

October 11, 2011
6:30 P.M.
Council Chambers of City Hall
340 Palos Verdes Dr. West
Palos Verdes Estates

**AGENDA
OF A REGULAR MEETING
OF THE CITY COUNCIL OF THE CITY OF
PALOS VERDES ESTATES, CALIFORNIA**

Copies of the staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the office of the City Clerk and are available for public inspection. If applicable, materials related to an item on this agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's office during normal business hours. Any person having any question concerning any agenda item may call the City Clerk to make inquiry concerning the item. Upon request, the agenda and documents in the agenda packet can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk at 310-378-0383, at least 48 hours prior to the meeting to request a disability-related modification or accommodation.

The City Council welcomes and encourages public participation at the Council meetings; however, to allow for the orderly progression of business, each person wishing to comment or make a presentation shall be limited to three (3) minutes. Anyone wishing to address the City Council shall fill out a green speaker's card available at the end of each row in the Chambers. The card permits the City to identify persons for purposes of City Council minute preparation. Please see specific agenda sections below for any other requirements related to meeting participation. The City Council, at the direction of the Mayor with concurrence of the Council, may modify the order of items shown on the agenda.

**NEXT RESOLUTION NO. R11-34
NEXT ORDINANCE NO. 11-700**

CALL TO ORDER

STUDY SESSION (6:30 p.m. – 7:30 p.m.)

- Report on Palos Verdes Estates Municipal and Community Greenhouse Gas Emissions Inventories

PLEDGE OF ALLEGIANCE

**CITY COUNCIL AGENDA
OCTOBER 11, 2011**

ROLL CALL (7:30 p.m.)

CEREMONIAL MATTERS

- Swearing-In of Police Officer James O'Connor (Chief Dreiling)

MAYOR'S REPORT – Matters of Community Interest

CONSENT AGENDA (Items #1 - 3)

All items under this heading are considered to be routine and will be enacted by one motion, unless a Councilmember, staff, or member of the public requests that an item be removed for separate discussion. Any item removed from the Consent Agenda will be considered immediately following the motion to approve the Consent Agenda.

1. City Council Minutes of September 27, 2011

Recommendation: Review and Approve.

2. Treasurer's Monthly Report – September 2011

Recommendation: Receive and File.

3. Adoption of Ordinance 11-699; Amending Chapter 2.36 of Title 2 of the Palos Verdes Estates Municipal Code

Recommendation: It is recommended that the City Council adopt Ordinance 11-699 amending Chapter 2.36 of Title 2 of the Palos Verdes Estates Municipal Code relating to the civil service system.

COMMUNICATIONS FROM THE PUBLIC

This portion of the agenda is reserved for comments from the public on items which are NOT on the agenda. Due to state law, no action can be taken by the Council this evening on matters presented under this section. If the Council determines action is warranted, the item may be referred to staff or placed on a future Council agenda.

PUBLIC HEARING

All persons addressing the City Council during public hearings shall be limited to three (3) minutes for comment.

CITY COUNCIL AGENDA OCTOBER 11, 2011

OLD BUSINESS

4. Resolution R11-33, Approving the Personnel Rules for the City of Palos Verdes Estates

Recommendation: It is recommended that the City Council adopt Resolution R11-33 approving the Personnel Rules for the City as they apply to all regular full and regular part-time employees.

NEW BUSINESS

5. Letter to Los Angeles County Board of Supervisors Regarding Concerns with the Proposed County Water Quality Parcel Fee

Recommendation: It is recommended that City Council direct staff to send a letter to the Los Angeles County Board of Supervisors expressing concerns with the proposed language within the proposed water quality parcel fee.

STAFF REPORTS

6. City Manager's Report

DEMANDS

7.
 - a. Authorize Payment of Motion #1 – Payroll Warrant of September 30, 2011
 - b. Authorize Payment of Motion #2 – Warrant Register of October 11, 2011

Recommendation: Authorize Payment of Motions #1 and #2.

