



City of Culver City

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Staff Report

File #: 21-388, Version: 2

Item #: C-10.

1) Approval of a Memorandum of Understanding (MOU) with the City of Beverly Hills in an Amount Not-to-Exceed \$3.5M for the Joint Development of the Culver Boulevard Stormwater Filtration/Retention Regional Project; and (2) FOUR-FIFTHS VOTE REQUIREMENT: Approval of a Related Budget Amendment.

Meeting Date: October 26, 2020

Contact Person/Dept: Kim Braun/PW
Phone Number: 310-253-6421

Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☐ No ☒

Public Hearing: ☐ **Action Item:** ☐ **Attachments:** ☒

Commission Action Required: Yes ☐ No ☐ **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (10/21/2020);

Department Approval: Charles D. Herbertson, PW Director/City Engineer (10/14/2020)

RECOMMENDATION

Staff recommends the City Council 1) approve a Memorandum of Understanding (MOU) with the City of Beverly Hills in an amount not-to-exceed \$3,500,000 for the joint development of the Culver Boulevard Stormwater Filtration/Retention Regional Project; and (2) approve a related budget amendment in the amount of \$3,500,000 **(requires a four-fifths vote)**.

BACKGROUND/DISCUSSION

The City's discharge of urban and stormwater runoff through its Municipal Separate Storm Sewer System (MS4) is regulated by the Federal Clean Water Acts (CWA), and the State implementation law known as the Porter-Cologne Act. The current MS4 Permit issued by the Los Angeles Regional Water Quality Control Board ("Regional Board") allows permittees, including the City, to meet water quality standards under the CWA by implementing Watershed Management Programs (WMPs) or Enhanced Watershed Management Programs, which are technical planning documents that use Low Impact Development (LID), green streets and regional projects that capture and treat urban runoff. The City is a member of the Ballona Creek Watershed Management Group (BC-WMG) which developed the BC-EWMP that formulated each member's compliance strategies and milestones. In

the EWMP, the City will need to capture or control the equivalent of 99.9 acre-feet of runoff per rain event through the means designated in the EWMP to meet its regulatory obligations under the MS4 Permit.

In managing urban and stormwater runoff, regional projects are the most cost-effective solutions. Regional projects are centralized facilities typically treating up to several hundred acre-ft. of runoff from large drainage areas as opposed to projects such as green streets, which is a street segment approach with smaller stormwater capture capacity.

The Culver Boulevard Stormwater Filtration and Retention Project is a signature regional project identified in the BC-EWMP. The project is designed to treat 796 acres of drainage areas and capture and treat 19.5 acre-ft. of runoff per rain event. During the design phase, it was determined that Culver City will need 13.1 acre-ft. of capacity to capture and treat its tributary drainage area, leaving 6.4 acre-ft. of excess capacity available for credit trading for compliance. The project design includes diversion structures, pre-treatment units, underground storage facility and treatment systems and a re-use irrigation system for landscape.

The Culver Boulevard Stormwater Filtration and Retention Project was initially a partnership between the cities of Los Angeles and Culver City. Culver City is the lead agency on the project and was awarded a total of \$7.7M from Prop 84 grants. The remaining costs for the project were to be funded by Culver City and the City of Los Angeles. Los Angeles' participation in the Project would require a financial contribution of a not-to-exceed amount of \$3.5M for a 4.4 acre-feet compliance credit toward the overall goal. However, the City of Los Angeles determined that the required \$3.5M overextended its available budget and withdrew from participation in the project.

The City approached Beverly Hills for interest in collaborating on this project after the City of Los Angeles de-committed due to lack of funding. This was an original concept of cost sharing to obtain compliance credits for municipalities that do not drain urban run-off directly into the project area. In addition to compliance credit, this opportunity is precedent setting in that it promotes inter-agency collaboration to meet regional stormwater compliance requirements. This would be the first interagency collaboration for which the Regional Board has granted compliance credit to a city that does not drain to a regional project because the Board sees the water quality benefits to the entire Ballona Creek watershed.

Culver City and the City of Beverly Hills presented this concept to the Regional Board asking if the Regional Board would approve Beverly Hills to receive compliance credit originally designated for the City of Los Angeles. In 2018, the Regional Board provided a letter to Beverly Hills and Culver City expressing its willingness to provide compliance credit to Beverly Hills. More recently, the Regional Board stated that it will provide the compliance credit by approving an amendment of the BC-EWMP that shows the shift of BMP capacities between the cities of Los Angeles and Beverly Hills.

Beverly Hills and Culver City have developed an MOU that includes payment terms, a formula to calculate compliance credit and submittal of a BC-EWMP amendment to the Regional Board for approval that would have Beverly Hills replace Los Angeles as a project partner and amend BMP capacity responsibilities for Los Angeles and Beverly Hills. Under the EWMP amendment, the City of Beverly Hills will receive approximately 4.4 acre-feet of credit because it is procuring 4.4 acre-feet of capacity through its fiscal contribution of \$3.5M in the project.

Staff from Beverly Hills presented the MOU to the Beverly Hills City Council at its Council Meeting on October 13, 2020. The MOU was approved and Beverly Hills is initiating the signature process pending Culver City Council Council's approval of the MOU.

Operations and Maintenance

The expected functional life of the Project is estimated at 50 years. If City Council approves the MOU, Culver City and Beverly Hills will have a proportional cost-sharing responsibility for maintenance, with Beverly Hills' share being 23% based on their 4.4 acre feet structural BMP capacity. It is estimated at this time that Operations and Maintenance costs would be approximately \$100,000 annually with Beverly Hills contributing 23% of this total cost. A separate Operations and Maintenance MOU will be drafted and presented to City Council prior to the completion of the project.

FISCAL ANALYSIS

A budget amendment in the amount of \$3,500,000 is requested for Beverly Hills participation in the Culver Boulevard Stormwater Filtration and Retention Project. Funds received will be deposited in account 434.8000.730100. PR002 Culver Boulevard Stormwater Project. Funds will be expended from account 434.80000. 730100.PR002. **A budget amendment requires a four-fifths vote.**

The City of Beverly Hills' cost-sharing contribution to the project will not exceed \$3,500,000. The project payment is scheduled in three phases:

1. First installment will be paid during FY 20/21 in the amount of \$1,500,000 within thirty (30) days upon the effective date of the Regional Board's approval of the Enhanced Watershed Management Program (EWMP) amendment that credits the City of Beverly Hills for its contribution to the project.
2. Second installment will be paid in the amount of \$1,500,000 eight months after the first payment installment. FY 21/22.
3. Final installment will be paid in the amount of \$500,000 upon the completion and acceptance of the project by Culver City.

ATTACHMENTS

1. 2020-10-26_ATT - Memorandum of Understanding

MOTION

That the City Council:

1. Approve the Memorandum of Understanding (MOU) with the City of Beverly Hills to receive funds in an amount not to exceed \$ 3,500,000 for the joint development of the Culver Boulevard Stormwater Filtration/Retention Regional Project; and

2. Approve a realted budget amendment **(requires a four fifths vote)**; and
3. Authorize the City Attorney to review/prepare the necessary documents; and
4. Authorize the City Manager to execute such documents on behalf of the City.