- c. Plan, implement, and maintain District Projects.
- d. Administer and provide staffing for the Regional Program.
- e. Provide staff support to the Scoring Committee, Watershed Area Steering Committees, and the ROC.
- f. Provide Technical Assistance Teams and Watershed Coordinators funded by the Technical Resources Program.
- g. Engage stakeholders in the planning process for use of the District Program funds.
- h. Plan, implement, and maintain District Projects.
- i. Operate in accordance with best practices for government agencies.
- j. Conduct independent audits to ensure compliance with requirements of the SCW Program.
- k. Prepare, prior to the start of the District's fiscal year, a budget for how SCW Program funds will be used.
- l. Prepare within six (6) months after the end of the District's fiscal year an annual report that details a Program level summary of expenditures and a quantification of Water Quality Benefits, Water Supply Benefits, and Community Investment Benefits realized through use of Municipal Program funds.
- m. Comply with all SCW Program audit requirements.

### **B. Programs**

The District will administer the Programs below. The District will commence these Programs within the first year of passage of the Safe, Clean Water Tax. Not less than 20% annually of District Program funds shall be allocated for these Programs over a revolving five (5) year period. These Programs will be implemented throughout the region with special attention toward the needs of disadvantaged communities. The District will partner with stakeholders to collaboratively implement these Programs.

The District will create Stormwater and/or Urban Runoff education Programs that proactively involve stakeholders and community groups to carry out activities that may include, but are not limited to:

- a. Public education Programs.
- b. Local workforce job training, which will provide certification classes and vocational training at the community level for the design, construction, inspection, and O&M of Stormwater and/or Urban Runoff management and Multi-Benefit Projects.
- c. Schools education and curriculum Program, such as classroom curriculum, guest speakers, etc.

#### C. District Projects and Regional Water Quality Planning & Coordination

The District will carry out the following activities:

- a. Regional water quality planning and coordination to carry out activities which may include but are not limited to providing regional leadership and coordination for scientific studies, research, and water quality modeling.
- b. Implementation of Multi-Benefit Projects. The District will engage stakeholders in the planning process for District Projects.

### VII. Tax Calculation and Collection Provisions

#### A. Calculation of the Tax

The tax will be calculated for each Parcel based upon the Parcel's Impermeable Area as determined by the County Landcover Survey. The boundaries of the area, identification of the Parcels subject to the tax, and the method for calculating the tax for each Parcel will be established by the ordinance incorporated by the Los Angeles County Flood Control District Code. The rate used for calculating the tax, as established by the ordinance, will remain the same from year to year, unless a change is approved in accordance with all applicable laws. The Chief Engineer may periodically re-evaluate the characteristics of Parcels to ensure accuracy of tax calculations.

The Board of Supervisors will periodically initiate an update to the County Landcover Survey which is used to determine the Impermeable Area for each Parcel throughout the District.

#### B. Collection – General Procedure

The tax will be collected for each fiscal year on the property tax roll in the same manner, and at the same time as, the general taxes of the County are collected. The Auditor will provide an annual statement of the revenues collected for the SCW Program to each Municipality as well as each Watershed Area Steering Committee. The Auditor's costs for tax and payment administration including costs incurred in connection with the levy and collection of the tax will be paid by SCW Program funds.

Insofar as feasible and not inconsistent with the SCW Program, the times and procedures regarding exemptions, due dates, installment payments, corrections, cancellations, refunds, late payments, penalties, liens, and collections for secured roll ad valorem property taxes will be applicable to the collection of the tax.

### C. Claims for Reimbursement and Appeals

Parcel owners who believe their tax has been calculated incorrectly will be able to seek review on one or more of the following grounds:

- a. Mathematical error in the calculation of the tax.
- b. Discrepancy of more than:
  - 10% error in the actual Impermeable Area; or
  - \$50 in the tax amount, whichever is greater.

Tax appeals must be filed with the District.

### D. Passthrough of Tax

There are no provisions in the SCW Program Tax that would limit a Parcel owner's ability to passthrough the proposed Parcel tax to a tenant. Land owners must comply with all applicable rent control ordinances, contractual provisions in the specific lease, federal subsidized housing requirements, and others.

## VIII. Revenue Bonds

Bonds issued hereunder by a Municipality or the District, to the extent such entity is authorized by law to issue and sell revenue bonds, may be secured by SCW Program revenues as set forth in this document. Only those amounts specifically allocated to a Municipality or the District may be used as security for its respective bonds. Watershed Area Steering Committees may request the District to bond against their Watershed Area's revenue stream for Regional Projects.

