

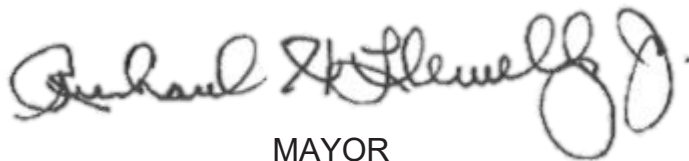
0150-11735-0000

T R A N S M I T T A L

TO The Council	DATE 07/26/21	COUNCIL FILE NO.
FROM The Mayor		COUNCIL DISTRICT 6

PROPOSED COOPERATIVE AGREEMENT WITH THE LOS ANGELES COUNTY FLOOD CONTROL FOR THE RORY M. SHAW WETLANDS PROJECT

Approved and transmitted for your consideration.
See the City Administrative Officer report attached.



MAYOR

MWS:SMC:06210199t


(Rich Llewellyn for)

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: July 9, 2021 CAO File No. 0150-11735-0000
Council File No.
Council District: 6

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer 

Reference: Transmittal from the Board of Public Works dated August 18, 2020; referred by the Mayor on August 18, 2020.

Subject: **COOPERATIVE AGREEMENT BETWEEN THE CITY OF LOS ANGELES, ACTING BY AND THROUGH THE BOARD OF PUBLIC WORKS AND THE BUREAU OF SANITATION, AND THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT FOR THE RORY M. SHAW WETLANDS PROJECT, ALSO KNOWN AS THE STRATHERN WETLANDS PARK PROJECT**

RECOMMENDATIONS

That the Mayor and Council:

1. Instruct the Bureau of Sanitation to amend the Agreement with the Los Angeles County Flood Control District to include language that the Proposition O funds must be expended within three years from the bond issuance date and such date will be provided by the City;
2. Authorize the Board of Public Works and the Bureau of Sanitation to execute the proposed cooperative agreement, with the amendment noted above, with the Los Angeles County Flood Control District for the Rory M. Shaw Wetlands Project, also known as the Strathern Wetlands Park Project, relative to the City's contribution and the proposed land transfer, subject to the review and approval of the City Attorney as to form and legality; and,
3. Instruct the Bureau of Sanitation, in coordination with the General Services Department and the Bureau of Engineering, to submit the actual title transfer from the Los Angeles Flood Control District to the City for Council approval, subject to the review and approval of the City Attorney as to form and legality.

SUMMARY

In accordance with Executive Directive 3, the Board of Public Works, on behalf of the Bureau of Sanitation (Bureau), requests authority to execute a Cooperative Agreement (Agreement) between the City and the Los Angeles County Flood Control District (LACFCD) for the Rory M. Shaw Wetlands Project, previously known as the Strathern Pit Multi-Use Project (Project). The Project is designed to capture, convey, and treat stormwater runoff, approximately 292 million

gallons of stormwater annually, from a 929-acre drainage area for ground water infiltration. The project will also include recreational improvements.

The LACFCD acquired a 46 acre property located at 8175 Fair Avenue for the purpose of implementing the Project. On August 18, 2006, Council approved funding of \$17.8 million in Proposition O (Prop O) funds for the Project, consisting of \$10 million for land acquisition and \$7.8 million for design and construction. The proposed Agreement memorializes the terms and conditions of the Project which was previously negotiated between both parties relative to design, construction, optimization, project funding, and the fee title transfer of the project site from the LACFCD to the City.

Under the Agreement, the LACFCD's responsibilities include, but are not limited to:

- the design and construction of the Project (which consists of flood control improvements, water quality improvements, and recreational improvements);
- notifying the City of any scope changes to the proposed water quality improvements or recreational improvements;
- transferring the fee title to the City upon project completion and receipt of City funds; and,
- operation and maintenance (O&M) responsibilities for the flood control improvements.

The City agrees to:

- contribute \$17.8 million in Prop O funds toward the Project;
- provide plan review;
- partner with LACFCD in grant applications for the Project; and,
- accept O&M responsibilities for the water quality improvements (which will be covered in a separate O&M agreement).

The City Prop O funds can be paid to the LACFCD either upon project completion and transfer of the land to the City, which is estimated in 2025, or at an earlier time as determined by the City. If the City transfers funds prior to completion of the Project, the LACFCD is still required to meet their obligations as provided in the Agreement.

Both parties will be responsible for optimization of the water quality improvements over 36 months, with the LACFCD performing optimization activities for the first 18-months and the City performing optimization activities for the remaining 18-months. The City will assume all O&M responsibilities for the water quality improvements unless the City has notified the LACFCD that it cannot accept the water quality improvements prior to completion of the optimization period.

