



RESOLUTION NO. _____

BOARD LETTER APPROVAL

ANSELMO G. COLLINS
Senior Assistant General Manager
Water System

Aram Benyamin (Sep 15, 2024 14:31 PDT)

ARAM BENYAMIN
Chief Operating Officer

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: September 5, 2024

SUBJECT: United States Bureau of Reclamation WaterSMART Drought Response Program: Drought Resiliency Projects Grant Program Award for the Valley Village Park Stormwater Capture Project

SUMMARY

LADWP Water System requests authorization that designates the Senior Assistant General Manager – Water System or his/her designee to accept a \$5,000,000 grant award from the United States Bureau of Reclamation (USBR) WaterSMART Drought Response Program: Drought Resiliency Projects Grant Program (Grant Program) for the purposes of preparing and negotiating a funding/financial agreement. On May 6, 2024, LADWP was notified that the Valley Village Park Stormwater Capture Project (Project) was selected to receive \$5,000,000 in funding from the Grant Program.

USBR requires a resolution adopted by the Board of Water and Power Commissioners (Board) to authorize LADWP to accept the award and to identify officers to fulfill functions required to prepare and negotiate a financial assistance agreement for the Board's approval.

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board adopt the attached Resolution that designates the Senior Assistant General Manager – Water System and/or his/her designee to accept the grant award and authorize the Director of Water Resources or his/her designee to provide the assurances, certifications, and commitments required to prepare and negotiate the Grant Program funding agreement.

ALTERNATIVES CONSIDERED

LADWP's Water System is committed to funding the projects at the lowest possible cost to ratepayers. If this Board Package is not approved, LADWP will not enter into a funding agreement with USBR and will not receive the \$5,000,000 grant award.

In the absence of external funding, securitization or a combination of LADWP-issued bonds and cash are the alternative financing mechanisms for LADWP's capital improvement projects. Funding provided by the Grant Program will offset some of these costs.

FINANCIAL INFORMATION

LADWP was awarded \$5,000,000 total from the Grant Program, as summarized below:

Project	Grant Award (\$)	Non-federal Cost Share (\$)	Total Project Cost
Valley Village Park Stormwater Capture Project	\$5,000,000	\$ 15,903,810*	\$ 20,903,810

NOTES:

* Required cost share: LADWP Water Enterprise Fund (\$9,726,466), State of California Proposition 1 Stormwater Grant Program (\$3,000,000), and the County of Los Angeles Safe, Clean Water Program (\$3,177,344)

The total cost of the Project is estimated to be \$20,903,810, with a construction cost of \$20,174,960. LADWP was awarded \$5,000,000 from the Grant Program for the Project. The grant award amounts to approximately 24 percent of the total project cost. The associated non-federal cost share will be \$15,903,810, or approximately 76 percent of the total project cost, which exceeds the 50 percent non-federal cost share requirements. The source of the local cost share is the LADWP Water Enterprise Fund, State of California Proposition 1 Stormwater Grant Program, and the County of Los Angeles Safe, Clean Water Program.

BACKGROUND

On August 7, 2023, USBR announced up to \$55 million available in funding opportunities for the Grant Program through the Bipartisan Infrastructure Law and Inflation Reduction Act to develop projects that can increase water management

flexibility. The Grant Program is intended to fund projects that increase water supply reliability and build long-term resilience to drought, reducing the need for emergency response actions.

As part of the Stormwater Capture Parks Program, the Project will improve the City of Los Angeles' water quality and water supply while also providing community enhancements for the park and the surrounding disadvantaged communities. The Project will capture and infiltrate stormwater, with an estimated average yield of up to 136 acre-feet per year or enough water to serve roughly 544 households per year. This project will also add several new recreational features including landscaping, walkways, hydration stations, and benches.

On August 15, 2023, the Board adopted Resolution 024 027, authorizing the Senior Assistant General Manager – Water System and/or his/her designee to submit applications for federal grants. Resolution 024 027 further instructed the Water System to (1) notify the Board upon notice of award and issuance of grant terms and conditions and (2) obtain Board approval to accept the award and enter into a funding agreement.

On November 2, 2023, LADWP applied to the Grant Program for the Project to request \$5,000,000 in funding. Furthermore, on May 6, 2024, LADWP was notified that it was selected to receive a \$5,000,000 grant award for the Project, which is the maximum award of funding that a project can receive in this Grant Program.

ENVIRONMENTAL DETERMINATION

Determine item is in compliance with California Environmental Quality Act (CEQA) Guidelines Sections 15070-15075 (MND adopted on September 14, 2021). In accordance with CEQA, a Mitigated Negative Declaration (MND) was prepared to analyze the impacts associated with the construction and operation of the Stormwater Capture Parks Program Project. On September 14, 2021, the Board adopted the MND and Mitigation Monitoring and Reporting Program, and approved the project.

CITY ATTORNEY

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

ATTACHMENTS

- Resolution
- Resolution No. 024 027