

STORMWATER POLLUTION ABATEMENT FUND

BASIS FOR THE PROPOSED BUDGET

The 2003-04 Proposed Budget for the Stormwater Pollution Abatement (SPA) Fund relates to current year funding as follows:

| | Amount | % Change |
|----------------------------|---------------|----------|
| 2002-03 Adopted Budget | \$ 38,141,588 | |
| 2003-04 Proposed Budget | \$ 38,481,717 | |
| Change from 2002-03 Budget | \$ 340,129 | 1% |

Adopted in August 1990, the Stormwater Pollution Abatement Charge imposed a fee on all properties in the City based on stormwater runoff and pollutant loading associated with property size and land use. The charge is collected by the Los Angeles County Assessor on the annual property tax bill. Annual receipts are approximately \$28 million. SPA funds are used to treat and abate stormwater under the guidelines and regulations set forth by the Environmental Protection Agency for stormwater discharges from large municipal storm drain systems. The SPA Fund also reimburses the General Fund for the costs of stormwater related activities in various City departments, offices and bureaus, including related costs. Funds are further provided for the construction of flood control and pollution abatement projects.

The State of California, Regional Water Quality Control Board, Los Angeles Region (Regional Board) regulates the treatment and abatement of stormwater through a National Pollutant Discharge Elimination System (NPDES) Municipal Stormwater Permit. This Permit is issued to the County of Los Angeles, the City of Los Angeles and 83 other cities in the County that operate their municipal storm drain systems as co-permittees of the County. The new Permit was adopted on December 13, 2001 and was effective February 1, 2002.

One of the regulatory tools of the Regional Board are Total Maximum Daily Loads (TMDLs), which are calculations of the maximum amount of a pollutant that a water body can receive and still meet water quality standards. Adopted by the U.S. EPA on August 1, 2002, the Los Angeles River and Ballona Creek Trash TMDLs set a numeric target of zero trash in the water to be achieved over a 13-year implementation period. Compliance with the TMDLs requires a 10% annual reduction from the baseline load. The final compliance point is reduction of trash to 0% by September 30, 2015. The City Council endorsed these TMDLs by adopting a goal of 60% trash reduction by September 30, 2009.

The Dry Weather Pathogen, or Bacteria TMDL, for Santa Monica Bay (SMB) was adopted by the Regional Board on January 24, 2002. It allows no exceedance days for bacteria during the summer months and three days exceedance during the winter months. The City intends to satisfy the Bacteria TMDL through the construction of Low Flow Diversion projects, which divert storm drain flows to the Hyperion Treatment Plant for treatment rather than allowing them to reach the Bay. There are 19 major drains that flow from portions of the City to SMB. Two of these, Ballona Creek and Marina del Rey, will have their own TMDLs. Of the remaining 17 drains, eight have been diverted, four are slated to be diverted by 2002 and the remaining five will be diverted by 2005.

BUDGET HIGHLIGHTS

- Funds are provided for the payment of lease costs for the Media Tech Center facility and the repayment of tenant improvements paid by the Sewer Construction and Maintenance Fund. This facility was occupied by Bureau of Sanitation Watershed Protection Division employees in the summer of 2002.
- Funds are provided to install catch basin inserts, catch basin screens and end-of-pipe baskets in approximately 400 catch basins to establish the quantity of trash entering the Los Angeles River and Ballona Creek watersheds. The resulting data will be used to monitor future reduction efforts in compliance with the Trash TMDL.
- Funds are provided for Low Flow Diversion projects to comply with the newly established Dry Weather Bacteria TMDL. These projects divert polluted runoff from storm drains to adjacent sewers for treatment at the Hyperion Treatment Plant.
- Funds are provided for additional staff to enable the Bureau of Sanitation to meet the increased demands of the various TMDLs as required by the more stringent NPDES Permit.
- Funds are provided for an increased Capital Improvement Expenditure Program. Projects that were reprogrammed and are tied to legal mandates or grant funding are included.

| | 2002-03 Adopted Budget | 2003-04 Proposed Budget |
|---|---------------------------------------|--|
| Balance Available, July 1 | \$ 12,477,768 | \$ 12,852,892 |
| Less: Prior Year's Unexpended Appropriations | <u>6,984,368</u> | <u>5,560,676</u> |
| Adjusted Balance | 5,493,400 | 7,292,216 |
| Receipts: Stormwater Pollution Abatement Charge | 28,000,000 | 28,000,000 |
| Interest | 300,000 | 300,000 |
| Grant Reimbursements | <u>4,348,188</u> | <u>2,889,501</u> |
| Total Receipts | <u>\$ 32,648,188</u> | <u>\$ 31,189,501</u> |
| Total Available Balance | <u>\$ 38,141,588</u> | <u>\$ 38,481,717</u> |

Stormwater Pollution Abatement Fund

| | 2002-03 Adopted Budget | 2003-04 Proposed Budget |
|--|------------------------------|-------------------------------|
|--|------------------------------|-------------------------------|

