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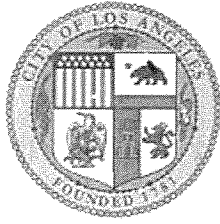
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August 4, 2021

BPW-2021-0545

The Honorable City Council
Room No. 395
City Hall

**LAND EASEMENT AND LEASE AGREEMENTS - DONALD C. TILLMAN WATER
RECLAMATION PLANT - U.S. ARMY CORPS OF ENGINEERS**

As recommended in the accompanying report of the Director of the Bureau of Sanitation, which this Board has adopted, the Board of Public Works recommends that the City Council:

1. CERTIFY the certification of the California Environmental Quality Act Initial Study/ Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Donald C. Tillman Water Reclamation Plant (DCTWRP) Land Use Agreements; and
2. AUTHORIZE the President or two members of the Board of Public Works and the Director of the Bureau of Sanitation to execute the proposed land easement agreement and a land lease agreement (Easement and Lease respectively) in the Sepulveda Basin between the City of Los Angeles, Bureau of Sanitation and the U.S. Army Corps of Engineers (USACE).

Fiscal Impact: There is no impact to the General Fund

Sincerely,

DR. FERNANDO CAMPOS,
Executive Officer, Board of Public Works

FC:lc



See page 5 for revised recommendation #3

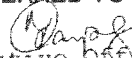
DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BOARD REPORT NO. 1
AUGUST 4, 2021

CD: 6

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California

AUG 04 2021
AND REFERRED TO THE CITY COUNCIL


Executive Officer
Board of Public Works

REQUEST AUTHORIZATION TO ENTER INTO LAND USE AGREEMENTS WITH THE U.S. ARMY CORPS OF ENGINEERS, FOR USE AND OPERATION OF THE DONALD C. TILLMAN WATER RECLAMATION PLANT IN THE SEPULVEDA BASIN IN LOS ANGELES COUNTY, CALIFORNIA, CONCUR WITH AND RECOMMEND ASSOCIATED ENVIRONMENTAL DOCUMENTATION TO CITY COUNCIL FOR THEIR CERTIFICATION

RECOMMENDATIONS

That the Board of Public Works (Board) authorize:

1. The President or two Commissioners of the Board and the Director and General Manager of Los Angeles Sanitation and Environment (LASAN) to execute the proposed land easement agreement and a land lease agreement (Easement and Lease respectively) (Transmittal No. 2) in the Sepulveda Basin between the City of Los Angeles (City), LASAN and the U.S. Army Corps of Engineers (USACE).
2. Upon execution, request the City Clerk to attest and certify five original copies of the Easement and Lease agreements. The City Clerk and the Board are to retain one original copy each, and the remaining original copies are to be returned to Christopher DeMonbrun of the Wastewater Engineering Services Division at (323) 342-15687 for further processing.
3. Review, concur with, and recommend to Los Angeles City Council certification of the California Environmental Quality Act (CEQA) Initial Study/Mitigated Negative Declaration (IS/MND) and Mitigation Monitoring and Reporting Program (MMRP) for the Donald C. Tillman Water Reclamation Plant (DCTWRP) Land Use Agreements (Transmittal No. 4).
4. Review and concur with the National Environmental Policy Act (NEPA) Final Environmental Assessment (EA) and Findings of No Significant Impact (FONSI) for DCTWRP (Transmittal No. 5).
5. Request that the Board approve the use of \$4,080,000 for In-Kind Services maintenance activities in the Sepulveda Basin in lieu of cash payment between LASAN and USACE to continue operation of DCTWRP (Transmittal No. 7).

TRANSMITTALS

1. Copy of the City and USACE lease agreements 1969 – 2015.
2. Copy of USACE Easement and Lease agreement documents.
3. Copy of the DCTWRP site layout.
4. Copy of CEQA Final IS/MND and MMRP; State Clearinghouse No. 2019039045.
5. Copy of NEPA Final EA and FONSI.
6. Copy of USACE approved Appraisal of DCTWRP leased area.
7. Copy of USACE approved In Kind Services Scopes of Work.

