City of Santa Clarita

Stormwater Pollution Prevention Fee

2013/2014 Annual Fee Report

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27368 Via Industria
Suite 110
Temecula, CA 92590
T 951.587.3500 | 800.755.6864
F 951.587.3510

www.willdan.com/financial

WILLDAN Financial Services

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INTRODUCTION

The City of Santa Clarita (City) Stormwater Pollution Prevention Fee is being levied per Chapter 15.50 of the Santa Clarita Municipal Code and the California Health and Safety Code Section 5471 et seq. This Annual Fee Report (Report) is prepared pursuant to the California Health and Safety Code Section 5473 in order to place the fee on the Los Angeles County (County) property tax bills.

In May 1992, the City provided the County with a letter of intention to participate as a Co-Permittee with the County in the application of a National Pollution Discharge Elimination System (NPDES) permit. There were eighty-six (86) other co-permittee agencies that filed a letter of intention to participate in the County's NPDES Permit No. CA006l54.

BACKGROUND INFORMATION

In accordance with the Federal Clean Water Act of 1972, the United States Environmental Protection Agency (EPA) is required to establish regulations setting forth NPDES permit standards. The enactment of 1987 amendments to the Federal Clean Water Act (Act) of 1972 imposes permit requirements for discharge of storm waters. The Act allows the EPA to delegate its NPDES permitting authority to states with an approved environmental regulatory program. The State of California is one of the delegated states.

The responsibility for implementing various NPDES permits in the State of California has been delegated to the State Water Resources Control Board (SWRCB). The SWRCB administers NPDES authority through its nine Regional Boards. In anticipation of the issuance of the Federal regulations, the Los Angeles County Department of Public Works (LACDPW), together with 86 other cities, applied to the Los Angeles Regional Water Quality Control Board (LA-RWQCB) and SWRCB for an "early" permit. On June 18, 1990, the NPDES permit for Stormwater/Urban Runoff Discharge in Los Angeles County was issued. Los Angeles County is the designated "Principal Permittee" with the 86 cities given the opportunity to become Co-Permittees. The City of Santa Clarita is the only incorporated City in the Los Angeles County portion of the Santa Clara River watershed. The Santa Clara River runs 86 miles from Acton to Ventura, eventually reaching the Pacific Ocean. The City is approximately 45 miles from the Pacific Ocean. The Santa Clara River provides habitat to hundreds of plant and animal species, 16 of which are threatened or endangered. The Santa Clara River provides roughly 50% of the water supply to the Santa Clarita Valley area.

The City of Santa Clarita is in somewhat of a unique situation with regard to stormwater management. Being a relatively new city, most of the street and drainage systems were developed during the process of land development under the supervision of Los Angeles County. Both before and after incorporation in 1987, the ownership of drainage facilities, once constructed, have been transferred to the Los Angeles County Flood Control District (LACFCD). However, in the past few years the LACFCD has not been

processing title transfer requests in a timely manner. As a result, there are currently approximately 230 storm drains in the City that are maintained by the County and 200 storm drains that are still the responsibility of the developer for maintenance. Many of the privately maintained storm drains will probably become the City's at some future time. The public streets, which are a part of the primary storm drainage system, are owned and maintained by the City. The storm drainage catch basins in the street, present a mix of ownership and responsibility. There are some storm drainage catch basins owned by LACFCD and others that are owned by the City.

In order to provide for the safety of the residents of the City and protect property in the City from the damage associated with flooding and to meet water quality requirements of the NPDES permit issued to the City by the LA-RWQCB and SWRCB, it is necessary to design, construct, operate, maintain, improve and replace storm drainage facilities which collect storm and surface water runoff and convey and treat such runoff in a safe manner to an acceptable point of discharge. It is also necessary to inspect, monitor, and take enforcement action related to illegal dumping, illicit discharges, and various water quality concerns. In order to properly fund such facilities and activities, the City Council has determined that it is necessary to impose on all properties in the City a user charge for storm drainage service.