MAYOR & CITY COUNCILMEMBERS' REPORTS

ADJOURNMENT TO TUESDAY, OCTOBER 25, 2011, 5:00 P.M. IN COUNCIL CHAMBERS OF CITY HALL FOR THE PURPOSE OF AN ADJOURNED REGULAR MEETING – CODE REVIEW PROJECT.

- *This City Council meeting can be viewed on Cox Cable, Channel 35, Wednesday, October 12, 2011 at 7:30 p.m., and Wednesday, October 19, 2011, at 7:30 p.m.*

**CITY COUNCIL AGENDA
OCTOBER 11, 2011**

TO: JUDY SMITH, CITY MANAGER

FROM: ALEXA D. DAVIS, ASSISTANT TO THE CITY MANAGER
STACEY KINSELLA, ASSOCIATE PLANNER

SUBJECT: REPORT ON PALOS VERDES ESTATES MUNICIPAL & COMMUNITY
GREENHOUSE GAS EMISSIONS INVENTORIES

DATE: OCTOBER 11, 2011

PURPOSE

The purpose of this study session is to provide a brief update to the Municipal Inventory, present the key highlights and findings of the Community Inventory, report on the progress of staff's climate action planning, determine the next steps necessary, and open the discussion regarding the overall program. No formal action is necessary as this study session serves to be informative.

BACKGROUND

State Law

The City's Green Program was originally prompted by the State's adoption of Assembly Bill (AB) 32, which is designed to reduce greenhouse gases by 2020 using 1990 levels as a baseline. Currently, emissions reductions by local governments are not mandated. Agencies anticipate that future laws may require cities to take action. It is the belief that jurisdictions already involved in the reduction efforts will be ahead of those possible requirements. Moreover, the 2010 California Environmental Quality Act (CEQA) guidelines now require that greenhouse gas emissions impacts be included in Environmental Impact Reports. Climate Action Plans can help streamline this process and existing mitigation measures may even offset impacts of future projects.

City of Palos Verdes Estates Action

In July 2008, City Council adopted Resolution R08-21 (Attachment A), committing to climate protection. As part of that commitment, the City became a member of the International Council on Local Environment Initiatives (ICLEI) and staff began working with the South Bay Cities Council of Governments (SBCCOG) and the South Bay Environmental Services Center (SBESC) to conduct greenhouse gas emissions inventories.

ICLEI set forth five milestones to guide the member cities towards a reduction in emissions. These milestones (and the City's status) include:

**CITY COUNCIL AGENDA
OCTOBER 11, 2011**

1. Conducting a local emissions inventory and forecast of greenhouse gas emissions. **COMPLETE**
The Municipal Inventory was presented to the City Council in June 2009. The Community Inventory is now complete and is included later in this report.
2. Adopt an emissions reduction target. **MUNICIPAL COMPLETE.**
A reduction target of a minimum 10% reduction of emissions below 2005 levels for municipal facilities was adopted by Council in July 2010; however, in order for milestone two to be fully addressed, the City must additionally set a reduction target for the community.
3. Draft an action plan to achieve the target. **IN PROCESS**
Because efforts towards creating an action plan are in motion, staff is actively working on milestone three.
4. Implement the action plan.
5. Evaluate, report on progress and update plans.

It is important to note that each milestone includes both municipal and community efforts. Thus, completing reductions for City facilities only meets a portion of the intended goal.

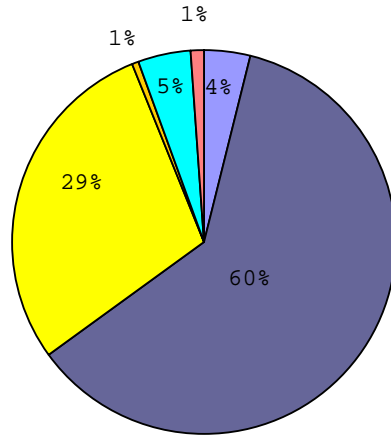
MUNICIPAL INVENTORY

The Municipal Greenhouse Gas Emissions Inventory Report was prepared by representatives from the SBCCOG and SBESC. It was originally presented to Council in July 2009 and again, with slight updates, in 2010.

