

City of Long Beach
Many Unique Neighborhoods
One Great City

Dr. Suja Lowenthal
Councilmember
District 2



Memorandum

To: Mayor and City Council

January 8, 2013

From: Suja Lowenthal, Second District
Steve Neal, Ninth District *SL*

Subject: Support for Clean Water, Clean Beaches Measure

REQUESTED ACTION:

Request the support of the City Council for the Clean Water, Clean Beaches Measure as it is currently proposed and for the City Manager to communicate our position to the Los Angeles Board of Supervisors prior to their January 15th meeting.

Request that information and links be posted on the City's website for residents and businesses to learn more about the Clean Water, Clean Beaches Measure along with Long Beach's efforts to keep its beaches and water clean.

BACKGROUND INFORMATION:

Annually, the Los Angeles River's infamous "First Flush" brings thousands of tons of marine debris and non-point source pollution to our beaches, marina and harbor. Sadly, Long Beach is ground zero for urban runoff filled with litter and chemicals from the LA basin. What starts out as rainfall in communities as far as 40 miles away from Long Beach becomes marine debris and harmful toxins on our beaches, floating in a few feet of water off our shores and collecting in our marinas. The City of Long Beach spends millions of dollars every year and countless staff and volunteer hours, cleaning up marine debris and addressing the harmful health effects of chemical pollution, of which 95% comes from outside the city; not to mention the lost revenue associated with people's perception of the City's beaches and shoreline, which affects our economic development, recreation and tourism. This funding, human resources and lost revenue could be better spent on public safety and other quality of life issues.

Almost every waterway in the Los Angeles County region has been found to be contaminated with toxins, trash and pollutants at levels well above public health standards and Clean Water Act regulations. Independent, scientific water quality tests have recently determined that 7 out of the 10 most polluted beaches in California are on the Los Angeles coast. Storms and runoff from other sources carry over three million tons of trash and toxic pollutants to the County shoreline each year, leading to substantial fines and lawsuits that impact businesses and municipalities alike. Polluted storm water and urban runoff flush bacteria and litter into storm

drains, beaches, lakes and rivers—causing public health warnings about high bacteria levels and sometimes even beach and lake closures. For instance, Long Beach had three beach closures and five rain advisories in 2012 – an improvement over prior years, but still unacceptable for a city making every effort to solidify its reputation as a coastal destination to tourists and an active, healthy community for its residents.

Untreated urban runoff has been found to contain toxic heavy metals (lead, mercury, chromium and arsenic), pesticides, fertilizers, petroleum hydrocarbons, animal waste, trash, and bacteria. Research has shown that exposure to recreational water polluted by urban runoff can result in several types of serious illnesses, including: gastroenteritis, with symptoms such as vomiting, diarrhea, nausea or stomachache accompanied by a fever; acute respiratory disease; and, eye, ear and skin infections. Other severe illnesses such as hepatitis are also associated with bathing in polluted recreational waters. A number of studies have shown that each year hundreds of thousands of children and adults develop gastrointestinal and respiratory illnesses after visiting LA County beaches. Children, the elderly, pregnant women and people with weak immune systems are at greatest risk from waterborne pathogens. (Dwight, RH [et al]. "Estimating the Economic Burden from Illnesses Associated with Recreational Coastal Water Pollution—A Case Study in Orange County, California," *Journal of Environmental Management*, 76(2), 2005: 95-103. Brinks, MV [et al]. "Health Risk of Bathing in Southern California Coastal Waters, *Archives of Environmental & Occupational Health*, 63(3), 2008: 123-135.)

Meanwhile, Southern California imports more than 2/3 of its water from Northern California and the Colorado River and we are projected to need about 80% more water by 2025. The Los Angeles County Flood Control District captures and cleans storm water — mainly in the San Gabriel Valley. Despite our mainly arid climate, it only takes one inch of rainfall in southern California to send more than 10 billion gallons of runoff to the ocean. Therefore, if we can capture just the first ¾ inch, it is enough water for 700,000 families every year. That represents about half the additional water needed by 2025.