## IX. Miscellaneous Provisions

### A. Carryover of Uncommitted Municipal and Regional Program Funds

Municipalities and Project Developers will be able to carry over uncommitted SCW Program revenues for up to five (5) years from the end of the fiscal year in which those revenues are transferred from the District to the Municipality or Project Developer. Additional requirements may be included in the transfer agreement.

### B. Procedures for Lapsing Funds

Municipalities and Project Developers who are unable to expend their approved funding as described in their Stormwater Investment Plan will be subject to lapsing funds procedures. Lapsing funds are funds that were committed and approved but were not able to be spent per the approved schedule. Funds are considered lapsed five (5) years after the transfer agreement execution date.

SCW Program revenues that are not expended by a Municipality or Project Developer within the five (5) years will revert back to the Watershed Area Steering Committee of the respective Watershed Area and be reprogrammed to a new Project with benefit to that Municipality or Watershed Area.



### C. Record-Keeping and Audits

The following recordkeeping and audit requirements will apply:

- a. SCW Program revenues received by the District, Municipalities, and Project Developers will be required to be held in separate interest-bearing accounts and not combined with other funds. Interest earned on SCW Program revenues will be required to be used for SCW Projects in the Watershed Area Steering Committee or Municipality in which it was earned, consistent with the requirements of the SCW Program.
- b. Municipalities, Project Developers, and the District will be required to retain, for a period of seven (7) years after Project completion, all records necessary in accordance with Generally Accepted Accounting Principles to determine the amounts expended, and eligibility of Projects. Municipalities and Project Developers, upon demand by authorized representatives of the District will be required to make such records available for examination and review or audit by the District or its authorized representative. Records shall include: accounting records, written policies and procedures, contract files, original estimates, correspondence, change order files including documentation covering negotiated settlements, invoices, and any other supporting evidence deemed necessary to substantiate charges related to SCW Program funds and expenditures.
- c. At all reasonable times, Municipalities and Project Developers will be required to permit the Chief Engineer, or his or her authorized representative, to examine all Projects that were erected, constructed, implemented, operated, or maintained using SCW Program revenues. Municipalities and Watershed Area Steering Committees will be required to permit the authorized representative, including the Auditor, to examine, review or audit, and transcribe any and all audit reports, other reports, books, accounts, papers, maps, and other records that relate to Projects funded with revenues from the SCW Program.
- d. Municipalities will be subject to an independent audit of their use of SCW Program funds not less than once every five (5) years. Municipal audits are to be funded with Municipal Program funds.
- e. Project Developers will be subject to an independent audit upon completion of the Project. Additional interim audits may be conducted. Project Developer audits are to be funded with Regional Program funds.
- f. District will be subject to an independent audit of their use of SCW Program funds not less than once every five (5) years.

### D. Procedures for Addressing Misuse of Funds and Failure to Comply with Requirements

The following procedures apply for misuse of funds and failure to comply with requirements.

- a. If the District determines that a Project Developer or Municipality has misused SCW Program revenues, the District may issue a written notice to the Project Developer or Municipality of that determination and to refund those revenues, including associated interest, to the District within thirty (30) days of notification.
- b. Revenues refunded by a Project Developer or Municipality will, at the District's discretion, be reassigned and used to plan, implement, and maintain Projects in accordance with the following:

- SCW Program revenues refunded by a Municipality will be used to fund Municipal or Regional Projects that are located within the jurisdiction of the Municipality.
  - SCW Program revenues refunded by a Project Developer will be used to implement Projects in the same Watershed Area from which the revenues were collected.
- c. Failure to comply with a notice to refund revenues by the required date will result in immediate suspension of future SCW Program revenue disbursements to that entity until such time as revenues are refunded.
  - d. If the District determines that a Municipality or Project Developer has failed to comply with any applicable requirement of the Program, the District, at its discretion, may issue a written notice to the Municipality or Project Developer of that determination and that the District will withhold future disbursements of SCW Program revenues pending compliance. Withheld disbursements will be retained by the District for a period of five (5) years after which, if the violation has not been resolved, they will revert back to the respective Watershed Area Steering Committee for reprogramming to another Project.
  - e. If a Project Developer or Municipality disputes a determination by the District, as described above, the Project Developer or Municipality may submit a notice of appeal to the District not later than ten (10) business days from the date of the written notice from the District. The District will appoint a hearing officer to conduct a hearing on the appeal. The submission of a notice of appeal does not relieve the Municipality or Project Developer of the obligation to refund the SCW Program revenues in dispute. If the hearing officer determines an adjustment is required, that adjustment will be reflected in the next disbursement of SCW Program revenues.

