



Staff Report

File #: REPORT 20-0463, Version: 1

**Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of July 28, 2020**

**DISSOLUTION OF MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF HERMOSA BEACH, THE CITY OF
MANHATTAN BEACH, THE CITY OF REDONDO BEACH, THE
CITY OF TORRANCE, AND THE LOS ANGELES COUNTY FLOOD
CONTROL DISTRICT RELATED TO DESIGN OF JOINT REGIONAL
PROJECTS WITHIN THE SMB 6-01 ANALYSIS REGION OF THE
ENHANCED WATERSHED MANAGEMENT PROGRAM (EWMP)
FOR THE BEACH CITIES WATERSHED MANAGEMENT GROUP
(Environmental Programs Manager Douglas Krauss)**

Recommended Action:

Staff recommends that City Council:

1. Approve the dissolution of Memorandum of Understanding (MOU) between the City of Hermosa Beach, the City of Manhattan Beach, the City of Redondo Beach, the City of Torrance, and the Los Angeles County Flood Control District related to design of joint regional projects within the SMB 6-01 analysis region of the Enhanced Watershed Management Program (EWMP) for the Beach Cities Watershed Management Group; and
2. Reappropriate \$160,000 from the Capital Improvement Fund for Capital Improvement Project (CIP) 542 in the 2019-20 Budget to the 2020-21 Budget to fund a feasibility study as outlined in the dissolution of the MOU.

Executive Summary:

The dissolution of the MOU would help the Beach Cities Watershed Management Group (Beach Cities Group) move forward with a feasibility study to determine alternate projects to accomplish the stormwater treatment equivalent of the canceled Herondo Drain Infiltration Project (Project). This includes the City of Hermosa Beach contributing an amount not to exceed \$160,000 to help fund the feasibility study. The City of Hermosa Beach would return funds related to the Project to its fellow EWMP Group agencies and the City of Hermosa Beach would be released from any potential liabilities resulting from cancellation of the Project and forfeiture of grant funding associated with the Project.

Background:

The cities of Hermosa Beach, Torrance, Redondo Beach, Manhattan Beach, and the Los Angeles County Flood Control District formed the Beach Cities Group to develop an Enhanced Watershed

Management Program (EWMP) to comply with the Los Angeles Regional Water Quality Control Board's (Regional Board) 2012 NPDES Permit and the Santa Monica Bay Beaches Bacteria (SMBBB) TMDL and Santa Monica Bay Toxics TMDL. The Beach Cities EWMP was submitted to the Regional Board on February 9, 2016 and was approved by the Executive Officer of the Regional Board via a letter dated April 18, 2016. The WMP Group was directed by the Executive Officer of the Regional Board to begin implementation of the EWMP immediately including construction of identified capital projects.

The Herondo Drain Infiltration Project (Project), according to the reasonable assurance analysis, was the highest priority project in the Beach Cities EWMP that could achieve the greatest reduction in bacteria levels at the Herondo Drain Outfall in Hermosa Beach. The City of Hermosa Beach was awarded a Proposition 1 Stormwater Implementation Grant of \$3,099,400 to design and construct a subsurface stormwater infiltration project in a section of the southern end of the Hermosa Beach Greenbelt. The grant represented approximately one half of the estimated total project cost and the cities of Hermosa Beach, Torrance, Redondo Beach, Manhattan Beach signed a Memorandum of Understanding (MOU) to cost-share the balance of local matching funds (**Attachment 1**). Hermosa Beach was the lead agency for the grant.

At its March 26, 2019 meeting, in response to significant community concerns expressed at a number of public meetings related to project impacts and proportionality of siting the largest infiltration project in the City with the smallest contribution, and after considering alternative locations within Hermosa Beach, the Hermosa Beach City Council directed staff to initiate an amendment or dissolution of the Beach Cities Group cost-sharing MOU for the design of the project and to negotiate a suitable substitute project or revised MOU. The grant funding was consequently withdrawn by the State Water Resources Control Board.

Analysis:

Per the project's cost-sharing MOU, the cities of Manhattan Beach, Redondo Beach, and Torrance deposited the amounts shown below with the City of Hermosa Beach to cover the anticipated costs of the design stage of the Project. The County of Los Angeles was only obligated to contribute to the construction costs for the project, and thus did not contribute at this design stage of the project.

