

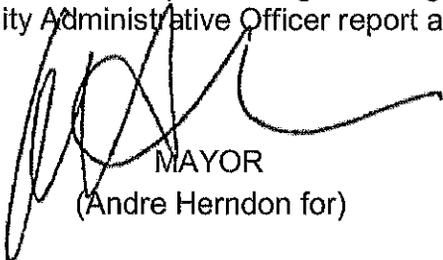
0150-11992-0000

TRANSMITTAL

TO Martin L. Adams, General Manager Los Angeles Department of Water and Power	DATE 02/28/2022	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT All	

**APPROVAL TO ENTER INTO TWELVE LAND USE / ENVIRONMENTAL COVENANTS
 FOR PROPERTIES UNDER REGULATORY OVERSIGHT BETWEEN
 THE LOS ANGELES DEPARTMENT OF WATER AND POWER AND VARIOUS AGENCIES**

Approved and transmitted for further processing including Council consideration.
 See the City Administrative Officer report attached.


 MAYOR
 (Andre Herndon for)

MWS:IR:10220055

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: January 19, 2022

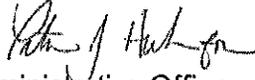
CAO File No.: 0150-11992-0000

Council File No.:

Council District:

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer



Reference: Communication from the Department of Water and Power dated November 2, 2021; referred by the Mayor for report on November 10, 2021

Subject: **AUTHORIZATION TO ENTER INTO TWELVE LAND USE/ENVIRONMENTAL COVENANTS FOR PROPERTIES UNDER REGULATORY OVERSIGHT BETWEEN THE LOS ANGELES DEPARTMENT OF WATER AND POWER AND VARIOUS AGENCIES**

RECOMMENDATION

That the Mayor:

1. Approve the proposed Resolution and Ordinance authorizing the Board of Water and Power Commissioners and the Los Angeles Department of Water and Power to enter into twelve land use covenants or deed restrictions on LADWP properties with Federal, State or local regulatory authorities to facilitate environmental remediation as follows:
 - a. Avenue 21 Property (140-154 Avenue 21, Los Angeles, CA 90031)
 - b. Former Dave K Roberts Automotive (292 South Main Street, Bishop, CA 93514)
 - c. Former Gravel Pit, Valley Generating Station (11801 Sheldon Street, Sun Valley, CA 91352)
 - d. Former LLO Gas (1223 North Main Street, Bishop, CA 93515)
 - e. Harbor North Yard (8627 Fir Avenue, Watts, CA 90002)
 - f. Lincoln Heights Service Center (3101 Artesian Street, Los Angeles, CA 90031)
 - g. Main Street Center (1630 North Main Street, Los Angeles, CA 90012)
 - h. Palms Service Center (2311 South Fairfax Avenue, Los Angeles, CA 90016)
 - i. Streetlight Headquarters (611 North Hoover Street, Los Angeles, CA 90004)
 - j. Truesdale Center (11797 Truesdale Street, Sun Valley, CA 91352)
 - k. Western District Yard (5898 Venice Boulevard, Los Angeles, CA 90019)
 - l. Wilmington Gramercy Right-of-Way (Assessor's Parcel Numbers: 7339-009-901, 7339-009-909, 7339-009-272, 7339-008-913, 7339-008-911, 7339-007-901, 6121-002-901, 6121-003-902, 6121-004-901, and 6120-023-908)
2. Instruct the Department to submit an annual report to the Board and the City Council by March 1st of each year to report back on the recording of land use covenants executed, including

remediation efforts on properties; and,

3. Authorize the Chief Accounting Employee of LADWP, upon certification to draw demands upon the Power and Water Revenue Funds in accordance with the terms of such land use covenants and deed restrictions to support administrative and monitoring fees and costs required; and,
4. Return the proposed Resolution and Ordinance to the Department for further processing, including Council consideration, and approval pursuant to Charter Section 675(d) (2).

SUMMARY

The Board of Water and Power Commissioners (Board) and the Los Angeles Department of Water and Power (LADWP) request approval of the proposed Resolution and Ordinance which authorizes the Board to enter into twelve specific land use covenants or deed restrictions with Federal, State or local regulatory agencies who oversee the investigation, cleanup, and remediation for impacted LADWP facilities which pose environmental hazards. Approval will allow for timelier clean-up activities to ensure compliance with regulatory directives and deadlines, and places restrictions on a case by case basis for proposed sites rather than a complete closure, which may impact facility operations or system reliability. Currently, each land use covenant is presented separately to the Board and the City Council for approval, which may extend the time for cleanup and productive use of the site.

The fiscal impact is limited to the administrative, oversight, and monitoring fees and costs of the regulatory agencies, which is anticipated to not exceed \$10,000 annually for each site.

The City Council is required to approve this action pursuant to the City Charter Section 675 (d)(2), in that no real property rights or interest held by the Board shall be sold, leased, or otherwise disposed of, or in any manner withdrawn from its control, unless authorized by the Board, and approved by the City Council.

BACKGROUND

The LADWP owns and operates facilities throughout California and Nevada which provide clean water and reliable energy to the City of Los Angeles. Several of these facilities have been impacted by historical hazardous materials and are operating under regulatory oversight by federal, state or local agencies through land use or environmental covenants to protect human health and the environment.

The following twelve sites have been identified for which a land use covenant may be pursued in the near future:

- a. Avenue 21 Property (140-154 Avenue 21, Los Angeles, CA 90031)
- b. Former Dave K Roberts Automotive (292 South Main Street, Bishop, CA 93514)
- c. Former Gravel Pit, Valley Generating Station (11801 Sheldon Street, Sun Valley, CA 91352)
- d. Former LLO Gas (1223 North Main Street, Bishop, CA 93515)
- e. Harbor North Yard (8627 Fir Avenue, Watts, CA 90002)
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A land use or environmental covenant is placed on a property outlining environmental restrictions for a specific site and would facilitate the planning, oversight, investigation, and/or remediation of a release or threatened release of any hazardous substances at or from the LADWP property where existing standards of remediation may be infeasible. Once a covenant is implemented, land use restrictions would remain in perpetuity allowing LADWP to maintain system reliability or until LADWP receives approval from the regulatory agency to remove the restrictions or conditions in the covenant or to terminate the covenant in its entirety.

GOVERNANCE

The City Charter Section 675 (d) (2) requires that each covenant entered into must be approved by the Board and the City Council in that no real property rights or interest held by the Board shall be sold, leased, or otherwise disposed of, or in any manner withdrawn from its control, unless authorized by the Board, and approved by the City Council. By entering into a covenant, the use of the property is therefore restricted as the LADWP is granting a third party the right to control how LADWP can use the property.

Each year, no later than March 1st, LADWP will provide a status update to the Board and the City Council and report back on the recording of land use covenants executed during the previous calendar year, including the remediation efforts which have taken place.

The City Attorney has approved the proposed Resolution and Ordinance as to form and legality.

FISCAL IMPACT STATEMENT

There is no General Fund impact. Approval of the proposed Resolution and Ordinance allows for the Board and LADWP to enter into land use covenants or deed restrictions with regulatory agencies and will require LADWP to pay certain administrative and monitoring fees and costs. The Department anticipates the average cost at \$10,000 per site to be paid from the Power and Water Revenue Funds, as applicable. The proposed request complies with the LADWPs adopted Financial Policies.

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Attachments