

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

June 30, 2014

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ARLEEN P. TAYLOR
EXECUTIVE OFFICER

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#3 BOS

Mayor Eric Garcetti
Room 305
City Hall
Attn: Mandy Morales

City Council
Room 395
City Hall

Subject: AUTHORITY TO APPLY FOR, ACCEPT, NEGOTIATE, AND EXECUTE AN AGREEMENT FOR GRANT FUNDING FROM THE STATE OF CALIFORNIA UNDER THE CLEAN BEACHES INITIATIVE GRANT PROGRAM FOR THE BALLONA CREEK WATER QUALITY IMPROVEMENT AND BENEFICIAL USE PROJECT

As recommended in the accompanying report of the Director of the Bureau of Sanitation, which this Board has adopted, the Board of Public Works requests that the City Council, subject to concurrence of the Mayor, authorize the Director of the Bureau of Sanitation, or his designee, to apply, accept, conduct all negotiations, provide additional information, execute and submit all grant documents, including but not limited to, applications, agreements, and amendments, subject to the approval of the City Attorney as to form and legality, which may be necessary to receive funding, if awarded a grant, from the Clean Beaches Initiative (CBI) Grant Program for the Ballona Creek Water Quality Improvement and Beneficial Use Project.

It is also requested, that the City Council, subject to the concurrence of the Mayor, adopt the Resolution authorizing the submission of the grant application to the State Water Resources Control Board and appointing the Director of the Bureau of Sanitation, or his designee, to conduct all negotiations, to execute an agreement, and any amendments thereto, to render and certify payment of invoices on behalf of the City of Los Angeles, and to carry out the purpose of this resolution in compliance with the CBI Grant Program requirements, subject to the approval of the City Attorney, as to form and legality, which may be necessary to receive funding, if awarded the grant.

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It is further requested, that the City Council, subject to the concurrence of the Mayor, authorize a loan from the Sewer Construction and Maintenance Fund to the Stormwater Pollution Abatement Fund in an amount not to exceed \$6,863,853, to be repaid by the grant proceeds and the Stormwater Pollution Abatement Fund, with interest, if awarded the grant.

FISCAL IMPACT

The total estimated cost for the project is \$6,863,853, of which only \$2,500,000, if awarded the grant, will be reimbursed from the 2012 Clean Beaches Initiative Grant Program. The remaining \$4,363,853 is non-reimbursable, consisting of design, construction, construction management and project management services, of which \$1,200,000 is the City's required match. Funding for the \$6,863,853 will be provided by a loan from the Sewer Construction and Maintenance Fund to the Stormwater Pollution Abatement Fund to be repaid by the grant proceeds and the Stormwater Pollution Abatement Fund, if awarded the grant. Application for the CBI Grant Program does not create an obligation for the City's General Fund.

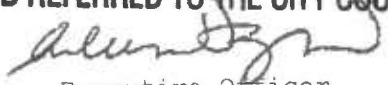
Respectfully submitted,


Arleen P. Taylor, Executive Officer
Board of Public Works

APT:mp

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BOARD REPORT NO. 3
June 30, 2014

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California
AND REFERRED TO THE MAYOR
JUN 30 2014
AND REFERRED TO THE CITY COUNCIL

Executive Officer

CD: 11

AUTHORITY TO APPLY FOR, ACCEPT, NEGOTIATE, AND EXECUTE AN AGREEMENT, AND ADOPT THE ATTACHED RESOLUTION FOR GRANT FUNDING FROM THE STATE OF CALIFORNIA UNDER THE CLEAN BEACHES INITIATIVE (CBI) GRANT PROGRAM FOR THE BALLONA CREEK WATER QUALITY IMPROVEMENT AND BENEFICIAL USE PROJECT

RECOMMENDATIONS

1. Approve and forward this report forthwith, with its transmittals, to the Mayor and the City Council, with the recommendation that the City Council, subject to concurrence of the Mayor, authorize the Director of the Bureau of Sanitation (BOS), or designee, to apply, accept, conduct all negotiations, provide additional information, execute and submit all grant documents, including but not limited to, applications, agreements, and amendments, subject to the approval of the City Attorney as to form, which may be necessary to receive funding, if awarded a grant, from the Clean Beaches Initiative Grant Program for the Ballona Creek Water Quality Improvement and Beneficial Use Project (Project).
2. Request the City Council, subject to concurrence by the Mayor, adopt the Resolution authorizing the submission of the grant application to the State Water Resources Control Board (SWRCB) and appointing the Director of the Bureau of Sanitation, or designee, to conduct all negotiations, to execute an agreement, and any amendments thereto, to render and certify payment of invoices on behalf of the City of Los Angeles, and to carry out the purpose of this resolution in compliance with the CBI Grant Program requirements, subject to the approval of the City Attorney as to form, which may be necessary to receive funding, if awarded the grant.
3. Request the City Council, subject to concurrence by the Mayor, authorize a loan from the Sewer Construction and Maintenance Fund to the Stormwater Pollution Abatement Fund in an amount not to exceed \$6,863,853, to be repaid by the grant proceeds and the Stormwater Pollution Abatement Fund, with interest, if awarded the grant.
4. Direct the Bureau of Sanitation in coordination with the City Administrative Office (CAO), to program the project through the Annual Budget Process if awarded the grant.

