CALIFORNIA ASSEMBLY SELECT COMMITTEE ON REGIONAL APPROACHES TO ADDRESSING THE STATE'S WATER CRISIS

The Future of Stormwater: Capture, Store and Supply
May 18, 2012, 10:30 a.m.
TreePeople Conference Center
12601 Mulholland Drive, Los Angeles

Good Morning, Chairman Solario and members of the Committee

Today I will be talking with you as the Executive Director of the UCLA Water Resources Group at the Institute of Environment and Sustainability, and from my perspective as a member of the Los Angeles Regional Water Quality Control Board, which has jurisdiction over the Municipal Stormwater Permits for local governments and industry in Ventura and Los Angeles County.

UCLA Summit on the Future of Water in Southern California

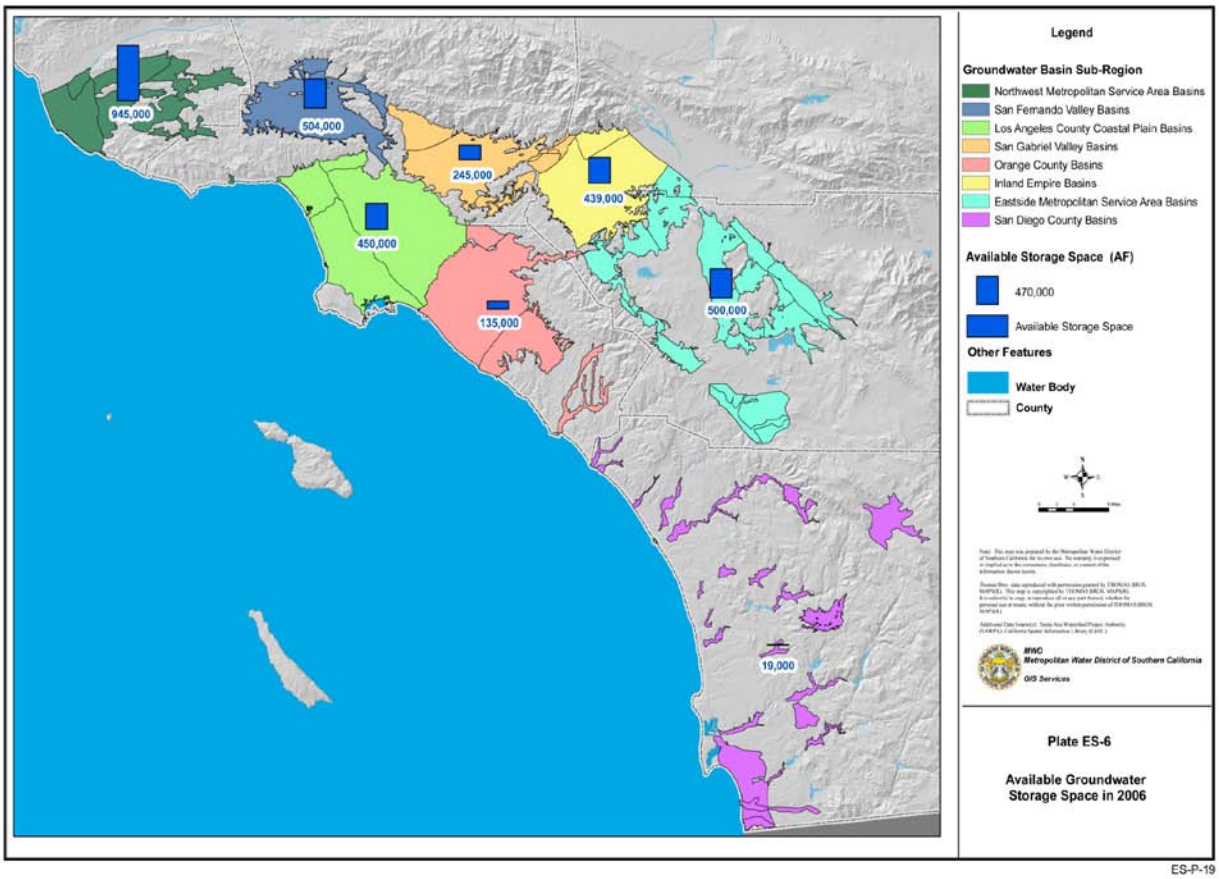
In January, UCLA held a Summit focused on the question, can Southern California rely more on local sources of water, including conservation, water reuse, stormwater and desalination? At the end of the day, several conclusions were clear:

First, while Southern California will continue to import water supplies into the foreseeable future, imported supplies will be less reliable, cost more and require treatment to improve quality.