#### E. District Held Harmless

The District will not be required to accept ownership or responsibility for any Project developed, implemented or constructed by a Municipality or a Project Developer with SCW Program revenues. Unless the District enters into an express agreement with a Project Developer or Municipality to the contrary, neither the District, nor the County to the extent that it is acting on behalf of the District, their officers, employees, agents or volunteers ("District Indemnitees") will be liable in connection with errors, defects, injuries, property damage caused by or attributed to any Project that is funded in whole or in part with SCW Program revenues, and each Municipality and Project Developer will be required to indemnify the District Indemnitees and hold them harmless for claims, liability, and expenses, including attorneys' fees, incurred by any District Indemnitees as a result of any Project developed, implemented, or constructed by the Municipality or Project Developer that is funded with the SCW Program revenue, except for claims, liability, and expenses, including attorneys' fees, resulting from the sole negligence or willful misconduct of District Indemnitees.

#### F. Periodic Review of the SCW Program

- a. The Board of Supervisors will review and make revisions to the SCW Program in its reasonable discretion, including but not limited to updates to the Infrastructure Program Project Scoring Criteria; Watershed Area boundaries, County Landcover Survey; Credit Program, Threshold Score; membership of the Watershed Area Steering Committees, Regional Oversight Committee, and Scoring Committee; and other sections.

- b. After a period of thirty (30) years, the Board of Supervisors shall evaluate the need for the SCW Program and make a determination of whether the tax should be reduced or rescinded.

**SAFE, CLEAN WATER PROGRAM**  
**Draft Program Elements Appendices**

**X. APPENDIX**

## A. Watershed Area Steering Committee Minimum Requirements

Agency	Years of Experience	Description
Municipalities	Five +	<ul style="list-style-type: none"> <li>General knowledge of pollution abatement projects and knowledge in Stormwater Programs, and knowledge of NPDES Stormwater Permit and TMDL issues as related to the region.</li> <li>Knowledge of the roles of federal, state and local governmental agencies involved in either the regulation of or the operation of water supply facilities, as well as familiarity with key nongovernmental agencies that influence the operations of water systems.</li> </ul>
Groundwater	Five +	<ul style="list-style-type: none"> <li>Experience in one of the following groundwater areas: remediation, supply, management and/or storage.</li> <li>Educational background or equivalent work experience in engineering, natural sciences, land use management, conservation, or other water resource-related field.</li> </ul>
Water Agency	Five +	<ul style="list-style-type: none"> <li>Educational background or work experience in engineering, environmental science, biology, chemistry, toxicology, microbiology, urban planning or closely related field.</li> <li>Ability to provide a regional perspective on water supply issues.</li> <li>Expertise in the planning, design and construction, financing, and operations of water works facilities which includes storage reservoirs, transmission and distribution systems, pumping plants, water treatment, water conservation, and system optimization particularly as it effects power usage.</li> <li>Sound knowledge of existing and emerging regulations, as well as environmental matters and familiarity with California water law and regulations.</li> <li>Knowledge of the roles of federal, state and local governmental agencies involved in either the regulation of or the operation of water supply facilities, as well as familiarity with key nongovernmental agencies that influence the operations of water systems.</li> <li>Experience in the acquisition of water rights.</li> </ul>
Sanitation	Five +	<ul style="list-style-type: none"> <li>Experience in local or regional agency that provides wastewater collection, treatment, recycling and/or disposal services.</li> <li>Education background and work experience in science, engineering, waste management or related fields.</li> </ul>
Municipal Parks/Open Space	Five +	<ul style="list-style-type: none"> <li>Experience with habitat, open space and/or recreational issues at a regional level (i.e. across Municipal jurisdictions and watershed boundaries).</li> <li>Educational background or equivalent work experience in natural sciences, land use management, conservation, or other water resource-related field.</li> <li>Familiar with the agencies and organizations involved in habitat/open space issues in the District who are likely to be Project Developers, land owners or permittees of Projects.</li> </ul>
At large Community Stakeholders	Two +	<ul style="list-style-type: none"> <li>Experience in community engagement</li> <li>Knowledge and experience in working with government agencies to achieve community investment</li> <li>The willingness to be trained and educated on pollution abatement, Stormwater programs, and TMDL related issues.</li> </ul>
Environmental	Two +	<ul style="list-style-type: none"> <li>Experience in water resource issues</li> <li>Educational background or equivalent work experience in natural sciences, land use management, conservation, or other water resource-related field</li> <li>Educational background or work experience in engineering, environmental science, biology, chemistry, toxicology, microbiology, urban planning or closely related field.</li> </ul>

