



BOARD LETTER APPROVAL

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Senior Assistant General Manager –  
External and Regulatory Affairs and  
Chief Sustainability Officer

**MARTIN L. ADAMS**  
General Manager and Chief Engineer

**DATE:** March 7, 2022

**SUBJECT:** Approval for the LADWP Board of Water and Power Commissioners to Enter into Environmental Covenants for Properties Under Regulatory Oversight

**SUMMARY**

The proposed attached Resolution recommends the LADWP Board of Water and Power Commissioners (Board) be provided with authority to authorize the execution and recording of Environmental Covenants restricting the use of LADWP properties for specified purposes where LADWP is working in collaboration with Federal, State, and local regulatory agencies to address contamination and remediation options. Such authority would allow LADWP to pursue effective and timely clean-up activities while facilities remain in operation, thereby preserving system reliability, protecting public interests, and avoiding potential enforcement action by regulatory agencies.

The sites will include properties such as the following:

- a) Avenue 21 Property (140-154 Avenue 21, Los Angeles, CA 90031)
- b) Former Dave K Roberts Automotive (292 S Main Street, Bishop, CA 93514)
- c) Former Gravel Pit, Valley Generating Station (11801 Sheldon Street, Sun Valley, CA 91352)
- d) Former LLO Gas (1223 N Main Street, Bishop, CA 93515)
- e) Harbor North Yard (8627 Fir Avenue, Watts, California 90002)
- f) Lincoln Heights Service Center (3101 Artesian Street, Los Angeles, CA 90031)
- g) Main Street Center (1630 N Main Street, Los Angeles, CA 90012)
- h) Palms Service Center (2311 S Fairfax Avenue, Los Angeles, CA 90016)
- i) Streetlight Headquarters (611 N 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)

City Council approval by Ordinance is required per City Charter Section 675(d)(2). The attached draft ordinance has been reviewed by the City Attorney's Office and will be transmitted to the City Council upon Board approval.

### **RECOMMENDATION**

It is recommended that the Board adopt the attached Resolution approving and recommending that the City Council adopt an ordinance granting Board the authority to approve, execute and direct the recording of Environmental Covenants with Federal, State, and local regulatory agencies.

### **ALTERNATIVES CONSIDERED**

No other alternatives were considered. Without the authority to enter into environmental land use restrictions, LADWP would be unable to expedite cleanup of sites currently in use potentially impacting system reliability. Each Environmental covenant would have to be separately presented to the City Council for approval by ordinance extending the time for cleanup and potentially delaying productive use of the property and increasing the potential for enforcement actions.

### **FINANCIAL INFORMATION**

Entering into Environmental Covenants may restrict and impact the value of LADWP property. LADWP shall be responsible for funding costs to implement oversight of the deed restriction terms. Additional funding on average of \$10,000 annually would be required to fund regulatory agency oversight.

### **BACKGROUND**

LADWP owns and operates facilities throughout the City of Los Angeles, California, and the Western and Southwestern states to provide reliable water and energy needs to its residents. A number of these facilities have been impacted by historical hazardous materials business practices and are operating under regulatory oversight by agencies with a vested interest in cleanup and remediation. A Land Use Covenant in the context of an agreement is commonly required by regulatory agencies and would facilitate the planning, oversight, investigation and/or remediation of a release or threatened release of any hazardous substance at or from the LADWP property where existing standards of remediation may be infeasible.

Environmental Covenants would be of use at these facilities to minimize the risk of human exposure to pollutants and hazards to the environment through land activity and use restrictions allowing LADWP to expedite site investigation and cleanup activities and avoid potential enforcement action. Land use restrictions would remain in perpetuity, allowing LADWP to maintain system reliability while conducting site remediation as directed by regulatory agencies including, but not limited to, the following:

- California Department of Toxic Substances Control
- California Regional Water Quality Control Board
- United States Environmental Protection Agency

Responsibility for review, implementation, and oversight of Land Use Covenants shall fall under the purview of Environmental Affairs, Real Estate, and Legal.

Approval of the recommendation would allow the Board to approve and authorize the execution of the environmental land use covenants with regulatory authorities. On March 1 of each year, LADWP will report to the City Council the Environmental Covenants approved and entered into by the Board.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report is attached and was approved February 28, 2022.

### **ENVIRONMENTAL DETERMINATION**

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3). It has been determined that granting the authority to execute and record of Environmental Covenants is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3). General Exemptions apply in situations where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. Any action or activity that is planned as a result of the Environmental Covenants will undergo its own independent CEQA review.

### **CITY ATTORNEY**

The Office of the City Attorney reviewed and approved the Resolution as to form and legality.

### **ATTACHMENTS**

- Resolution
- Draft Ordinance
- City Administrative Officer's Report