



Contra  
Costa  
County

To: Board of Supervisors  
From: LEGISLATION COMMITTEE  
Date: March 3, 2015

Subject: Support to CSAC Coalition for Stormwater Funding Efforts

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**RECOMMENDATION(S):**

Support the efforts of the California State Association of Counties (CSAC) and the coalition they are working with to provide funding for stormwater services, as recommended by the Legislation Committee.

**FISCAL IMPACT:**

There is no direct fiscal impact to Contra Costa County of supporting the effort to place a ballot measure before the California voters. However, there will be some staff time involved in working with associations and lobbyists in Sacramento as there is with any legislative effort.

**BACKGROUND:**

In California, water is divided into 3 separate sectors: drinking water, wastewater, and stormwater. Drinking water and wastewater services are provided by utility districts. Water districts and wastewater districts (or sanitary districts) have the legal authority to establish a rate structure to pay for the construction, operation, maintenance and replacement of their utility system. While drinking water and wastewater are managed by a utility with the resources necessary to provide an efficient and effective service to society, the same is not

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☒ RECOMMENDATION OF BOARD COMMITTEE

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Action of Board On: **03/03/2015** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I  
Supervisor  
Candace Andersen, District II  
Supervisor  
Mary N. Piepho, District III  
Supervisor  
Karen Mitchoff, District IV  
Supervisor

ABSENT: Federal D. Glover, District V  
Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: March 3, 2015

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: L. DeLaney,  
925-335-1097

cc:

true for stormwater. A coalition in Sacramento is working on legislation to give stormwater agencies the same authority to raise funding for stormwater services in the manner of water districts and wastewater districts.

The County provides

## **BACKGROUND: (CONT'D)**

stormwater services in three different program areas, which are described below:

### **1. Stormwater Quality Services**

Like drinking water and wastewater, the State regulates the quality of stormwater. Stormwater must be treated before it is discharged into a river, Bay, or the Pacific Ocean. For stormwater, treatment to reduce pollutants is usually achieved by infiltration through soil or a vegetated area, such as a wetlands or marsh. Stormwater treatment often starts at drainage inlets that have screens and devices to collect litter. The County has over 8000 drainage inlets in 17 unincorporated communities. Also like drinking water and wastewater, stormwater has an elaborate and complex infrastructure system of pipes that collect stormwater in neighborhoods and take it to a larger river or other body of water to protect homes and businesses from flooding. This same infrastructure system is becoming part of the stormwater treatment process to remove harmful pollutants through “green streets” or “urban greening” projects. All of these treatment facilities dispersed throughout our communities must be maintained. Some stormwater is piped to larger stormwater treatment facilities, such as a bio-retention basin or wetland. Localized treatment of stormwater is now required during the construction of new development and new County projects, however, transporting stormwater to regional facilities for treatment will also be necessary.

### **2. Community Drainage**

The County owns and operates the miles of storm drain pipes that lie below County streets and maintains the ditches and pipes that crisscross and protect our unincorporated neighborhoods. In low-lying areas, the stormwater drainage system includes pumps to protect homes and properties from flooding, such as the North Richmond Pump Station. Community drainage infrastructure is at a community scale and often drains into a regional flood protection facility. Many unincorporated communities have old drainage pipes that are reaching the end of their service life and failing. This infrastructure will require more extensive maintenance and replacement costs than experienced in the past.

### **3. Flood Protection Services**

Watersheds are often bigger than a city and the planning necessary to protect communities from watershed-scale flooding requires a regional effort performed by the County Flood Control District. The Flood Control District provides large, regional facilities into which local drainage systems from cities and unincorporated communities drain. These regional facilities include flood protection channels, detention basins, and other structures. Many of these large facilities provide significant environmental value in addition to protecting communities from serious flooding and have a recreational component. For example, detention basins often have trees and a trail around their perimeter; many creek channels are earthen and support riparian vegetation important to bird and aquatic species, and have a trail along the channel access road or levee. The riparian vegetation also cleanses the

stormwater and gives it an opportunity to percolate into the soil.