Agency	Years of Experience	Description
Business	Two +	<ul style="list-style-type: none"> <li>• Experience in developing commercial/business Stormwater and/or Urban Runoff capture facilities</li> <li>• Knowledge and experience in working with government agencies to achieve water resource improvements for residential and commercial properties</li> <li>• Educational background or equivalent work experience in natural sciences, land use management, conservation, or other water resource-related field.</li> </ul>
Environmental Justice	Two +	<ul style="list-style-type: none"> <li>• Experience in community engagement</li> <li>• Knowledge and experience in community priorities regarding resource needs for quality of life issues with respect to the development, implementation, and enforcement of environmental law, regulation, and policies.</li> <li>• Knowledge and experience in working with government agencies to achieve community investment.</li> </ul>
Watershed Coordinator	Two +	<ul style="list-style-type: none"> <li>• Experience in coordination and implementation of technical assistance.</li> <li>• Knowledge and experience in watershed protection planning, water quality, and/or watershed assessment.</li> <li>• Knowledge and experience to provide and/or coordinate technical assistance that results in Projects that are integrated and result in regionally significant and measurable watershed benefits</li> <li>• Experience in community engagement particularly with disadvantaged communities and small cities is desirable.</li> </ul>
<b>General Minimum Qualifications for all Members:</b> <ul style="list-style-type: none"> <li>• The knowledge of or willingness to be trained and educated on pollution abatement, Stormwater Programs, NPDES Stormwater Permit and TMDL related issues as related to the region.</li> <li>• Must be able to attend and participate in Watershed Area Steering Committee meetings.</li> </ul>		

## B. Watershed Area Steering Committee Membership

	Central Santa Monica Bay	Lower Los Angeles River	North Santa Monica Bay	San Gabriel River & Inland Valley	South Santa Monica Bay	Upper Los Angeles River	Upper San Gabriel River
Municipal Representation (9 seats)	<div> <div>Los Angeles 77%</div> <div> <div>San Gabriel 8%</div> <div>San Monica 4%</div> <div>El Segundo 4%</div> <div>Culver City 4%</div> <div>Beverly Hills 4%</div> <div>Inglewood 2%</div> <div>Unincorporated 2%</div> <div>West Hollywood 2%</div> </div> </div>	<div> <div>Long Beach 22%</div> <div>Compton 11%</div> <div>Verona 10%</div> <div>South Gate 6%</div> <div>Dover 6%</div> <div>Lynwood 6%</div> <div>Huntington Park 4%</div> <div>Paramount 4%</div> <div>Unincorporated 4%</div> <div>Bel Gardens 3%</div> <div>Bel 2%</div> <div>Pico Rivera 2%</div> <div>Cudahy 2%</div> <div>Maywood 2%</div> <div>Signal Hill 1%</div> <div>Carson 0%</div> <div>Lakewood 0%</div> </div>	<div> <div>Long Beach 17%</div> <div>Santa Fe Springs 11%</div> <div>Whittier 8%</div> <div>Norwalk 8%</div> <div>Lakewood 8%</div> <div>Unincorporated 7%</div> <div>Carroll 7%</div> <div>La Mirada 7%</div> <div>Dover 6%</div> <div>Belflower 6%</div> <div>Pico Rivera 5%</div> <div>Paramount 5%</div> <div>Artesia 5%</div> <div>La Habra Heights 5%</div> <div>Signal Hill 5%</div> <div>Hawaiian Gardens 5%</div> </div>	<div> <div>Pasadena 14%</div> <div>Unincorporated 11%</div> <div>Arcadia 10%</div> <div>Monterey Park 10%</div> <div>El Monte 9%</div> <div>Monterey Park 7%</div> <div>Rosemead 6%</div> <div>Alhambra 6%</div> <div>Monrovia 6%</div> <div>San Gabriel 5%</div> <div>Temple City 5%</div> <div>South El Monte 4%</div> <div>San Marino 3%</div> <div>Santa Anita 2%</div> <div>Duarte 2%</div> <div>Inglewood 1%</div> <div>Emeryville 0%</div> <div>South Pasadena 0%</div> </div>	<div> <div>Los Angeles 19%</div> <div>Carson 18%</div> <div>Torrance 16%</div> <div>Unincorporated 10%</div> <div>Gardena 8%</div> <div>Hawthorne 5%</div> <div>Redondo Beach 5%</div> <div>Inglewood 5%</div> <div>Rancho Palos Verdes 5%</div> <div>Manhattan Beach 3%</div> <div>El Segundo 2%</div> <div>Palos Verdes Estates 2%</div> <div>Lomita 2%</div> <div>Lawndale 1%</div> <div>Rolling Hills Estates 1%</div> <div>Hermosa Beach 1%</div> <div>Rolling Hills 1%</div> <div>Compton 0%</div> </div>	<div> <div>Los Angeles 75%</div> <div>Unincorporated 8%</div> <div>Glendale 5%</div> <div>Burbank 5%</div> <div>La Canada Flintridge 1%</div> <div>Pasadena 1%</div> <div>Cachitas 1%</div> <div>Alhambra 1%</div> <div>San Francisco 1%</div> <div>South Pasadena 1%</div> <div>Montclair 0%</div> <div>Hidden Hills 0%</div> <div>Santa Clarita 0%</div> </div>	<div> <div>Unincorporated 19%</div> <div>Pomona 13%</div> <div>Industry 11%</div> <div>West Covina 9%</div> <div>Glendora 6%</div> <div>Diamond Bar 6%</div> <div>Corona 5%</div> <div>Rialto Park 5%</div> <div>Cerritos 4%</div> <div>Anaheim 4%</div> <div>La Verne 4%</div> <div>San Dimas 4%</div> <div>Walnut 3%</div> <div>Irwindale 3%</div> <div>La Puente 2%</div> <div>El Monte 2%</div> <div>Duarte 1%</div> <div>South El Monte 0%</div> <div>Baldwin 0%</div> <div>Arcadia 0%</div> <div>Monrovia 0%</div> </div>
	<div> <div>Non-represented City (Self Selected)</div> </div>	<div> <div>Non-represented City (Self Selected)</div> </div>	<div> <div>Non-represented City (Self Selected)</div> </div>	<div> <div>Non-represented City (Self Selected)</div> </div>	<div> <div>Non-represented City (Self Selected)</div> </div>	<div> <div>Non-represented City (Self Selected)</div> </div>	<div> <div>Non-represented City (Self Selected)</div> </div>
	FCD	FCD	FCD	FCD	FCD	FCD	FCD
	LADWP	Central Basin	Central Basin	Upper San Gabriel District	West Basin	LADWP	Upper San Gabriel District
	West Basin	Water Replenishment District	Water Replenishment District	County Watersheds District	Water Replenishment District	LADWP	Main San Gabriel Basin
	LASAN	San Districts	San Districts	San Districts	San Districts	LASAN	San Districts
	LA Rec & Parks	City of Long Beach Parks and Recreation	City of Long Beach Parks and Recreation	City of Pasadena Parks and Recreation	City of Santa Clarita Parks and Recreation	LA Rec & Parks	County Parks and Rec
	Appointed by BOS	Appointed by BOS	Appointed by BOS	Appointed by BOS	Appointed by BOS	Appointed by BOS	Appointed by BOS
	Unincorporated (9 seats)						