The Agreement includes the following conditions relative to the City's acceptance of the land transfer upon project completion and field acceptance by the Los Angeles County Engineer:

1. A permanent easement for flood control and water conservation purposes over Area B as depicted in Exhibit B;
2. Area A, which is reserved for public road improvements, and Area C, which is reserved for recreation and open spaces, must be used for those specific purposes only. Any other use of those Areas will require the City to compensate the LACFCD for the fair market value of that Area as of that date.

It should be noted that the Prop O Bond, which is a General Obligation Bond (GOB), is subject to the three year spending requirement, which means that the funds must be spent within three years from the bond issuance date. Should the City choose to provide the funds to the LACFCD at an earlier date than upon project completion, the LACFCD will be subject to the GOB three year spending requirement. Therefore, this Office recommends that the proposed Agreement be amended to include language pertaining to the three year spending requirement in the event that the City chooses to pay the LACFCD prior to project completion.

In accordance with the Los Angeles Administrative Code Section 10.5(a), the Agreement is an intergovernmental agreement and is therefore exempted from Council approval. However, as the Agreement establishes each party's obligations relative to the proposed land transfer and the City will be bound to these terms upon the execution of the Agreement, the City Attorney recommends that the Agreement be approved by the Council. In accordance with the Los Angeles Administrative Code Section 7.2, all documents pertaining to a land transfer must be submitted to and checked by either the General Services Department or the Bureau of Engineering prior to the acceptance by City Council. Therefore, the actual land transfer from the LACFCD to the City will require Council approval at a later date. This is expected to occur in 2025 or later.

FISCAL IMPACT STATEMENT

The Proposition O Program has budgeted \$17.8 million in funding toward the design and construction of the Project to fund this Agreement. There may be a General Fund impact for O&M of the Project. O&M costs will be addressed through the City's annual budget process.

FINANCIAL POLICIES STATEMENT

The recommendation in this report complies with the City's financial policies as there are sufficient funds budgeted to support current expenditures.

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BOARD REPORT NO. 2
AUGUST 11, 2020

CD: 6

AUTHORITY TO EXECUTE A COOPERATIVE AGREEMENT BETWEEN THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT AND LA SANITATION AND ENVIRONMENT TO USE THE STRATHERN PIT SITE FOR THE IMPLEMENTATION OF THE RORY M. SHAW WETLANDS PARK PROJECT, TO FUND THE PROJECT THROUGH THE PROPOSITION O PROGRAM, AND TO TRANSFER OWNERSHIP OF THE SITE

RECOMMENDATIONS

1. Approve and forward this report, with its transmittals, to the Mayor and City Council, to authorize the President of the Board of Public Works (Board) or two members of the Board, and the Director and General Manager of LA Sanitation and Environment (LASAN), or designee, to execute the proposed Cooperative Agreement (Agreement), Transmittal 1, between the City of Los Angeles (City) and the Los Angeles County Flood Control District (LACFCD) for the Rory M. Shaw Wetlands Park Project (Project), also known as the Strathern Wetlands Park Project.
2. Notify Mr. Kosta Kaporis at (213) 485-0586 of LASAN's Watershed Protection Division (WPD) when the Agreement is ready to be executed by the Board, whereupon eight original documents will be delivered to the Secretary of the Board for execution.
3. Upon execution, request the City Clerk to attest and certify the six original copies of the Agreement. The City Clerk and the Board are each to retain one original copy, and return the remaining four copies to WPD.

TRANSMITTAL

1. Cooperative Agreement regarding the Project.

DISCUSSION

The purpose of the Agreement is to establish an understanding between the City of Los Angeles (City) and the Los Angeles County Flood Control District (LACFCD) for the design, construction, optimization, transfer of Proposition (Prop) O funds, and the title transfer of the Strathern Pit Site (Site) from LACFCD to the City, where it will become an asset to LA Sanitation and Environment (LASAN's) Watershed Protection Program. This Rory M. Shaw Wetlands Park Project (Project) will provide flood protection, enhanced water quality, habitat creation, groundwater recharge, recreational areas, and improved aesthetics in the Sun Valley community of the City.

Background

LACFCD has acquired a forty-six (46) acre site located at 8175 Fair Avenue in the Sun Valley area of Los Angeles. The Site is bounded by the 8250 Tujunga Avenue parcel to the north, Fair Avenue to the east, Tujunga Avenue to the west, and Strathern Street to the south. The City has committed \$17,800,000 of Prop O funds toward the implementation of the Project specifically for the property acquisition (\$10,000,000) and construction of the water quality improvements (\$7,800,000). LACFCD will fund the remainder of the costs. LACFCD has paid \$28,000,000 for the acquisition of the site.

LACFCD is responsible for the design and construction of the Project, which will include flood control improvements, water quality improvements, and recreational improvements. The Project is designed to capture and convey stormwater runoff from a 929-acre upstream drainage area to a detention basin for treatment through constructed wetlands, pumping of treated water to the nearby Sun Valley Park for infiltration, and the enhancement of open areas with habitat and recreational amenities. The annual stormwater capture volume for infiltration is 292 million gallons (895 acre-feet).