Second, because of this, we need local water supplies for more reliability and security. Many areas of Southern California already rely heavily on local water because of the rising cost of imported water. The San Gabriel Valley, the Central Basin and West Basin water districts already receive about 40% of their water supply from local sources.

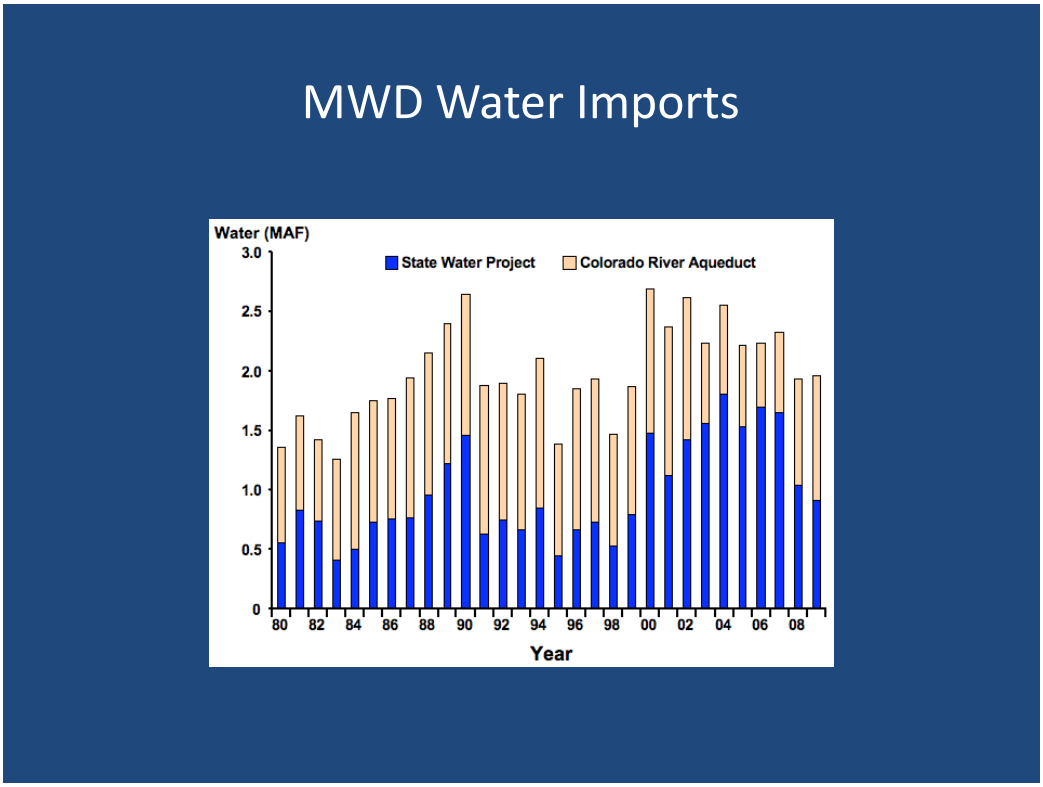
Third, California has a mandate under the Clean Water Act to prevent or treat stormwater pollution. Many of the best solutions to stormwater pollution, like green streets, groundwater and underground storage, parking lot retrofits and Low Impact Development are also sources of water supply.

Fourth, According to MWD, there is significant unused capacity in the groundwater basins of Southern California—approximately 3.2 million acre feet of available storage space in coastal Southern California.



and the State Water Project, ranging between about 2.8 million acre feet in the year 2000 and to about 2 million acre feet in 2010.

AND fifth, this capacity compares favorably to the total MWD imports from the Colorado River The key question is: how much of that unused groundwater basin capacity space is real, and how much can we use for local stormwater infiltration, storage and extraction? How much for water reuse?



For all of those reasons, stormwater capture, storage, and supply should be a much more important part of the local supply picture in Southern California.

Now to the Obstacles: There are, in fact, institutional, water rights, quantification and financing obstacles that need to be overcome if stormwater is to become a significant part of the water supply picture, particularly in Los Angeles and Ventura Counties.

