


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: March 15, 2019

TO: Honorable Nury Martinez, Chair
Honorable Paul Koretz, Vice Chair
Honorable Paul Krekorian, Member
Honorable Gilbert Cedillo, Member
Honorable Mitch O'Farrell, Member
Energy, Climate Change & Environmental Justice Committee

FROM: Enrique C. Zaldivar, Director and General Manager
LA Sanitation and Environment (LASAN) 

**SUBJECT: SAFE, CLEAN WATER PROGRAM (SCW) / CITY STORMWATER
MANAGEMENT / LOCAL PROGRAMMING OF FUNDS (CF 18-0384-S1)**

On February 20, 2019, Council motion 18-0384-S1 (Martinez – Rodriguez) was introduced instructing LASAN, the Chief Legislative Analyst (CLA), and the City Administrative Office (CAO) to report on the Safe, Clean Water (SCW) Program that was approved as Measure W by Los Angeles County voters on November 6, 2018.

Background

The SCWP establishes a parcel tax of \$0.025 per square feet of impervious area on property owners in LA County, generating \$300 million per year countywide. Revenues will be allocated to three programs:

1. 10% for District Program: This is for the general administration and implementation of the SCW Program by Los Angeles County Flood Control District (LACFCD).
2. 40% for Municipal Program: This is a local return to municipalities. The City is anticipated to receive \$40 million annually.
3. 50% for Regional Program: Revenues will be awarded on a competitive basis for new, regional stormwater projects. The City could receive up to \$50 million annually, if awarded its anticipated share.

Eligibility

All expenditures must meet the water quality benefit requirements of the SCW Program. Funds from the Regional Program must also provide water supply benefits, and/or community investment benefits. The SCW Program is an opportunity to fund O&M of existing stormwater projects and build and maintain new stormwater projects, while meeting the City's goals for water quality compliance, local water supply, and other benefits for local communities.

SCW Program administration

The LACFCD administers the SCWP Program; it is subject to approval by the LA County Board of Supervisors. There are strict accounting and auditing requirements for municipalities that

receive funds. Municipalities will be required to submit financial reports to the LACFCD on a quarterly and annual basis.

Funding schedule

Funds will be transferred to municipalities in advance on an annual basis. The first revenues are expected in spring of 2020 for fiscal year 2020-21 (Year 1). LACFCD’s first call for projects for the Regional Program will be in spring of 2019. SCW Program committees will select projects for funding and make their recommendations to LA County Board of Supervisors in summer of 2019. They will make their final decision in fall/winter of 2019.

Regional Program and Feasibility Studies

In order to be competitive for Regional Program funding, it is critical that LASAN prepares Feasibility Studies for the projects that the City intends to submit to LACFCD. These Feasibility Studies are a SCW Program requirement and they would need to demonstrate the technical feasibility of design and the competitiveness of City’s projects.

First Call for Projects

LASAN in coordination with other city departments and offices will identify potential projects to be considered for LACFCD’s first call for projects in spring of this year. Funding is urgently needed for preparing the Feasibility Studies of the projects once they have been determined.

Fiscal Year 2019-20

Additional funding may be needed by LASAN in the next fiscal year until the first revenues from the SCW Program are being received. This funding would be needed for development of additional projects for the SCW Program (project concept reports, Feasibility Studies with predesign), as well as for critical O&M activities for several existing projects.

RECOMMENDATIONS

1. Subject to the approval of the Mayor, authorize the Controller, upon instructions from the Director of LASAN, to transfer cash and create/increase/decrease appropriations as follows:

a. SCMO Appropriation:

	<u>Fund No.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
From:	760 (SCMO)		Cash Balance	\$2,200,000
To:	760 (SCMO)	TBD	Loan to SPAF	\$2,200,000

b. SPAF Transfer – transfer cash and increase appropriations within SPAF, upon instructions from the Director of LASAN, up to a maximum of \$2,200,000 as shown:

	<u>Fund No.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
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From:	760 (SCMO)	TBD	Loan to SPAF	\$2,200,000
To:	511 (SPAF)	50R565	Sanitation Contracts	\$2,200,000

2. Authorize LASAN to make any technical or accounting corrections or clarifications to the above instructions in order to effectuate the intent of this recommendation.

For any further questions or comments, please contact Traci Minamide, Chief Operating Officer, or Shahram Kharaghani, Program Manager, at 213-485-2210.