The City agrees to contribute \$17,800,000 of Prop O funding toward the completion of the Project including property acquisition, design, and construction. Upon completion of the fee title transfer of the Site and receipt of payment request from LACFCD, the City will transfer these funds to LACFCD. The \$17,800,000 may be transferred to LACFCD at an earlier time as determined by the City; in which case, LACFCD is still required to meet their obligations under the Agreement. The City also agrees that upon execution of the Agreement, LACFCD shall be granted permission to use the City-owned right-of-way at no cost as necessary for the construction of the Project. Another agreement will be developed to identify operation and maintenance responsibilities between LACFCD and the City upon completion of the Project.

LACFCD agrees to:

- Prepare plans, specifications, and cost estimates for the Project
- Finance the total cost of the Project, including property acquisition and the design and construction costs in excess of the City's contribution
- Act as the lead agency for the Project and prepare any necessary environmental analysis and documentation required under the California Environmental Quality Act (CEQA) for the Project
- Obtain all required regulatory permits and approvals for the Project
- Advertise the Project for construction bids
- Award and administer the construction contract
- Modify approved plans and specifications for the Project necessitated by unforeseen field conditions encountered during construction and as necessary to ensure the Project is constructed as intended
- Make sure that the Project is constructed in accordance with the approved plans and specifications, or as per approved modifications
- Provide approved as-built plans to the City within 90 days upon completion of the construction of the Project
- Perform the operation and maintenance responsibilities for the flood control improvements upon completion of the construction of the Project

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- Prepare all necessary documents to transfer ownership of the water quality and recreational improvements, including the fee title and payment request for the amount of \$17,800,000
- Provide the City a complete O&M-Manual upon completion of the construction of the Project

It is mutually understood and agreed by both LACFCD and the City that upon completion of the construction and field acceptance of the water quality improvements, LACFCD will operate, maintain, and optimize the water quality improvements for an 18-month period (LACFCD Optimization Period). It is understood that upon completion of the LACFCD Optimization Period, LASAN will operate, maintain, and optimize the Water Quality Improvements for the next 18-month period (LASAN Optimization Period). Finally, it is understood that upon completion of the LASAN Optimization Period, LASAN and LACFCD will delineate their respective responsibilities of the Project in accordance with the Agreement.

The Agreement may be amended or modified only by the mutual written consent of LACFCD and the City.

Project Administration

LASAN WPD will administer this Agreement with LACFCD upon execution of this Agreement.

Approval As To Form

The Agreement was reviewed by Laurie Rittenberg, Assistant City Attorney, and has been approved as to form.

PROJECT REVIEW BY DIRECTOR (PRD) APPROVAL

This Project was approved by PRD on March 5, 2020. No funding is required from LASAN sources as it is part of the Prop O Program.

This program is overseen by its two committees namely the Citizen Oversight Advisory Committee (COAC) and the Administrative Oversight Committee (AOC).

Subsequent to their recommendations by these committees, the City Council approves the Prop O projects.

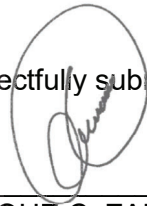
STATUS OF FINANCING

There is no impact to the General Fund. The City will provide \$17,800,000 of direct funding from the City's Proposition O Clean Water Bond Program. This funding has already been approved by the Prop O oversight committees and the City Council. The contribution of these Prop O funds to LACFCD includes property acquisition, design and construction. Upon execution of the Agreement, completion of land title transfer, and receipt of payment request from LACFCD, the City will transfer to LACFCD the amount of \$17,800,000.

BUREAU OF SANITATION
BOARD REPORT NO. 2
AUGUST 11, 2020

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Respectfully submitted,



ENRIQUE C. ZALDIVAR, P.E.
Director and General Manager
Bureau of Sanitation

REVIEWED AND APPROVED BY:



Digitally signed by Lisa B. Mowery
DN: cn=Lisa B. Mowery, email=lisa.mowery@lacity.org, c=US
Date: 2020.07.21 15:01:12 -07'00'

LISA B. MOWERY, Chief Financial Officer
Bureau of Sanitation
Date: 7/21/20

Prepared by:
Kosta Kaporis, WPD
(213) 485-0586

**COOPERATIVE AGREEMENT RE RORY M. SHAW WETLANDS PARK A.K.A.
STRATHERN WETLANDS PARK PROJECT**

This AGREEMENT, entered into on _____, 2020, by and between the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic (hereinafter referred to as LACFCD),

and

the CITY OF LOS ANGELES (hereinafter referred to as CITY), a municipal corporation, acting by and through the Los Angeles Sanitation and Environment (hereinafter referred to as LASAN). LASAN is the designated responsible CITY agency with respect to this AGREEMENT.