The key findings, as previously reported to Council, are as follows:

- The City of Palos Verdes Estates municipal facilities generated approximately 644 metric tons of CO₂e in 2005 (baseline year), the composition of which is detailed in the pie chart.
- There was an overall 5.2% increase in GHG emissions between 2005 and 2007 mostly due to fuel use and electricity use.
- While there was no use of mass transit, results from the employee commute survey indicate that only 10% of respondents carpooled to the worksite in both 2005 and 2007.
- Under a business-as-usual forecast (no reductions), the City can expect emissions to rise to 725 metric tons of CO₂e by 2015.

Emissions by Sector 2005
 (including only direct and indirect sources from scopes 1 and 2)



| | | | |
|------------------------------|-------------------------|---------------------------|-----------------|
| City Vehicle Fleet | Buildings (Natural Gas) | Streetlights | Park Irrigation |
| Sprinkler/Irrigation Control | Employee Commuting | Contract Service Vehicles | Waste |
| Buildings (Electricity) | | | |

Please note that the City concessions are not included in the Municipal Inventory, but are included in the Community Inventory.

Following the municipal review presented in 2010, the City Council requested brief updates of 2008 and 2009 emissions to assess current municipal emissions. Since, the City does not anticipate expansion in facilities, vehicle fleet, and number of employees, it was requested that the business-as-usual forecast also be re-evaluated.

Update

SBCCOG representatives retrieved and analyzed electricity and natural gas emissions for both 2008 and 2009. The key highlights of this update are as follows:

- The GHG emissions decreased in 2008 and increased in 2009 for an overall increase of 0.7%
- The sources of the increases were noted to be the Lunada Bay fountain, Malaga Cove Library/Fountain, and the repeater on Via Cerritos.

The chart below further illustrates the change in emission levels:

| Updated Municipal GHG Inventory | 1990 | 2005 | 2007 | 2008 | 2009 | % Change From 07-09 |
|-------------------------------------|---------|---------|---------|---------|---------|---------------------|
| Metric Tons of CO2e (MtCO2e) | | | | | | |
| Electricity (MtCO2e) | 192 | 123 | 137 | 134 | 139 | 1.5% |
| Natural Gas (MtCO2e) | | 14 | 18 | 19 | 17 | -5.1% |
| Energy | | | | | | |
| Electricity (kWh) | 406,406 | 405,514 | 467,490 | 460,804 | 478,686 | 2.4% |
| Natural Gas (therms) | | 2,606 | 3,288 | 3,528 | 3,212 | -2.3% |

The business-as-usual forecast was also analyzed further. The original calculations presented previously noted an increase to 725 metric tons CO2e by 2015. The estimate was based upon the weighted average of usage trends between 2005 and 2007, as well the 2009 protocol greenhouse gas emission factors for electricity. This was the standard calculation for all South Bay cities' inventories completed at the time.

The usage trends still play a role in forecasting; however, the new protocol greenhouse gas emission factors are anticipated to be much lower thanks to the State's use of more renewable energy. In short, the electricity "grid" is much cleaner with increased use of solar energy and wind turbines. The new Title 24 requirements also decrease the amount of electricity usage for new construction. Likewise, the Low-Carbon Fuel Standard reduces emissions in vehicles. These State initiatives along with the fact that the City does not anticipate any expansion ultimately results in little to no growth expected. As a result of the no-growth projection, the City can now primarily focus on the adopted municipal reduction target of 10% from 2005 levels.

COMMUNITY INVENTORY

The Community Inventory, recently completed in 2011, accounts for emissions from both municipal operations and community activities within the City's jurisdictional boundaries. This includes the residences, the businesses, and some facets of municipal operations. The Community Inventory Report can be found in Attachment B.

