

Agenda Report

October 5, 2020

TO: Honorable Mayor and City Council

THROUGH: Finance Committee (September 24, 2020)

FROM: Department of Public Works

**SUBJECT: AUTHORIZATION OF EXECUTION OF FUND TRANSFER
AGREEMENT WITH LOS ANGELES COUNTY FLOOD CONTROL
DISTRICT FOR SAFE, CLEAN WATER PROGRAM**

RECOMMENDATION:

It is recommended that the City Council:

1. Acknowledge that the execution of a Transfer Agreement is exempt from the California Environmental Quality Act (CEQA) pursuant to Division 13, Section 21000 et seq. of the Public Resources Code and Title 14, Sections 15061(b)(3) and 15308; and
2. Authorize City Manager to execute Fund Transfer Agreement with the Los Angeles County Flood Control District to receive annual Safe, Clean Water Program funding for water quality projects and programs.

BACKGROUND:

In November 2018, voters approved the Safe, Clean Water (SCW) Program, a special parcel tax based on impermeable areas within the jurisdiction of the Los Angeles County Flood Control District (District). The SCW Program is intended to improve water quality in a manner that achieves additional benefits such as increasing water supply and investing in the health and well-being of Los Angeles County communities. Revenues derived from the tax are allocated to projects and programs implemented by the District (10%) and municipalities (40%), and for regional watershed-based projects and programs (50%). This agreement allows the City to accept the 40% municipal share of the revenues.

The tax is assessed based on the amount of impermeable area per parcel as determined by the County. 40% of this amount is returned back to the City for use on programs that fall within the requirements of the Safe, Clean Water program. The City's annual share is estimated at \$1,560,000 for all parcels.

Prior to receipt of the funds, the City must submit an annual plan of eligible expenditures and enter into a Fund Transfer Agreement with the District. The Transfer Agreement shall expire at the end of the 2023-24 fiscal year, and requires municipalities to comply with the requirements of the SCW Program and other appropriate provisions established by the Board of Supervisors, including submission of an annual expenditure plan, audit reports and progress reports. The Transfer Agreement was approved by the Board of Supervisors on June 9, 2020. The City will receive the municipal funds for the first disbursement, Fiscal Year 2020-2021, within 45 days after execution of the Transfer Agreement by the District.

The municipal funds can be used for eligible activities such as project development, design, construction, effectiveness monitoring, operations and maintenance, as well as for other programs and studies related to protecting and improving water quality in lakes, rivers and the ocean. Up to 30% of the funds may be used to maintain existing eligible projects and programs.

The Department of Public Works plans to utilize the first three years of funding towards implementation of capital improvements projects (CIP) required to comply with the Los Angeles County Municipal Separate Storm Sewer System Permit (MS4 Permit). Effective December 28, 2012 and in accordance with the Clean Water Act, the MS4 Permit dictates incremental stormwater quality milestones to be programmed and met by cities through 2037. The MS4 Permit mandates bacteria load reduction strategies be implemented by the City by end of FY 2023. To this end, the City has the following two projects in design phase as part of its FY 2021 CIP budget to eliminate bacterial discharges at an outfall along the Arroyo Seco and various outfalls along the tributaries to the Rio Hondo, to which the City contributes:

The *NPDES Arroyo Seco Bacteria Load Reduction (76291)* project consists of the elimination of dry-weather bacterial discharges to the Arroyo Seco, a tributary of the Los Angeles River. Of approximately 50 outfalls, the San Rafael Creek outfall shows a high loading of E. coli and must be mitigated to be in compliance with bacterial Total Maximum Daily Load (TMDL) and regional water quality objectives. The City is currently in discussion with the City of South Pasadena on a design concept for this project, with an estimated cost of approximately \$4,375,000. The *NPDES Rio Hondo Bacteria Load Reduction (76292)* project is also a bacterial TMDL mitigation project, to fund the City's share of construction and maintenance a multi-jurisdictional project to eliminate bacterial discharges at various outfalls in tributaries to the Rio Hondo that Pasadena contributes to, including Eaton Wash, Rubio Wash and Alhambra Wash. The City's share of that project is also estimated at approximately \$3,500,000. Both projects will also have on-going operations and maintenance expenses to insure that they function as designed.

COUNCIL POLICY CONSIDERATION:

The project is consistent with the City Council's goal to maintain fiscal responsibility and stability and improve, maintain and enhance public facilities and infrastructure. It also supports the Public Facilities Element of the General Plan by maintaining public facilities to enhance the quality of life of the community.

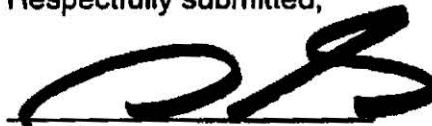
ENVIRONMENTAL ANALYSIS:

There is no new construction proposed as part of this action. This action authorizes the City to execute the Transfer Agreement. The proposed actions have been determined to be exempt from CEQA per Sections 15061(b)(3) and 15308.

FISCAL IMPACT:

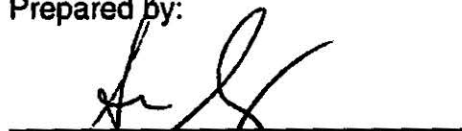
The annual allotment of Safe, Clean Water Program funding is estimated to be \$1,560,000. During the four year period of this Fund Transfer Agreement, Pasadena will receive approximately \$7,800,000 in Safe Clean Water Program funds. Fund 243 Safe Clean Water Program Fund has been created to capture and track these funds to ensure compliance with spending requirements.

Respectfully submitted,



Ara Maloyan, P.E.
Director of Public Works

Prepared by:



Sean Singletary, P.E.
Principal Engineer

Approved by:



STEVE MERMELL
City Manager

Attachment A – Agreement No. 2020MP59 - Transfer Agreement between the Los Angeles County Flood Control District and Pasadena