

Council Meeting of  
January 8, 2013

Honorable Mayor and Members  
of the City Council  
City Hall  
Torrance, California

**Subject: City Manager and Finance – Los Angeles County Clean Water Clean  
Beaches Measure**

**RECOMMENDATION**

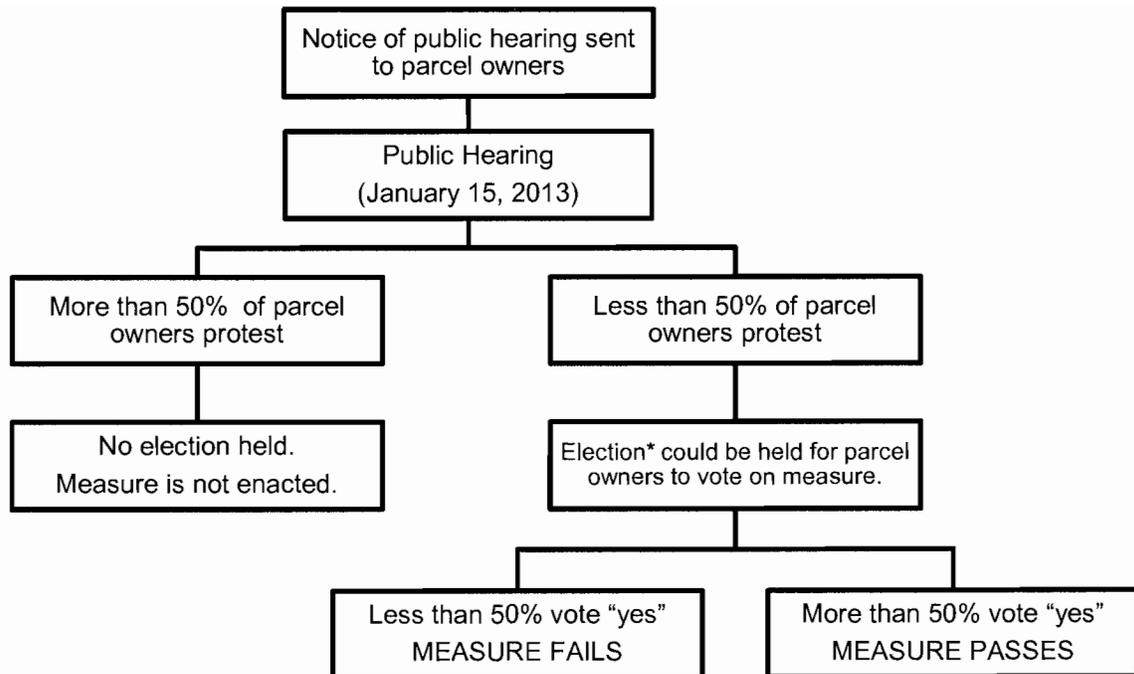
Recommendation of the City Manager and the Finance Director that City Council “NOT PROTEST” the Los Angeles County Clean Water Clean Beaches Measure.

**BACKGROUND/ANALYSIS**

The Los Angeles County Flood Control District is proposing to have an election to adopt the Clean Water, Clean Beaches Measure, which would establish an annual parcel fee to pay for clean water programs. This fee would be imposed upon property owners within the Los Angeles County Flood Control District for the purpose of improving water quality and reducing pollution from stormwater and urban runoff. This is needed to meet the requirements of the new National Pollution Discharge Elimination System Permit for Municipal Separate Storm Sewer System Discharges (MS4 NPDES Permit) adopted by the Los Angeles Regional Water Quality Control Board on November 8, 2012.

In accordance with Proposition 218 – the “Right to Vote on Taxes Act”, this measure would need to complete a two-step process to be approved – a public hearing followed by an election, currently presumed to be conducted as a mail-in ballot election. The public hearing is scheduled for 9:30 a.m. on January 15, 2013 at the Board of Supervisors Hearing Room in the Kenneth Hahn Hall of Administration in Los Angeles.

At this hearing, property owners have the opportunity to oppose putting the measure to a vote by submitting a “protest form”. If more than 50% of property owners protest (there are approximately 2.2 million parcels in Los Angeles County, with each parcel getting one vote), the Board of Supervisors are required to suspend placing this measure on a ballot. If fewer than 50% of the protest forms are received, then the Board of Supervisors may authorize the mail-in ballot election, which could take place sometime between March and May 2013. A simple majority of “yes” votes by parcel owners in the mail-in ballot election would approve this measure.



\* Mail-in ballot of property owners

Public hearing notices, which included the protest form, were sent to each affected parcel owner and included the proposed annual fee for that property. The fee is determined by the amount of runoff that the property generates, based on the size of the parcel, its land classification (residential, commercial/industrial, or undeveloped) and the percentage of hard impermeable, impervious surfaces. The City of Torrance has 210 parcels, with an annual fee of \$142,000.

The fee for almost 90% of homeowners would be \$54 per year or less. Condo owners would pay \$20 or less. No single-family homeowner would pay more than \$82. Three-quarters of commercial parcels would pay less than \$420 per year. A typical convenience store or fast food restaurant (10,000 sq. ft. parcel) would pay \$250 per year while a typical "big box" or home improvement store (10 acres) would pay just over \$10,000 per year, or roughly \$1,000 per acre.

