

Heal the Bay



December 13, 2023

Los Angeles City Council
200 N. Spring St.
Los Angeles, CA 90012

Sent via email

Re: Water Priorities for City of Los Angeles 2024 Budget

Honorable Council President Krekorian and Councilmembers:

On behalf of Los Angeles Waterkeeper (“LA Waterkeeper”)¹, Heal the Bay,² and the Natural Resources Defense Council (“NRDC”)^{3,4} we are writing to urge the City of Los Angeles (“City”) to provide resources needed for critical water supply and water quality investments in the budget for the 2024-25 Fiscal Year, specifically to:

- Ensure that the City of Los Angeles Bureau of Sanitation & Environment (“LASAN”) can manage its existing sewage collection and treatment infrastructure to avoid future catastrophic spills and prepare for an effective transition to a wastewater recycling future;
- Help meet the estimated \$6B in shortfall to address urban and stormwater pollution through nature-based solutions in order to meet required water quality standards (*e.g.*, MS4 permit and TMDL requirements), including increasing staffing that will allow the City to maintain its current Low Impact Development (“LID”) program without delaying the development of more housing; and
- Retain outside expertise to pursue creative financing options that will allow the City to effectively meet its water quality and supply goals while having the minimum possible impact on local ratepayers.

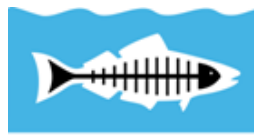
Our groups have been advocating tirelessly for the implementation of necessary actions to achieve compliance with applicable water quality standards adopted under the Clean Water Act, and for the development of resilient local water supplies that will reduce our dependence on dwindling water imports from other regions. To achieve these goals, more investments in water infrastructure and multi-benefit

¹ LA Waterkeeper is a non-profit organization with almost 30 years of experience serving as Los Angeles’ water watchdog, safeguarding the region’s inland and coastal waters using the law, science, and community action.

² Heal the Bay is a non-profit environmental organization with over 35 years of experience and 20,000 members dedicated to making the coastal waters and watersheds of Greater Los Angeles safe, healthy, and clean, using science, education, community action, and advocacy to achieve their mission.

³ NRDC combines the power of more than 3 million members and online activists with the expertise of some 700 scientists, lawyers, and other environmental specialists to confront the climate crisis, protect the planet’s wildlife and wild places, and to ensure the rights of all people to clean air, clean water, and healthy communities.

⁴ The scope of our work takes place across the lands of coastal Indigenous Peoples and Native Nations of the Tongva, Chumash, Fernandeano Tataviam Band of Mission Indians, and Kizh Nation tribes. Native Land Digital. 2021. *Our Home on Native Land*. <https://native-land.ca/>. We would like to acknowledge and respect Indigenous elders past, present, and emerging.



Heal the Bay



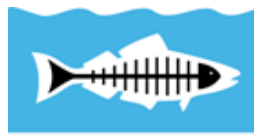
stormwater capture projects must be a priority for the upcoming budget cycle and beyond. We have three specific requests in this regard.

First, we believe that the City of Los Angeles Bureau of Sanitation & Environment (“LASAN”) is woefully underbudgeted and requires additional funding to manage its existing sewage collection and treatment infrastructure and prepare for an effective transition to a wastewater recycling future. In recent years we have seen the disastrous effects of LASAN’s restricted budget, including the catastrophic sewage spill from the Hyperion Water Reclamation Plant (“Hyperion”) in July 2021, in which the plant was flooded with raw sewage and resulted in 12.5 million gallons of sewage entering Santa Monica Bay. As LASAN moves forward to implement Operation NEXT and recycle as much of Hyperion’s wastewater discharges as feasible, it is critical to ensure LASAN has the requisite funding to upgrade its infrastructure and improve operations to protect the integrity of Hyperion and the rest of the collection system.

Specifically, we urge the City Council to allocate funding for, at minimum, the following actions that will be necessary to prepare Hyperion and the City’s collection system for its wastewater recycling future:

1. Require LASAN to commit investments toward infrastructure projects and/or studies necessary to meet the City of LA’s goal to have the capacity to recycle 100% of its wastewater by 2035;
2. Require LASAN to fund an independent expert consultant panel on wastewater recycling to provide recommendations on best approaches for a regional reuse system, especially through integrating the City’s recycling plans at Hyperion with the Metropolitan Water District’s Pure Water Southern California project;
3. Require the City to hire a dedicated senior staff member to lead its wastewater recycling efforts and to meet its 2035 recycling target;
4. Require LASAN to utilize rapid bacteria testing methods at Hyperion in order to better protect public health from bacteria exposure at nearby beaches following future sewage spills. Current methods used by LASAN and others in Los Angeles County do not provide water quality results on fecal indicator bacteria for around 18-24 hours, while existing rapid testing methods can achieve the same results in 3-5 hours following a known spill to ensure members of the public do not enter impacted rivers, creeks, and beaches; and
5. Require LASAN to complete a robust personnel needs assessment to ensure Hyperion’s ambitious recycling project launches successfully and on schedule.

