REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 28, 2026

CAO File No. 0130-02187-0000
Council File No.
Council District: ALL

To: The City Council

From: Matthew W. Szabo, City Administrative Officer

Subject: **FEDERAL AND STATE GRANT APPLICATIONS: AUTHORITY TO APPLY FOR THE U.S. DEPARTMENT OF INTERIOR BUREAU OF RECLAMATION – WATERSMART DROUGHT RESPONSE PROGRAM GRANT FY 2026**

RECOMMENDATIONS

That the Council, subject to approval of the Mayor:

1. Authorize the Director of the Bureau of Sanitation (BOS) or designees to prepare and submit a grant application for the U.S. Department of Interior, Bureau of Reclamation, WaterSMART Drought Response Program Grant – FY 2026 proposal; and,

2. Instruct the Director of the BOS, or designees, to report back if the City is awarded the grants, to request authority to accept the grant awards, and to request approval for any related actions to implement the grant awards.

DISCUSSION

On March 5, 2026, the U.S. Department of Interior, Bureau of Reclamation released a notice of funding availability for a WaterSMART Drought Response Program (DRP) – FY 2026 grant. The DRP grant will provide funding to support the implementation of drought mitigation projects that will build long-term resilience to drought. The DRP grant application was due on July 28, 2026 and BOS submitted one project proposal for the Oro Vista Avenue Local Area Urban Flow Management Project.

The BOS grant application was for $1.5 million; the proposed project will combine gray and green infrastructure to capture and infiltrate 22 acre-feet per year of stormwater to build resilience against the risks of drought, flooding, and extreme heat. The project will include 1,393 linear feet of new storm drain, 13 flood control catch basins, 22 drywells with pretreatment structures, 4.300 square feet of permeable concrete sidewalk and 37 new street trees.

Applicant Eligibility and Availability of Funding

Applicants eligible to receive financial assistance to fund activities include:

- States, Indian Tribes, irrigation districts, and water districts.

- State, regional, or local authorities, the members of which include one or more organizations with water or power delivery authority.
- Other organizations with water or power delivery authority

All DRP grant applicants must be located in one of the following States or Territories: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, American Samoa, Guam, the Northern Mariana Islands, the Virgin Islands, or Puerto Rico.

BOS applied for the DRP grant under Task A: Helping communities prepare and respond to drought and other water scarcity situations by increasing the reliability of water supplies, improving water management and proactive measures to build long-term drought resiliency and address water supply shortages. Eligible infrastructure projects include the capture of alternative supplies, such as stormwater.

There are $13.5 million in funds available for distribution under the DPR grant. It is anticipated that eight to twenty DRP grants will be awarded depending on the amount requested by each applicant and the amount of Federal funding available.

Cost Sharing Requirements

The DRP grant has a cost-sharing requirement of 50 percent or more of the total project costs. BOS is requesting $1.5 million from the DRP grant program and the total project cost is $41.4 million. To date, the project has received $7.8 million in Regional Safe Clean Water Program funds and $3 million from the City's General Fund. The project will require $29.1 million in future funding which is anticipated from the Safe Clean Water Program funds.

The total project cost for both grants is defined as the total allowable costs incurred under a Federal award and all required cost share and voluntary committed cost share contributions, including third-party contributions. Cost share may be made through non-federal cash, costs contributed by the applicant, or third-party in-kind contributions. Cost-share funding from sources outside the applicant's organization (e.g., state grants) should be secured and available to the applicant prior to the award.

Required Approval to Accept Award

In accordance with Los Angeles Administrative Code Section 14.6(a), all departments are required to seek Mayor and Council approval before accepting and receiving a grant award. It is therefore recommended that BOS report back to the Mayor and Council upon award notification to request authority to accept and receive the grant award and confirm that there is no additional General Fund impact.

FISCAL IMPACT STATEMENT

Approval of the recommendations in this report will not result in a General Fund impact. There is a 50 percent matching funds requirement for the DRP grant. However, upon notification of a grant award, a reassessment on the General Fund impact should be completed as it relates to either lower than

requested grant award amounts, verification of local match requirements, or front-funding for grants on a reimbursement basis.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City's Financial Policies.

Attachment: Proposed Grant Projects

MWS/JWW/JVW:JAS/SG:10270010

cc: CAO Grant Coordination

ATTACHMENT 1 – PROPOSED GRANT PROJECTS

Grant Administrator: U.S. Department of Interior, Bureau of Reclamation
Name of Grants: WaterSMART Drought Response Program: Drought Resiliency Projects FY 2026 (DRP)
NOFO Release Date: March 5, 2026
Award Date: Approximately January 2027
Performance Period: 2 years (DRP)

Lead Department	Project Name	WaterSMART Drought Response Program: Drought Resiliency Grant Project Description	Total Project Budget (in millions)	Total Grant Request (in millions)	Local Match (in millions)	Planned Completion Date
Bureau of Sanitation (BOS)	Oro Vista Avenue Local Area Urban Flow Management Project	The project will combine gray and green infrastructure to capture and infiltrate up to 22 acre-feet per year of stormwater to build resilience against risks of drought, flooding, and extreme heat.	$41.4	$1.5	$39.9	3 years (11/2029)