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October 8, 2015

Ms. Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, California 95814



Dear Ms. Townsend:

Subject: Draft Storm Water Resource Plan Guidelines and Draft Proposition 1
Storm Water Grant Program Funding Guidelines

On behalf of the Los Angeles Department of Water and Power (LADWP), I would like to thank the State Water Resources Control Board (State Board) for efforts to develop the Storm Water Grant Program in an open, thoughtful, and expedient manner. The \$200 million in grants provided in Proposition 1, Chapter 7 (Prop.1) for multi-benefit stormwater management projects is essential support for a category of projects that is often delayed by a lack of available funds.

The City of Los Angeles (City) is in the process of reducing its reliance on purchased imported water supplies and expanding development of local water resources. These efforts become increasingly critical as California endures its fourth year of dry conditions and as climate change threatens to permanently shift the State's hydrologic patterns toward a reduced amount of precipitation, coming more as rain and less from snow. LADWP is working to develop vital infrastructure needed to increase stormwater capture for groundwater recharge and for offsetting potable uses. This new stormwater infrastructure will support the expanded use of local water resources in lieu of imported supplies. Stormwater capture projects can also provide multiple benefits, including improved downstream surface water quality, reduced local flooding, and enhanced open space, as well as recreational and educational opportunities.

LADWP and the Los Angeles Department of Public Works Bureau of Sanitation (LASAN) are currently working cooperatively to improve stormwater management and to promote stormwater capture in the City. LADWP has developed the following comments on the subject guidelines in consultation with LASAN, who will also be submitting their comments in a separate letter.

Draft Storm Water Resource Plan (SWRP) Guidelines

LASAN and LADWP will work together to comply with the new SWRP requirement by developing a “functionally equivalent” plan for the City of Los Angeles, consisting of LASAN’s Watershed and Enhanced Watershed Management Plans and LADWP’s Stormwater Capture Master Plan. As such, LADWP’s comments on the Draft SWRP Guidelines, provided below, are focused on this path to compliance.

Flexibility in Providing Project Prioritization Lists: Many agencies are expected to comply with the SWRP requirement by submitting multiple plans under one cover to act as a functionally equivalent SWRP. These plans may each focus on different benefits in identifying priority projects: for example, water supply benefits versus water quality versus flood control benefits. As a result, the plans forming the functional equivalent SWRP will likely have different prioritization lists according to these different benefits. The State Board should allow agencies flexibility to submit multiple prioritization lists to comply with SWRP requirements. A requirement to consolidate multiple lists of projects developed for different purposes, potentially by different agencies, could require a considerable amount of time, which could delay a project’s eligibility for the Prop. 1 grant program.

SWRP Approval Process: The SWRP approval process should be simplified. The State Board should consider utilizing a compliance checklist and/or other self-certification form to be signed by one or more entities responsible for developing and implementing the SWRP. Documents that will make up the City’s SWRP are hundreds of pages long. If State Board review is required, many agencies would likely experience compliance delays that could result in ineligibility for Round 1 of the Prop. 1 Storm Water Implementation Grant Program. For the City, self-certification would be provided by managers and/or directors from LADWP and LASAN.

Alternatively, the State Board may decide to accept funding applications from agencies that do not meet the SWRP requirement at the time of application submittal, but expect to be in compliance by the grant award date. However, this approach could result in additional State Board staff time being utilized to review and rate project applications that may ultimately not be eligible for grant funding.

Incorporation to Integrated Regional Water Management (IRWM) Plans: Existing law requires IRWM groups to incorporate SWRPs into their IRWM Plans. However, the incorporation process, followed by the formal adoption of the revised plan, would require a substantial period of time, which would likely delay a project’s eligibility for the Prop. 1 grant program. In addition, each IRWM region would likely have a different process and timeline for incorporating SWRPs to their IRWM Plan.

This requirement should be satisfied when an agency or applicant submits its SWRP to the IRWM Region. Basing compliance on submittal of the SWRP instead of its incorporation would help to ensure that individual agencies trying to become eligible for Prop. 1 grant funds are not negatively impacted by differences in IRWM regional governance.

LADWP also requests that the SWRP Guidelines include additional clarification regarding the interaction between IRWMs, which currently work with the Department of Water Resources.

Storm Water Capture and Use Projects Analysis: The Draft SWRP Guidelines require a Storm Water Capture and Use Projects Analysis to demonstrate that the collective performance of individual projects captures the dry weather runoff, and at minimum the first flush from an 85th percentile, 24-hour storm event. Sizing best management practices (BMP) to handle an 85th percentile storm for its tributary area is a reasonable and a common practice. However, using this approach on a watershed basis is unreasonable and not typical. Therefore, this requirement should be deleted.