**\*\*\*DRAFT – PENDING FURTHER DISCUSSIONS \*\*\***

**C. Credit Program**

The Credit Program allows for up to 75% of the Safe, Clean Water Program tax to be credited for Parcel owners (1) who have constructed Stormwater and/or Urban Runoff improvements; or (2) who are located within a Benefited Development (as defined below) and may be eligible for additional credit or payments if they achieve additional benefits identified in the Incentive Program. All Parcels subject to the Safe, Clean Water Program tax are eligible for the Credit Program; there is no minimum tax amount or impermeable area required to be eligible for the credit, although the Board of Supervisors may, in its reasonable discretion, impose a minimum eligibility threshold at a later time. Multiple parcels with common ownership may be aggregated for purposes of the Credit Program.

Parcels located within a master planned community, Specific Plan area, subdivision, or an approved regional or sub-regional stormwater management plan area that are served by a centralized Stormwater and/or Urban Runoff improvement, are considered a "Benefited Development." The Stormwater and/or Urban Runoff improvement in the Benefited Development must collect and treat the runoff of the collective multi-Parcel impermeable area and be operated and maintained by a developer, homeowner or neighborhood association or other non-governmental entity. Notwithstanding the foregoing, if the Stormwater and/or Urban Runoff improvements are operated and maintained by a governmental entity, the Benefited Development will still qualify for the Credit Program if a developer, homeowner or neighborhood association, or other non-governmental entity funds the O&M of such improvements.

The credit shall be based on the total impermeable area of the Parcel (or aggregated Parcels, if applicable) or Benefited Development, not only the portion of the Parcel addressed by the Stormwater and/or Urban Runoff improvement.

Credit will be given for undertaking activities that result in Water Quality Benefits, Water Supply Benefits, and Community Investment Benefits. At a minimum, a Stormwater and/or Urban Runoff improvement must provide a water quality credit to qualify for the Credit Program. The Board of Supervisors may, in its reasonable discretion, revise or update the credit formulas as appropriate at a later time.

**Water Quality Credit**

Water quality credit is given for Stormwater and/or Urban Runoff improvements that result in a Water Quality Benefit. Water quality credit is calculated based on the extent to which a Parcel(s) or Benefited Development has complied with an applicable Low Impact Development (LID) ordinance, SUSMP requirements, an Industrial General Permit (IGP) or other Los Angeles Regional Water Quality Control Board-approved permit governing the discharge of Stormwater and/or Urban Runoff (RWQCB Stormwater Permit), or some combination of Stormwater and/or Urban Runoff discharge requirements for the Parcel.