WITNESSETH

WHEREAS, The CITY is home to approximately four million residents who depend on clean water and healthy environment; and

WHEREAS, LACFCD and CITY propose to provide flood protection, enhanced water quality, habitat creation, groundwater recharge, recreational areas, and improved aesthetics in the Sun Valley community of the CITY; and

WHEREAS, the LASAN will be the lead liaison for the CITY in implementing this PROJECT; and

WHEREAS, LACFCD has acquired a forty-six (46) acre site (hereafter referred to as STRATHERN PIT) located at 8175 Fair Avenue, Los Angeles, California 91352, bounded by 8250 Tujunga Avenue, Los Angeles, California 91352 to the north, Fair Avenue to the east, Tujunga Avenue to the west, and Strathern Street to the south; and

WHEREAS, the total costs incurred by the LACFCD in connection with the acquisition of STRATHERN PIT is \$28,000,000; and

WHEREAS, LACFCD proposes to design and construct the Sun Valley Watershed-Rory M. Shaw Wetlands Park Project (a.k.a. Strathern Wetlands Park Project) (hereinafter referred to as the PROJECT) within STRATHERN PIT, which will include FLOOD CONTROL IMPROVEMENTS, WATER QUALITY IMPROVEMENTS, and RECREATIONAL IMPROVEMENTS, all as defined below; and

WHEREAS, the PROJECT will be designed to provide for the capture and conveyance of stormwater runoff from a 929-acre upstream drainage area tributary to the wetlands park, for storage in a detention basin, treatment through constructed wetlands for the removal of pollutants, pumping of treated water to the nearby Sun Valley Park for infiltration, replenish groundwater supplies with 895 acre-feet of water

through infiltration annually, and the enhancement of open areas with habitat and recreational amenities; and

WHEREAS, the City is mandated by federal and state regulations to reduce stormwater pollution that is generated from its watersheds and improve the water quality of its receiving waterbodies; and

WHEREAS, LASAN is responsible for collecting, cleaning, and recycling solid and liquid waste, including stormwater and urban runoff and flood management; and

WHEREAS, LASAN's goals of reduction of urban runoff pollution, enhancing water resource by the collection and use of runoff for local non-potable uses, and improvement of the environment for the health of the City's respective citizens and visitors; and

WHEREAS, consistent with the Los Angeles Municipal Stormwater Separate Storm Sewer System (MS4) National Pollutant Discharge Elimination System (NPDES) permit that regulates municipal discharges of stormwater and urban dry weather runoff, LASAN oversees the Los Angeles' compliance with that permit, including but not limited to watershed management; and

WHEREAS, with LASAN's watershed management responsibilities that include but are not limited to efforts to capture and treat stormwater and urban runoff, there is an opportunity for the Los Angeles to utilize recycled water produced by LASAN for beneficial reuse; and

WHEREAS, the Mayor's Sustainable City pLAN encourages partnership between City agencies to pursue projects with multiple benefits, which includes reducing the City's dependence on imported water by strengthening the City's local water supply; and

WHEREAS, LACFCD and LASAN are committed to pursuing opportunities to enhance water conservation, increase stormwater capture, improve water quality, recharge groundwater basins, and augment local water supply; and

WHEREAS, the Project will assist the LASAN to manage localize floods and improve water quality to comply with the Los Angeles MS4 NPDES permit requirements by reducing the pollutant loads to Los Angeles River including critical pollutants such as bacteria, heavy metals, and nutrients; and

WHEREAS, the PROJECT is in the general interest of the CITY and will improve the quality of life for the citizens of the CITY by enhancing flood protection, water quality, habitat creation, groundwater recharge, and aesthetics; and by providing for increased recreational opportunities; and

WHEREAS, CITY proposes to use Proposition O funds in the amount of \$17,800,000 for the implementation of the PROJECT, including but not limited to the

costs related to property acquisition and construction of the WATER QUALITY IMPROVEMENTS; and LACFCD proposes to fund the remainder of the costs related to acquisition of the project site and construction of the PROJECT; and

NOW, THEREFORE, in consideration of the promises and faithful performance by LACFCD and LASAN of mutual covenants herein contained, LACFCD and LASAN hereto mutually agree as follows:

1. DEFINITIONS:

<p>FLOOD CONTROL IMPROVEMENTS</p>	<p>PROJECT components including but not limited to, a 4.5-mile storm drain system, including catch basins (see Exhibit A), site earthwork, detention ponds, access roads into and around the detention ponds, fences around the detention ponds, aerators, inlet and outlet drain structures, valves, mechanical filtration devices within the detention ponds, and conveyance systems.</p>
<p>WATER QUALITY IMPROVEMENTS</p>	<p>PROJECT components including but not limited to, wetland ponds, access roads around the wetland ponds, landscaping and vegetation in the wetland ponds, dry-weather water supply system, pumps and pump stations, and electrical, mechanical, and telemetry systems.</p>
<p>RECREATIONAL IMPROVEMENTS</p>	<p>PROJECT components including but not limited to, recreational fields, recreational amenities and furnishings, lighting, restrooms, landscaping, irrigation systems, fences, parking lots, and electrical and mechanical and on-site drainage systems.</p>
<p>TRASH EXCLUDERS</p>	<p>PROJECT components including but not limited to, catch basin inserts, Automatic Retractable Screens (ARS), and Connector Pipe Screens (CPS) associated with the 4.5-mile storm drain system.</p>
<p>O&M-MANUAL</p>	<p>Document that describes in detail the operation and maintenance requirements for all PROJECT components based on the final PROJECT design, and the specific, respective operation and maintenance activities of LACFCD and LASAN.</p>

