

POLICY MOTION

TITLE: Council File: 13-0703-S1: Proposition 84 Integrated Regional Water Management Grant Program / State of California Department of Water Resources / Los Angeles County Flood Control District / Water Quality and Runoff Reuse Project

PURPOSE: To secure an aware from the State of California Department of Water Resources for a grant to capture polluted urban and stormwater runoff from along the Los Angeles River in Downtown Los Angeles, along the Arroyo Seco at Sycamore Grove Park and Hermon Park, and at the City's Penmar Recreation Center & Park and Penmar Golf Course in the Venice-Mar Vista area. The Project will divert the captured runoff to sanitary sewers and ultimately to the Hyperion Water Reclamation Plant for treatment and discharge.

BACKGROUND:

In April 2013, the California Department of Water Resources (DWR) awarded the Los Angeles County Flood Control District (LACFCD) a twenty-five million, six hundred thousand dollars (\$25,600,000) Proposition 84 IRWM Implementation Grant. LACFCD was to serve as the Grantee and local entities that proposed projects to LACFCD were to serve as Local Project Sponsors (LPSs). The City proposed the Water Quality and Runoff Reuse Project (Project), previously named the Pen mar Water Quality Improvement and Runoff Reuse Project, and is its LPS. In June 2013, the City Council authorized the Bureau of Sanitation to accept up to \$2,112,985 from LACFCD in Proposition 84 grant funding for the Project (Council File No. 13-0703). On September 29, 2022, the LACFCD approved an additional \$2,541,451 in Proposition 84 grant funding for the Project, for a total grant funding amount of \$4,654,436. The grant funds will offset some of the \$23,585,000 in funding from the City's Proposition 0 Clean Water General Obligation Bond measure that the City Council approved for the Project in July 2007 (Council File No. 13-0703) and \$26,467,690 in funding from the Measure W Safe, Clean Water Municipal Program.

THE MOTION: The MVCC is FOR adopting the Draft Resolution attached to Council File: 13-0703 and attached here

DIRECTED TO: CD11 / LA City Clerk

Councilmember Traci Park
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ACTION/VOTE COUNT: 5-0-3

DRAFT RESOLUTION

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES TO ACCEPT GRANT FUNDS FROM THE COUNTY OF LOS ANGELES FLOOD CONTROL DISTRICT, ACTING ON BEHALF OF THE CALIFORNIA DEPARTMENT OF WATER RESOURCES, FOR THE PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) GRANT PROGRAM

WHEREAS, in November 2006, the voters of California enacted the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84), adding provisions to the California Water Code Public Resources Code, Sections 75001-75130, authorizing the State Legislature to appropriate \$1 billion for an Integrated Regional Water Management (IRWM) Program;

WHEREAS, the intent of the IRWM Program is to encourage integrated regional strategies for the management of water resources and to provide grant funding for projects that protect communities from drought, improve water reliability, protect and improve water quality, improve local water security by reducing dependence on imported water, as Well as promote an integrated and regional approach to water management;

WHEREAS, the Proposition has authorized the California Department of Water Resources (DWR) to administer said funds;

WHEREAS, the DWR has designated the Los Angeles County Flood Control District (LACFCD) to be the grant Program Manager to receive grant funds and to manage the grant agreement with the State on behalf of the Region;

WHEREAS, the DWR has granted the Greater Los Angeles County Region. IRWMP a total of \$25,600,000, of which **\$4,654,436** has been awarded to the **WATER QUALITY AND RUNOFF REUSE PROJECT** (Project) to be implemented by the City of Los Angeles;

WHEREAS, these funds will provide for the capture of polluted urban and stormwater runoff from along the Los Angeles River in Downtown Los Angeles, along the Arroyo Seco at Sycamore Grove Park and Hermon Park, and at the City's Penmar Recreation Center & Park and Penmar Golf Course;

WHEREAS, it is in the interest of the City of Los Angeles to accept this funding and to implement this City project, as it will improve water quality of the Los Angeles River, the Arroyo Seco, and the Ballona Creek Watershed;

WHEREAS, the Proposition 84 IRWM Grant Program guidelines of the DWR and the LACFCD's procedures require the City of Los Angeles to adopt a resolution authorizing receipt of grant funding of up to **\$4,654,436** from the DWR and to execute an agreement with the LACFCD to implement the City of Los Angeles' **WATER QUALITY AND RUNOFF REUSE PROJECT**;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, the City Council of the City of Los Angeles hereby:

1. Authorizes the Director and General Manager of the Bureau of Sanitation, or designee, to negotiate, accept, execute, and submit all documents, including, but not limited to, applications, agreements, amendments, and payment requests etc., subject to the approval of the City Attorney as to form, which may be necessary to secure the Proposition 84 Integrated Regional Water Management Grant Program of the California Department of Water Resources, through the Los Angeles County Flood Control District, in an amount not to exceed **\$4,654,436**, for the implementation of **the WATER QUALITY AND RUNOFF REUSE PROJECT**; and,

PRESENTED BY:

SECONDED BY:

Background Historical Information

Penmar Phase I and II

The original Penmar Water Quality Improvement Phase I Project (Penmar Phase I) was approved for Proposition O funding in 2007 to help improve overall water quality at the Santa Monica Bay beaches. Penmar Phase I included capture and storage of stormwater, and its construction was completed in 2013.

The Penmar Water Quality Improvement Phase II Project (Penmar Phase II) was designed and built to provide treatment of the stormwater for irrigation by complying with the 2011 Los Angeles County Department of Public Health (LACDPH). The City obtained approval for Penmar Phase II from the LACDPH in July 2014 based on the 2011 Guidelines; however, in June 2016, the LACDPH sent a revised approval letter to the City requiring Penmar Phase II to comply with the newly published guidelines dated February 2016. Construction of Penmar Phase II was completed in September 2018, despite not meeting the LACDPH 2016 guidelines.

In May 2019, the Penmar Phase III project was awarded a grant of \$2,541,451 through State Proposition 84 Integrated Regional Water Management (IRWM) for upgrading Penmar Phase II with additional stormwater treatment to comply with the LACDPH 2016 guidelines. This grant required that the project be completed by the end of 2022. In April 2021, the City Council approved Penmar Phase III and established a budget of \$2,541,451. The Penmar Phase III budget was not sufficient to award the design-build contract due to the high bids received. The project returned to the Proposition O Administrative Oversight Committee (AOC) with a request to recommend an increase to the project budget of \$3,100,000, this request was not accepted at the March 31, 2022 AOC meeting.

Initial Grant Outcome

LASAN was in discussions with the Proposition 84 IRWM grant funding entities, specifically the County of Los Angeles (LA County) and the DWR to request an extension of the December 2022 deadline for the completion of the project. Given the Proposition O AOC findings of not recommending the Penmar Phase III budget increase and the short timeline given by IRWM to secure additional funds, the time extension was not granted.

Identification of Alternative Project(s)

After the Proposition 84 grantors were informed that the City would not be using the grant for the Penmar project, the grantors opened the opportunity for all entities eligible for IRWM funding to submit projects that could use the \$2,541,451 with the provisos that the project(s) construction would be completed by December 31, 2022 or January 31, 2023 with an approved extension, all CEQA approvals and permits were secured, and that the project(s) meet all Proposition 84 guidelines. The City submitted five (5) low flow diversion projects known as Arroyo Seco and LA River Low Flow Diversion projects that are currently under construction and met the submission criteria.