While cities like Long Beach and unincorporated communities are making strides with limited funds to address polluted storm water runoff, there is still work to do to improve sources for clean drinking water supplies, preserve our waterways and beaches, and protect residents, fish and wildlife.

CLEAN WATER, CLEAN BEACHES MEASURE:

The County of Los Angeles Flood Control District is proposing to establish an annual clean water fee to fund the Clean Water, Clean Beaches Program (www.lacountycleanwater.org). Funds will be used by cities and the County in the same cities and watersheds where they are collected. Funds would be available for projects that:

- Protect local drinking water sources from contamination
- Protect public health
- Increase groundwater supplies that can be used for drinking water, reducing the need to import expensive water from Northern California and Colorado
- Keep toxic chemicals, dangerous bacteria and trash out of rivers, coastal waters and beaches
- Generate thousands of local jobs in construction, engineering, landscaping and environmental work, and in the tourism industries that depend on clean beaches and coastal waters

- Capture and clean storm water to irrigate neighborhood parks, ball fields and school grounds
- Develop wetlands, parks and open space to be used as areas where water can be naturally cleansed before going to the ocean or to replenish groundwater
- Provide science curriculum and classroom teachers
- Educate children and adults about keeping trash and pollutants out of streets and storm drains and off our beaches

WATER QUALITY FEE:

According to a City Manager's memorandum dated April 30, 2012 (attached) to the Mayor and City Council, "[t]he proposed Water Quality Fee is based on the concept that properties contribute to water quality issues due to urban run-off and storm water discharges. Fees are therefore proposed for each parcel based on calculation of the amount of impervious surface area. A typical single-family residential lot in Los Angeles County (5,000-10,000 square feet) would be charged an annual fee of \$54, with the range of fees extending from a minimum of \$8 (for parcels less than 1,000 square feet) to a maximum of \$83 (greater than 15,000 square feet). Commercial, industrial, and government (including federal, state, municipal governments, school districts, special districts, etc.) parcels would also be charged a fee based on the amount of impervious surface area. Commercial and industrial properties, containing a higher amount of impervious surface, would be assessed an average fee of \$730."

In his most recent memorandum dated December 27, 2012 (attached), the City Manager details distribution of the funds from the clean water fee, with 40% of the collected funds returned to municipalities for storm water/run-off projects and programs. Of the remaining funds, 50% would be allocated to the nine Watershed Authority Groups (WAGs) established by AB 2554 to fund improvement projects and programs in each of the nine watersheds; 10% would go to administration of the fee and related expenses such as an Oversight Board. It is estimated that Long Beach would receive annual revenue of \$5.1 million from the 40% portion to municipalities and have the ability to apply for a total of \$29.7 million in project funds from two WAGs (Lower Los Angeles River watershed & Lower San Gabriel River watershed) due to its membership in both bodies. The City of Long Beach would pay approximately \$1.66 million in fees on City parcels.

In terms of the direct funding to municipalities, it is important to recognize the hard work and contribution of city staff to ensure that Long Beach and other cities would receive a fair and proportional amount of direct funding for related projects and programs. It is also worth noting that the County is currently looking into new elements in the Measure, including an optional provision to allow consolidation of multiple adjacent parcels under the same ownership to reduce red tape and rebates of up to 50% for commercial, industrial and residential property owners who construct on-site capture and treatment facilities.

At the local level, we recommend that the City Manager develop a residential storm water improvement program, similar to our Lawn to Garden or Laundry to Landscape programs.

VOTING PROCESS:

According to LA County's Clean Water, Clean Beaches Measure website, the California Constitution Articles XIII C and D (Proposition 218) requires that a proposed fee go through a two-step approval process, which includes both a public hearing and an election. As the governing body of the Los Angeles County Flood Control District, the Board of Supervisors of the County of Los Angeles will hold a public hearing on January 15, 2013 at 9:30 a.m. in the Board of Supervisors Hearing Room, Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012.

