

EWMP Funding Efforts by Los Angeles

Southern California Water Dialogue

Second Stormwater Meeting

January 27, 2016

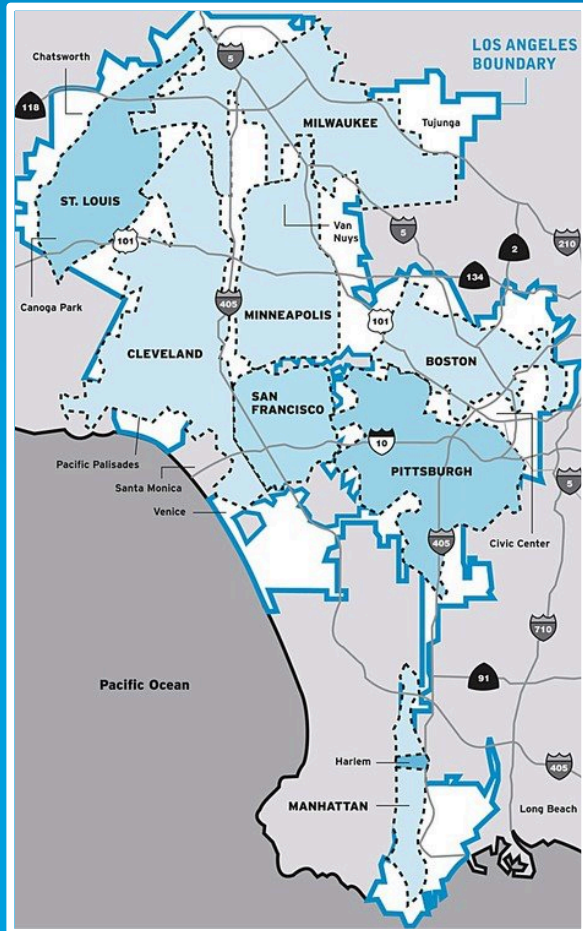
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Presentation Overview



- EWMP Costs
- Current Funding Status
- Capital Improvement Program
- Funding Options
- Closing Remarks
- Questions

EWMP Costs Los Angeles County

| Watershed Group | Implementation Cost (\$ millions) |
|-----------------------------|-----------------------------------|
| Ballona Creek | \$2,724 |
| Beach Cities | \$67 |
| Dominguez Channel | \$1,293 |
| Malibu Creek | \$195 |
| Marina del Rey | \$392 |
| North Santa Monica Bay | \$33 |
| Palos Verdes Peninsula | \$90 |
| Rio Hondo/San Gabriel River | \$1,594 |
| Santa Monica Bay JG 2&3 | \$649 |
| Upper Los Angeles River | \$6,098 |
| Upper San Gabriel River | \$1,321 |
| Upper Santa Clara River | \$624 |
| Total | \$15,080 |

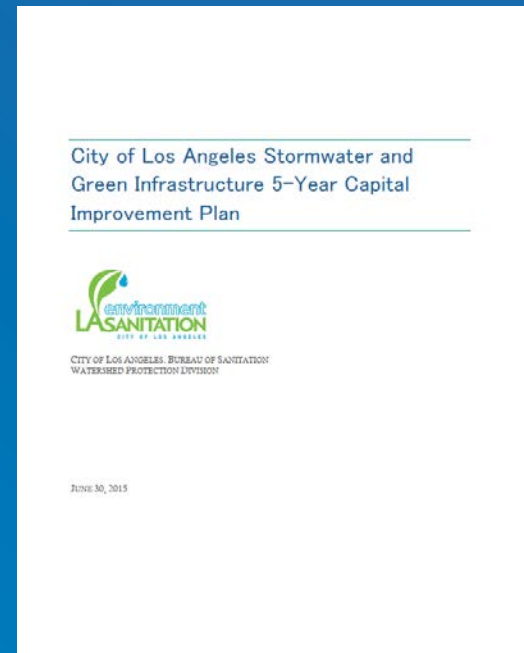
EWMP Costs City Los Angeles

- **Capital cost, 2015 dollars, no escalation, no O&M**

| Watershed | Compliance Date | Capital Cost of BMPs (\$ millions) |
|--------------------------|------------------------|---|
| Marina del Rey | 2021 | \$250 |
| Santa Monica Bay | 2021 | \$410 |
| Dominguez Channel | 2032 | \$530 |
| Ballona Creek | 2021 | \$2,280 |
| Upper LA River | 2037 | \$3,820 |
| Total | 2021-2037 | \$7,300 |