Parcels or Benefited Developments with multiple and potentially overlapping Stormwater and/or Urban Runoff improvements may divide their Parcel or Benefited Development into tributary areas for each Stormwater and/or Urban Runoff improvement. Overlapping areas may only be counted once for the maximum applicable water quality credit option.

The water quality credit options are dependent on the construction date of the Stormwater and/or Urban Runoff improvement and are provided below. Percentages provided below are multiplied by the ratio of the improvement volume for the Impermeable Area to the design volume for the Impermeable Area of the Parcel or multi-Parcel area.



**\*\*\*DRAFT – PENDING FURTHER DISCUSSIONS\*\*\***

***Prior to election date of SCW Program:***

- *LID Ordinance Compliance (65%):* Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that comply with applicable LID ordinance requirements are eligible for a water quality credit of 65%. The water quality design storm standard shall be equivalent to that found in the applicable LID ordinance and will be used for the calculation of the credit. In the absence of an applicable LID ordinance, the County's 2013 LID ordinance requirements shall apply.
  - *Exceeds LID Ordinance Compliance (From 65% to 75%):* Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that exceed applicable LID ordinance requirements are eligible for additional water quality credit of 75%. The water quality design storm standard shall be greater than or equal to two times (2x) that found in the applicable LID ordinance and will be used for the calculation of the credit.
- *SUSMP Compliance (50%):* Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that are in compliance with applicable SUSMP requirements are eligible for a water quality credit of 50%. The water quality design standard shall be equivalent to the standard required by applicable SUSMP requirements.
  - *Exceeds SUSMP Compliance (From 50% to 65%):* Stormwater and/or Urban Runoff improvements on Parcels or in a Benefited Development that exceed SUSMP requirements are eligible for additional water quality credit up to 65%.

***After the election date of SCW Program:***

- *LID Ordinance Compliance (65%):* Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that comply with applicable LID ordinance requirements are eligible for a water quality credit of 65%. The water quality design storm standard shall be equivalent to that found in the applicable LID ordinance and will be used for the calculation of the credit. In the absence of an applicable LID ordinance, the County's most up-to-date LID ordinance requirements shall apply.
  - *LID Equivalency (up to 65%):* Stormwater and/or Urban Runoff improvements on Parcels or in a Benefited Development that provide Water Quality Benefits comparable to or greater than LID ordinance requirements are eligible for a water quality credit of up to 65%.
  - *Exceeds LID Ordinance Compliance (From 65% to 75%):* Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that exceed applicable LID ordinance requirements are eligible for additional water quality credit of 75%. The water quality design storm standard shall be greater than or equal to two times (2x) that found in the applicable LID ordinance and will be used for the calculation of the credit.

**\*\*\*DRAFT – PENDING FURTHER DISCUSSIONS \*\*\***

***Other eligible water quality credit activities (pre- or post-election date):***

- *IGP Compliance / RWQCB Stormwater Permit (65%):* Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that are subject to and in compliance with their IGP or RWQCB Stormwater Permit are eligible for a water quality credit of 65%. The design standard shall be equivalent to the standard required by the Parcel's IGP or RWQCB Stormwater Permit.
  - *High-Volume IGP Compliance / RWQCB Stormwater Permit (75%):* Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that are subject to and in compliance with an IGP or RWQCB Stormwater Permit that has design volume standard greater than or equal to the runoff volume resulting from a 2-inch, 24-hour rain event are eligible for additional water quality credit of 75%.
- *Dry Weather (20%):* Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that fully retain all dry weather flows are eligible for a water quality credit of 20%.

Water supply credit

Water supply credit is given for Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that result in a Water Supply Benefit.

Community investment credit

Community investment credit is given for Stormwater and/or Urban Runoff improvements on Parcels or in Benefited Developments that result in a Community Investment Benefit.

The Credit Program is based upon Water Quality Benefits, Water Supply Benefits, Community Investments Benefits as shown in the table below.