In addition to existing costs, the City incurred significant increased costs for compliance with the new NPDES Permit issued by the LA-RWQCB and SWRCB in 2009. There is a significant monitoring requirement. Currently, Los Angeles County pays for a single mass emissions monitoring station on the Santa Clara River. The new requirements will increase the monitoring sites significantly. Los Angeles County has stated it will not pay for the increased monitoring. Staff estimates the increased monitoring will likely cost $1.5 million during the first year if the requirements are retained as written in the Ventura County NPDES Permit. If significant pollution levels are found, monitoring costs will likely increase; if not, the monitoring costs could decrease. Staff cannot anticipate the cost increase associated with significant pollution levels. There are hundreds of pollutants to monitor for that the City has little experience with mitigating. The expense of response largely depends on the type of pollutant, if any, found. For example, bacteria requires disinfection, metals requires filtration, etc. However, treatment for certain types of pollutants can be profoundly expensive.

Another anticipated, additional requirement is trash excluders. These are devices installed inside catch basins to prevent trash, litter and debris on the streets from getting into the storm drain system. Each device costs between $2,000 and $2,300 to install. Staff anticipates an additional cost of $600,000 to retrofit all 264 catch basins if this requirement is retained. Other treatment best management practices that may be required include creating infiltration rain gardens surrounding catch basins and one or two large scale infiltration projects. Rain gardens essentially create planted areas around catch basins to capture flows from the street before entering the storm drain system. They force the flows to infiltrate into the ground before entering the Santa Clara River. Large scale infiltration projects divert flows that enter the storm drain system. These flows are treated and infiltrated in large land areas, such as parks, preventing much of the flows from reaching the surface water, such as rivers. Staff anticipates

costs for rain gardens on inlets/streets at a cost of approximately $2,000,000 annually for 20 years. The large scale infiltration projects may cost $10 million or more between 2009 and 2014.

The Stormwater Pollution Prevention Fee will continue to provide funding for the ongoing water quality requirements for the drainage facilities serving the properties within the City of Santa Clarita.

In 2012 and LAFCO (Local Agency Formation Commission) approved the five (5) annexations into the City from the unincorporated Los Angeles County area. The names of the areas and LAFCO annexation approval dates are as follows:

- Elsmere Canyon - June 13, 2012
- Copperstone - June 14, 2012
- Soledad Commons - June 13, 2012
- Vista Canyon/Fair Oaks/Jakes Way/Sand Canyon - September 11, 2012
- North Copperhill - November 28, 2012

Beginning in fiscal year 2013/2014, all parcels within these annexations are included in the City of Santa Clarita's boundary and are subjected to the Stormwater Pollution Prevention Fee.

COMPLIANCE WITH CURRENT LEGISLATION

On November 5, 1996, California voters approved Proposition 218 (The Right To Vote On Taxes Act) that established specific requirements for the ongoing imposition of taxes, assessments and fees. The provisions of this proposition are now contained in the California Constitutional as Articles XIIIC and XIIID.

The Stormwater Pollution Prevention Fee must comply with the provisions of Article XIIID of the California Constitution. Section 6.b of Article XIIID has the following requirements for all "new, extended, imposed or increased" fees and charges:

- "Revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service."

- "Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed."

- "The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel."

- "No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of service are not permitted. Standby

charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with [the assessment section of this code]."

- "No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services where the service is available to the public at large in substantially the same manner as it is to property owners."

SERVICES FUNDED

Expenditures from the revenue generated from the Stormwater Utility fee are to comply with the requirements set forth in the NPDES permit. The activities and services funded by this fee include, but are not limited to:

1. Administration and oversight of the requirements set forth in the NPDES permit to various City departments, developments, and local agencies.

2. Prepare ordinances and resolutions designed to remain in compliance with the rules and regulations required by the NPDES permit, the Clean Water Act, and the Porter-Cologne Act.

3. Respond to and investigate incidents of illicit discharges and illegal connections to the storm drain system.

4. Periodically inspect facilities for proper handling of materials, chemicals, pollutants, garbage, waste, and debris and prevent any discharges to the storm drain system.

