



**CITY OF SANTA CLARITA
AGENDA REPORT**

CONSENT CALENDAR

CITY MANAGER APPROVAL:

Ken Striplen

DATE: May 23, 2017

SUBJECT: SECOND READING AND ADOPTION OF AN ORDINANCE
DETERMINING THE ANNUAL STORMWATER POLLUTION
PREVENTION FEE FOR FISCAL YEAR 2017-18

DEPARTMENT: Neighborhood Services

PRESENTER: Darren Hernández

RECOMMENDED ACTION

City Council conduct second reading and adopt an ordinance entitled, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA CLARITA, CALIFORNIA, DETERMINING THE ANNUAL STORMWATER POLLUTION PREVENTION FEE FOR FISCAL YEAR 2017-18."

BACKGROUND

The collection of the Annual Stormwater Pollution Prevention Fee (Fee) began in 1995. The Fee is used to meet the requirements of the 1972 Federal Clean Water Act and National Pollutant Discharge Elimination System Permit (NPDES Permit). Under the NPDES Permit and with the fees collected, state-mandated programs are administered and funded, such as pollution education and prevention, street sweeping, cleaning of storm drain catch basins, and water quality monitoring.

Pursuant to Section 15.50.070 of the Santa Clarita Municipal Code, the City of Santa Clarita (City) shall annually hold a public hearing or meeting, where an oral and written presentation may be made in connection with the Fee. The City Clerk has published notice of such annual public hearing as provided by law for the City Council meeting of May 9, 2017.

In 2009, property owners overwhelmingly approved the Fee through a special mail ballot election process conducted per the requirements of the California State Constitution and under Proposition 218 and Article XIID. A total of 13,459 valid ballots were received; of those, 10,294 (76 percent) voted "yes," and 3,165 (24 percent) voted "no." As a result, the City Council held a Public Hearing on October 27, 2009, and adopted Ordinance No. 09-14 (Ordinance), establishing the new methodology to be used to calculate the Fee. With a new rate methodology,

the approved Fee reduced the annual stormwater cost for most residential property owners.

Pursuant to Section 3 of the Ordinance, the City Council shall annually determine the rates of the Fee subject to the maximum Fee authorized by the Ordinance. The City Council may determine to do any of the following: a) discontinue the Fee, b) reduce or maintain the actual Fee rate imposed below the maximum Fee rate authorized, or c) adjust their rate up to or below the maximum voter-authorized rate if it has been previously set below such rate. The City Council is not required to include an inflation increase annually but may choose to accumulate the inflationary increase and enact the cumulative amount.

It is proposed that the Fee for Fiscal Year (FY) 2017-18 be levied at \$24.51 per Equivalent Residential Unit (ERU), which is equal to the maximum fee allowable under the guidelines of Proposition 218.

The recommended levied fee of \$24.51 per ERU represents an increase of \$0.47 above the levied fee of \$24.04 in FY 2016-17. The recommended Stormwater Fee for FY 2017-18 is derived by taking the maximum authorized fee for FY 2016-17 of \$24.04 and adding an amount equal to the Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles, Riverside, and Orange County areas for the preceding year ending December 2016 (1.97 percent or \$0.47).

As financial obligations to the City associated with the updated NPDES Permit issued by Los Angeles Regional Water Quality Control Board (Regional Board) and State Water Resources Control Board continue to expand, staff's recommendation is to levy the maximum stormwater fee. As described below in detail, this action is necessary to ensure adequate resources are available to meet current and future water quality requirements imposed upon the City.

The accumulation of an inflationary increase provides maximum flexibility for the City to meet future NPDES Permit obligations imposed upon Santa Clarita by the State of California through the Regional Board. In addition to existing costs, the City incurred significant increased costs for compliance with the updated NPDES Permit issued by the Regional Board and State Water Resources Control Board in 2012. The recommendation to levy this fee at the maximum rate is based on forecasted operations associated with the updated NPDES Permit.

The current NPDES Permit requires monitoring, testing water run-off for pollution, at multiple points throughout the Santa Clara River watershed. The City and Los Angeles County prepared a Coordinated Integrated Monitoring Plan to coordinate and expand monitoring efforts required in the most strategic and cost effective manner possible to be in compliance with NPDES requirements. The plan was approved by the Regional Board on July 22, 2015.

Following approval of the Coordinated Integrated Monitoring Plan, the City entered into a contract with a consultant to implement much of the monitoring program to test for pollutants coming from storm drains and within the Santa Clara River. An agreement was signed with Los Angeles County and the Los Angeles County Flood Control District to share the cost burden of implementing the monitoring program. With cost sharing, the City's anticipated cost for monitoring is approximately \$430,000 through FY 2017-18. Additionally, staff is negotiating with the Regional Board to eliminate the requirements to install automatic storm drain outfall sampling equipment, at a potential cost savings of approximately \$50,000 per station. Staff

identified six to nine stations that may be required to have this equipment.

As part of the Enhanced Watershed Management Plan to comply with the terms of the 2012 NPDES Permit, the City and Los Angeles County will also be required to build and maintain large scale distributed infiltration projects throughout the Santa Clarita Valley. These projects will capture and infiltrate stormwater into the ground by way of basins and strips of land to prevent pollutants from reaching the river and replenish groundwater. Staff anticipates capital costs for these large scale infiltration projects will be required by 2022 and are estimated to exceed \$13.8 million.

Based on monitoring data and identified pollutants, the City and Los Angeles County may be required to modify projects and programs. The state requires the Enhanced Watershed Management Plan to be reassessed using updated monitoring data to bring pollutant loads in compliance with water quality standards. Revisions to this plan will be required within the next two fiscal years, with an expected cost of approximately \$500,000 based on the existing program.

The City was required to install trash excluder devices inside certain catch basins to prevent trash, litter, and debris from getting into the storm drain pipes. A total of 87 catch basins were retrofitted with each device costing approximately \$1,000 to purchase and install. Looking forward, a statewide trash policy is anticipated to be implemented in late 2017, which could require additional retrofits.

A Stormwater Pollution Prevention Fee annual report and a preliminary list of the rates for all properties subject to the Fee for FY 2017-18 are attached as reading file materials to this item with an ordinance determining the rate. If the attached ordinance is adopted, Willdan Financial Services is directed to prepare and file the final list of rates with the Los Angeles County Auditor Controller to be placed on the tax rolls and collected with regular City and County taxes.

ALTERNATIVE ACTION

Other action as determined by the City Council.

FISCAL IMPACT

There is no impact to the General Fund with this action.

ATTACHMENTS

Ordinance

Fiscal Year 2017-18 Stormwater Fee Report - (available in the City Clerk's Reading File)

Fiscal Year 2017-18 Stormwater Fee Roll - (available in the City Clerk's Reading File)