Table 8. Credit Formula

Stormwater &/or Urban Runoff Improvement	Credit Type (% Maximum)	Formula
<b>Water Quality Credit Percentage (WQ%)</b>  <b>CHOOSE ONE (per tributary area)</b>	LID Compliance (65% max)	$WQ\% = \frac{(\text{LID improvement volume for Impermeable Area})}{(\text{design storm volume for Impermeable Area of the Parcel or multi-Parcel area})} \times (0.65) \times 100\%$
	LID Equivalency (65% max)	$WQ\% = \frac{(\text{LID Equivalency improvement volume for Impermeable Area})}{(\text{design volume for Impermeable Area of the Parcel or multi-Parcel area})} \times (0.65) \times 100\%$
	Exceeds LID (75% max)	$WQ\% = \frac{(\text{LID improvement volume for Impermeable Area})}{(2 \times \text{design volume for Impermeable Area of the Parcel or multi-Parcel area})} \times (0.75) \times 100\%$
	SUSMP (50% max)	$WQ\% = \frac{(\text{SUSMP improvement volume for Impermeable Area})}{(\text{design volume for Impermeable Area of the Parcel or multi-Parcel area})} \times (0.5) \times 100\%$
	Exceeds SUSMP Standard (65% max)	$WQ\% = \frac{(\text{SUSMP improvement volume for Impermeable Area})}{(\text{design volume for Impermeable Area of the Parcel or multi-Parcel area})} \times (0.65) \times 100\%$
	IGP/RWQCB Stormwater Permit (65% max)	$WQ\% = \frac{(\text{IGP/RWQCB Stormwater Permit BMP improvement volume for Impermeable Area})}{(\text{design volume for Impermeable Area of Parcel})} \times (0.65) \times 100\%$
	High Volume IGP/RWQCB Stormwater Permit (75% max)	$WQ\% = \frac{(\text{IGP/RWQCB Stormwater Permit BMP improvement volume for Impermeable Area})}{(\text{design volume (2" storm) for Impermeable Area of Parcel})} \times (0.75) \times 100\%$
	Dry weather (20% max)	$WQ\% = \frac{(\text{Impermeable Area benefited by the improvement})}{(\text{total Impermeable Area of Parcel area or multi-Parcel area})} \times (0.2) \times 100\%$
<b>Water Supply Credit Percentage (WS%)</b>	Water Supply (20% max)	$WS\% = \frac{(\text{Water Supply Benefit volume})}{(\text{design storm volume for Impermeable Area of Parcel or multi-Parcel area})} \times (0.2) \times 100\%$
<b>Community Investments Percentage (CI%)</b>	Community Investment credit percentage. (10% max)	$CI\% = \text{metrics to be determined} \times (0.10) \times 100\%$
<b>Total Credit Percent</b>	Credit percentage (Maximum 75%)	$\text{Credit Percent} = WQ\% + WS\% + CI\% \text{ (Not to exceed 75\%)}$
<b>Final Parcel Credit</b>	Tax Credit (in dollars)	$\text{Final Parcel Credit} = (\text{Parcel tax}) \times (\text{Credit Percent})$

**\*\*\*DRAFT – PENDING FURTHER DISCUSSIONS \*\*\***

**Implementation of the Credit Program**

Prior to collection of the Safe, Clean Water Program Tax for the first year, the District shall establish procedures and guidelines for implementation of the Credit Program. These should include, at a minimum, the following:

1. Procedures for the submittal of initial and biennial Parcel owner certifications;
2. Procedures for the submittal of initial and biennial certifications for Benefited Developments;
3. Procedures for aggregating multiple parcels with common ownership for purposes of the Credit Program;
4. Procedures to facilitate the implementation of the Credit Program for Benefited Developments; and
5. Guidelines for calculating the water quality credit for (1) Stormwater and/or Urban Runoff improvements on Parcels or Benefited Developments for LID requirements and (2) Stormwater and/or Urban Runoff improvements on Parcels or Benefited Development that exceed SUSMP requirements; and (3) Stormwater and/or Urban Runoff improvements on Parcels or Benefited Developments for IGP or other RWQCB Stormwater permits.
6. Guidelines for calculating community investment credit.

The proposed Ordinance adding Chapter 16 to the Los Angeles County Flood Control District Code shall not go into effect until the Credit Program is established.

**Verification Process**

Parcel owners and Benefited Developments must recertify their eligibility for the Credit Program every two (2) years. In addition to adhering to the certification requirements contained in the Parcel or Benefited Development's applicable LID ordinance, SUSMP permit, or IGP/RWQCB Stormwater Permit, the Credit Program shall require additional documentation. All certifications submitted pursuant to the Credit Program shall be verified and submitted by a civil engineer licensed to practice in California and incorporate, at a minimum, the following elements:

- a. For a new Stormwater and/or Urban Runoff improvement, photo documentation of the construction or installation of new Stormwater and/or Urban Runoff improvement
- b. For an existing Stormwater and/or Urban Runoff improvement, photo documentation that the Stormwater and/or Urban Runoff improvement has been maintained in good working condition for the preceding two (2) years.
- c. The maintenance management plan for the Stormwater and/or Urban Runoff improvement.
- d. Calculations of the following:
  - i. The total impermeable area of the Parcel or Benefited Development;
  - ii. The impermeable area tributary to the Stormwater and/or Urban Runoff improvement;

**\*\*\*DRAFT – PENDING FURTHER DISCUSSIONS \*\*\***

- iii. The volume of the Stormwater and/or Urban Runoff Improvement;
- iv. Applicable LID design storm volume or IGP/RWQCB Stormwater Permit or SUSMP design standard for the impermeable area of the Parcel or Benefited Development.
- e. Certification that the improvement meets or exceeds the applicable LID, IGP/RWQCB Stormwater Permit, or SUSMP standards.
- f. Certification of ownership of aggregating multiple Parcels with the same owner.