Party	Percent Responsibility as shown in Table A-1 of the MOU	Distributed Cost by Agency
City of Hermosa Beach	13.6%	\$115,550.50
City of Manhattan Beach	2.5%	\$21,240.90
City of Redondo Beach	50.8%	\$431,615.05
City of Torrance	33.1%	\$281,229.50

Total Design Phase Cost Distributed among PARTIES	100%	\$849,635.95
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The City of Hermosa Beach contracted with Tetra Tech to serve as the engineering design consultant for the project. Tetra Tech completed a feasibility study of the project which was then used to present the Project to the public in a series of City Council and other public meetings. Once it was decided by Council to cancel the project, direction was given to investigate other potential projects, including a project located under Francisca Avenue in Redondo Beach (**Attachment 2**). The State Water Board issued a Breach of Agreement notice in January 2019 to which the City responded with updates on the project and information on potential alternative projects. Due to uncertainty over the feasibility and timelines of these alternatives, the State Water Board required the City to forfeit the grant funding, none of which had been spent.

City staff and attorneys met with staff and attorneys from the cities of Torrance, Manhattan Beach, and Redondo Beach in September of 2019 to discuss and negotiate the terms of the draft dissolution MOU and next steps for achieving compliance with pollution reduction requirements (**Attachment 3**). The dissolution MOU has been under review by the respective partner agencies and has now been approved and executed by the city councils of all three partner cities. In addition, staff from the Beach Cities Group partners held a meeting with Regional Board staff in January 2020 to discuss the progress of the group's search for alternative projects and compliance strategies. Staff will continue to communicate with Regional Board staff as additional project sites are identified, studied, and eventually incorporated into an updated EWMP.

Should this dissolution of the MOU be approved, the City of Hermosa Beach would return each city's deposited funds in the following amounts, in exchange for identifying alternative project site(s):

Party	Distributed Cost by Agency
City of Manhattan Beach	\$21,240.90
City of Redondo Beach	\$431,615.05
City of Torrance	\$281,229.50

Dissolution of this MOU is an important step for the EWMP group to move forward with an alternate storm water compliance strategy. The dissolution includes a commitment not-to-exceed \$160,000 by the City of Hermosa Beach to fund feasibility studies to explore other projects to replace the abandoned Greenbelt project. Redondo Beach would be the lead on the feasibility study, which would explore possible project sites in Redondo Beach and Hermosa Beach within this same drainage area. Under the agreement, the initial focus of the study would be to identify alternative project sites in Redondo Beach and if a site in Hermosa is necessary to meet the water quality standards, the project would be more proportionate to Hermosa Beach's drainage contribution to the

Herondo Drain (no more than 150% of the city's drainage contribution to that drain or approximately 128 acre-feet). This feasibility study would produce 30% design plans for up to five sites and is included in an additional MOU for the required update of the EWMP, to be brought separately to Council for approval. In addition, the City of Torrance is studying projects within Torrance that may help capture storm water runoff volumes upstream and thus allow for a reduction in the size of projects deemed necessary downstream. A feasibility study would also help better position the group to be able to apply for funding more effectively, especially Safe, Clean Water (Measure W) funds.

Past Council Actions

Meeting Date	Description
June 23, 2015	Authorized submission of the draft EWMP to the Regional Water Quality Control Board and Adopt Los Angeles County Program Environmental Impact Report
August 22, 2017	Approval of MOU between the Beach Cities group to accept the grant funding and implement the Greenbelt project
March 26, 2019	Initiate a Dissolution of the MOU and forfeit grant funding
April 9, 2019	Approval of Feasibility Investigation of Francisca Avenue

General Plan Consistency:

This report and associated recommendations have been evaluated for their consistency with the City's General Plan. Relevant Policies are listed below:

Infrastructure

Goal 5. The stormwater management system is safe, sanitary, and environmentally and fiscally sustainable.

Policies:

- **5.1 Integration of stormwater best practices.** Integrate stormwater infiltration best practices when initiating streetscape redevelopment or public facility improvement projects.
- **5.8 Low impact development.** Require new development and redevelopment projects to incorporate low impact development (LID) techniques in project designs, including but not limited to on-site drainage improvements using native vegetation to capture and clean stormwater runoff and minimize impervious surfaces.

Fiscal Impact:

The City of Hermosa will return the \$734,085.45 in funds deposited with the City by the other EWMP partners as detailed above. The funds were set aside in 2018-19 in the Grant Fund. In addition, the City commits a not-to-exceed amount of \$160,000 to fund a new feasibility study of additional project sites, to be paid from storm drain funds. Staff recommends that the City Council reappropriate \$160,000 from the Capital Improvement Fund for Capital Improvement Project (CIP) 542 in the 2019-20 Budget to the 2020-21 Budget to fund a feasibility study as outlined in the dissolution of the MOU.

Attachments:

1. Cost-sharing MOU between EWMP group for Project
2. Staff Report from April 9, 2019
3. Draft dissolution MOU

Respectfully Submitted by: Douglas Krauss, Environmental Program Manager

Concur: Marnell Gibson, Public Works Director

Noted for Fiscal Impact: Viki Copeland, Finance Director

Legal Review: Mike Jenkins, City Attorney

Approved: Suja Lowenthal, City Manager