Capital Improvement Program (CIP)

- **Stormwater CIP: short-term (5 yrs) but more detailed than EWMPs**
- **Identified \$1.5 B in specific projects for early EWMP milestones**
 - **Signature regional projects**
 - **Distributed green streets**
 - **Rainwater capture & water supply**
 - **Flood control needs**



Current Funding Status

- **Total Stormwater Program Budget = \$35M/yr**
- **Primary Funding for Stormwater Program:**
 - **Stormwater Pollution Abatement Fund = \$28.5M/yr**
 - **Equivalent to ~ \$2/mo for residential parcel**
- **Additional Funds:**
 - **General fund = \$6.5M/yr**
 - **Grants = ~ \$1M/yr**
- **Other Funds: Prop 0**
 - **Prop 0 = \$500M over 15 years**

Funding Options

- **Loans: State Revolving Fund**
- **Grants: Prop 1 Water Bond**
- **Increased stormwater fees/taxes**
- **Out-of-box ideas**

Funding Options: Loans

- **State Revolving Fund**

- **Readily available funding = reduced time to implement projects**
- **Allows time for other funding approaches to come on line**
- **Favorable loan terms (<2%)**

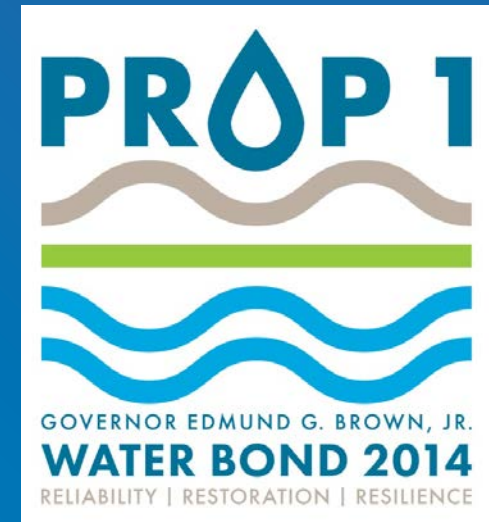


We've got the **green...**
to keep California's **water clean.**

CLEAN WATER STATE REVOLVING FUND

Funding Options: Grants

- **Prop 1 Water Bond**
 - Statewide funding < \$200M
 - Matching funds and internal resources required
 - Developed Prop 1 project list for 1st round
- **Grants are time consuming and resource intensive**
- **Appropriate for individual projects, but less so for programs**



Funding Options: Stormwater Fees

- **City Fees/Taxes, County-wide Funding, Source Specific Taxes**
 - **Highest revenue generation potential**
 - **Long-term, sustainable revenue source**
 - **Requires 2/3 approval of voters or 50% of property owners**
 - **Politically challenging**
 - **Will take time**

Funding Options: Out-of-Box Ideas

- **Public Private Partnerships (P3)**
 - Identify revenue potential and steps to utilize P3 and stormwater credit trading/in lieu fees
- **Joint Power Authorities (JPA)**
 - Evaluate JPAs as a potential approach to focus revenue generation and utilization on a more targeted basis
- **Partnerships with public agencies**
 - Evaluate partnerships with public agencies outside of MS4 control (e.g., school districts, Metro, federal and state government, etc.)
- **Stormwater Credit Trading**
 - Identify opportunities for in-lieu fees private/public, or credit trading private/private

Monetizing the value of stormwater

○ Ballona Creek EWMP

- Capital cost: \$2.7 billion
- O&M: \$78M/yr by 2021

○ Ballona Creek watershed

- Annual Rainfall: ~ 100,000 ac-ft
- Annual runoff volume: ~ 50,000 ac-ft
- Annual capture volume: ~ 25,000 ac-ft

○ Potential revenue

- \$37.5M annually at \$1,500/ac-ft



Closing Remarks

- **Over \$7.3B are needed to fully implement EWMPs across City of LA (25 years, 22 TMDLs)**
- **City of LA has initiated the CIP Planning process to ensure projects are ready to receive funding**
- **Traditional and creative funding options are being pursued**
- **Ability to utilize debt financing while working on revenue generation looks promising**

Questions?

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