TRANSMITTALS

1. Project vicinity map and pictures of the existing facility.
2. State Water Resources Control Board e-mail requesting a detailed application for a grant with a tentative approval of \$2,500,000 from the 2012 Clean Beaches Initiative Grant Program.

3. A copy of the proposed Resolution.

FISCAL IMPACT STATEMENT

The total estimated cost for the project is \$6,863,853, of which only \$2,500,000, if awarded the grant, will be reimbursed from the 2012 Clean Beaches Initiative (CBI) Grant Program. The remaining \$4,363,853 is non-reimbursable, consisting of design, construction, construction management and project management services, of which \$1,200,000 is the City's required match. Funding for the \$6,863,853 will be provided by a loan from the Sewer Construction and Maintenance Fund to the Stormwater Pollution Abatement Fund to be repaid by the grant proceeds and the Stormwater Pollution Abatement Fund, if awarded the grant. Application for the CBI Grant Program does not create an obligation for the City's General Fund.

DISCUSSION

Proposition 84 allocated \$90 million to the State Water Resources Control Board (SWCRB) for coastal water quality improvement projects pursuant to (PRC§30915) Proposition 40, of which \$37 million is available to the CBI Grant Program. Eligible project types include implementation projects that will improve the water quality at impacted beaches and help reduce beach closures caused by high levels of fecal indicator bacteria.

On August 23, 2012, BOS submitted a concept proposal of \$6.2 million to the State Water Board's CBI Grant Program. The concept proposal consists of a grant amount of \$5.0 million and a City match of \$1.2 million. The proposed Ballona Creek Water Quality Improvement and Beneficial Use Project (Project) will include construction of a low flow diversion inflatable rubber dam in the Ballona Creek channel, installation of a temporary pump station, and rehabilitation of the existing North Outfall Wastewater Treatment Facility to treat dry weather flow in Ballona Creek (Transmittal No. 1). This facility consists of sedimentation basins, chemical tanks and feed systems, sludge handling equipment, and instrumentation and control systems and it will be renovated to reduce the level of fecal indicator bacteria densities, concentration of heavy metals, and toxic pollutants to improve water quality and beneficial uses of Ballona Creek Reach 2, Ballona Estuary, Ballona Wetlands, and Santa Monica Bay beaches.

Furthermore, this project will assist the City in complying with regulatory mandates of Total Maximum Daily Loads (TMDLs) for fecal indicator bacteria, metals, and estuary toxics during dry weather. The TMDLs for fecal indicator bacteria, metals, and estuary toxics have been incorporated into the 2012 National Pollutant Discharge Elimination System Permit for Municipal Stormwater and Urban Runoff Discharges within the County of Los Angeles by Order R4-2012-0175 on December 28, 2012. The completion of this project will improve the water quality and public health in Ballona Creek Reach 2, Ballona Estuary, Ballona Wetlands and Santa Monica Bay beaches.

On November 16, 2012, the SWRCB invited BOS to submit a completed detailed application for a reduced grant amount of \$2.5 million and a minimum City match of \$1.2 million (Transmittal No. 2). Subsequently, the total estimated cost for the project is now \$6,863,853, of which \$2,500,000, if awarded the grant, will be reimbursed from the CBI grant program. The remaining \$4,363,853 is non-reimbursable, consisting of design, construction, construction management and project management services, of which \$1,200,000 is the City's required match.

A Resolution (Transmittal No. 3), adopted by the City Council and Mayor, is required by the SWRCB to complete the CBI grant application process, which includes a requirement for the City to fund the operation and maintenance of the project for a minimum period of 20 years after completion of the project. As such, additional funding for the operation and maintenance of the completed project will need to be identified and made available in future years through the City's annual budget process.

STATUS OF FINANCING

Funding information will be included in a project awarding Board Report. Funding in the amount of \$6,863,853 will be provided by a loan from the Sewer Construction and Maintenance Fund to the Stormwater Pollution Abatement Fund to be repaid by the grant proceeds and the Stormwater Pollution Abatement Funds and is contingent upon the City receiving a CBI grant award of at least \$2,500,000 by the SWRCB. Furthermore, additional funds will need to be identified and made available in future years through the budget process, for the operation and maintenance of the project for a minimum period of 20 years after completion of the project, as required by the CBI grant program.

Respectfully submitted,


ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation

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