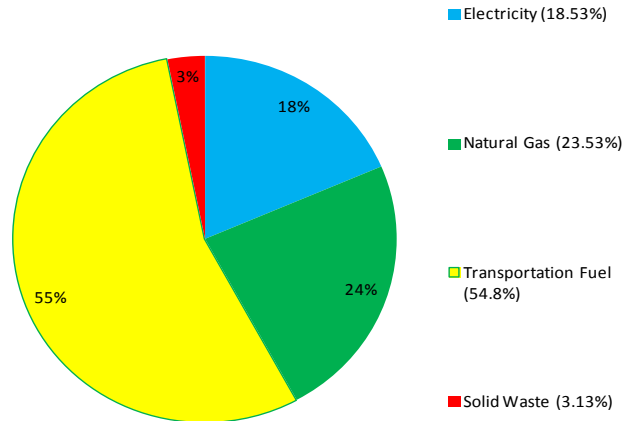
SBCCOG representatives retrieved and analyzed data for fuel, natural gas, electricity, and solid waste for the years 2005 and 2007. The key findings in the inventory reports are as follows:

- In 2005, the community generated approximately 103,345 metric tons of CO2e
- In 2007, the community generated approximately 104,514 metric tons of CO2e
- These increases are attributed to rises in residential natural gas consumption and more solid waste disposal to the landfills.

**CITY COUNCIL AGENDA
OCTOBER 11, 2011**

- For both years, the greatest emitter is transportation.

2005 GHG Emissions by Source (MtCO₂e)



The Community Inventory’s business-as-usual forecast shows a possible increase to 106,290 metric tons CO₂e (or an increase of 2% from 2007 totals) by 2020. The forecast calculations for the community inventory utilize SCAG’s Regional Growth Forecast for the residential, commercial, and industrial sectors. SCAG’s population growth forecast is utilized to assess possible increases in solid waste. Finally, SCAG’s Regional Transportation Plan and the vehicle miles traveled (VMT) projections outlined within the plan are utilized to assess potential transportation increases.

The chart below further illustrates the current and projected emissions levels:

| Sector | 2005 | 2007 | 2020 | Annual Growth Rate | % Change from 2007 to 2020 |
|-----------------------|----------------|----------------|----------------|--------------------|----------------------------|
| Residential | 39,016 | 41,373 | 41,462 | 0.02% | 0.20% |
| Commercial/Industrial | 4,456 | 4,227 | 4,484 | 0.46% | 6% |
| Transportation | 56,634 | 54,934 | 56,300 | 0.13% | 2% |
| Solid Waste | 3,240 | 3,981 | 4,043 | 0.12% | 2% |
| Total | 103,345 | 104,514 | 106,290 | -- | 2% |

CLIMATE ACTION PLANNING

Developing a Climate Action Plan (CAP) is part of ICLEI’s Milestone Three. A CAP shows an ongoing commitment to address climate change. A comprehensive CAP includes policies and measures that outline how the City will meet the goals it has set. City staff has been continuously working on measures and initiatives that may potentially be included in an overarching plan; however, since a Community reduction target has not been set, a formalized plan has not yet been

created. Developing a CAP is an extensive, ongoing process. As measures and initiatives are developed, they will be presented to the City Council for review and approval.

Municipal Measures

In March 2011, as part of the Green Program's Climate Action Planning, Staff coordinated an updated energy audit for City Hall. The audit was performed by Alternative Energy Systems Consulting, Inc (AESC) which was paid through the SBCCOG. The audit (Attachment C) identified the following projects:

- Installation of light occupancy sensors for spaces not continually utilized
- Upgrades of the parking pole lights to high efficiency induction lamps
- Installation of air-side economizer for conditioning units
- Office and Police Department heat pump replacement

Within their report, AESC provided a cost-benefit analysis for the potential measures. Similar analyses will be provided for future projects to assess feasibility. Potential projects will be appropriately routed to Department Heads and City Council before any action is taken.

