

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
MAY 17, 2011**

ITEM 4

SUBJECT

CONSIDERATION OF A RESOLUTION TO ALLOCATE AN ADDITIONAL \$3.3 MILLION FROM THE CLEANUP AND ABATEMENT ACCOUNT (CAA) TO FUND THE COLORADO LAGOON (LAGOON) RESTORATION PROJECT (PROJECT)

DISCUSSION

The City of Long Beach (City) is requesting an additional \$3.3 million from the CAA to fund the removal, treatment, and disposal of hazardous material from the Colorado Lagoon (Lagoon). The Lagoon is maintained as a public park and serves as the natural low-point of the highly urbanized 1,200-acre watershed. The 15-acre Lagoon is a tidal water body connected to Alamitos Bay and the Pacific Ocean through an underground tidal culvert. The Lagoon provides shelter for migratory bird species, as well as potential breeding habitat for many wildlife species. In addition, the Lagoon is heavily utilized by communities within and around Long Beach for recreational activities. Elevated concentrations of pesticides, metals, Polychlorinated Biphenyls (PCBs) and Polycyclic Aromatic Hydrocarbons (PAHs) have been detected in the Lagoon. Elevated concentrations of metals have been detected in water samples collected from the Lagoon. Elevated concentrations of pesticides and PCBs have been detected in fish living in the Lagoon.

The proposed Project is the second phase (of three phases) of the City's Lagoon Master Restoration Plan (Plan). Implementation of all three phases of the Plan is estimated to cost over \$20 million, and is being implemented as funding becomes available. The first phase of the Plan was completed in November 2010. This phase redirected polluted urban runoff into sanitary sewers and prevented trash from entering the storm drain system. City staff completed required environmental assessments, developed construction documents, obtained permits, and managed grants and Project implementation. Phase I was funded by the American Recovery and Reinvestment Act (\$4.3 million), and the City (\$1.3 million in funding and an additional \$1.1 million in City staff time).

The second phase of the plan is intended to remove non-point source contamination that has accumulated in the Lagoon over time. The original Project anticipated that the City would need to remove approximately 28,500 cubic yards of impacted soil from the Lagoon (not all of this soil was considered hazardous). The City's original estimate of contaminated sediment was based on the Project's 2008 environmental assessment and early sediment testing, not on the sediment quality targets identified in the Total Maximum Daily Load (TMDL) that was adopted by the Los Angeles Regional Water Quality Control Board (Los Angeles Regional Water Board) on October 1, 2009 and the State Water Board on November 16, 2010. The TMDL sediment quality targets were much more stringent than anticipated by the Plan.

In addition, to better determine the level and spatial distribution of contaminants at the Lagoon, the City conducted new comprehensive sediment testing in July 2010, which revealed that contaminants were present throughout the lagoon, and that the quantity of material requiring removal exceeded original estimates. As a result, a total of approximately 55,000 cubic yards of hazardous sediment must be removed, treated and disposed from the entire Lagoon, at an estimated cost of \$9.3 million. The City has received the following sources of funding:

- Lower Los Angeles-San Gabriel Rivers and Mountains Conservancy: \$1.1 Million
 - U.S. Army Corps of Engineers: \$1.0 Million
 - NOAA and California Coastal Conservancy: \$0.7 Million
 - CAA Funds: \$1.8 Million
- TOTAL: \$4.6 Million**

The City is asking for an additional \$3.3 million in CAA funds to cover costs associated with the removal, treatment, and disposal of the additional hazardous sediment. Non-hazardous soil removal is not included in this new total. The City is seeking to lower the estimated costs through value engineering to fill the remaining gap (\$1.4 million).

To take advantage of the availability of a local confined disposal facility at the Port of Long Beach (Port), the City must break ground on the Project by October 2011. The disposal site at the Port may only receive Project material between November 1, 2011, and April 30, 2012. As such, the Project must proceed this year to utilize this unique disposal opportunity. The City originally planned to dispose of the material at Kettleman City Landfill, as outlined in the 2008 Environmental Impact Report, but this would be more costly.

The third phase of the Plan will include opening the outlet from the inland portion of the Lagoon to the Pacific Ocean thus restoring natural function to the Lagoon. This phase of the Project cannot be completed until the hazardous sediments have been removed.

The Los Angeles Regional Water Board approved a resolution on March 3, 2011, stating the Project is identified as the current top priority for disbursement of funds from the CAA for the region.

The requested allocation is consistent with the purposes of Water Code Section 13442. Section 13442 provides that the State Water Board may order monies to be paid from the CAA to a public agency with the authority to cleanup or abate the effects of a waste in order “to assist it in cleaning up the waste or abating its effects on the waters of the state.”

POLICY ISSUE

Should the State Water Board approve additional funding of \$3.3 million from the CAA to the Project?

FISCAL IMPACT

According to the most current data, the uncommitted CAA balance is estimated to be no less than \$9 million.

REGIONAL BOARD IMPACT

Yes, the proposed Project will assist the City in achieving compliance with Los Angeles Regional Water Board TMDL requirements.

STAFF RECOMMENDATION

The State Water Board should approve additional funding of \$3.3 million from the CAA to the Project.

State Water Board action on this item will assist the Water Boards in reaching Goal 4 of the Strategic Plan Update: 2008-2012, to comprehensively address water quality protection and restoration, and the relationship between water supply and water quality, and describe the connections between water quality, water quantity, and climate change, throughout California's water planning processes.

DRAFT

STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2011-

TO ALLOCATE AN ADDITIONAL \$3.3 MILLION FROM THE
CLEANUP AND ABATEMENT ACCOUNT (CAA) TO FUND THE
COLORADO LAGOON (LAGOON) RESTORATION PROJECT (PROJECT)

WHEREAS:

1. The City of Long Beach (City) is requesting an additional \$3.3 million from the CAA to fund the Project;
2. The Lagoon provides shelter for migratory bird species as well as potential breeding habitat for many wildlife species and is heavily utilized by communities within and around Long Beach for recreational activities, including swimming, fishing, wildlife viewing, and picnicking;
3. The State Water Resources Control Board (State Water Board) allocated approximately \$1.8 million from the CAA in March 2010 for this project in [Resolution No. 2010-0007](#);
4. The original project anticipated that the City would need to remove approximately 28,500 cubic yards (cu.yds.); however, the City determined that 55,000 cu.yds. of hazardous materials will need to be removed, treated, and disposed from the Lagoon;
5. The City is proposing to remove the hazardous soil only and will find other funding for the removal of non-hazardous soil, if needed;
6. The Los Angeles Regional Water Board approved a resolution on March 3, 2011, which states that, the Project is identified as the current top priority for disbursement of funds from the CAA for the region; and
7. The requested allocation is consistent with the purposes of Water Code Section 13442. Section 13442 provides that the State Water Board may order moneys to be paid from the CAA to a public agency with authority to cleanup or abate the effects of a waste "to assist it in cleaning up the waste or abating its effects on the waters of the state."

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves funding an additional \$3.3 million from the CAA to the City for the Project; and

D R A F T

2. Shall revert any unexpended funds to the CAA as of June 30, 2013, unless the Deputy Director or Assistant Deputy Director of the Division of Financial Assistance authorizes an extension. The funds will be available until June 30, 2013.

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 Board held on May 17, 2011.

Jeanine Townsend
Clerk to the Board