Second, we urge the City Council to increase funding for LASAN’s efforts to comply with water quality requirements throughout the region to ensure it can comply with water quality requirements by building new projects and achieving the full benefits of existing projects. LASAN has tirelessly sought to implement multi-benefit stormwater capture projects to comply with applicable water quality standards, but LASAN has continuously represented that it is underfunded by a large magnitude (around \$6 billion), which is serving as the main obstacle to expediting project implementation. More importantly, however, LASAN is faced with budgetary shortfalls for addressing distributed stormwater capture and green space initiatives for residential properties, which is a massive opportunity to transform much of our City’s land into a green infrastructure system and accelerate water quality compliance throughout the region. LASAN



Heal the Bay



also lacks necessary operations and maintenance funds to maintain existing stormwater projects and ensure proper operation as intended. For example, cistern projects including Penmar Park, Temescal Canyon, Westside Park, and Mar Vista Park were intended to utilize captured stormwater for landscape irrigation to reduce the City’s potable water demand. However, these projects are diverting captured runoff to the sanitary sewer system, which undercuts the purpose of those projects and erodes the \$50 million investment made in those projects under Proposition O.

We also urge the City Council to increase funding for LASAN’s water quality and greening efforts at the residential level. Unfortunately, the City Council has indicated a desire to weaken pre-existing Low Impact Development (“LID”) standards, which it blames for slowing the development of ADUs and other housing projects. We support the City Council’s desire to prevent housing delays from LID review, but streamlining housing projects cannot come at the expense of water quality and greener, healthier communities. Rather than rolling back LID standards, the City Council instead must provide LASAN with additional funding to have enough staff to process applications without delaying development of new housing, while also funding direct install landscape transformation programs (particularly for lower-income residents) that will allow residents to more effectively participate in the City’s LID program with minimal burden or delays.

Third and finally, LASAN and other City departments need support for pursuing creative financing options for investments to meet its water quality and water supply goals, with the least impact on City ratepayers. The City’s current practice of “pay as you go” for water infrastructure has led to prioritizing mid-level projects at the expense of large projects that need a greater magnitude of funding to design and construct, and smaller distributed projects that may need a coordinated effort to qualify for funding. To better utilize available funding, LASAN and the City must increase their efforts to foster collaborative partnerships with other regional, state, and federal agencies, which collectively oversee billions of dollars in grant and program funds that could be used for water infrastructure projects. LASAN should develop a dedicated team with the principal responsibilities to initiate and develop such partnerships, including through leveraging the City’s funding to maximize the value of LASAN’s investments and minimize the amount City residents must contribute. Additionally, with the help of outside expertise from financial management consultants, LASAN should develop a finance plan by the end of 2024 that outlines a diversified portfolio of financing options for large infrastructure projects, including bonds, debt financing, loans, assessments, fund matching opportunities, and other creative strategies. We need an array of project types and sizes from parcel-based distributed projects to mid-level regional projects and larger-scale projects; creative funding efforts can help support all of these. Spending money now on a plan to prioritize these funding opportunities will lead to saving more money later.

* * * * *



Heal the Bay

Thank you for the opportunity to comment on the City of Los Angeles 2024-25 Fiscal Year Budget. We look forward to continuing our collaborative work with the Los Angeles City Council and LASAN to preserve, enhance, and restore the quality of water resources in the Los Angeles Region for current and future generations, and to increase local resilient water supplies. If you have any questions concerning these comments, please contact Maura Monagan by email at maura@lawaterkeeper.org.

Sincerely,

Bruce Reznik
Executive Director
Los Angeles Waterkeeper

Dr. Mark Gold
Director of Water Scarcity Solutions
Natural Resources Defense Council

Dr. Katherine Pease
Director of Science & Policy
Heal the Bay

CC: Nancy Sutley, Deputy Mayor of Energy and Environment, City of Los Angeles Office of Mayor Bass
Randall Winston, Deputy Mayor of Infrastructure, City of Los Angeles Office of Mayor Bass
Barbara Romero, Director and General Manager, City of Los Angeles Bureau of Sanitation & Environment
Marty Adams, General Manager & Chief Engineer, Los Angeles Department of Water and Power
Anselmo Collins, Senior Assistant General Manager of the Water System, Los Angeles Department of Water and Power
Councilmember Paul Krekorian, President, Los Angeles City Council
Councilmember Bob Blumenfield, Chair of the Budget, Finance, and Innovation Committee, Los Angeles City Council
Councilmember Katy Yaroslavsky, Chair of the Energy & Environment Committee, Los Angeles City Council