For Parcels or Benefited Developments subject to an IGP/ RWQCB Stormwater Permit, the Parcel or Benefited Development must be in compliance with its IGP/RWQCB Stormwater Permit and in good standing with no pending Notice of Violations or regulatory agency enforcement actions.

Any Water Supply Benefit created through the SCW Program is subject to applicable adjudicated judgments of water rights.

Incentives and Credit Trading

Prior to collection of the Safe, Clean Water Program Tax for the first year, the District will establish an "Incentive Program" and "Stormwater Credit Trading Program."

The Incentive Program will recognize and reward Parcels and Benefited Developments that further advance the goals of the Safe, Clean Water Program in comprehensive, innovative, and efficient manners. Examples of projects that may be eligible for incentives include, but are not limited to:

- Installation and/or maintenance of Stormwater and/or Urban Runoff improvements that exceed the applicable LID, IGP/RWQCB Stormwater Permit, or SUSMP standards in either water quality, capacity, or both, within the Parcel or Benefited Development;
- Installation and/or maintenance of Stormwater and/or Urban Runoff improvements either by a Parcel owner or within a Benefited Development that are sized and designed to manage Stormwater and/or Urban Runoff from outside of the Parcel or Benefited Development within the Parcel or Benefited Development;
- Managing and/or funding of Stormwater and/or Urban Runoff improvements for public facilities (streets, schools, etc.) outside the Parcel or Benefited Development;
- Dedication of natural open space in perpetuity.

Incentives may be provided in the form of additional annual credit to the Parcel owner or Parcels within a Benefited Development beyond what is available in the Credit Program, direct grants for project implementation, and/or other methods to be determined by the District.

The Stormwater Credit Trading Program is intended to provide a market-based approach for Stormwater and/or Urban Runoff management that will allow a Parcel owner to purchase credits to satisfy their Safe, Clean Water Program Tax obligations. The credits will be generated and provided by other Parcel owners who have implemented Stormwater and/or Urban Runoff improvements. The Stormwater Credit Trading Program will be open to all Parcels.



May 9, 2018

**OFFICERS**

*President*  
Cynthia Sternquist

*1<sup>st</sup> Vice President*  
Margaret Clark

*2<sup>nd</sup> Vice President*  
Joe Lyons

*3<sup>rd</sup> Vice President*  
Becky Shevlin

**MEMBERS**

Alhambra  
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Azusa  
Baldwin Park  
Bradbury  
Claremont  
Covina  
Diamond Bar  
Duarte  
El Monte  
Glendora  
Industry  
Irwindale  
La Cañada Flintridge  
La Puente  
La Verne  
Monrovia  
Montebello  
Monterey Park  
Pomona  
Rosemead  
San Dimas  
San Gabriel  
San Marino  
Sierra Madre  
South El Monte  
South Pasadena  
Temple City  
Walnut  
West Covina  
First District, LA County  
Unincorporated Communities  
Fourth District, LA County  
Unincorporated Communities  
Fifth District, LA County  
Unincorporated Communities  
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.

- **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.

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

#### **Definitions/Eligible Expenditures**

- **Project Applicants.** Recommend that for the Regional Program, only permittees be allowed to be applicants. 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 should 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. 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.** Have all seats filled by city representatives, given the County already has BOS representation. Consider expanding to 10 seats as well.
  - **Community Stakeholder Qualifications.** Recommend 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 bias in project selection scoring. Those members would be eligible to score all projects except those originating from their own watershed area.
- **Project Selection Scoring Criteria.** Recommend changes to the project selection scoring matrix as such:
  - **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.

- **WASC Planning Latitude.** Recommend that the WASC be given latitude to consider project readiness when developing these plans.
- **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.
  - **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**

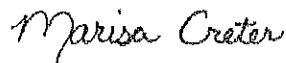
- **Basin Plan Studies.** Recommend that the amount for Basin Plan studies be equal to the amount set aside for FCD education programs (currently \$20 million over five years) and come from FCD funds.
- **Job Training.** Recommend removing certification and vocational training for “design” as this requires an engineering degree.
- **Watershed Monitoring.** Recommend allowing 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.
- **Conflict of Interest.** Recommend clarification. As written, the conflict of interest policy is ambiguous and could be interpreted that all WASC members have a conflict of interest in a project that benefits the watershed.

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](mailto: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

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