1. We need a legal scheme for metering, valuing, storing and extracting stormwater infiltrated into each groundwater basin, and
2. We need institutional arrangements and legal solutions that allow those who pay to capture and store stormwater to benefit from the water supply created, and
3. We need a source of financing in place to support a scaled up, widespread system of projects that capture and store stormwater through retrofitting our urban areas for this purpose and funds to maintain and operate capital projects.
4. We need legal mechanisms to clean up and protect the quality and yield of our groundwater basins.

Some of these prerequisites already exists in places like the Santa Ana Watershed and may shortly be possible for the Water Replenishment District that covers a service area of 420 square miles in Los Angeles County. But many other groundwater basins have none of these prerequisites in place.

Given that, I am now going to focus on the financing issue,

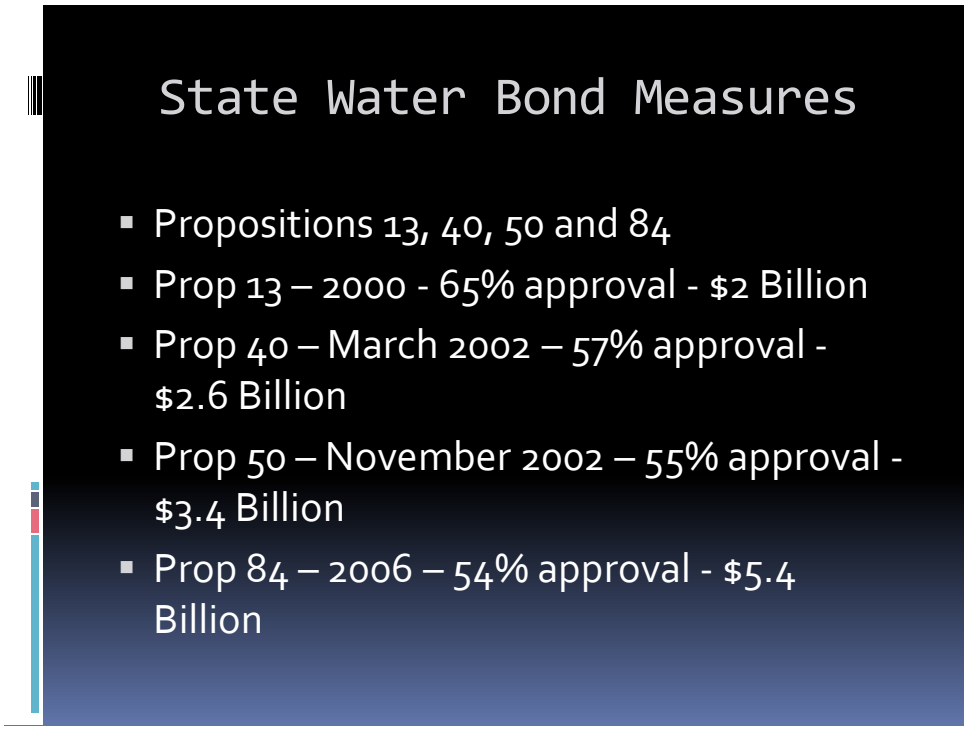
In order to see what kind of financing we need in the future it is important to look backwards over the last twenty years. There have been four different phases of financing:

1. **Local Benefit Assessment Districts: the County of Los Angeles** passed two Propositions A's in 1992 and 1996, for a total of $404 Million Dollars for parks, trails, environmental restoration and recreational facilities. $4 million from each Proposition was allocated to the popular cause of cleaning up Santa Monica Bay through stormwater pollution abatement and ecosystem improvements. The City of Los Angeles passed a benefit assessment district for a Stormwater Abatement Fee in the early 1990's. It costs each household an average of $28 per year.

After a lawsuit on a similar benefit assessment district was found to be in violation of Proposition 218, all future elections were to be either a two thirds majority of the voters or a 50% vote of parcel owners. So far, in Los Angeles County, only one time, in the City of Santa Monica, has a benefit assessment district been successfully passed with a supermajority.

2. **Statewide Bond Measures for Water Supply and Water Quality**

Proposition 13 and 40 were two of the earliest bond measures to provide funds for local water supplies and stormwater pollution prevention/control in Southern California. They were followed by Prop 50 and 84 that established a link between Countywide and watershed Integrated Resource Management Groups and plans. Grant funds for water supply and stormwater pollution prevention have to be consistent with watershed planning and project identification before grant submissions. Water supply agencies participate voluntarily in these planning groups. However, the money is spread thin; the last round of grants brought about $200 million dollars to LA and Ventura Counties, but this only resulted in one to four projects per watershed, when there is a need for many more to impact local water supplies. And the last of the money will be gone soon.