DISCUSSION

Background

LASAN owns and operates the DCTWRP facilities on land leased from the Federal government. Enacted in 1969 (Transmittal No. 1), the 50-year lease (USACE Lease Agreement No. DACW09-1-72-3) expired on October 31, 2019. DCTWRP, an integral component of the City's Clean Water Program was constructed to provide up-stream conveyance relief for major down-stream sewer interceptors as well as the Hyperion Water Reclamation Plant (HWRP). Currently, DCTWRP is rated to treat up to 80 million gallons per day (MGD) of wastewater. The tertiary treated water is used for landscape irrigation in the nearby area and also feeds the Japanese Garden Lake, the Wildlife Lake, the Balboa Recreation Lake (Lake Balboa), and the Los Angeles River.

The current lease agreement for DCTWRP consists of approximately 95.08 acres of land located in the northeastern corner of the Sepulveda Dam Reservoir (Transmittal No. 3). The western portion of the leased area utilizes the land for wastewater treatment purposes; whereas the eastern portion remains open for recreational purposes. The Federal Government, through USACE, has tentatively agreed to enter into land use agreements with the City in support of local and State objectives for the Clean Water Program. To authorize the land use agreements, the USACE designated regions of the current lease for wastewater treatment uses and recreational uses (Transmittal No. 2). The two (2) uses require different Federal actions to authorize. The first action (Federal Authorization Code 2668) authorizes the use of land for wastewater treatment purposes in the form of an easement (Easement). The Easement will be valid for a 35-year period following the end of the previous lease. The second action (Federal Authorization Code 460D) authorizes the use of land for recreational purposes in the form of a lease (Lease). The Lease will be valid for a 25-year period, which is set to begin at the end of the previous lease. The Lease requires renewal efforts beginning approximately 3-years prior to the end of the 25-year period. The two separate agreements will remain in place until it becomes necessary to utilize the current recreation area for wastewater treatment purposes and recycled water production. At that time the Lease will be incorporated into the Easement, which will expire at the end of the 35-year period.

The Easement and Lease will grant the City control of the site for 35-years and 25-years respectively, for one lump-sum funding authorization of \$4,080,000, as described in DCTWRP Appraisal (Transmittal No. 6). The City will be able to enter into a new land use agreement with USACE at the end of the 35-year period. The recreational Lease agreement will be reevaluated by USACE at the time of the Easement renewal.

Project Description

The Initial Study / Mitigated Negative Declaration (IS/MND) describes the projects that are intended to meet flood prevention requirements set by the USACE, as well as meeting the operational and administrative needs at DCTWRP. The projects included are the Berm Remediation Project (BRP), the Multi-Purpose Building (MPB), as well as a suite of Capital Improvement Projects (CIP) that would be undertaken to update plant facilities. These improvements include the expansion of recycled water production (Transmittal No. 4).

The BRP is a prerequisite directed by the USACE for the issuance of the Easement and Lease agreements, and is intended to ensure protection from potential flooding of the Sepulveda Flood Control Basin. Per the Federal Emergency Management Agency, the berm must be raised to a standard project flood (SPF) elevation of 713.5-ft (National Geodetic Vertical Datum of 1929) with additional freeboard of 2.5 feet, to equal the height of a 200-year flood with a factor of safety.

The MPB project is the construction of a permanent, new building containing approximately 18,000 square-feet of space and providing improved working conditions and permanent office space for City staff and the 75 volunteer docents for the Japanese Garden at DCTWRP. The new facility will provide adequate space for the existing rotating exhibits to be relocated from the Administrative Building and housed within a permanent exhibit hall. It will provide added space for educational programs, cultural events, and special events. The facility will be designed in accordance with the Leadership in Energy and Environmental Design (LEED) criteria to incorporate sustainable design features.

The CIP projects described in the IS/MND (Transmittal 4) are the Niwa Road Sewer Installation and the installation of Inflow and Effluent Flow Meter Vaults. The Niwa Road Sewer Installation project will provide sewer service for the Japanese Garden facilities and replace the existing septic tank system. The sewer will be installed along the Niwa Road, a plant access road directly north of the Japanese Garden. The Inflow and Effluent Flow Meter Vault project involves the installation of five (5) 4-foot diameter maintenance vaults for flow metering equipment. The vaults will be installed at various locations in the plant (Transmittal No. 3).