Community Measures

The City must identify various measures to also help reduce emissions for the overall community. The following measures are currently under review for feasibility:

- Building efficiency upgrades
- Commercial recycling
- Solar installations
- Distribution of best practices
- Educational workshops

To date, the City includes regular articles in its bi-monthly newsletter. Articles have ranged from how homeowners and businesses can reduce energy usage to promoting new energy reduction programs, such as Energy Upgrade California.

The City has also hosted workshops over the last two years promoting various energy savings programs and informative sessions for contractors on the State's new Green Building codes.

Palos Verdes Transit recently obtained five new lower-emissions CNG buses, which will also benefit our community emissions as they serve our area.

Programs

There are many programs available that will help us both streamline and achieve our goals. Those currently identified include the California Energy Commission's Energy Efficiency and Conversation Block Grant (CEC-EECBG), the Energy Efficiency Management System (EEMIS), and the Energy Leadership Program.

**CITY COUNCIL AGENDA
OCTOBER 11, 2011**

CEC-EECBG

In 2010, the California Energy Commission offered the Energy Efficiency and Conservation Block Grant (EECBG). The City Hall energy audit project may be eligible for this state funding and staff is currently working with the California Energy Commission for a final determination.

EEMIS

The Energy Efficiency Management Information System (EEMIS), provided by Los Angeles County, is a voluntary, free two-year program for South Bay cities. The system will create access to municipal facility utility information in order to determine cost reduction strategies, energy efficiency project identification, Climate Action Planning, and building maintenance planning/alerts. The SBCCOG is working to secure its existing energy consultants to assist with the project. This system will allow them to now monitor our utility usage and costs in real time, as opposed to past years' data. Current and on-going access will help identify well-rounded, real-time conservation and cost-savings measures.

Energy Leadership Program

The Energy Leadership Program is a tiered incentive program provided by Southern California Edison in partnership with all the South Bay cities. This program rewards cities when energy is reduced. Palos Verdes Estates is currently a base level partner; however, the proposed measures will help us achieve the next level of savings. A breakdown of the Energy Leadership Program and the City's status is attached (Attachment D).

NEXT STEPS

Staff will continue climate action planning for the municipal facilities while moving the City Hall energy audit project forward in early 2012. A reduction target will need to be set for the community emissions and staff will work towards researching the appropriate projects and educational workshops.

All measures will ultimately be compiled into a comprehensive Climate Action Plan for the City. The plan will outline current on-going measures while looking to the future for new innovative ways to achieve savings. The SBCCOG is currently assisting cities in developing an overarching plan for their facilities and community. An estimated time of completion of the CAP has yet to be determined.

While this study session serves to be informative, the City Council, if it wishes, may discuss and set a target for community reductions tonight. Should that be the case, staff will prepare a formal report for review and adoption at an upcoming City Council meeting. Staff also welcomes feedback regarding the materials provided, general areas of research, and the overall program.

FISCAL IMPACT

**CITY COUNCIL AGENDA
OCTOBER 11, 2011**

There are no immediate fiscal implications required. The City still maintains a Green Program budget of \$10,000, which currently covers an annual assessment for SBCCOG staff time.

Attachments:

- A – Resolution R08-21
- B – Community Inventory
- C – Energy Audit
- D – Energy Leadership Program

TO: JUDY SMITH, CITY MANAGER

FROM: ALEXA D. DAVIS, ASSISTANT TO THE CITY MANAGER

SUBJECT: ADOPTION OF ORDINANCE 11-699; AMENDING CHAPTER 2.36 OF TITLE 2 OF THE PALOS VERDES ESTATES MUNICIPAL CODE RELATING TO THE CIVIL SERVICE SYSTEM

DATE: OCTOBER 11, 2011

ISSUE

Should the City Council adopt Ordinance 11-699; Amending Chapter 2.36 of Title 2 of the Palos Verdes Estates Municipal Code relating to the civil service system?

BACKGROUND AND ANALYSIS

On September 27, 2011, the City Council introduced of Ordinance 11-699, amending Chapter 2.36 of Title 2 of the Palos Verdes Estates Municipal Code relating to the civil service system. It is before City Council now for formal adoption.

