



April 9, 2018

TO Our State Legislators – Governor Brown, Allen, Bradford, Mitchell, Burke, Gipson,
Muratsuchi, O’Donnell:

Subject: Implementation of Auditor General's Report Recommendations

The South Bay Cities Council of Governments (SBCCOG) Board of Directors voted on March 23, 2018, to approve recommending to the Governor, along with state legislators within the SBCCOG service area, the following: implement recommendations contained in the State Auditor General's Report dated March 1, 2018, concerning stormwater permits.

The Auditor's Report was prompted by Assemblymember Al Muratsuchi, Chair of the bi-partisan Joint Legislative Audit Committee to determine why Municipal Separate Storm Sewer (MS4) Permit costs for Los Angeles County are so much more than other regions in the State. Assemblymember Muratsuchi was responding to complaints from several cities and other impacted parties in his district about the excessive cost of MS4 permit compliance.

The audit, which included interviews with the Los Angeles, Central, and San Francisco Regional Boards, along with the State Water Resources Control Board, was conducted last summer and contained the following findings:

- *Efforts required to comply with pollutant control plans established by regional boards can be significant—projects can be expensive and take considerable time to complete.*
- *For some of the 20 pollutant control plans we reviewed, the regional boards inadequately considered the costs local jurisdictions would incur to comply with the plans and did not determine the overall cost of storm water management to those jurisdictions.*
- *Although local jurisdictions must annually report to the regional boards their actual and projected costs in meeting storm water requirements, the State Water Board has not provided guidance on how to track or report that information, and, as a result, reported costs have been inconsistent.*
- *Regional boards have established some pollutant control plans without obtaining key information on how the conditions of the specific water body affect pollutants.*

LOCAL GOVERNMENTS IN ACTION

- *A statewide policy prohibiting discharging trash into water bodies has caused some local jurisdictions to expend resources to address trash instead of pollutants that are of greater concern to their jurisdictions.*

The report's overall conclusion is that the State and Regional Water Boards *must do more to ensure that local jurisdictions' costs to reduce storm water pollution are necessary and appropriate.*

To that end, the audit report recommended actions for the state legislature and the water boards to take. For the legislature the recommended the following:

... promote the establishment of appropriate pollutant limits, the Legislature should amend state law to direct the State Water Board to assess whether a study of a specific water body is justified and, if so, require the appropriate regional board to ensure that the study is conducted by the regional board or the applicable local jurisdictions. For example, a study could be justified if the water body's condition might warrant modifying a maximum pollutant level, if the study could be performed cost-effectively, and if the study's benefits are likely to reduce local jurisdictions' costs or improve protection of the water body's uses. The State Water Board should seek additional funding for local jurisdictions to conduct studies if it believes additional resources are needed.

To the water boards, the report advised:

- *Until the Legislature amends state law, the State Water Board should provide guidance to the regional boards on when studies of specific water bodies should be conducted and, as necessary, assist the regional boards in obtaining funding for those studies.*
- *The State Water Board should develop guidance by August 2018 for regional boards to document estimates of the costs local jurisdictions will incur to comply with pollutant control plans. These procedures should also address the need to use appropriate methods to develop those estimates, to document the sources they use to develop the estimates, and to document consideration of the overall cost of storm water management to local jurisdictions when completing an economic analysis as part of developing pollutant control plans.*
- *Once the State Water Board has developed cost-estimation guidance, the regional boards should follow this guidance.*
- *To ensure that the regional boards obtain adequate and consistent information on the storm water management costs local jurisdictions incur, the State Water Board should develop statewide guidance by **August 2018** for local jurisdictions on methods for tracking the cost of storm water management. If the State Water Board believes it does not have the expertise to develop such guidance, it should hire or contract with an expert in municipal finance who can assist in developing that guidance.*

While the SBCCOG member cities appreciate the importance of stormwater management to prevent and reverse impairment to our local waters and are working to implement the latest MS4 permit, it is important for the water boards to be sensitive to our financial limitations. The State Auditor's

recommendation - that the State and Regional Water boards do more to ensure that the costs on local jurisdictions to reduce stormwater pollution are "necessary and appropriate" - is a critical finding as our cities struggle to find the resources to implement multi-million dollar plans for each of our communities. The costs of implementing the storm water clean up plan is estimated by Los Angeles County to be over \$20 billion over the next twenty-year time period. For the South Bay member cities the cost is expected to be \$2 billion over the same period.

Cities must balance many competing needs with limited resources, including providing police and fire protection services, street maintenance and repairs, parks and community services to name a few. The State Auditor's recommends that the State Board develop statewide cost-estimation guidance and that this guidance document the costs that local jurisdictions are expected to incur when implementing the water quality plans. The State Auditor found that in the case of the Dominguez Channel that the regional board "did not consider the costs local jurisdictions had previously incurred as a result of other stormwater management requirements." For example, the City of Los Angeles has invested over \$35.4 million in stormwater management operations in fiscal year 2012-2013, the same year that new requirements for the Dominguez Channel were adopted. (Page 19)

The SBCCOG is most appreciative of your time and interest in this matter and, as always, appreciates your service to its member cities.

Should have any questions, please contact our Executive Director, Jacki Bacharach @ 310-371-7222.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt Weideman". The signature is fluid and cursive, with a large loop at the end.

Kurt Weideman, SBCCOG Chair
Councilman, City of Torrance