

**STATE WATER RESOURCES CONTROL BOARD  
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE  
APRIL 7, 2015**

**ITEM 2**

**SUBJECT**

CONSIDERATION OF A PROPOSED RESOLUTION APPROVING ADDITIONAL FUNDS TO THE CALIFORNIA DEPARTMENT OF PARKS AND RECREATION'S STEELHEAD AND STREAM RESTORATION PROJECT ON ARROYO SEQUIT, PHASE II, IMPLEMENTATION

**DISCUSSION**

The State Water Resources Control Board (State Water Board) is authorized to administer Proposition 50 (Water Code §79500 et seq.) funds for projects that restore and protect the water quality and environment of coastal waters, estuaries, bays, and near-shore waters. Proposition 50 designated funds specifically to implement priority actions specified in the Santa Monica Bay Restoration Plan as recommended by the Santa Monica Bay Restoration Commission (SMBRC).

The SMBRC established a "Competitive Project List", which the State Water Board subsequently adopted ([Resolution No. 2005-0042](#)). The Competitive Project List included the Steelhead and Stream Restoration Project on Arroyo Sequit (Project) and set aside \$2,850,000 for the Project. The Project is intended to open 4.5 miles of stream habitat to steelhead trout by replacing two in-stream crossings and by removing one check dam. For various reasons, the original grant applicant did not expend any funds and the agreement was terminated.

On September 19, 2011 the State Water Board approved a redirection of the Project to the Santa Monica Bay Restoration Foundation and the California Department of Parks and Recreation (State Parks) through [Resolution No. 2011-0045](#). Phase I included the planning, design, and permitting portions of the Project and is funded, in part, with a \$300,000 Proposition 50 grant to the Santa Monica Bay Restoration Foundation. Phase I is nearly complete. Phase II includes construction of the Project and was initially funded, in part, by a \$1.3 million Proposition 50 grant to State Parks.

In 2013, after review of 90% design plans, State Parks revised the estimated construction costs from the original \$1,190,500 to an estimated \$1,609,387. The reasons for the higher estimated construction costs included estimated increases in 1) the size of the bridge abutments that are needed to support the bridges, 2) the unit cost for concrete, 3) utility relocation costs, and 4) rock material needed for stream restoration. State Parks secured additional funding (\$209,000 from the Wildlife Conservation Board, \$130,000 from internal funds). The State Water Board also approved an additional \$155,000 from the Proposition 50 Santa Monica Bay Restoration Grant Program to be applied to the Project through [Resolution No. 2013-0031](#) on October 8, 2013.

State Parks received construction bids in May 2014. Six bids ranged from \$1,922,840 to \$3,398,390, after the lowest bid was rescinded; none of the bids could be accepted because of insufficient funding.

Based on the construction bids received, State Parks is now estimating that construction of the Project will be \$3,024,600. State Parks has secured additional funding for construction, which consists of \$500,000 from Los Angeles County and \$400,000 from the National Park Service's Land and Water Conservation Fund. Adoption of this resolution would provide State Parks with an additional \$500,000 from the Proposition 50 Santa Monica Bay Restoration Grant Program, which equals the difference between the most recent construction estimates and the available funding. On February 19, 2015, the SMBRC adopted Resolution 15-01, to approve the augmentation.

If approved, State Parks will also add \$130,000 of internal funding to the Project for additional non-construction costs that are anticipated as a result of the construction delay. Approval of this resolution would result in a total of \$2,255,000 allocated to the Project by the State Water Board, which is \$595,000 less than originally set aside.

### **POLICY ISSUE**

Should the State Water Board:

1. Approve up to an additional \$500,000 for the Project from Proposition 50 Santa Monica Bay Restoration Grant Program funds for increased construction costs?
2. Authorize the Deputy Director of the Division of Financial Assistance to execute grant agreements and/or amendments to add up to \$500,000 to the Project?

### **FISCAL IMPACT**

Funds authorized from Proposition 50 through the Santa Monica Bay Restoration Grant Program are sufficient to fund the recommended augmentation to the Project.

### **REGIONAL BOARD IMPACT**

Yes. Los Angeles Regional Water Quality Control Board staff assists the Division of Financial Assistance to manage the Project.

### **STAFF RECOMMENDATION**

The State Water Board should:

1. Approve up to an additional \$500,000 for the Project from Proposition 50 Santa Monica Bay Restoration Grant Program funds for increased construction costs.
2. Authorize the Deputy Director of the Division of Financial Assistance to execute grant agreements and/or amendments to add up to \$500,000 to the Project.

<p>State Water Board action on this item will assist the Water Boards in reaching Goal 3 of the Strategic Plan Update: 2008-2012 to ensure adequate flows for fish and wildlife habitat. In particular, approval of this item will assist in fulfilling Objective 3.3, "Ensure that adequate stream flows are available for the protection of fish and wildlife habitat while meeting the need for diversions of water for other uses".</p>
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## STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2015-

APPROVING ADDITIONAL FUNDS TO THE CALIFORNIA DEPARTMENT OF PARKS AND RECREATION'S STEELHEAD AND STREAM RESTORATION PROJECT ON ARROYO SEQUIT, PHASE II, IMPLEMENTATION.

### WHEREAS:

1. The State Water Resources Control Board (State Water Board) is authorized to administer Proposition 50 funds for the Santa Monica Bay Restoration Commission (SMBRC) to implement priority actions in the Santa Monica Bay Restoration Plan.
2. On April 14, 2005 the SMBRC adopted Resolution 05-07, which approved the "Competitive Project List", including \$2.8 million to implement the Steelhead and Stream Restoration Project (Project) on Arroyo Sequit.
3. On June 16, 2005, the State Water Board adopted [Resolution No. 2005-0042](#), approving the "Competitive Project List", including the Project.
4. On June 16, 2011, the SMBRC adopted Resolution 11-03, which approved Phase 1 of the Project and provided \$300,000 of Proposition 50 funds for planning, design, and permitting to the Santa Monica Bay Restoration Foundation; and a \$1.3 million Proposition 50 grant to the California Department of Parks and Recreation (State Parks) to implement the Project on Arroyo Sequit, Phase II, Implementation.
5. On September 19, 2011, the State Water Board adopted [Resolution No. 2011-0045](#), approving the two-phase Project.
6. On August 15, 2013, the SMBRC adopted Resolution 13-06 to approve an augmentation of up to \$155,000 to State Parks from Proposition 50 funds for higher estimated construction-related costs for the Project. On October 8, 2013, the State Water Board adopted [Resolution No. 2013-0031](#), which approved an additional \$155,000 from Proposition 50 funds to augment the budget for the Project.
7. On February 19, 2015, the SMBRC adopted Resolution 15-01, which approved an additional augmentation of up to \$500,000 from Proposition 50 funds for construction-related costs for the Project.

### THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves up to an additional \$500,000 for the Project from the Proposition 50 Santa Monica Bay Restoration Grant Program funds for increased construction costs.

# **D R A F T**

2. Authorizes the Deputy Director of the Division of Financial Assistance to execute grant agreements and/or amendments to add up to \$500,000 to the Project.

## **CERTIFICATION**

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on April 7, 2015.

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Jeanine Townsend  
Clerk to the Board