

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION  
BOARD REPORT NO. 1  
June 24, 2016

CD: 15

AS AMENDED\*\*  
ADOPTED BY THE BOARD  
PUBLIC WORKS OF THE CITY  
of Los Angeles California  
AND REFERRED TO THE CITY COUNCIL  
JUN 24 2016

  
Executive Officer  
Board of Public Works

AUTHORITY TO APPLY FOR, ACCEPT, NEGOTIATE, AND EXECUTE AN AGREEMENT FOR GRANT FUNDING FROM THE STATE WATER RESOURCES CONTROL BOARD'S WATER RECYCLING FUNDING PROGRAM FOR THE TERMINAL ISLAND WATER RECLAMATION PLANT ADVANCED WATER PURIFICATION FACILITY ULTIMATE EXPANSION PROJECT

### RECOMMENDATIONS

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1. Approve and forward this report with its transmittals, to ~~the Mayor and~~ the City Council, with the recommendation that the City Council, subject to the concurrence of the Mayor, authorize the Director of the Bureau of Sanitation or designee, to apply for, accept, negotiate, and execute all documents, including but not limited to, applications, agreements, amendments, subject to the approval of the City Attorney as to form, which may be necessary to secure funding of up to \$15,000,000 from the State Water Resources Control Board's Water Recycling Funding Program for the Terminal Island Water Reclamation Plant Advanced Water Purification Facility Ultimate Expansion Project.
2. Adopt the attached Resolution as required by the State.

### FISCAL IMPACT STATEMENT

Acceptance of funding, if awarded, will have no impact on the City's General Fund. The project will be funded from the Sewer Construction and Maintenance Fund.

### TRANSMITTAL

1. Proposed Resolution

### DISCUSSION

Water recycling is the use of treated municipal wastewater for beneficial purposes, such as industrial processes, landscape and agricultural irrigation, and seawater intrusion barrier injection. On November 4, 2014 California voters approved Proposition 1, a \$7.5 billion general obligation bond measure of which \$725 million is available in grants and loans under the State Water Resources Control Board's Water Recycling Funding Program. Among the projects that will be eligible for funding are recycled water treatment, distribution and storage facilities. In addition to Proposition 1, the State offers the Clean Water State Revolving Fund (CWSRF) program which provides low interest financing (generally one half the State of California's most recent general obligation bond rate) for planning, design and construction activities.

LA Sanitation (LASAN) identified the Terminal Island Water Reclamation Plant (TIWRP) Advanced Water Purification Facility (AWPF) Ultimate Expansion Project (Project) to be eligible for assistance under Proposition 1's Water Recycling Program. Grant funding of up to \$15,000,000 is being requested for the Project to provide for the expansion of the AWPF's hydromicrofiltration, reverse osmosis and advanced oxidation processes by 6 million gallons per day (6 MGD). When completed in December 2016, 100% of plant flow will be processed to produce 12 MGD (13,440 AFY) of high-quality advanced treated water. Doubling the plant's current output will allow continued recharging of the Dominguez Gap Barrier with 100% recycled water, supply water to the Machado Lake to replenish its evaporation losses, and provide various Harbor-area industrial users.

The AWPF Project was awarded by the City of Los Angeles Board of Public Works on April 27, 2015, a design/build construction contract in the amount of \$43,638,000. A separate sole source equipment procurement contract was awarded by the Board of Public Works on January 26, 2015 to Evoqua Water Technologies (formerly Siemens Water Technologies) for the procurement of the Microfiltration System Package. The microfiltration package will be installed under the AWPF Project design/build construction contract. The total budget for the AWPF Project and Microfiltration System Package procurement is \$50,138,000. LASAN is applying for a grant of up to \$15,000,000. The actual grant award is limited to the smaller of \$15,000,000, or 35% of the total project cost, whichever is less. A Resolution adopted by the City Council (Transmittal 1) is needed as part of the State's grant application requirements.

#### STATUS OF FINANCING

Grant funds received for this Project will be deposited into Fund No. 761, Dept. 50, Revenue Source Code 336104 (Other State Grants Miscellaneous Programs).

Respectfully submitted,

  
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Bureau of Sanitation

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