The City has undergone an extensive process in updating its Personnel Rules because existing Civil Service Rules are outdated and do not apply to all employees. In order to adopt a revised and updated set of Personnel Rules, the City must first amend Municipal Code Chapter 2.36, which initially established the Civil Service System by ordinance in 1951. As a result, the amendment proposed for Council adoption removes reference to a Civil Service System and the administration by the County of Los Angeles' Civil Service Commission. The amended Municipal Code Chapter 2.36 references the new set of Personnel Rules and Regulations, which will come to Council for adoption by Resolution.

ALTERNATIVES AVAILABLE TO COUNCIL

1. Adopt Ordinance 11-699 amending Chapter 2.36 of Title 2 of the Palos Verdes Estates Municipal Code relating to the civil service system.
2. Decline to act.

RECOMMENDATION

Staff recommends that City Council adopt Ordinance 11-699 amending Chapter 2.36 of Title 2 of the Palos Verdes Estates Municipal Code relating to the civil service system.

**CITY COUNCIL AGENDA
OCTOBER 11, 2011**

TO: JUDY SMITH, CITY MANAGER

FROM: ALEXA D. DAVIS, ASSISTANT TO THE CITY MANAGER

SUBJECT: RESOLUTION R11-33, APPROVING PERSONNEL RULES FOR THE CITY OF PALOS VERDES ESTATES

DATE: OCTOBER 11, 2011

ISSUE

Shall the City adopt Resolution R11-33 approving the Personnel Rules for the City as they apply to all regular full and regular part-time City employees?

BACKGROUND

Palos Verdes Estates Municipal Code Chapter 2.36 established the City of Palos Verdes Estates Civil Service System and Rules. The City's Civil Service Rules, which pertain to sworn police officers and streets and parks personnel hired before 1990, were created by ordinance in 1951. The Civil Service Rules, as seen in Attachment C, were designed to serve as the City's Personnel Rules and created a contract between the County of Los Angeles and the City of Palos Verdes Estates and City Council of Palos Verdes Estates.

These Civil Service Rules have remained unchanged since the original adoption in 1951. As a result, there are many shortcomings and inconsistencies in comparison with the City's current personnel administration/employment practices, Memorandums of Understanding and policies. These include the following:

1. State and Federal Regulations

The existing Civil Service Rules have not have not been updated to include very important regulations (i.e. Harassment/Discrimination, Fair Labor Standards Act, Family and Medical Leave Act, etc.). As such, new Rules should include these mandates.

2. Los Angeles County Civil Service Commission

The 1951 Civil Service Rules outline an integral role for the Los Angeles County Civil Service Commission in the administration of the City's personnel system including overseeing the testing for new hires and promotions, establishing eligibility lists for new hires and promotions, reviewing employee disciplinary actions, etc. The Commission no longer recognizes the contract between the County and the City of Palos Verdes Estates and; therefore, it has not fulfilled these obligations for several years. Due to the changing relationship with the Commission, the City over the years was forced to adapt many of its personnel practices so not to involve the Commission.

3. Role of the City Council

The Civil Service Rules, as written 60 years ago, include many personnel obligations assigned to City Council. Council is to affirm eligibility lists and other Commission decisions, review medical certification of new hires, be informed of absences more than 3 days, be involved in disciplinary issues of all Civil Service employees, among many other matters currently being handled by Supervisors, Department Heads or the City Manager.

The City has never adopted a comprehensive set of personnel rules applicable to all personnel, as is typically done in other municipalities. Instead, we rely upon existing labor agreements, administrative directives from the City Manager's office, a general personnel handbook, and departmental policy handbooks. Therefore, City staff underwent an extensive process to create a new set of comprehensive Personnel Rules, which were drafted by management staff and labor law attorney, Scott Tiedemann of Liebert Cassidy Whitmore.

