



RESOLUTION NO. _____

BOARD LETTER APPROVAL

A handwritten signature in blue ink, appearing to read "Anselmo G. Collins", is positioned above a horizontal line.

ANSELMO G. COLLINS
Senior Assistant General Manager
Water System

A handwritten signature in blue ink, appearing to read "Janisse Quiñones", is positioned above a horizontal line.

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: December 30, 2024

SUBJECT: United States Bureau of Reclamation WaterSMART Large-Scale Water Recycling Projects Grant Program Funding Agreement for the Los Angeles Groundwater Replenishment Project

SUMMARY

The LADWP Water System requests authorization that designates the Senior Assistant General Manager – Water System or his/her designee to accept a \$30,000,000 grant award from the United States Bureau of Reclamation (USBR) WaterSMART Large-Scale Water Recycling Projects (Grant Program) Round 2 funding opportunity, and to execute/enter into a funding/financial agreement for a combined total of \$60,000,000 in grant funding from USBR's Round 1 and Round 2.

USBR requires a resolution adopted by the Board of Water and Power Commissioners (Board) to identify officers to fulfill the functions required to prepare, negotiate and execute/enter into an 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 \$30,000,000 grant award from the Grant Program's Round 2 funding opportunity, and to execute/enter into a funding/financial agreement for the \$60,000,000 combined grant award.

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 execute/enter into a funding/financial agreement with USBR and will not receive the \$60,000,000 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 a combined total of \$60,000,000 from the Grant Program's Round 1 and Round 2, as summarized below:

Project	Total Eligible Project Cost (\$)	Grant Award (\$)	Non-federal Cost Share (\$)
Los Angeles Groundwater Replenishment Project	\$ 618,806,575	\$ 60,000,000	\$ 558,806,575

The total eligible cost of the Project is \$618,806,575. LADWP was awarded a total of \$60,000,000 from the Grant Program for the Project. The combined grant award amounts to approximately 10 percent of the total eligible Project cost. The associated non-federal cost share will be \$558,806,575, or approximately 90 percent of the total eligible Project cost, which exceeds the 75 percent non-federal cost share requirements.

BACKGROUND

The Los Angeles Groundwater Replenishment Project (Project) is anticipated to produce 22,000 acre-feet per year of purified recycled water from the Donald C. Tillman Water Reclamation Plant, which will then be conveyed to and spread at the Hansen Spreading Grounds for replenishment of the San Fernando Groundwater Basin to provide a new drought-resistant source of drinking water.

On May 28, 2024, LADWP applied to the Grant Program's Round 2 funding opportunity for the Project, and was notified on November 15, 2024 that it was selected to receive a \$30,000,000 grant award for the Project. LADWP has been awarded a combined total of \$60 million in funding.

On October 8, 2024, the Board adopted Resolution 025 074 which instructs the Water System to obtain Board approval to execute/enter into a funding/financial assistance

agreement for the Grant Program's Round 1 funding opportunity once negotiated by the Senior Assistant General Manager – Water System and Director of Water Resources ("Designated Officers") and their designees, for or on behalf of LADWP.

In November 2024, LADWP was notified that USBR will combine the \$60 million dollar award from Round 1 and Round 2 into one grant agreement.

ENVIRONMENTAL DETERMINATION

Determine item is in compliance with California Environmental Quality Act (CEQA) Guidelines Sections 15080-15097 (Environmental Impact Report [EIR] previously adopted). In accordance with CEQA, an EIR was prepared to evaluate and disclose the potential environmental impacts associated with the construction and operation of the Project. On December 6, 2016, the Board certified the EIR; adopted the Mitigation Monitoring and Reporting Program, Findings of Fact and Statement of Overriding Considerations; 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
- Agreement