Anticipated benefits of the continued use of the DCTWRP site include, but are not limited to, utilizing the available underused treatment capacity of the Plant to provide recycled water for the advanced water purification process, and maintaining the existing levels of recycled water supplies for non-potable reuse customers. Other benefits include maintaining the functional and logistical integrity of LASAN operations, both in terms of capacity and ability to continue operations during high water events, as well as preserving future potential expansion capability for recycled water treatment and Advanced Water Purification Processes for groundwater recharge.

Draft MND Review and Comments

The Draft MND and Notice of Completion were provided to the California State Clearinghouse for distribution for a 30-day public review period on March 7, 2019. The Clearinghouse published it later that same day, and the review period ran from March 7th to April 5th. Comments were submitted from the California Department of Fish and Wildlife (CDFW), which requested that LASAN provide clear measures that would be implemented should sensitive bird species be found nesting within 500 feet of the work area. CDFW provided recommended language for the mitigation measures. In the same comment CDFW also indicated that LASAN shall adhere to CDFW Code sections 3503 and 3503.5, which pertain to all native bird species. LASAN incorporated CDFW's recommended mitigation measures as they apply to the least Bell's vireo, which is listed as endangered under the Federal Endangered Species Act and the California Endangered Species Act. Code section 3503 seeks to provide protection to nesting birds by not "...taking, possessing, or needlessly destroying the nest or eggs of any bird...". LASAN determined that the existing measures adequately provide this protection, and therefore is in compliance with section 3503. Code section 3503.5 prohibits the "taking, possessing, or destroying any birds in the orders Falconiformes or Strigiformes (birds of prey) ...". LASAN determined that this condition would not occur under the proposed project, and therefore is in

compliance with section 3503.5. The language in the IS/MND was modified to reflect this direction and did not change the significance determinations. As such the IS/MND complied with the State Clearinghouse review requirements for draft documents, pursuant to CEQA.

NEPA Environmental Assessment and Findings of No Significant Impact

Environmental documentation is required for all Federal actions related to the usage of Federal lands. For the DCTWRP land use agreements an Environmental Assessment (EA) and Findings of No Significant Impact (FONSI) were required. LASAN prepared the necessary EA and FONSI (Transmittal No. 5), and USACE approved them on September 27, 2019. No action by the Board is necessary, and this information is included for the sake of reference.

In-Kind Services

The USACE is authorized to allow operations and maintenance activities to be performed on Federal Land in lieu of payment to the United States Treasury. This authorization allows dollars that would be provided to the Treasury Department to be utilized locally. These In-Kind Services efforts will be performed to the total cost of the lump sum value of the easement and lease as (Transmittal No. 6). USACE has provided three (3) scopes of work that LASAN has agreed to perform in lieu of providing a lump sum payment of \$4,080,000 to the US Treasury (Transmittal No. 7).

STATUS OF FINANCING

There is no impact to the General Fund. The total funding for these Land Use Agreements is not to exceed \$4,080,000. Funding for the in-kind services will be provided by the Sewer Operations and Maintenance Fund No. 760. Specific funding information will be provided at the time of award of any contracts required to provide the in-kind services.

Respectfully Submitted,



BARBARA ROMERO
Director and General Manager
Bureau of Sanitation

REVIEWED AND APPROVED BY:



LISA B. MOWERY, Chief Financial Officer
Bureau of Sanitation
Date: 7/20/21

Prepared by:
Chris DeMonbrun, WESD
(323) 342-1567

*REVISED RECOMMENDATION #3

3. ~~Review, concur with, and recommend~~ ***Certify the** to Los Angeles City Council certification of the California Environmental Quality Act (CEQA) Initial Study/Mitigated Negative Declaration (IS/MND) and Mitigation Monitoring and Reporting Program (MMRP) for the Donald C. Tillman Water Reclamation Plant (DCTWRP) Land Use Agreements (Transmittal No. 4).