AREA A	PROJECT limits, as depicted in Exhibit B, to be reserved for public road improvements.
AREA B	PROJECT limits (easement), as depicted in Exhibit B, to be reserved for the purposes of the Flood Control District.
AREA C	PROJECT limits, as depicted in Exhibit B, to be reserved for recreation and open space purposes.

2. LASAN AGREES:

- a. To contribute \$17,800,000 of CITY’s Proposition O funding toward the completion of the PROJECT (including property acquisition, design and construction).
- b. Upon completion of fee title transfer of STRATHERN PIT, AREA A, AREA B, and AREA C depicted in Exhibit B, and receipt of payment request from LACFCD, to deposit CITY funds with LACFCD in the amount of Seventeen Million Eight Hundred Thousand Dollars (\$17,800,000). The amount of \$17,800,000 maybe transferred to LACFCD at an earlier time as determined by the CITY in which case LACFCD is still required to meet their obligations under this AGREEMENT.
- c. To partner with LACFCD in the pursuit of grant funding opportunities for the PROJECT.
- d. To partner with LACFCD in facilitating initial contact with and, where appropriate, to public utility organizations and owners of substructure and overhead facilities regarding the relocation, removal, operation, and maintenance of all surface and underground utilities and facilities, structures, and transportation services which interfere with the proposed construction.
- e. To review 90 and 100 percent design plans and provide comments on the plans and specifications for the PROJECT, and to approve the final plans and specification submitted by LACFCD after its incorporation of any changes to address CITY comments.
- f. During construction of PROJECT, to review any modified design plans and specifications submitted to the CITY as a result of unforeseen

circumstances related to the construction of WATER QUALITY IMPROVEMENTS and RECREATIONAL IMPROVEMENTS, and notify LACFCD of CITY's approval thereof, or if it does not so approve, the reasons therefor and any recommended alternatives, within five (5) business days of receipt of the request. CITY's approval of any request for change order shall not be unreasonably withheld. Whenever possible, the LACFCD will attempt to communicate changes to design plans and specifications in advance of the five (5) business day response period.

- g. Within thirty (30) days of CITY's receipt of the written notice from LACFCD that construction of the WATER QUALITY IMPROVEMENTS, RECREATIONAL IMPROVEMENTS or any discrete phase thereof, is complete; to notify LACFCD that CITY approves the construction work for the WATER QUALITY IMPROVEMENTS, RECREATIONAL IMPROVEMENTS, or the discrete phase thereof or, in the event the WATER QUALITY IMPROVEMENTS, RECREATIONAL IMPROVEMENTS, or the discrete phase thereof is not constructed in accordance with the Final Plans and Specifications and any LACFCD approved changes and CITY does not so approve, to notify LACFCD of the reasons therefor. CITY's approval of the construction work for the WATER QUALITY IMPROVEMENTS, RECREATIONAL IMPROVEMENTS, or any discrete phase thereof, shall not be unreasonably withheld.
- h. Upon completion of project construction to accept O&M RESPONSIBILITY of the WATER QUALITY IMPROVEMENTS that will be determined in another Agreement for O&M.
- i. Upon completion of the construction and field acceptance by the Los Angeles County Engineer and the CITY's approval of the construction work for all PROJECT components, to accept fee title to the STRATHERN PIT; AREA A, AREA B AND AREA C depicted in Exhibit B, subject to the following:
 - (i) the reservation of a permanent easement for flood control and water conservation purposes over AREA B;
 - (ii) a condition that AREA A must only be used for public street purposes and that in the event that said area ever ceases to be used for public street purposes, the CITY shall pay the LACFCD the fair market value of AREA A as of that date;
 - (iii) a condition that AREA C must only be used for recreation and open space and that in the event that said area ever ceases to be used for recreation and open space, the CITY shall pay the LACFCD the fair market value of AREA C as of that date.