5. Regularly clean and provide maintenance of catch basins, the flow line, and storm drainage facilities.

6. Installation and maintenance of water quality devices required to keep pollutants out of the storm drain system.

7. Discourage illegal dumping or discharge of pollutants into the storm drain system by stenciling all City-owned catch basins with a "No Dumping" message.

8. Provide street sweeping to keep litter and debris from entering the storm drain system.

9. Augment public education and outreach programs in regards to the proper use and function of the storm drainage system and the receiving waters.

10. Develop programs to promote, publicize, and facilitate public reporting of illicit discharges to the storm drain system.

11. Encourage the proper disposal of household hazardous waste (HHW) to prevent the improper disposal to the storm drain system or to the sewer system.

Discourage the improper disposal of litter, garden clippings, leaves, and pet waste into the street or the storm drain system.

RATE STRUCTURE ANALYSIS

Section 6.b of Article XIIID of the State Constitution states that:

> "The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel." and
>
> "No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question."

By definition, all properties that shed stormwater into the City's stormwater drainage system, use or are served by the City's stormwater drainage system; therefore should be subject to a fee. The amount of use attributed to each parcel is measurable by the amount of storm runoff contributed by the property, which is directly proportional to the amount of impervious area on a parcel (such as buildings and concrete). The more impervious area on a property, the more storm runoff the property generates, the more demand placed on the storm drain system.

The amount each parcel uses the stormwater drainage system is computed by the following formula: (Parcel Area) x (Impervious Percentage) = Drainage Units

The typical percent impervious (% Impervious) for land uses in the City, as provided in the Los Angeles County Flood Control District Hydrology Manual, updated January 2006, have been applied for the purposes of estimating the runoff generated by each property. These are shown in Table 1 on the following page.

The more Drainage Units a parcel has, the more storm run-off it generates, and the more it uses and impacts the stormwater drainage system.

It is standard practice to relate other land uses to a developed single family home, instead of working exclusively with Drainage Units. The City's parcel database shows that over 60% of the parcels within the City are designated as Single Family Residential (SFR) parcels, and the median size of a SFR parcel is approximately 7,000 square feet (0.16 acre). Therefore, it makes sense to relate all parcels to this median residential property. Therefore, the runoff from a 0.16-acre SFR parcel is set equal to one

Equivalent Residential Unit (ERU) and this base ERU is calculated as follows: (0.16 acres of area) x 42% = 0.0672 Drainage Units = 1 ERU

The table below provides a preliminary summary of Drainage Units and ERUs for the various assessable land uses in the City:

Drainage Land Use	Parcels	Acres	%Imp	Drainage Units	ERUs
Antenna	1	3.78	2%	0.08	1.13
Cemetery	2	55.36	10%	1.49	27.83
Church/Inst	52	162.12	82%	107.29	1,596.97
College	14	289.30	47%	127.90	1,902.94
Com Recreation	17	153.46	90%	129.60	1,928.52
Com Storage	24	77.61	90%	69.86	1,039.35
Communications	8	51.83	82%	42.51	632.57
Day Care	2	0.83	68%	1.34	20.01
Dev Park	105	418.81	10%	42.42	663.57
Dump	2	1.28	15%	0.20	2.86
EI-Hi School	64	599.14	Actual	362.41	5,392.21
Golf	14	325.70	3%	16.79	249.75
High Density CNDO	4,691	237.51	90%	210.96	3,074.67
High Density MFR	202	349.25	90%	318.69	4,742.64
Hotel/Motel	8	20.43	96%	19.53	290.73
Light Industrial	690	1,065.64	91%	1,037.36	15,465.16
Low Density CNDO	5,276	931.95	55%	485.52	7,216.41
Low Density MFR	75	213.91	55%	108.58	1,614.86
Med Density CNDO	6,566	606.30	86%	512.13	7,610.28
Med Density MFR	161	145.37	86%	124.96	1,862.37
Medical Facility	55	37.23	74%	30.74	457.10
Mineral Extract	17	254.37	10%	25.44	378.53
Mobile Homes	30	342.69	91%	301.11	4,698.31
Nurseries/Agr	10	21.25	15%	5.10	75.88
Office	296	283.79	91%	265.45	4,025.97
Open Storage	88	155.79	66%	102.87	1,530.28
Parking	154	201.66	91%	174.02	2,710.23
Power Facilities	22	281.06	47%	74.63	1,966.48
Ranch	8	26.48	42%	9.16	136.17
Regnl Shopping Ctr	39	154.41	95%	152.11	2,496.84
Retail	547	732.69	97%	756.22	11,216.18
SFR-0.5	35,117	6,617.73	42%	2,759.21	41,067.72
SFR-1	1,209	867.90	formula	229.85	3,423.14
SFR Rural	1,141	2,885.68	formula	355.00	5,280.34
Undev Park	46	152.77	2%	2.35	45.47
Vacant	3,603	12,143.11	1%	115.05	1,827.45
Totals	**60,356**	**30,868.19**		**9,077.95**	**136,670.92**