These four big bond measures in total have funded many great projects. But without clear cut goals and metrics, (for instance, funding stormwater infiltration to create X acre feet of water supply and reducing stormwater pollution to X level,) the overall regional impacts of the projects as a whole in the region were not as great as they could have been. These kinds of metrics should be included in any future funding efforts.

3. **Local Bond Measures: City of Los Angeles Proposition O**. Because of the work of the Oversight Committee and the City's passage of Prop O, the City was able to focus $1/2 Billion across its watersheds over 8 years. Most of the funding is now spent and projects completed. Projects in four watersheds range from the stormwater treatment wetland parks, retrofitting the 33 acre Zoo parking lot for permeability, depressed landscaped medians and converting an abandoned gravel pit into multiuse stormwater and park project in an area with no storm drains. The Stormwater Abatement Fee can support operations and maintenance costs of projects. While many of these projects increase local groundwater supply, there is no current mechanism or funding source for the LA City Department of Water and Power to financially support more the work of the Board of Public Works projects that increase stormwater capture for pollution abatement.

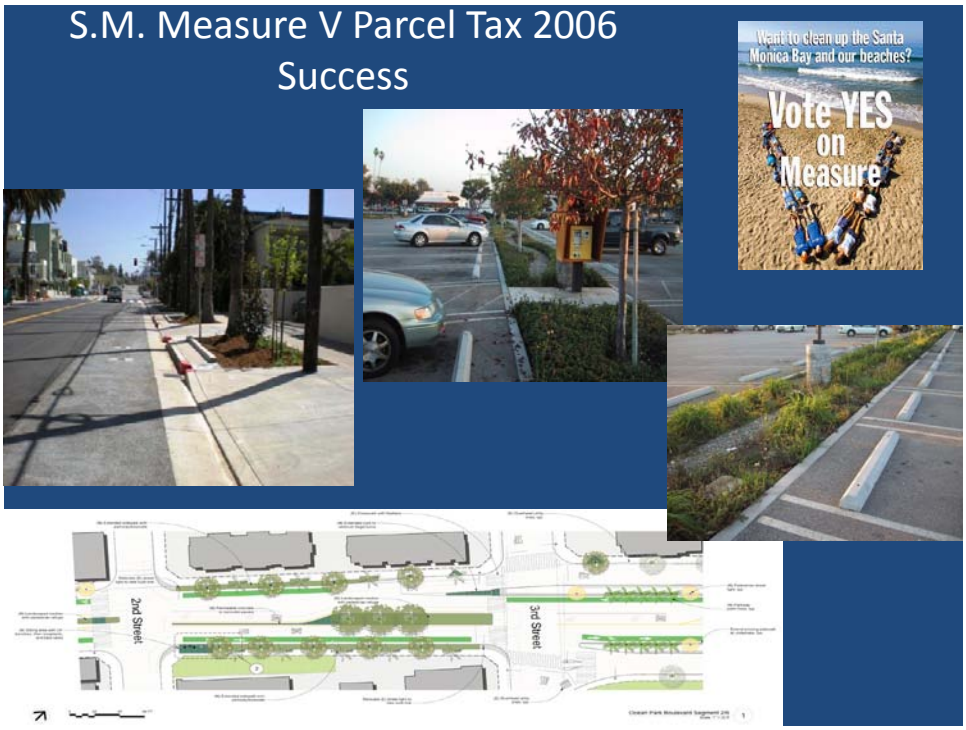
Prop O – Success Stories

- Temescal
- LAWA
- Penmar Park
- LA Zoo Parking Lot
- Elmer and Oros Green Streets
- Venice Tree Wells
- Imperial Highway
- Chavez Park
- Strathern Pit
- Mar Vista Park Cistern
- Westside Park

South LA Wetlands Park

Catch Basin Screens and Inserts – nearly 10,000 inserts and over 45,000 screens - $75M

4. **Local Parcel Tax: Santa Monica's Measure V** was passed in 2006 by over 2/3 of the voters in Santa Monica, to prevent and treat urban runoff and stormwater pollution. The average tax burden per parcel per year is $120. The City is now using a number of different strategies, from rain barrel rebates to green streets to pumping and treating polluted groundwater to become 100% reliant on local water supplies. As of December 2011, the City of Santa Monica has collected $12 million dollars and spent $9.2 million.