A Notice of Public Hearing has been mailed to all property owners within the Los Angeles County Flood Control District. At the public hearing, the Board of Supervisors will receive oral and written testimony about the proposed clean water fee. Any property owner may testify or file a written protest with the Executive Officer of the Board of Supervisors at any time before the end of the public hearing. A written protest must identify the parcel address and assessor's parcel number, and must be signed by the property owner or an authorized representative. Letters may be addressed to:

Executive Officer
Board of Supervisors
P.O. Box 866006
Los Angeles, CA 90086

The Board of Supervisors may continue the hearing at a future date. If the Board of Supervisors has not received written protests against the fee by a majority of property owners before the end of the public hearing, the Board of Supervisors may authorize an election to approve the fee.

DISCUSSION

Long Beach is a leader among cities in southern California for its commitment to addressing the harmful effects of storm water run-off. From its infrastructure (Vortex Separation Systems, Trash Nets, Treatment Trains, Outfall Pipe Screen Captures) to its policies (Low Impact Development, Litter Free Long Beach, Plastic Bag Ban), Long Beach makes every attempt to lead by example and set the standard for upstream cities to follow. This includes our efforts to secure storm water infrastructure funding for cities in our watersheds out of recognition that the ultimate beneficiaries from such projects are the residents and businesses of Long Beach. The result has been improved grades for beach water quality handed out by Heal the Bay and a renewed sense of pride in our shoreline's potential. Beyond all that we have done to protect our namesake shoreline from urban run-off, this is a regional issue that knows no geographical or political boundary and therefore requires a regional solution.

Given the Council's policy positions and the City's ongoing management of marine debris and non-point source pollution from upstream cities, as well as our leadership in water conservation, it is consistent for the City Council to support the Clean Water, Clean Beaches Measure proposed by LA County. This measure would enable Long Beach and upstream cities to benefit from comprehensive solutions to urban run-off and re-purpose of the Los Angeles and San Gabriel Rivers for greater water conservation. The Clean Water, Clean Beaches Measure represents the best opportunity in generations for Long Beach's shoreline, marine habitat and estuaries to thrive.



Date: April 30, 2012

To: Mayor and Members of the City Council

From: Patrick H. West, City Manager

Subject: Los Angeles County Flood Control District Water Quality Improvement Program Ordinance

Many water bodies in Los Angeles County have been determined by State and Regional Water Boards to be out of compliance with State and federal water quality standards and are listed as "impaired" under the federal Clean Water Act. Nearly 100 pollutants are claimed to affect over 500 miles of rivers, streams, and the region's coastal waters and beaches. Long Beach is all too familiar with this issue as the Los Angeles and San Gabriel Rivers bring pollutants, urban run-off, and debris from the Los Angeles Basin to the City's waterfront and beaches.

Per the Clean Water Act, municipalities are charged with obtaining permits for storm water discharge from the State Water Board. As party to these permits, local municipalities are responsible for cleaning up impaired waters in their jurisdictions. However, state and federal agencies have not recently been funding such mandates and grant funding is limited.

In an effort to increase funding, the Los Angeles County Flood Control District (County) is proposing an ordinance that will establish a property-related fee for water quality improvement projects. The adoption of AB 2554 (Brownley) in 2010 gave the County the authority to enact this ordinance, subject to an election. Long Beach has been working extensively with the County, the Gateway Cities Council of Governments (GCCOG), and other groups on creating the framework for this fee, should voters approve it. However, the City of Long Beach has not taken a position on the actual imposition of the fee or the election contemplated by the County.

Fee Details

The proposed Water Quality Fee is based on the concept that properties contribute to water quality issues due to urban run-off and storm water discharges. Fees are therefore proposed for each parcel based on a calculation of the amount of impervious surface area. A typical single-family residential lot in Los Angeles County (5,000 – 10,000 square feet) would be charged an annual fee of \$54, with the range of fees extending from a minimum of \$8 (for parcels less than 1,000 square feet) to a maximum of \$83 (greater than 15,000 square feet).

Commercial, industrial, and government (including federal, state, municipal governments, school districts, special districts, etc.) parcels would also be charged a fee based on the amount of impervious surface area. Commercial and industrial properties, containing a higher amount of impervious surface, would be assessed an average fee of \$730.