Note: Drainage Units and ERUs are rounded to two decimal places.

SFR properties are separated into 3 groups and their impervious percentage is calculated as follows:

SFR Category	Drainage Unit Formula
SFR-0.5 : SFR parcels 0.5 acres or less	Acres x 42% (max=0.21)
SFR-1 : SFR parcels 0.5 – 1 acres	0.21 + (acres – 0.5) x 21% (max=0.315)
SFR-Rural : SFR parcels more than 1 acre	0.315 + (acres – 1.0) x 10%

Multi-Family Residential (MFR) and Condominium (CNDO) units are split into categories by the density, or number of dwelling units per acre (DU/Ac) as follows:

MFR or Condo Category	Density	% Impervious
High Density	Greater than 18 DU/Ac	90%
Med Density	10 – 18 DU/Ac	86%
Low Density	Less than 10 Du/Ac	55%

Condominium unit parcel areas are calculated:

1) either by using the sizes of the individual unit and the common area parcels separately,

   or

2) by dividing the total area of the condominium complex (which includes the common area) by the number of condominium units and the total imperviousness of the entire complex is attributed to each individual condo parcel in the complex. (This divides the runoff of the entire complex to each of the individual units.) Because these condominium common areas are taken into consideration in this manner, they are exempt from the charge.

The latter calculation has been made when the individual unit areas are not readily available. These two ways of calculating the charges are considered nearly equivalent when applied. With the first method, the common area property is charged and paid by the Home Owner Associations which are passed on to the individual units. With the second method, the common area property is added into the individual units. Therefore, proportionality has been maintained.

Within the City of Santa Clarita and the Santa Clara River Watershed, there are many separate drainage areas of various terrains and with inlets, pipes and channels made of various materials and in various conditions. The storm drain system discharges to the Santa Clara River and its tributaries. The Santa Clara River provides habitat to hundreds of plant and animal species. It also provides about 50% of the area's water supply.

All parcels draining into City-maintained drainage infrastructure is proposed to be charged the same user fee rate per ERU for stormwater runoff treatment. The Stormwater Pollution Prevention Fee is proposed in perpetuity.

For the purposes of this report, City-maintained drainage infrastructure includes streets, pipes, inlets, outlets, and natural drainage courses, and is also referred to as the "City's stormwater drainage system." Parcels related to these types of property uses are exempt from the runoff charge, as they are part of the infrastructure being funded. Also exempt from the runoff charge is Caltrans right-of-way, because Caltrans handles its own runoff under a separate NPDES permit.

Elementary through High Schools (El-Hi Schools) have been looked at on an individual basis to determine the actual percent impervious for each property, as properties with this use had a wide range of impervious percentages.

Properties that had submitted appeals to the charge were reviewed and a determination has been made on a parcel-by-parcel basis as to the applicability of the appeal to this methodology.

