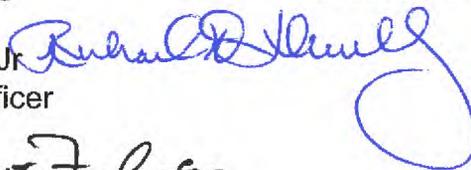


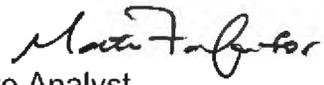
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0220-05558-0000

Date: June 28, 2019

To: City Council
Energy, Climate Change and Environmental Justice Committee

From: Richard H. Llewellyn, Jr. 
City Administrative Officer

Sharon M. Tso 
Chief Legislative Analyst

Subject: **MEASURE W - SAFE, CLEAN WATER PROGRAM (CF 18-0384-S1)**

RECOMMENDATION

That the City Council:

1. Request the City Attorney to prepare and present an ordinance relative to the Measure W - Safe, Clean Water (SCW) Program that includes the following elements:
 - a. Designates the Mayor, Council President and Chair of the Council's Energy, Climate Change and Environmental Justice (ECCEJ) Committee as appointing authorities for the Central Santa Monica Bay Steering Committee - each appoints one municipal seat representative and alternate consistent with SCW Program requirements for a term of three years;
 - b. Designates the Mayor, Council President and Chair of the Council's ECCEJ Committee as appointing authorities for the Upper Los Angeles River Steering Committee - each appoints one municipal seat representative and alternate consistent with SCW Program requirements for a term of three years;
 - c. Designates the Mayor as appointing authority to the South Santa Monica Bay Steering Committee - appoints one municipal seat representative and alternate consistent with SCW Program requirements for a term of three years;
 - d. Designates the Bureau of Sanitation as the City's lead agency to work with Los Angeles County staff to support Steering Committee activities/efforts associated with the Central Santa Monica Bay, Upper Los Angeles River, and South Santa Monica Bay Watersheds; including the preparation of informational and advisory materials for the City's municipal seat and agency representatives;

2. Request the City Attorney to prepare and present an ordinance that establishes the Measure W - Safe, Clean Water Special Fund administered by the Department of Public Works, Bureau of Sanitation for the receipt, retention and disbursement of funds received from the Los Angeles County SCW Program; and,
3. Authorize the City Administrative Officer, with the concurrence of the Chief Legislative Analyst, to make technical changes as needed to implement Mayor and City Council intentions.

SUMMARY

On April 24, 2019, the City Council approved an Energy, Climate Change and Environmental Justice Committee (Committee) report instructing the Chief Legislative Analyst (CLA), City Administrative Officer (CAO) and the Bureau of Sanitation (BOS) to report on policy and administrative issues relative to Measure W – The Los Angeles County Safe, Clean Water Program (Measure W; C.F. 18-0384-S1). The County has established an implementation process for the regional program, further discussed below, which establishes a regional oversight structure consisting of Watershed Area Steering Committees (Steering Committees). The appointments to these steering committees are very time-sensitive as the County has indicated that the Board of Supervisors will be finalizing appointments based on nominations from participating agencies in August 2019.

The intent of this report is to provide recommendations regarding the selection and appointment process to these steering committees; and the establishment of the Measure W Program Fund. Our Offices will report back within the next 90 days with recommendations regarding policy, governance and other matters pursuant to the adopted motion.

BACKGROUND

On November 6, 2018, Los Angeles County voters approved Measure W – The Los Angeles County Safe, Clean Water Program (Measure W), a parcel tax of 2.5 cents per square foot of impermeable surface to support the costs of stormwater-related projects and activities. This program is administered by the Los Angeles County Flood Control District (LACFCD). Revenues are allocated to three sub-programs: municipal, regional, and administrative. Fifty percent of revenues are allocated for region-wide projects and are awarded on a competitive basis. Forty percent of revenues are allocated to municipalities in the same proportion as the amount of revenues collected within each municipality. The remaining ten percent is allocated to the LACFCD for implementation and administration of the Measure W Program. Eligible uses for revenues include projects that provide a water supply and/or quality benefit and a community investment benefit.

The regional program has three components: technical resources, scientific studies, and infrastructure. In addition, the LACFCD will form one Watershed Area Steering Committee per watershed, for a total of nine steering committees, and one scoring committee. Technical resources and scientific studies teams, comprised of members appointed by the LACFCD, will work with the steering committees to determine eligible infrastructure projects for regional

funding. The steering committees are responsible for selecting studies for the technical resources and scientific studies teams to review and develop as well as submitting feasible projects to the Scoring Committee. The steering committees are also responsible for reviewing quarterly reports, preparing a stormwater investment plan that details funding for the regional program's components, and selecting watershed coordinators for each watershed.

Each steering committee consists of 17 members: seven from municipalities within the watershed, five agency stakeholders, and five community stakeholders. A municipality can occupy up to three municipal seats on each steering committee. The number of seats a municipality receives depends on how much impermeable area the municipality comprises within the watershed. Agency seats are given to the lead agency in the following five areas: district, water agency, groundwater agency, sanitation, and municipal parks/open space. Community seats are appointed by the Los Angeles County Board of Supervisors and are for members who represent environmental justice interests, business interests, and environmental interests.

The City has municipal seats in three watersheds. In addition, as lead agencies, BOS has a seat in two watersheds and the Department of Recreation and Parks (RAP) has a seat in three watersheds. The Department of Water and Power (DWP) has a seat in two watersheds as the lead water agency and a seat in one watershed as the lead groundwater agency.