SPECIAL PURPOSE FUND APPROPRIATIONS:

| | | |
|---|------------|------------|
| <p>Media Tech Center (General Services). Funds are provided in 2003-04 for payment of the SPA Fund proportionate share of lease costs and tenant improvements for the Media Tech Center, which was occupied by Bureau of Sanitation Watershed Protection Division employees in the summer of 2002.</p> | \$ 304,000 | \$ 304,000 |
| <p>Relocation Loan Repayment. The costs of the tenant improvements for the Media Tech Center were paid by a loan from the Sewer Construction and Maintenance Fund. The \$1,234,600 loan will be repaid with interest within five years, in increments of approximately \$250,000. FY 2003-04 is the second year of the repayment schedule.</p> | 250,000 | 250,000 |
| <p>Expense and Equipment. Funds were provided for the replacement of two obsolete Vactor truck vehicles in 2002-03. The Bureau of Sanitation routinely cleans out and maintains approximately 65,000 catch basins. A Vactor truck is used to vacuum and remove debris that may accumulate or is illegally dumped inside the catch basins.</p> | 750,000 | 500,000 |
| <p>Trash TMDL. The City's Trash TMDL monitoring plan is based on the installation of catch basin inserts, catch basin screens and end-of-pipe baskets acting together to prevent the discharge of trash to the Los Angeles River and Ballona Creek watersheds. The amount of trash collected by these inserts, screens and baskets will be measured to establish the amount of trash generated by the City and to track future trash reduction efforts from year to year. The data will be forwarded to the Regional Board as part of the City's Trash TMDL compliance monitoring.</p> | 800,000 | 752,000 |
| <p>Dry Weather Bacteria TMDL. Funds are provided for the construction of Low Flow Diversions (LFDs) to comply with the Regional Board's Dry Weather Bacteria TMDL for the Santa Monica Bay. The LFDs are installed in selected areas of the Santa Monica Watershed to divert polluted runoff from major storm drains to the adjacent sewer lines. The flow will be screened first to remove trash and solid pollutants, and will then enter the sewer system for treatment at the Hyperion Treatment Plant.</p> | 3,300,000 | 2,100,000 |
| <p>Liability Claims. Funds are provided to pay for damage claims made by homeowners against the City for the cost of repairs to their residences damaged by flooding caused by the City's stormwater drainage system.</p> | -- | 42,000 |
| <p>On-Call Contractors. Funds are provided for on-call contractors for emergency storm drain projects. Every three years, the Board of Public Works establishes an on-call contractor list for both sewer and storm drain projects. The amount for each contract ranges from \$12,000 to \$300,000.</p> | 1,200,000 | 1,005,000 |

The proposed amount for 2003-04 is based on actual expenditures in 2001-02 and 2002-03 and the availability of SPA funds.

Subtotal Special Purpose Fund Appropriations

| | | |
|--|--------------|--------------|
| | \$ 6,604,000 | \$ 4,953,000 |
|--|--------------|--------------|

Stormwater Pollution Abatement Fund

| 2002-03 Adopted Budget | 2003-04 Proposed Budget |
|---------------------------------------|--|
|---------------------------------------|--|

GENERAL FUND REIMBURSEMENTS

Funds are provided to reimburse the General Fund for the cost of stormwater related activities in various City departments, offices and bureaus, including related costs. Except where noted, increases reflect cost-of-living salary adjustments.

| | | |
|--|------------|------------|
| Building & Safety – NPDES inspections. In 2002-03, Council authorized two resolution positions in Building and Safety to provide inspections for stormwater facilities in order to meet the new requirements of the NPDES Municipal Stormwater Permit. Funding was transferred from the SPA Fund to the Department as part of the Reserve Fund Report adopted by Council. The Proposed Budget provides for continued funding for the two inspector positions. | -- | 144,648 |
| Environmental Affairs – Regulatory and monitoring support. | 168,543 | 158,834 |
| General Services – Fleet maintenance and lease costs. The Proposed Budget reflects the deletion of funds for the space lease costs at the 650 S. Spring building. The space was vacated by Bureau of Sanitation Watershed Protection Division employees when they moved to the Media Tech Center in the summer of 2002. | 476,379 | 315,881 |
| Planning – General Plan Framework staff. | 70,207 | 73,015 |
| Public Works | | |
| Board Office – General oversight of the Department of Public Works. | 56,356 | 58,610 |
| Contract Administration – Construction inspection services. | 251,109 | 264,207 |
| Engineering – Design and construction management services. The Proposed Budget reflects the decrease in the number of CIEP projects and realignment of funding sources in the Bureau. | 5,091,015 | 3,873,512 |
| Financial Management and Personnel Services – Oversight of various Department of Public Works functions and direct management of accounting and personnel functions. | 125,511 | 130,531 |
| Sanitation – Planning, operation and coordination services. Increased funds (\$351,196) are provided for additional staff to help the Bureau implement the various TMDLs as mandated by the NPDES Permit and Federal Regulations governing the Stormwater Program. | 10,710,449 | 11,061,645 |
| Street Services – Street sweeping, a pollution abatement Best Management Practice. | 5,104,818 | 5,104,818 |
| Related/Overhead Costs | 6,374,201 | 6,374,201 |

Subtotal General Fund Reimbursements

| | |
|----------------------|----------------------|
| \$ 28,428,588 | \$ 27,559,902 |
|----------------------|----------------------|

Stormwater Pollution Abatement Fund

| | 2002-03 Adopted Budget | 2003-04 Proposed Budget |
|--|---------------------------------------|--|
| | \$ 3,109,000 | \$ 5,968,815 |
| Physical Plant. Funds are provided for six Flood Control projects (\$2.2 million) and seventeen Pollution Abatement projects (\$3.7 million) as part of the CIEP. The number of projects has been increased to include those projects that were reprogrammed and are tied to court settlement agreements or other mandates, or that are grant funded. | | |
| Subtotal CIEP | <u>\$ 3,109,000</u> | <u>\$ 5,968,815</u> |
| TOTAL APPROPRIATIONS | <u>\$ 38,141,588</u> | <u>\$ 38,481,717</u> |

