

4 - Water Quality and Watershed Protection

1. Program Area:

INFRASTRUCTURE & ENVIRONMENTAL RESOURCES

2. Agencies and Departments involved:

Resources and Development Management Department (RDMD)

3. New or previously identified in earlier Strategic Financial Plans, if previously identified, what has changed and why:

Previously identified. This remains an unfunded mandate.

4. Description of the project/program - what it is and what it will achieve:

Water pollution degrades surface waters making them unsafe for drinking, fishing, swimming and other activities. As authorized by the Clean Water Act, Water Code 13267/13225 Directives and Total Maximum Daily Load (TMDL) load allocations, the National Pollutant Discharge Elimination System (NPDES) permit program controls water pollution by regulating point sources that discharge pollutants into waters of the United States. Since 1990, operators of stormwater systems such as Orange County's have been required to:

1. Obtain a National Pollutant Discharge Elimination System (NPDES) permit.

2. Develop a stormwater management program designed to comply with the NPDES permit that prevents harmful pollutants from being dumped or washed by stormwater runoff into the stormwater system, then discharged into local waterbodies.

The most pressing challenge the County faces is the Regional Water Board's continued imposition of costly unfunded mandates. While we have been successful in meeting previous mandates with limited resources, we have been unsuccessful in identifying a dedicated funding source. These additional mandates have placed an increased burden on the number of staff and resources currently allocated to watershed protection. Future NPDES permit requirements will set the bar higher with each new permit based on the knowledge gained and the success achieved during each permit term. These new mandates will force our implementation efforts and our current program to grow. It has been recognized that the current County General Fund Net County Cost Target is insufficient to provide adequate funding for water quality monitoring and treatment as mandated. Since the inception of the Watershed & Coastal Resources Division, Agency 034 has not been able to meet its Net County Cost Target. As a result, yearly operating transfers from the Flood

Fund 400 have been required to fund this Net County Cost shortfall. The Flood Fund has contributed just over \$19.0M over the last five years in order to meet the CEO established Net County Cost Target. This long-term contribution has placed a financial strain on the Flood fund since only a portion of the \$19M contribution is being reimbursed. The current Fiscal Year 05-06 budget includes a Flood fund contribution of \$2.9M in order for Watershed & Coastal Resources to meet its Net County Cost target.

If this Strategic Priority is not approved the Flood fund will contribute an additional \$41M to support unfunded Watershed & Coastal Resources mandates over the next ten years to insure that the Watershed & Coastal Resources Fund will meet its CEO Net County Cost Target.

5. Personnel - will the program/project require additional staffing? If so, estimate number of positions:

None.

6. Cost - estimate and identify costs:

Please refer to the attached spreadsheet for cost information.

7. Potential Funding Sources:

On June 28, 2005, the Board of Supervisors approved the Resources and Development Management Department/Watershed and Coastal Resources request to increase the General Fund contribution to \$2,059,858 in FY 2005-06 to address water quality for Orange County residents.

The Flood Fund has made millions of dollars of "Operating Transfers Out" to the Watershed Fund over the last five years to assist Watershed in meeting its established Net County Cost target. These transfers must be reimbursed to Flood but are in the meantime placing a financial strain on the Flood Fund.

No other non-general fund sources have been identified at this time to fund these mandates.

Please refer to the attached spreadsheet for funding information.

8. Community Awareness (stakeholders):

Public Health risk for Orange County residents.

9. Mandated or discretionary:

This program is mandated.

10. Implementation period if funding were available:

This program is already underway.

