

Infiltration Project - City Council - 26 March 2019 - D. Grethen

City Council should not direct that Hermosa Beach withdraw from, or substantially alter, the EWMP MOU and associated project plans without an evaluation of the associated legal and financial risks to the city. I do not see any such evaluation in the staff report.

Nor is there any indication in the staff report of the magnitude, types, and costs of projects that might be implemented locally if Hermosa Beach dissolves the MOU and chooses to comply with water quality and discharge requirements on its own. It could turn out that even the projects under this scenario would generate significant resident concerns like we are seeing now, so it would be unfortunate to alter our plans at great risk and cost, only to see similar concerns.

It is possible that our neighboring city partners in the EWMP may seek to recover financial compensation from Hermosa Beach for their impacts from our refusal to site the currently planned (or a substantially similar) project with our city. There may be several mechanisms by which these impact occur, and we need to understand their likelihood and consequences, as there may be scenarios that are financially calamitous for Hermosa Beach if legal action is pursued.

The impacts to EWMP partners Redondo Beach, Torrance, and Manhattan Beach might be viewed in terms of increased project costs to revised plans, as well as associated delay costs. The increased project costs would fundamentally result from the inefficiencies of a 'stove-piped' approach to meet program requirements within smaller geographic areas, as opposed to the current EWMP approach taken at the watershed level. There would be various delay costs associated with a late start to implement all of these newly formulated project plans, but perhaps the greatest delay cost risk would be failure to complete the projects in time to avoid fines for program noncompliance. And then of course there is potential failure to succeed in future pursuits to recapture lost grant funding, as well as loss of sunk costs such as design expenditures for abandoned current plans.

We need to know what assurance there is that Hermosa Beach will not be deemed legally responsible for our EWMP partner cities' increased costs (and possibly fines) by our failure to meet the commitments we have made in the MOU. I do not mean to be overly alarmist here, but we must ask these types of questions. And unfortunately time seems to be running out.

Without such assurances, we should choose one of the proposed locally sited options. South Park appears to be viable and less disruptive than the Greenbelt due to its geography and relative residential proximity, though it may be somewhat more costly. However, if we seek to pursue this alternative, we must be confident that we can show the effectiveness of this project to ensure retention of our substantial grant funds, and also believe that this approach will not perturb our neighbor city partners in the EWMP to the point where substantial cost recovery is sought from Hermosa Beach.

David Grethen - Hermosa Beach Resident