

## State Water Resources Control Board

**MAY 21 2019**

Suja Lowenthal, City Manager  
City of Hermosa Beach  
1315 Valley Drive  
Hermosa Beach, CA 90254

INTENT TO WITHDRAW PROPOSITION 13 COASTAL NONPOINT SOURCE CONTROL PROGRAM (PROGRAM) FUNDING AWARD FOR THE CITY OF HERMOSA BEACH (CITY) HERMOSA BEACH GREENBELT INFILTRATION PROJECT (PROJECT); AGREEMENT NO. D1712669

Dear Ms. Lowenthal:

In March 2018, the State Water Resources Control Board's (State Water Board) Division of Financial Assistance (DFA) Deputy Director executed a grant agreement for the Project. The total cost of the Project is \$6,435,000, including a local match component in the amount of \$3,335,600. To date, no funds have been disbursed.

Due to delays in the submittal of key deliverables resulting from public opposition to the Project, on December 20, 2018, the Division issued a Breach of Agreement letter requiring the City to submit delinquent progress reports and invoices, necessary forms, and updates to the funding application documents based on a new project location.

On March 27, 2019, the City identified a new project location in the city of Redondo Beach. On April 1, 2019, the City submitted minor modifications to the funding application but maintained the original project scope, benefits, design criteria for construction elements, drainage area, and detailed budget. The updated Project schedule was not realistic due to the insufficient amount of time allotted between key milestones and for the Division's review of deliverables.

On April 17, 2019, the Division held a conference call with the City to discuss next steps for the Project and the Division's concerns on the submitted documentation for the new Project site. During the call it was apparent that there was a significant amount of uncertainty and challenges that would impact the timely implementation of the Project at the new site. Some of these challenges include the need for buy-in from the community and local municipalities, new feasibility study and design plans that may impact the original scope of work and benefits claimed, and a change in the grant recipient, since the new project location is not within the City's jurisdiction.

The funding Agreement was negotiated for the Project after a competitive process involving a thorough evaluation of the City's grant application, including the scope of work, budget, and schedule. Due to the concerns mentioned above, the Division intends to withdraw the funding award for the Project.

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

If you wish to dispute the withdrawal, please respond in writing to DFA Deputy Director Leslie S. Laudon at 1001 I Street, Floor 16, Sacramento, CA 95814, within thirty (30) calendar days from the date of this letter.

If you have any questions regarding this letter, please feel free to contact Daman Badyal, Program Manager, at [Damanvir.Badyal@waterboards.ca.gov](mailto:Damanvir.Badyal@waterboards.ca.gov) or at (916) 319-9436

Sincerely,

A handwritten signature in blue ink, appearing to read "Joe Karkoski".

Joe Karkoski, P.E.  
Assistant Deputy Director  
Division of Financial Assistance

cc: Spencer Joplin, Grant Manager  
Division of Financial Assistance

Damanvir Badyal, Storm Water Grant Program Manager  
Division of Financial Assistance

Debbie Cheung, Staff Services Manager I  
Division of Financial Assistance

Meghan Tosney, Bonds Section Chief  
Division of Financial Assistance