New Sources of Revenue

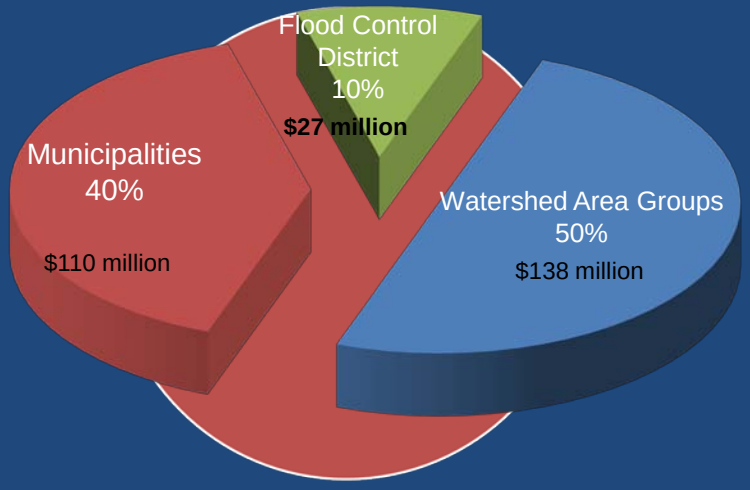
1. **The Proposed Los Angeles County Water Quality Fee**. The LA County Board of Supervisors will begin hearings on May 29th to place a water quality fee on the April 2013 ballot, for parcel owner voting. The draft ordinance is designed to finance stormwater quality improvements with multiple benefits including rainwater harvesting and groundwater replenishment. An annual revenue stream, from an average $54 per year fee on about 2.1 million parcels, is projected at $243 million, which can be revenue bonded. Unlike bond measures, this fee can be used for new projects or for operations and maintenance of projects.

In preliminary drafts, 50% of the revenue is to go to Watershed Authority Groups (Joint Power Authorities) to develop and maintain regional projects. Forty percent would go to municipalities to develop and maintain local projects. The County would have 10% of the funding for unincorporated areas and program administration costs.

Proposed Los Angeles County Water Quality Fee

Nine Watershed Authority Groups

- $273 million Annual Revenue*



* Based on typical SFR fee of $54

Source: LA County Dept of Public Works

Getting a 50% vote of all parcel owners is going to be a big challenge.

2. The second source of new revenue is also up in the air. **The Safe, Clean, and Reliable Drinking Water Supply Act of 2012** with $11.14 Billion in funding, was planned for the November 2012 Ballot, and now we don't know if and when this measure will go to the voters. If passed, this would be a critical companion measure to the proposed water quality fee. According to the Department of Water Resources, it would fund about $856 Million for Water Supply Reliability and other water management programs in the South Coast Hydrologic Region In addition this region is eligible to compete for a share of $6.38 billion in other regional and statewide funding. If passed, this could be extremely important for local water supply through stormwater, as this Bond Act provides capital money while the Water Quality Fee, if passed could provide the operations and maintenance of projects.

What Else—a wish list

1. **Give the voters a chance to change 2/3 vote requirement under Prop 218 to 55% vote under for stormwater and local water supply projects**. This is the same voting percentage required for school district elections. And the Prop 218 voting requirements are particularly problematic for flood control, stormwater capture and local water supply projects by cities and the flood control districts that need to address stormwater capture. The same kinds of projects can be funded by water agencies without going to the voters at all.

2. **The State should require the City of Los Angeles Department of Water and Power and other water agencies in the Region to put into place funding for stormwater capture or credits for water that public works agencies are paying to infiltrate or inject stormwater to groundwater basins.** Despite the fact that water agencies are best positioned to finance both stormwater capture and recycling in California, they don't have the same responsibility to do this that the Flood Control District, Sanitation Districts and County/City Public Works agencies have. While there are some instances of cooperative funding with the LA County Flood Control District and many studies of the role of the Los Angeles Department of Water and Power, there has never increased their fees to do stormwater capture. As a result of this, and their failure to aggressively recycle treated water, about 2/3 of LA's projected water supply will be purchased from the MWD in the future. Similarly, the MWD, paying much higher rates for imported water, has not yet invested or underwritten projects to support stormwater capture and storage for member agencies. This should change.