



RESOLUTION NO. _____

BOARD LETTER APPROVAL

ANSELMO G. COLLINS
Senior Assistant General Manager
Water System

[Aram Benyamin \(Oct 24, 2024 17:06 PDT\)](#)

ARAM BENYAMIN
Chief Operating Officer

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: October 16, 2024

SUBJECT: Additional Authorization Requested for the Administration of:
Proposition 1 CalConserve Water Use Efficiency Loan Funding
Agreement for the Institutional Water Use Efficiency Loan Program

SUMMARY

On August 30, 2018, LADWP entered into a \$3 million loan funding agreement (CalConserve Agreement) with the California Department of Water Resources (DWR) as approved by Board Resolution No. 018067. Loan funds from the DWR CalConserve Water Use Efficiency Loan Fund will be used to implement LADWP's Institutional Water Use Efficiency Loan Program also known as the CalConserve Loan Program (Program), which will help the City of Los Angeles (City) Agencies implement water efficiency projects. However, Board Resolution No. 018067 did not provide all the necessary authorizations to properly administer the CalConserve Agreement and the Program. As such, an additional Board resolution is requested to authorize the execution of individual Memorandums of Agreements (MOAs) with City Agencies which will detail loan dispersal and repayment terms of the Program and authorize the Chief Accounting Employee to execute functions associated with repayment of the loan to DWR in accordance with the CalConserve Agreement.

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution delegating the authorities required for the administration of the CalConserve Agreement with DWR and implementation of the Program.

ALTERNATIVES CONSIDERED

No alternatives were considered. LADWP seeks proper authorization for the fulfillment of Resolution No. 018067.

FINANCIAL INFORMATION

There is no financial impact of this request. The Resolution would enact necessary additional authorizations required for the administration of the CalConserve Agreement with DWR and subsequent administration of the Program which was previously authorized in Board Resolution No. 018067 on October 17, 2017.

BACKGROUND

On October 17, 2017, the Board approved Resolution No. 018067, authorizing LADWP to receive a \$3 million zero-interest loan through the DWR CalConserve Water Use Efficiency Loan Fund to implement LADWP's Program. The Program in turn intended to provide zero-interest loans to City Agencies to fund water use efficiency projects, with a goal to remove fiscal constraints that may be limiting City Agencies' ability to finance projects needed to meet the goals of the Sustainable City pLAn, which includes a strategy to lead by example through increased municipal water conservation.

LADWP executed the CalConserve Agreement on August 30, 2018, and has since received the full loan amount in two disbursements, one for \$1,000,000 on February 27, 2019, and the second for \$2,000,000 on June 10, 2024.

In 2019, LADWP initiated the development of the Program, including creation of the Program application, Program outreach materials, and a template MOA for City Agencies wishing to implement water efficiency projects using the zero interest loans offered through the Program. LADWP staff began outreach to several City Agencies to discuss possible projects that could be funded by the Program.

In March 2020, the Program development and outreach to City Agencies was paused due to the COVID-19 pandemic, which diverted LADWP and City resources to more urgent matters related to the pandemic.

In 2024, LADWP received the final disbursement of the loan funds from DWR and has recently re-launched and re-branded the Program as the Citywide Water Use Efficiency Loan Program. Administrative procedures have been created for the Program whereby City Agencies will propose water efficiency projects through an application process,

obtain loan funds through the Program to provide upfront capital monies needed to implement the proposed projects, receive rebate funds through existing LADWP Water Conservation rebate programs which can be used to help pay down the loan, and issue repayments to LADWP for the loan through the appropriate fiscal offices.

A Resolution is required to authorize (1) Execution of individual MOAs with City Agencies which will detail loan dispersal and repayment terms of the Program and (2) issue and deliver demands upon the Water Revenue Fund to pay semi-annual loan payments in accordance with the CalConserve Agreement with DWR and related transfer to allow for the proper function of the Program.

If the proposed Resolution is not authorized, LADWP risks defaulting on repayment of the loan to DWR and is unable to administer the Program as required by the CalConserve Agreement and will not be able to provide up-front funding for City Agencies to support implementation of water efficiency projects.

ENVIRONMENTAL DETERMINATION

Determined item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060 (c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378 (b)(5) states that organizational or administrative activities that will not result in direct or indirect physical changes in the environment do not meet that definition. Therefore, this authorization allowing additional authorization necessary for the fulfillment of Resolution No. 018067 is not subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution as to form and legality.

ATTACHMENTS

- Resolution
- Resolution No. 018067 (approved October 17, 2017)
- Proposition 1 CalConserve Water Use Efficiency Loan Funding Agreement for the Institutional Water Use Efficiency Loan Program (executed on August 30, 2018)