The table below shows the City's membership in the steering committees.

Member	Central Santa Monica Bay	South Santa Monica Bay	Upper Los Angeles River
Municipal (City-appointed)	3	1	3
BOS (Sanitation)	1	0	1
DWP (Water Agency)	1	0	1
DWP (Groundwater Agency)	0	0	1
Rec & Parks (Municipal Parks)	1	1	1
Total	6	2	7

WATERSHED STEERING COMMITTEE APPOINTMENT OPTIONS

Based on the table above, the City has three municipal seats in both the Central Santa Monica Bay and Upper Los Angeles River watersheds and one seat in the South Santa Monica Bay watershed. The Council instructed our Offices to provide options for appointing representatives to these municipal seats in a manner that ensures accountability to the Council and Mayor.

Potential options to meet this objective may include the following:

- Mayor appoints all municipal seat representatives; or
- Council President appoints all municipal seat representatives; or
- Mayor, Council President and Chair of the Council's Energy, Climate Change and Environmental Justice Committee (ECCEJ) appoint an agreed upon number of municipal seat representatives.

The third appointment option appears to meet the objective of ensuring representatives' accountability to both the Council and Mayor. This approach is consistent with the appointment structure for existing City panels such as the Proposition "O" Citizens Oversight Advisory Committee and the Office of Public Accountability Executive Director Citizens Selection Committee.

In addition, the inclusion of the Chair of the ECCEJ Committee in the appointment process is appropriate since the ECCEJ Committee maintains policy jurisdiction over stormwater and water quality-related projects, activities and programs.

In terms of the distribution of appointments between these Offices, the following may be applied:

- Mayor, Council President and Chair of the Council's ECCEJ Committee each appoint one municipal seat representative and alternate to the Central Santa Monica Bay Steering Committee; and
- Mayor, Council President and Chair of the Council's ECCEJ Committee each appoint one municipal seat representative and alternate to the Upper Los Angeles River Steering Committee; and
- Mayor appoints the one municipal seat representative and alternate to the South Santa Monica Bay Steering Committee.

The equitable distribution of appointments to the Central Santa Monica Bay and Upper Los Angeles River Watershed Steering Committees is warranted since the City maintains approximately three-fourths of the impermeable area in these watersheds. In the South Santa Monica Bay Watershed, the City comprises 19% of the impermeable area.

The estimated annual regional program funding administered by each steering committee is as follows:

- Central Santa Monica Bay Watershed - \$18.9 million;
- Upper Los Angeles River Watershed - \$41.1 million; and
- South Santa Monica Bay Watershed - \$19.9 million.

The County Board of Supervisors intend to finalize appointments to the steering committees in August 2019. Due to this timing, the Mayor, Council President and ECCEJ Committee Chair may submit the initial set of representative and alternate appointments prior to the adoption of the ordinances recommended in this report. The letter submitted to the County will be concurrently submitted to the City Clerk as record for filing.

WATERSHED STEERING COMMITTEE QUALIFICATIONS & TERMS

According to County program guidelines, municipal seat representatives must meet minimum requirements/qualifications to serve on the steering committees. Qualifications include five years or more of general knowledge of pollution abatement projects and stormwater programs; including National Pollutant Discharge Elimination System (NPDES) Permit and Total Maximum Daily Load (TMDL) issues associated with the region.

In addition, municipal seat representatives must have a general knowledge of the roles of federal, state and local government agencies involved in the regulation of or the operation of water supply facilities.

With regard to the appointment term for municipal seat representatives, the County is considering recommending three year terms of service with the option to renew. A three year term would appear to be an appropriate service period for project review and administration panels of this nature. The three year term would facilitate the City's ability to monitor and ensure its watershed program goals and objectives are being met effectively.

The County will allow each municipal seat representative to maintain an alternate to serve in their absence. Each alternate must meet the minimum requirements/qualifications to serve on the steering committees.

BUREAU OF SANITATION AND LACFCD

The LACFCD will provide each steering committee with support staff to facilitate committee operations and tasks. It is anticipated that the LACFCD will work closely with the staff of cities that maintain significant impermeable area in the watersheds.

To that end, it is important to designate the BOS as the lead City agency to work with the County to support Steering Committee activities/efforts associated with the three Watersheds that the City participates in and any other related matters. BOS will need to coordinate efforts with other relevant City departments, such as the Department of Water and Power (DWP) and Recreation and Parks, to identify, propose and implement eligible projects that meet multiple municipal objectives. The BOS currently coordinates the City's stormwater/watershed management and water quality compliance programs. The BOS also serves as the City's project planning coordinator for the Proposition "O" Program.

With this designation, the BOS can also be tasked with preparing informational and advisory materials for the City's municipal seat and agency seat representatives in order to facilitate City objectives.

MEASURE W - SAFE, CLEAN WATER SPECIAL FUND

In order to adequately and appropriately track revenues and expenditures, prevent commingling of funds and facilitate required reporting to the LACFCD and other oversight entities, a new special fund is necessary for Measure W. The special fund will receive and expend funds for both the municipal and regional programs. Interest earnings accrued by the funds should remain

within the fund for programming purposes and unspent funds should remain in the fund at the close of each fiscal year. As the designated lead City agency for Measure W, it would be efficient to designate the BOS as the Fund Administrator. The recommendations include a request for the City Attorney to prepare and present an ordinance for the creation of this special fund.

FISCAL IMPACT

There is no fiscal impact to the City from the recommendations contained in this report. The financial impacts, if any, from policy and governance options will be addressed in future reports.

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