3. LACFCD AGREES:

- a. To prepare plans, specifications, and cost estimates for the PROJECT.
- b. To finance the total cost of PROJECT, including property acquisition, design and construction costs, in excess of CITY'S contribution specified in paragraph (2) a., above.
- c. To partner with LASAN in the pursuit of grant funding opportunities for the PROJECT.
- d. To act as the lead agency for the PROJECT, and prepare any necessary environmental analysis and documentation required under the California Environmental Quality Act (CEQA) for the PROJECT.
- e. To obtain all required regulatory permits and approvals for the PROJECT; to advertise the PROJECT for construction bids; to award and administer the construction contract; to modify approved plans and specifications for the PROJECT necessitated by unforeseen field conditions encountered during construction as necessary to ensure the PROJECT is constructed as intended; and to cause the PROJECT to be constructed in accordance with the approved plans and specifications, as modified.
- f. To approve changes to design plans and specifications, when necessary, as a result of unforeseen circumstances related to the construction of the WATER QUALITY IMPROVEMENTS and RECREATIONAL IMPROVEMENTS and to submit recommended changes to CITY for review prior to LACFCD approval and incorporation of said changes in the scope of the construction contract. LACFCD shall make a good faith and reasonable effort to address and resolve CITY's recommendations in the event CITY does not approve. LACFCD to notify CITY of the approved changes and, if not approved by the CITY the efforts made to incorporate CITY's recommendations.
- g. To provide CITY with a written notice when the construction of the WATER QUALITY IMPROVEMENTS, RECREATIONAL IMPROVEMENTS, or any discrete phase thereof, is substantially complete. If, within the time specified in Section 2, subsection h, CITY notifies LACFCD that it does not approve the construction work for the WATER QUALITY IMPROVEMENTS, RECREATIONAL IMPROVEMENTS, or any discrete phase thereof, and the reasons for not approving the construction work, LACFCD shall make a good faith and reasonable effort to address and resolve CITY's reasons for not approving the construction work, and shall thereafter send CITY a subsequent written notice of actions taken to address City comments prior to LACFCD final acceptance.

- h. To provide written approval or disapproval of any changes to the WATER QUALITY IMPROVEMENTS or RECREATIONAL IMPROVEMENTS requested by CITY within thirty (30) working days of receipt of written request from CITY. LACFCD shall make a good faith and reasonable effort to address and incorporate CITY's recommended changes. In the event of a disapproval, the reasons for such approval and any recommendations shall be included in LACFCD's response. If requested by the City, and if construction schedule issues do not preclude it, LACFCD will elevate consideration of the changes to sequentially higher administrative levels within LACFCD and CITY for resolution. LACFCD shall make the final decision on any changes to the approved plan and specification.
- i. Upon completion of construction of the PROJECT, to provide approved as-built plans to CITY within ninety (90) days.
- j. Upon the completion of construction of the FLOOD CONTROL IMPROVEMENTS, and at no cost to CITY, to accept operation and maintenance responsibilities for the FLOOD CONTROL IMPROVEMENTS.
- k. Upon completion of construction and field acceptance by the Los Angeles County Engineer of the PROJECT, to transfer fee title to the STRATHERN PIT; AREA A, AREA B AND AREA C depicted in Exhibit B, to CITY, subject to the following:
 - (i) the reservation of a permanent easement for flood control and water conservation purposes over AREA B;
 - (ii) a condition that AREA A must only be used for public street purposes and that in the event that said area ever ceases to be used for public street purposes, the CITY shall pay the LACFCD the fair market value of AREA A as of that date;
 - (iii) a condition that AREA C must only be used for recreation and open space and that in the event that said area ever ceases to be used for recreation and open space, the CITY shall pay the LACFCD the fair market value of AREA C as of that date.
- l. To prepare all necessary documents to transfer ownership of the WATER QUALITY IMPROVEMENTS and RECREATIONAL IMPROVEMENTS, and the fee title to the STRATHERN PIT, AREA A, AREA B and AREA C, to CITY, as described above.
- m. Until the acceptance of the operation and maintenance responsibilities for the WATER QUALITY IMPROVEMENTS or any discrete phase thereof by CITY LASAN, to perform, at no cost to CITY, any required water quality and groundwater sampling in connection with monitoring and documenting the effectiveness of the WATER QUALITY IMPROVEMENTS, per the O&M-MANUAL, and to share data and results with LASAN.