Distribution of Fee Revenue

Forty percent of funds collected would be returned to municipalities for their storm water and run-off projects and programs; 50 percent would be allocated to the nine Watershed Authority Groups (WAG) established in AB 2554 (discussed below); and the remaining 10 percent would be allocated to the District for administration of the Water Quality Fee and related storm water administrative expenses. When originally proposed in 2009, the County was to receive 90 percent and cities were to receive 10 percent. The current negotiated fee structure is far more equitable to cities and regions.

The County estimates that Long Beach would directly receive an annual revenue amount of approximately \$4.5 million through the 40 percent allocated to municipalities. This revenue can be utilized broadly for storm water-related purposes including, but not limited to:

- Maintenance of existing storm water management best practices and projects (catch basin screens, bacteria filters, maintenance, street sweeping, etc)
- Protection of open space that provides water quality benefits,
- Creating, restoring, or improving wetlands, riparian, and coastal habitats to provide water quality benefits or restore resources damaged by pollution in storm water or urban runoff
- Planning, design, construction, implementation, operation and maintenance, and monitoring of water quality projects and programs
- Studies, modeling, and monitoring related to pollutants

Watershed Area Groups

The proposed ordinance establishes nine Watershed Area Groups (WAGs) that will be responsible for developing and implementing plans to reduce pollutant loads in the impaired waters of their respective watersheds. WAGs are joint powers authorities that will spend funding on regional water quality projects and programs, many of which may have a direct impact on water quality in Long Beach. They will be responsible for creating a Watershed Quality Improvement Plan (WQIP) that is to be updated every three years and approved by the County Board of Supervisors.

Long Beach is a member of two WAGs: the Lower Los Angeles River watershed and the Lower San Gabriel River watershed, which were created through extensive negotiations with the County. The Lower Los Angeles River watershed is estimated to receive approximately \$17.6 million annually and the Lower San Gabriel River watershed \$12.1 million. Each city in the WAG will have one vote on spending priorities.

Oversight Board

An Oversight Board will be created to conduct public hearings and make findings and recommendations to the Board of Supervisors on matters related to the WQIPs. They will also review and approve plans for new municipal infrastructure projects that are expected to exceed \$2 million in expenditures. The Board will consist of 13 members appointed by the Board of Supervisors: One member shall be from the

environmental community; one member shall be from a conservancy; one member shall be from a water or wastewater agency; one member shall be from the general public; and nine members shall represent each of the WAGs. Oversight Board Members must have demonstrated expertise in water quality and will serve renewable 2-year terms.

Next Steps

The County is currently scheduled to discuss the adoption of the ordinance at its May 29th Board Meeting that will set criteria for the Water Quality Fee and determine if a protest election will be held in November 2012, followed by a potential election in Spring 2013 if the election is not sufficiently protested. Proposition 218 (1996) requires that voters must approve any new or increased property-related fees. The election is planned to be a return-by-mail ballot sent to all property owners of record within the Flood Control District. There will be one vote permitted per parcel, regardless of size, and passage requires 50%+1 of all returned ballots.

In several focus groups and public opinion surveys conducted by the County with the research firm of Fairbank, Maslin, Maullin, Metz & Associates, approximately 60 percent of property owners throughout the County support the measure. Of all the cities surveyed, support is the highest in Long Beach with 68 percent indicating they will definitely or probably support the measure. The two Watershed Areas that indicated the highest level of support in the County were the Lower Los Angeles River and Lower San Gabriel, both at 66 percent.

Recently, the Gateway Cities Council of Governments took a position to request that the County put the fee on the ballot to allow voters to decide if the fee should be imposed. The GCCOG also requested that individual cities consider the measure for a position of support or opposition, or to similarly request the County to schedule the election.