If the city chooses to protest this measure, the City does not need to use the "protest form" but can send a protest letter including all the affected parcel numbers. The letter must be submitted before the end of the hearing on January 15, 2013. If the city chooses to support this measure, no action is required as the public hearing is an opportunity to protest the fee.

According to the measure, 40% of all revenue generated goes to cities/municipalities, 50% to the watershed authority groups, and 10% to the county for administration. Local jurisdictions will be allowed to determine how best to use funds to achieve water quality benefits, as the measure does not earmark funds for specific projects and programs, but establishes criteria for the use of the funds .

Watershed authority groups (WAG), of which there are 9 in the county, are regional collaborative groups of cities and county unincorporated communities within a particular watershed area. They will make decisions about regional Water Quality Improvement Projects (WQIP), which will require approval by the Board of Supervisors. The Board of Supervisors will select two public agencies to serve as non-municipality members for each WAG. One public agency will be a public water supply, wastewater, or replenishment agency with experience in stormwater capture and/or water reuse for water supply augmentation. The other public agency will be a state conservancy or other public agency with experience in identifying and bringing together funding from multiple sources and implementing projects with multiple benefits in that particular watershed area.

A Water Quality Projects Oversight Board will be established to conduct public hearings and make findings and recommendations to the Board of Supervisors on matters related to the WQIPs prepared by Watershed Authority Groups. In addition, review and approval by the Oversight Board is required for proposed municipal projects for which the total costs of the water quality benefit, excluding operations and maintenance, are expected to exceed two million dollars.

Torrance has parcels in both the Dominguez Channel Watershed as well as the Santa Monica Bay Watershed. The Engineer's Report provided by the Los Angeles County Flood Control District estimates that Torrance's portion of these watersheds would generate \$5.6 million in annual fee revenues. Of that amount 40%, or \$2.2 million, would go directly to the city; \$2.8 million would go to those watershed authority groups; and approximately \$600,000 would go to the Los Angeles County Flood Control District. County-wide, the fee is projected to generate \$295 million annually from nearly 2.2 million parcels.

<i>Torrance portion of the following watershed</i>	<i>Parcel Count</i>	<i>Applied Impervious Area (sq. ft.)</i>	<i>Total Fee Revenue</i>	<i>Estimated WAG* Allocation</i>	<i>Estimated Municipality Allocation</i>	<i>Estimated District Allocation</i>
<b>Dominguez Channel</b>	32,671	188,300,310	4,904,079	2,452,040	1,961,632	490,407
<b>Santa Monica Bay</b>	7,969	28,312,600	734,364	367,182	293,745	73,437
<b>Total</b>	<b>40,640</b>	<b>216,612,910</b>	<b>5,638,443</b>	<b>2,819,222</b>	<b>2,255,377</b>	<b>563,844</b>

\* WAG – Watershed Authority Group

The city is required to be in compliance with MS4 NPDES Permit issued by the Los Angeles Regional Water Quality Control Board, essentially an unfunded mandate. This permit prescribes water quality standards for storm and urban run off that the city has to meet to be in compliance and avoid fines and penalties, which can reach \$10,000 per day. These water quality standards are described as Receiving Water Limitations and Waste Load Allocations for Total Maximum Daily Loads (TMDLs). The City of Torrance must comply with the following TMDLS:

- Santa Monica Bay Beaches Bacteria
- Santa Monica Bay Debris
- Santa Monica Bay Toxics
- Machado Lake Trash
- Machado Lake Nutrients
- Machado Lake Toxics

- Dominguez Channel and Harbors Toxics

The MS4 NPDES Permit requires municipalities to implement additional Minimum Control Measures, including a Low Impact Design Ordinance for new developments and a Green Street policy for City street projects. To comply with the Receiving Water Limitations and TMDL Waste Load Allocations, the MS4 Permit provides municipalities the option to work with other municipalities in a watershed to develop Watershed Management Programs and Coordinated Integrated Monitoring Programs. Submittal of these Programs are due to the Los Angeles Regional Water Quality Control Board within 18 months of the MS4 NPDES Permit adoption.

Currently, projects to address TMDLs are paid for with funds from the General Fund, the Sewer Fund, and grants. The City of Torrance has a "draft" Stormwater Quality Master Plan that identifies \$120.2 million in water quality improvement projects that would move the city into compliance with the permit. The master plan remains a draft because it has no dedicated funding source other than the City's General Fund. If the measure passes, then funds received could be used for these projects and to cover the costs of the City's stormwater program.

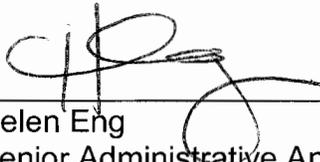
Many school districts in Los Angeles County are considering opposing this measure as it would pose a financial burden. LAUSD would owe \$4.8 million annually, Long Beach USD would owe \$715,000 annually, and TUSD would owe approximately \$260,000, based on the 37 notices received.

Staff believes there is a benefit both to the residents of Torrance and the City government of Torrance by providing a funding source for the cost associated with the "Stormwater" quality issues and is recommending the City Council to take no action and not protest the Clean Water Clean Beaches Measure.

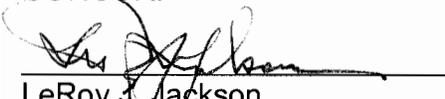
Respectfully submitted,

Eric E. Tsao  
Finance Director

By: \_\_\_\_\_

  
Helen Eng  
Senior Administrative Analyst

CONCUR:

  
LeRoy J. Jackson  
City Manager