Draft Proposition 1 Storm Water Grant Program Funding Guidelines (Prop. 1 Guidelines)

Project Planning Grants: Draft Prop. 1 Guidelines include funding for planning grants to help comply with the SWRP requirement, which LADWP agrees is an appropriate use of grant funding. If this funding is not allocated due to a lack of need or interest, the remaining amount should be added to funding available for implementation grants. Given the statewide need for funding for stormwater-related projects, grant awards should be focused on projects that have already been determined to be both feasible and cost effective.

Applicants: Grant applicants should not be limited only to the authors of a SWRP or its components. LASAN and LADWP work closely with non-governmental organizations (NGO), especially on smaller projects, and may also participate in joint powers authorities (JPA) created to access project financing through Rate Reduction Bonds. Allowing NGOs, JPAs, and others to apply for Prop. 1 funding for projects listed in SWRPs helps to ensure that a wide variety of projects, benefiting communities of different types and sizes, can apply for the funding needed to move forward.

Eligible Projects: Eligible projects for Prop. 1 grant funding should be included in a SWRP. Some agencies may argue for a class of project to automatically be eligible for funding, such as a "green street" project, but requiring each individual project to be listed in the SWRP will promote clarity.

Project Schedule Deadlines: LADWP has concerns about the very aggressive project timelines provided in Table 3 (page 6) of the Draft Prop. 1 Guidelines. Based on LADWP's recent project experiences with large, collaborative, multi-agency projects related to stormwater, we recommend that construction completion and work completion dates proposed in Prop. 1 Guidelines be extended an additional six months for both rounds of funding. Alternatively, the State Board could include a process for project proponents to apply for a schedule extension (six months or more), subject to State Board approval, if needed.

Maximum Grant Awards: The maximum implementation grant award should be increased to \$10 million based on cost estimates for typical City and Los Angeles County centralized stormwater capture projects currently in planning and design. City projects qualifying for this funding program vary significantly in terms of cost, from green-street and distributed stormwater capture projects in the \$1 million to \$5 million dollar range, to large centralized projects costing tens of millions. Because project costs vary so widely, the State Board should have some discretion to award up to \$10 million to worthy projects on a case-by-case basis.

Matching Funds: The earliest possible date should be used as the start date for the eligibility of matching funds. This will allow projects that are ready for, or already in, construction to use previous planning/design expenditures as the local match, ensuring that the grant funds are disbursed as quickly as possible.

Disadvantaged Community (DAC) Status and Reduced Match: The City has received State funding as a DAC in the past, and currently exhibits a median household income (MHI) that is 81 percent of the state MHI. The threshold for a community to be considered a DAC is a MHI of less than 80 percent. Although the City as a whole doesn't qualify as a DAC, several of our projects benefit disadvantaged areas within the City. These types of projects benefiting disadvantaged areas within a larger community should be given consideration for a reduced funding match.

Reporting: Progress reporting should be streamlined as much as possible, with different reports or requirements consolidated into one report to reduce redundancy as much as possible. For example, milestone reporting should be combined with quarterly reports, which should already include project milestones, as well as progress against the approved project schedule. The reporting frequency should also be reduced to an annual or semi-annual schedule.

Monitoring: LADWP appreciates the State Board's efforts to ensure accountability for projects receiving State funding. However, we recommend that more flexibility be allowed in terms of monitoring requirements. In some cases, monitoring programs can cost more than the actual project, or may be redundant to existing monitoring program

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requirements for National Pollutant Discharge Elimination System permits and/or Total Maximum Daily Load (TMDL) mandates. In these cases, separate monitoring required by a grant agreement is duplicative and unnecessary. Many types of stormwater capture projects have already been proven to improve water quality. Monitoring should only be required for new project types or new technologies.

Reimbursement of Costs: LADWP is concerned that "Advance funds will not be provided." Advance funds would assist municipal agencies with cash flow requirements to construct and implement eligible and competitive projects in a timely manner. Proposition 218 has severely limited the ability of local agencies, such as LASAN, to raise revenues to front fund important stormwater management projects.

On behalf of LADWP, I thank you and your staff for your work and for consideration of our comments as you finalize SWRP Guidelines and Prop. 1 Guidelines.

If you have any questions or comments, please contact Mr. David R. Pettijohn, Director of Water Resources, at (213) 367-0899.

Sincerely,



Martin L. Adams
Senior Assistant General Manager – Water System

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