The proposed Rules were reviewed and revised by all Department Heads and then presented to City Council for comment on May 25, 2010. Council discussion continued at its July 10, 2010 retreat and at a meeting on September 14, 2010 within Closed Session. Subsequently, staff worked to revise the Rules to reflect Council comments. The City then began the "meet and confer" process with both the Palos Verdes Public Service Employees' Group (PSE) and the Palos Verdes Police Officers' Association (POA). The City Manager and Police Chief were consulted during this process and prior to its conclusion. Meet and Confer discussions concluded in August 2011, which resulted in the final draft of Personnel Rules as seen in Attachment B.

The Proposed Rules, provided to the POA on August 29, 2011 and to the PSE on September 1, 2011, now appropriately address all concerns listed above. The Rules proposed to be adopted by Resolution R11-33 now reflect updated laws and current personnel practices, as well as Palos Verdes Estates' city operations and will be in effect for all regular full-time and regular part-time employees. The final product is the end result of input from City Council, City and labor law attorneys, the City Manager, Department Heads and POA and PSE representatives. Any modification may trigger additional meet and confer obligations with both associations.

Once approved by Council, these new Personnel Rules will be distributed to all City employees and thereafter be a part of the new employee orientation process. Any future revisions or modifications made to the Personnel Rules are subject to approval by the City Council through a Resolution, after the completion of the meet and confer process with both employee bargaining units as applicable.

ALTERNATIVES AVAILABLE TO COUNCIL

1. The City Council may choose to adopt Resolution R11-33.
2. The City Council may choose not to adopt Resolution R11-33.
3. The City Council may direct staff to modify the Personnel Rules and adoption of Resolution R11-33.

CONCLUSIONS AND RECOMMENDATION

It is recommended that the City Council adopt Resolution R11-33 approving the Personnel Rules for the City as they apply to all regular full and regular part-time employees

Attachment:

- A-Resolution R11-33*
- B-Proposed Personnel Rules*
- C- 1951 Civil Service Rules*

TO: JUDY SMITH, CITY MANAGER

FROM: ALLAN RIGG, PUBLIC WORKS DIRECTOR

**SUBJECT: LETTER TO LOS ANGELES COUNTY BOARD OF SUPERVISORS
REGARDING CONCERNS WITH THE PROPOSED COUNTY WATER
QUALITY PARCEL FEE**

DATE: OCTOBER 11, 2011

The Issue

Should the City Council direct that a letter be sent to the Los Angeles County Board of Supervisors providing comment and expressing the City's concerns with the County Flood Control District's proposed water quality parcel fee?

Background and Analysis

The Los Angeles County Flood Control District (District), after receiving state legislation to authorize it, has proposed a County-wide parcel related fee to enhance water quality and reduce pollution in stormwater and urban runoff. This new fee, which is subject to voter approval via the Proposition 218 election process, is intended to create a stable and annual revenue source for the County and Municipalities in the District to fund multi-benefit water quality projects and programs. Staff believes this fee may have unintended consequences on our City. A draft of the ordinance is now available for public comment.

Increasing stormwater and urban runoff regulations have created a growing burden on local agencies to comply with federal and state regulations concerning pollution. Each California owner of a municipal separate storm sewer system (MS4) is required to comply with a discharge permit issued by the State's agent, the local Regional Water Quality Control Board. The City's urban runoff and stormwater discharge is currently authorized by a single permit that is shared by the County and 84 co-permittee cities. It has been in effect since 2001. Legal action by both co-permittees and environmental groups have kept a new permit from being finalized, still it is anticipated that the new permit, expected next Spring, will impose more stringent standards than in 2001, requiring MS4 owners to invest more to be in compliance.

The District has proposed this parcel fee to address the rules and regulations anticipated in the new permit and similar water quality programs. The District's governing body, the Los Angeles County Board of Supervisors, will be considering implementation of the new parcel fee early next year.