### **Funding Stormwater Services**

All three of the program areas the County provides stormwater services are inadequately funded. Stormwater quality requirements and the resultant budget to meet those requirements are dictated by Regional Water Quality Control Board permits (clean water permits) issued approximately every five years. In 1992, the County modified the Flood Control District Act to allow the collection of an annual assessment on each parcel in the County to fund stormwater quality services and formed the Clean Water Program. Those clean water assessments, which are \$30 per year for a residential parcel, cannot be raised without a vote of the electorate or property owners. Since the first clean water permit was issued in 1993, the program and budget requirements have increased dramatically with each subsequent permit. The next clean water permit from the Regional Board is anticipated to be issued later this year and is expected to increase costs over the current permit. Our stormwater quality program has been funding operations using reserve funds for the last couple of years and is expected to reach deficit funding next year.

Community drainage services is a general County service. Historically this program was funded with County General Fund revenue as there were no restricted or dedicated funds for this service. In 1992 when the County established the clean water assessments, funding community drainage services was shifted from the General Fund to the clean water assessments. This funding shift was also triggered by the State's new Education Revenue Augmentation Fund (ERAF) requirements. Initially, the stormwater quality program could absorb the additional responsibility, however, today it cannot. The next clean water permit will push the stormwater quality program into deficit spending, and deferred maintenance of community drainage infrastructure coupled with aging facilities results in an underfunded program.

The Flood Control District owns and operates a flood protection system of 79 miles of channels and 29 detention basins throughout the County. The asset value of these facilities is \$1 billion (in 2010 dollars), and the replacement cost is estimated at \$2.4 billion. These facilities were constructed beginning in the 1950s and designed for a 50 year design life. We have already exceeded the design life for our earliest constructed facilities. Even though we anticipate a service life of 75 years, we must begin planning how to fund their replacement. The District receives a dedicated percentage of property tax that varies with each major watershed. The Marsh Creek and Walnut Creek watersheds have the highest tax rate while all the West County watersheds have the lowest, and in one case zero, tax rate. Despite its best efforts, the District can only manage to invest 0.4% of asset value into system maintenance. The industry standard is to invest 2% of asset value each year towards maintenance. The Flood Control program is considered underfunded because of its inability to meet industry standards for maintenance investment and has no ability to establish a replacement fund for long-term capital needs.

## **Stormwater Funding Proposal**

A coalition of statewide organizations is working in Sacramento on legislation to provide authority to stormwater agencies, such as the County, to establish or raise rates similar to the authority water and wastewater districts currently have. The California State Association of Counties (CSAC) and the County Engineers Association of California (CEAC) are members of the coalition. The coalition is developing a Constitutional Amendment that would place a ballot measure before the California voters. The voters would decide whether stormwater should have the same voting requirements for establishing or raising fees and charges as water and wastewater. Companion legislation is also being developed that would define the term “Stormwater”. The coalition is working towards the 2016 election for the ballot measure. If the voters approve the ballot measure, then each city, county or other logical service area will have to go through a political process to establish a rate structure and rate for funding stormwater services. Some communities may decide not to establish a rate for stormwater services.

The legislative effort by CSAC and CEAC to develop the authority for local government to raise revenue for stormwater services is consistent with the County legislative platform.

Each of the three programs the County operates to provide stormwater services is underfunded and new sources of revenue are necessary to provide for public health and safety and environmental protection with regards to our stormwater resources. CSAC and CEAC are working with a coalition of other organizations to provide the County the authority to establish funding for stormwater services similar to water and wastewater districts. It will be up to the County to decide what rate, if any, would be appropriate to fund stormwater services. Alternatively, the County would join/form a Joint Powers Authority or other entity to provide stormwater services, if it is determined that service delivery would be more effective.

At its February 5, 2015 meeting, the Legislation Committee unanimously voted to recommend that the Board of Supervisors supports the efforts of CSAC and CEAC and the coalition they’re working with to develop the authority for local government to raise revenue for stormwater services.

### **CONSEQUENCE OF NEGATIVE ACTION:**

CSAC and CEAC would not have County support.