COST ESTIMATE

FY 13-14 Estimated Expenditures and Revenues	
FY 2013/2014 Expenditures	
Site-Specific - Bridgeport	$20,400
Site-Specific - Creekside	17,400
Site-Specific - Hidden Creek	14,400
Site-Specific - Hart Pony	4,400
Site-Specific - River Park	0
Personnel	1,048,623
Office, Equipment and Program Costs	178,070
Street Sweeping	562,224
Hazardous Waste Collection	45,000
Professional and Contractual Services	219,010
Storm Drain Repair	11,000
Capital Outlay	183,000
General Fund Overhead Allocation	448,900
Transfers out to GASB 45/GF	68,738
Subtotal 2013/2014 Expenditures:	**$2,821,165**
Anticipated New Permit Expenditures (actual costs unknown)	
Watershed Management Plan	$500,000
Shangri-La Storm Drain Permit	417,000
New Permit - Regional Water Quality Devices	695,266
New Permit - Equipment, Track Loader	130,000
Subtotal 2013/2014 Anticipated New Permit Expenditures:	**$1,742,266**
Capital Projects:	
Catch Basin Trash Excluders	$38,000
Storm Drain & Culvert Upgrades	40,000
2013/14 Storm Water Flow Line Repair Program	250,000
Subtotal 2013/2014 Capital Projects:	**$328,000**
Reserves	
50% Operating Reserve	$1,319,083
(Less Site-Specific Reserve)	(28,300)
Capital Replacement (Catch Basins)	3,001,586
Equipment Replacement Reserve	589,414
Subtotal 2013/2014 Reserves:	**$4,881,783**
Total 2013/2014 Expenditures:	**$9,773,214**
FY 2013/2014 Revenues	
Interest	$97,255
SUSMP Inspection Permit Fees	13,500
Storm Water Pollution Prevention Program (SWPPP)	0
Miscellaneous Revenue	0
Operating Transfers in	32,660
Site-Specific - Bridgeport	28,680
Site-Specific - Creekside	26,433
Site-Specific - Hidden Creek	22,581
Site-Specific - Hart Pony	6,590
Site-Specific - River Park	0
Estimated Fund Balance - July 1, 2013	6,477,855
Subtotal 2013/2014 Revenues:	**$6,705,554**
City Contribution:	**0**
Total 2013/2014 Revenues:	**$6,705,554**
Stormwater Pollution Prevention Fee Requirement:	**$3,067,659**

FEE CALCULATIONS

The estimated annual costs for the proposed storm drain improvements are $3,067,659. Dividing that amount by the total number of ERUs in the City, the estimated Stormwater Pollution Prevention Fee rate is $22.45 per ERU for fiscal year 2013/2014. The maximum amount that can be charged per ERU for fiscal year 2013/2014 is $23.41 per ERU.

The maximum rate will be increased each fiscal year by the annual change in the Consumer Price Index (CPI), during the preceding year, for All Urban Consumers, for the Los Angeles, Riverside and Orange County areas, published by the United States Department of Labor, Bureau of Labor Statistics (or a reasonably equivalent index should the stated index be discontinued).

The following table provides sample fee calculations for various land uses and parcel sizes for fiscal year 2013/2014.