**CITY COUNCIL AGENDA
OCTOBER 11, 2011**

If the County Board of Supervisors approves the ordinance, the issue will be placed on a ballot for approval by the County's land owners through the Proposition 218 process. If adopted as currently written, the key elements of the ordinance would include:

- Nine regional groups, called Watershed Authority Groups or WAGs are defined in the ordinance; PVE is in two of them.
- Collected money from PVE parcels is to be allocated 40%/50%/10% among PVE, the two WAGs, and the County, respectively.
- Monies are to be spent on Water Quality projects and programs only.
- Funds can be used for TMDL and MS4 permit compliance but not "noncompliance" type costs (fines, legal fees, etc.)
- Each city in a WAG has a vote, although cities comprising 40% or more of land area within a WAG, have "heavy hitter" status and some veto power over regional plans.
- Requires each WAG to develop a Water Quality Improvement Plan. Each WAG and each Municipality is to provide an annual accounting of funds.
- Establishes a Water Quality Oversight Board to conduct public hearings and make recommendations to the County Board of Supervisors who must certify the Water Quality Improvement Plans. The Oversight Board must also approve all projects over \$1 M.
- The annual fee, which will be set by the Board of Supervisors, will be calculated based on total anticipated budget for all projects in the Municipalities, WAGs, and the District and divided by the impervious areas within those respective areas. There is no maximum fee given, nor an estimate of the initial fee in the draft ordinance. We have a verbal estimate that the average fee per parcel in Los Angeles County is \$54, and the fee in Palos Verdes Estates will be \$66.

A copy of the draft ordinance is included with this staff report.

Staff concurs with the County that consideration should be given to the additional funds required to comply with the growing body of regulations. However, staff has some technical concerns with the County's draft ordinance and would like to submit those comments by the revised deadline on October 18. Points of concern in the technical elements of the ordinance include:

- Watershed Area Groups (WAGs) are too large and the needs too disparate. Pollutant loading characteristics, and therefore prevention measures, of our City and the Peninsula cities is vastly different than other coastal cities in this WAG.
- The structure of the revenue sharing does not ensure equitable benefits will be realized by our City or other Peninsula cities. Cities that have demonstrated relatively low pollutant

levels, either due to setting or current programming, are penalized to carry the burden for other cities with more issues. We have very few needs for stormwater quality measures, while other cities in our WAG have significant needs and our residents will fund projects far from our City.

- The description of the fee calculation (Section 18.26) is vague, simplistic and weighted toward larger entities with greater project needs. During a recent presentation of the proposed fee by staff of the District, it was explained that the fee amount was based on polls the District had done to determine how much of a fee might be approved, and not based on needs. We fear that if the fee were to truly match the stormwater quality mandates the fee would be tremendously higher.
- The methodology for calculating the fee is based on the assumption of County wide average of imperviousness, which is far too high for the semi-rural nature of the Peninsula cities. Additionally, there is no protest procedure to allow cities to address this by providing local data. We are concerned that very large parcels that have minimal hardscape will be unduly charged as the calculation is proposed and will have no recourse.

A draft letter to Los Angeles County Supervisor Don Knabe is included with this report.

Stakeholder comments received by October 18th will be considered in preparation of the final draft of the ordinance, which will be made available for review in early January. The final draft is scheduled to go before the County Board of Supervisors on January 30, 2012. Approval by the Board of Supervisors is expected. Beyond that, the current plan calls for a two-step vote by property owners in the District. The balloting is tentatively scheduled for March and August of 2012. Presumably, assessment would begin in 2013.

Alternatives Available to Council

The following alternatives are available to the City Council:

1. Direct staff that a letter be sent to the Los Angeles County Board of Supervisors providing comment and expressing the City's concerns with the County Flood Control District's proposed water quality parcel fee.
2. Decline to Act.

Recommendation from Staff

Staff recommends that the Council direct staff that a letter be sent to the Los Angeles County Board of Supervisors providing comment and expressing the City's concerns with the County Flood Control District's proposed water quality parcel fee.

Staff report prepared by:
Allan Rigg

**CITY COUNCIL AGENDA
OCTOBER 11, 2011**