If you have questions or comments, please contact Tom Modica, Director of Government Affairs and Strategic Initiatives at (562) 570-5091.

cc: Robert Shannon, City Attorney
Suzanne Frick, Assistant City Manager
Reginald Harrison, Deputy City Manager
Michael Conway, Director of Public Works
Ronald Arias, Director of Health and Human Services
John Gross, Director of Financial Management
Tom Modica, Director of Government Affairs and Strategic Initiatives
Jyl Marden, Assistant to the City Manager



Date: December 27, 2012
To: Mayor and Members of the City Council
From: Patrick H. West, City Manager *P West*
Subject: Los Angeles County Flood Control District Water Quality Funding Initiative

Background

For the past several years, Los Angeles County has been developing an initiative to provide a reliable funding stream to improve stormwater water quality throughout Los Angeles County. The Long Beach City Council has provided direction to staff to work with the County and various stakeholders to work to ensure that Long Beach receives an appropriate benefit in any proposed measure. To that end, Long Beach has provided input into the crafting of this measure, but has not taken a position on the actual imposition of the fee. The following memo provides an update to the April 30, 2012 memo on this same subject (attached).

Basic Overview of the Fee

The proposed Water Quality Fee is based on the concept that properties contribute to water quality issues due to urban run-off and storm water discharges. All parcels, including government-owned parcels, would be charged the fee. A typical single-family residential lot (5,000 – 10,000 square feet) would be charged an annual fee of \$54. Forty percent of funds collected would be returned to municipalities for their storm water and run-off projects and programs; 50 percent would be allocated to the nine Watershed Authority Groups (WAG) to fund improvement projects and programs in each of the nine watersheds; and the remaining 10 percent would be allocated to Los Angeles County.

Financial Impact

The measure is expected to generate approximately \$290.7 million each year. Long Beach would receive an estimated \$5.1 million in direct return from the 40% share, and have the ability to apply for a total of \$29.7 million in project and program funds annually from two WAGs. The City of Long Beach, as a property owner, would pay approximately \$1.66 million in fees on City parcels. City staff are currently performing an analysis to determine what portion of the \$1.66 million would be a General Fund responsibility.

Protest Election

At their July 3rd meeting, the Los Angeles County Board of Supervisors approved moving forward with the Water Quality Funding Initiative (WQFI) on a 3-2 vote. This vote set into action a Proposition 218 protest hearing and a required mailing notice to every property owner, asking if they wish to protest the County's intention to hold an election. Notices were mailed to each and every property owner in December 2012, and notices of protests are due by January 15, 2013. On January 15, the County will hold a public hearing to hear public input and count the protest ballots.

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Mayor and Members of the City Council
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If 50% or less of property owners protest, then the County may vote to proceed with an election. At this time, no election date has been scheduled, but if the County proceeds, an election is expected to take place some time in Spring 2013.

Outstanding Issues

As it is currently written, Long Beach would stand to benefit significantly from this proposed measure. Due to our position at the bottom of both the Los Angeles and the San Gabriel rivers, Long Beach receives more stormwater than any other city in Los Angeles County. The funds provided in the measure would provide resources to every city in the county to enact and maintain stormwater best management practices, as well as provide significant resources every year to make major investments in the watersheds to improve stormwater water quality.

However, the County has modified its original proposal of how the criteria for the fee would be set. Originally, the County proposed to narrowly define the uses of funds in a County ordinance that would be voted on by the voters. It now appears that the County is proposing to hold the election based on "program guidance" that the Board of Supervisors would adopt, but not require the legally binding ordinance until later in the process. City staff have some concerns that the current agreement on the use of the funds may change over the next several months, with unknown consequences. At this point in time, City staff believes that the program guidance and use of funds negotiated with the County and the various stakeholders would be beneficial to Long Beach as it would ensure that funds are used in all watersheds that would result in significant improvement in water quality as well as provide substantial resources to the City to further improve water quality and fund local stormwater projects. However, given the approach the County is taking, it is unclear if the final program will differ from the current program outline.

Next Steps

Should the City Council wish to take action on the proposed fee, provide input at the public hearing, or give staff direction on the City's protest ballots, Council action would be required before January 15, 2013.

If you have questions or comments, please contact Tom Modica, Director of Government Affairs and Strategic Initiatives at (562) 570-5091.

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