Land Use Designation	Parcel Area (sf)	Parcel area (ac)	x	Percent Impervious	=	Drainage Units /	0.0672	=	ERUs	$22.45/ERU
SFR-0.5	3,500	0.08	x	42%	=	0.033600 /	0.0672	=	0.5000	$11.23
SFR-0.5	5,000	0.11	x	42%	=	0.046200 /	0.0672	=	0.6875	$15.43
SFR-0.5	7,000	0.16	x	42%	=	0.067200 /	0.0672	=	1.0000	$22.45
SFR-0 5	12,000	0.28	x	42%	=	0.117600 /	0.0672	=	1.7500	$39.29
SFR-0.5	21,500	0.50	x	42%	=	0.210000 /	0.0672	=	3.1250	$70.16
SFR-1	22,000	0.51	x	0.21 +(ac-0.5)x21%	=	0.212100 /	0.0672	=	3.1563	$70.86
SFR-1	35,000	0.80	x	0.21+(ac-0 5)x21%	=	0.273000 /	0.0672	=	4.0625	$91.20
SFR-Rural	87,120	2.00	x	0.315+(ac-1)x10%	=	0.415000 /	0.0672	=	6.1756	$138.64
Low Density CNDO	7,100	0.16	x	55%	=	0.088000 /	0.0672	=	1.3095	$29.40
Low Density MFR	43,560	1.00	x	55%	=	0.550000 /	0.0672	=	8.1845	$183.74
Med Density CNDO	3,150	0.07	x	86%	=	0.060200 /	0.0672	=	0.8958	$20.11
Med Density MFR	43,560	1.00	x	86%	=	0.860000 /	0.0672	=	12.7976	$287.31
High Density CNDO	1,800	0.04	x	90%	=	0.036000 /	0.0672	=	0.5357	$12.03
High Density MFR	43,560	1.00	x	90%	=	0.900000 /	0.0672	=	13.3929	$300.67
Service Station	6,534	0.15	x	91%	=	0.136500 /	0.0672	=	2.0313	$45.60
Retail	21,780	0.50	x	97%	=	0.485000 /	0.0672	=	7.2172	$162.03
Business Park	21,780	0.50	x	91%	=	0.455000 /	0.0672	=	6.7708	$152.00
Office	10,890	0.25	x	91%	=	0.227500 /	0.0672	=	3.3854	$76.00
Light Industrial	43,560	1.00	x	91%	=	0.910000 /	0.0672	=	13.5417	$304.01
Church	32,670	0.75	x	85%	=	0.637500 /	0.0672	=	9.4866	$212.97
El-Hi School	43,560	1.00	x	82%	=	0.820000 /	0.0672	=	12.2024	$273.94
Developed Parks		5.00	x	10%	=	0.500000 /	0.0672	=	7.4405	$167.04
Golf Courses		10.00	x	3%	=	0.300000 /	0.0672	=	4.4643	$100.22
Vacant		2.00	x	1%	=	0.020000 /	0.0672	=	0.2976	$6.68

SFR = Single Family Residential 0.0672 = Drainage Units per median SFR ERU = Equivalent Residential Unit

Note: Condominium parcel areas Include a pro-rata share of the common areas of the complex

Fifty percent (50%) of all single family homes will have a charge equal to or less than the median fee of $22.45.

The preliminary fee roll, which is a listing of each parcel to be charged a fee for fiscal year 2013/2014, is by reference made a part of this report and is on file in the office of the City Clerk.

APPEALS PROCESS

If a property owner disagrees with the calculation of his or her fee, based on the parcel area and estimated impervious percentage assigned to the property, then the property owner may appeal the calculation as follows:

1. Property owner must provide written documentation explaining the reason why the charge should be changed. This documentation must include:

    a. The name, phone number, mailing address, and email address, if available, of the property owner.

    b. The Assessor's Parcel Number (APN) of the property in question.

2. If additional documentation is required or insufficient documentation was submitted, a representative of the Public Works Department or his or her designee (Staff) will notify the property owner in writing.

3. Once Staff has determined that sufficient documentation has been submitted, Staff will perform the initial review. Staff will notify the property owner in writing within four (4) weeks from the time sufficient documentation was submitted as to whether or not the fee amount will be changed.

    a. If the determination is to change the fee amount, then the new fee amount will be documented within the City's fee database.

    b. If the determination is that the fee should not be changed, the property owner can appeal Staffs decision to the City Engineer. The appeal must be made in writing and returned no later than four (4) weeks from the date of mailing of Staff s initial review decision. The City Engineer will notify the property owner in writing within four (4) weeks from the date of receipt of the appeal as to whether or not the fee amount will be changed.

        If the owner of any parcel shall have reason to feel that the computation of the ERU count for his/her parcel is not correct, that person may file an appeal with the City Engineer in the manner prescribed by the City Engineer. The City Engineer will consider all data provided by the appellant and shall render a decision in writing. The decision of the City Engineer will be final with respect to City action on the appeal.

Appeals will be accepted annually up until June 30 for inclusion on the following fiscal year's property tax roll submittal. However, if an appeal is granted by Staff or the City Engineer that does not permit inclusion for the following fiscal year's property tax roll submittal, a reimbursement will be provided to the property owner by the City.