- n. To provide CITY with payment request to deposit CITY funds with LACFCD in the amount of Seventeen Million Eight Hundred Thousand (\$17,800,000)
 - o. To provide CITY complete O&M-MANUAL upon completion of construction of the PROJECT.
4. IT IS MUTUALLY UNDERSTOOD AND AGREED AS FOLLOWS:
- a. Prior to completion of construction of the PROJECT, LACFCD and LASAN will enter into a supplemental agreement to more specifically identify and coordinate each party's respective post-construction operational and maintenance activities for each component of the PROJECT.
 - b. Joint optimization phase and start-up period.
 - i. Upon completion of the construction and field acceptance by the Los Angeles County Engineer of the WATER QUALITY IMPROVEMENTS, the LACFCD shall operate, maintain and use its best efforts to optimize the WATER QUALITY IMPROVEMENTS for an 18-month period (LACFCD Optimization Period), and LASAN hereby authorizes the LACFCD to utilize any LASAN property for these purposes.
 - ii. Upon completion of the LACFCD Optimization Period, LASAN shall operate, maintain and use its best efforts to optimize the WATER QUALITY IMPROVEMENTS for the next 18-month period (LASAN Optimization Period).
 - iii. Upon completion of the LASAN Optimization Period, LASAN shall assume all operation and maintenance responsibilities for the WATER QUALITY IMPROVEMENTS in accordance with the provisions of the O&M-MANUAL unless, prior to the completion of the LASAN Optimization Period, LASAN provides written notice to the LACFCD that LASAN does not accept the WATER QUALITY IMPROVEMENTS; provided however, that LASAN shall not unreasonably refuse to accept the WATER QUALITY IMPROVEMENTS at the end of the LASAN Optimization Period.
 - iv. If LASAN provides written notice to the LACFCD that LASAN does not accept the WATER QUALITY IMPROVEMENTS, LASAN shall describe with specificity, the reasons therefor and LASAN and the LACFCD shall meet and confer, in good faith to resolve LASAN's reasons for not accepting the WATER QUALITY IMPROVEMENTS.
 - v. All unresolved issues shall be elevated to sequentially higher administrative levels within LACFCD and LASAN for resolution, as necessary, until all issues are resolved.

- c. LACFCD and CITY shall have no financial obligation to the other party under this AGREEMENT except as herein expressly provided.
- d. LACFCD and CITY shall work cooperatively and diligently to complete the O&M-MANUAL prior to the completion of construction of the PROJECT. After completion of construction, LACFCD and CITY shall work cooperatively and diligently to review and revise the O&M-MANUAL as necessary, based on subsequent experience with the operation and maintenance of the various PROJECT components, including those during the joint optimization phase and start-up period.
- e. LACFCD shall have the right to reject all bids after notifying CITY and may re-advertise PROJECT if LACFCD deems such action is to be in the best interest of LACFCD.
- f. During construction of PROJECT, LACFCD shall furnish an inspector or other representative to perform the function of an inspector. CITY may also furnish, at no cost to LACFCD, an inspector or other representative to inspect construction of PROJECT. Said inspectors shall cooperate and consult with each other. LACFCD inspector shall be the only inspector with power to direct the contractor. CITY inspector shall not issue any directive(s) to the contractor but shall work through LACFCD inspector.
- g. LACFCD and CITY shall provide each other with contact information for person(s) responsible for the operation and maintenance activities set forth in this AGREEMENT.
- h. This AGREEMENT may be amended or modified only by mutual written consent of LACFCD and CITY.
- i. Neither LACFCD nor any officer or employee of LACFCD shall be responsible for any damage or liability occurring by reason of any acts or omissions on the part of CITY under or in connection with any work, authority, or jurisdiction delegated to or determined to be the responsibility of CITY under this AGREEMENT. It is also understood and agreed that pursuant to Government Code, Section 895.4, CITY shall fully indemnify, defend, and hold LACFCD, the County of Los Angeles, and their officers, employees, and agents harmless with respect to any claims, damages, injuries, or liability arising from or caused by any acts or omissions on the part of CITY under or in connection with any work, authority, or jurisdiction delegated to or determined to be the responsibility of CITY under this AGREEMENT.
- j. Neither CITY nor any officer or employee of CITY shall be responsible for any damage or liability occurring by reason of any acts or omissions on

the part of LACFCD under or in connection with any work, authority, or jurisdiction delegated to or determined to be the responsibility of LACFCD under this AGREEMENT. It is also understood and agreed that pursuant to Government Code, Section 895.4, LACFCD shall fully indemnify, defend, and hold CITY and its officers, employees, and agents harmless with respect to any claims, damages, injuries, or liability arising from or caused by any acts or omissions on the part of LACFCD under or in connection with any work, authority, or jurisdiction delegated to or determined to be the responsibility of LACFCD under this AGREEMENT.

- k. The provisions of this AGREEMENT shall be interpreted and enforced pursuant to the laws of the State of California.
- l. Any correspondence, communication, or contact concerning this AGREEMENT shall be directed to the following:

CITY: Mr. Enrique C. Zaldivar
Director and General Manager
City of Los Angeles, LA Sanitation and Environment
1149 South Broadway, 9th Floor
Los Angeles, CA 90015
Attn: Wing Tam

LACFCD: Mr. Mark Pestrella
Chief Engineer
Los Angeles County Flood Control District
P.O. Box 1460
Alhambra, CA 91802-1460

ACKNOWLEDGEMENTS

IN WITNESS WHEREOF, the parties have caused this AGREEMENT to be subscribed by their respective duly authorized representatives.

