

1 - Water Quality and Watershed Protection

1. Program Area:

INFRASTRUCTURE & ENVIRONMENTAL RESOURCES

2. Identify agencies and departments involved.

Resources and Development Management Department

3. Is the Strategic Priority new or previously identified in earlier Strategic Financial Plan; if previously identified, what has changed and why.

Previously identified, this remains an unfunded mandate.

4. Provide a 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 non-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 water.

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. Per Board direction in early 2006 and subsequent direction by CEO the stormwater program, TMDL program, the watershed program and water quality & engineering and coastal engineering will be synthesized into a Watershed Management Area (WMA) for the entire county into three (3) WMA's,

north, central and south areas. This revamped governance will begin development in FY 2007-08. This restructured WMA program will require that we analyze current staffing and levels of management to provide an efficient organizational model. 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 in 2001, 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 \$19.7M over the last five and a half 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 \$19.7M contribution is being reimbursed. The current Fiscal Year 06-07 budget includes a Flood fund contribution of \$2.7M 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 \$30M 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. Identify personnel - will the program/project require additional staffing? If so, estimate number of positions by classification.

4 Environmental Resource Specialists III
1 Civil Engineer

6. Identify one-time costs (e.g. equipment purchase).

Please refer to the attached spreadsheet for cost information.

7. Identify potential funding sources (e.g., State, Federal, General Fund, fees).

During the FY 06/07 budget hearings, the Board directed that CEO and Watershed program staff work together and bring recommendations to them with regard to future funding alternatives for Fund 034 Watershed and Coastal Resources. On 6/27/06, CEO staff met with RDMD Budget Staff to learn how the Watershed budget is developed. CEO staff is proposing to meet with Watershed Program Staff to gain an overall understanding of WCR programs including:

- WCR mandates, level of service mandated, unfunded mandates
- General Fund and/or Flood obligation for unfunded mandates
- Components of WCR NCC
- Requirement for various capital projects and funding
- Multi-year Strategic Financial Plan/Capital Plan

- Efforts to secure alternate funding e.g. Measure M, Grants, etc.

After these meetings, CEO, RDMD Budget and Program staff will jointly formulate alternative funding recommendations and strengthen the justifications for the need of additional funding in WCR.

Please refer to the attached spreadsheet for funding information.

8. Identify community awareness (stakeholders).

Public health risk for Orange County residents.

9. Is this program/project mandated or discretionary?

This program is mandated under the Federal Clean Water Act.

10. Identify implementation period if funding were available.

This program is already underway.

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	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
Agency Ongoing Cost Total	0	0	0	0	0	0	0	0	0	0	0
I. Cost											
One-Time Costs											
No One-Time Costs	0	0	0	0	0	0	0	0	0	0	0
Agency Cost Total	0	0	0	0	0	0	0	0	0	0	0
II. Non-General Fund Revenue											
Other Financing Sources	-1,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000
Agency Revenue Total	-1,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000
III. General Fund Requirement	1,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
IV. Staffing											
No Positions	0	0	0	0	0	0	0	0	0	0	0

Recommend \$1.25 million NCC per year for five years for a total of \$6.25 million (continues the \$1 million allocated one-time in FY 06-07 and adds an additional \$250,000).