LOS ANGELES COUNTY
FLOOD CONTROL DISTRICT

By _____
Chief Engineer

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By _____
Deputy

IN WITNESS WHEREOF, the parties have caused this AGREEMENT to be subscribed by their respective duly authorized representatives.

CITY OF LOS ANGELES
LOS ANGELES SANITATION AND
ENVIRONMENT

CITY OF LOS ANGELES,
BOARD OF PUBLIC WORKS

By _____
Enrique C. Zaldivar, Date
Director and General Manager

By _____
Greg Good, Date
President

APPROVED AS TO FORM:
MICHAEL N. FEUER, City Attorney

Laurie Rittenberg, Date
Assistant City Attorney

ATTEST:
Holly L. Wolcott, City Clerk

Deputy City Clerk Date

EXHIBIT A

Sun Valley Watershed Upper Storm Drain System

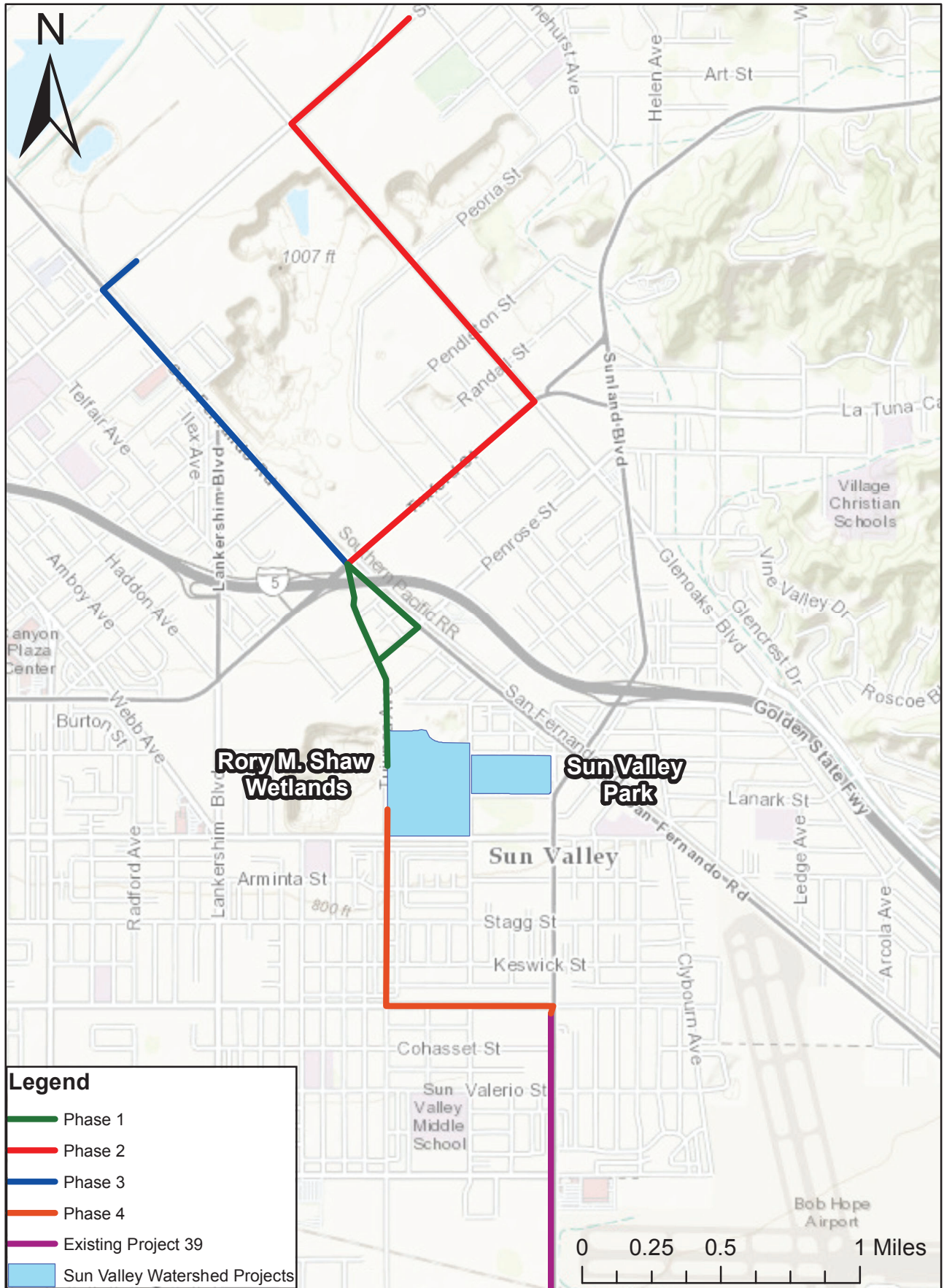





EXHIBIT B



LEGEND		
AREA A		Area reserved for public road improvements.
AREA B		Area reserved for permanent easement for flood control and water conservation purposes
AREA C		Area reserved for recreation and open space