



## REPORT OF GENERAL MANAGER

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NO. 11-027

3. Approve subject to the approval of the City Council, the proposed Agreement with Allied Remediation Services, Inc., (ARS), substantially in the form on file in the Board Office, for the mitigation project to be developed on forty-four (44) acres of land at the Chatsworth Reservoir, currently owned by the Department of Water and Power (DWP) and to be transferred to the Department in the future, as further described in the Summary of this Report;
4. Direct the Board Secretary to transmit forthwith the proposed Agreement to the Mayor for review in accordance with Executive Directive No. 3, and, concurrently to the City Attorney for review and approval as to form; and,
5. Authorize the Board President and Secretary to execute the Agreement upon receipt of the necessary approvals.

### SUMMARY:

#### Purpose of Mitigation Project

The Chatsworth Mitigation Project (CMP) came about as a means to mitigate for approximately 13.24 acres of riparian and wetland habitats lost as a result of closure and extension projects at the Sunshine Canyon Landfill, located in the East Valley, near Sylmar. Republic Services, Inc. (RSI), owner of the Sunshine Canyon Landfill, obtained permits for those projects from the United States Army Corps of Engineers (Corps) and the California Department of Fish and Game (CDFG) in 2003 and 2004. Closure of the inactive landfill at Sunshine Canyon began in 2003 and the extension to provide additional capacity at the landfill within the City limits followed.

The permits issued by the Corps and CDFG required the development and approval of a mitigation plan to establish a minimum of 35 acres of riparian and wetland habitats at a suitable mitigation site to compensate for the loss of the 13.24 acres of habitats. Further, the permits required the mitigation site to be dedicated through a conservation easement to protect its biological resources in perpetuity.

Working together, staff from Council District 12, the Department, and the DWP, identified an approximately 44-acre mitigation site within the Chatsworth reservoir. In 2006, RSI prepared and submitted a Final Wetland and Riparian Mitigation and Monitoring Program for the Chatsworth Reservoir in compliance with the conditions of the Corps and CDFG permits. The program was approved by both the Corps and CDFG and would be implemented by Allied Remediation Services, Inc. (ARS), a wholly owned subsidiary of RSI.

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### Project Location

The Chatsworth Reservoir is located within the northwestern portion of the San Fernando Valley, northeast of the intersection of Roscoe Boulevard and Valley Circle Drive. The reservoir occupies an area approximately 410 acres in size within a larger 1,323 acre property currently owned and operated by DWP. Please see Exhibit A.

The project area is to comprise a total of 140 acres of land. Approximately 44-acres will be utilized as the mitigation area. The balance of 96 acres is to be set aside as an open space buffer and potential future passive parkland. Please see Exhibit B.

### Project Elements

The proposed project will consist of the following elements:

1. The detailed design, development, construction and monitoring of the Final Chatsworth Reservoir Wetland and Riparian Mitigation Program by RSI;
2. Compensation from RSI to DWP for the use of the approximately 44-acre mitigation site at Chatsworth Reservoir (currently estimated at \$540,000);
3. The establishment of a conservation easement over the approximate 44-acre mitigation site to preserve and protect it as permanent open space in perpetuity;
4. The transfer of up to 140 acres of Chatsworth Reservoir property, including the mitigation site, from DWP to Department;
5. The establishment by RSI and acceptance by Department of an interest bearing account for future maintenance of the mitigation site (currently estimated at \$460,000).

There are five (5) principal components to the mitigation program design: 1) removal of a section of concrete perimeter drainage channel and rip-rapped berms along a channelized (soft bottom) stream reach to create a natural stream channel; 2) recontouring of an existing basin area to create additional wetlands; 3) restoration of existing stream channels associated with Woolsey Canyon and Box Canyon Creeks; 4) enhancement of existing wetlands; and, 5) creation of additional riparian woodland habitat. The excess soil generated from these activities will be placed in adjacent upland areas and will be planted with oak woodland and grassland vegetation.

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### Agreement

The proposed mitigation project program is projected to be implemented over the next five to six years. Construction and restoration activities are expected to take about five months and are anticipated to begin in Summer/Fall 2011. The conservation easement will be established over the mitigation site around December 2011. Planting should begin in Fall/Winter of 2011/2012 with monitoring by ARS to be initiated in 2012 under completion of the project and continuing through at least 2017.

The agreement that the Board is being asked to consider memorializes the duties and obligations of RSI, acting through its affiliate, ARS. Further, the agreement provides details on the obligations of the DWP, even though it is not a party to the agreement. DWP has committed to the transfer of the property and will do so in time for the City to deposit the Interdepartmental Transfer documents to escrow.

According to the Agreement, ARS is responsible for the following:

1. Obtain a mitigation plan, approved by the appropriate regulatory agencies, to create, restore and enhance, approximately 44 acres of riparian and wetland habitat on DWP property.
2. Construct and implement the mitigation plan/project and monitor the progress of the project for a period of not less than five (5) years after creating the wetlands and woodlands required by the mitigation plan project.
3. Provide DWP approximately \$540,000 as a mitigation payment for the use of DWP land for the creation of the mitigation habitat area and the granting of the conservation easement.
4. Provide Department approximately \$460,000 as a mitigation payment for the creation of an interest bearing account to be used for the maintenance of the mitigation site.

According to the Agreement, the Department is responsible for the following:

1. Accept the transfer of the mitigation habitat area from DWP.
2. Maintain the mitigation habitat area as a natural resource pursuant to the terms of a conservation easement.

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3. Create an interest bearing account with the mitigation payment of \$460,000 from ARS to be used for the maintenance of the mitigation site.

### Property Transfers

As previously discussed, DWP will transfer a total of 140 acres to the Department for the creation of the habitat mitigation area. Of this acreage, forty-four (44) acres will be used for the creation of the riparian wetlands and habitat. The 44 acres will be transferred to the Department prior to construction of the mitigation plan project. The balance of ninety-six (96) acres will be used as a buffer area to protect the riparian wetlands and habitat. Transfer of the 96 acres will not occur until such time as construction of the mitigation project is completed. The transfer of the entire 140 acres will be at no cost to the Department.

### Environmental Impact

In accordance with the CEQA requirements, a MND was prepared based on an Initial Study, which determined that all potentially significant environmental effects would be mitigated to a level less than significant. The MND was circulated to all interested parties and responsible agencies and filed with the State clearing house for a thirty-day review and comment period from October 14, 2010 to November 15, 2010. There were a total of twenty-two (22) comment letters received during the agency and public comment period. The issues raised concerned primarily cultural resources at the project site, Native American consultation, and potential hazardous contamination. All comments have been incorporated into the final MND and copies are on file in the Board Office. A Mitigation Monitoring and Reporting Program (MMRP) has been prepared that specifies all the mitigation measures identified in the MND, which will either reduce or eliminate the potentially significant environmental impact of the project, in accordance with Section 15097 of the State CEQA Guidelines.

### FISCAL IMPACT STATEMENT:

Approval of the Agreement and the associated improvements to the mitigation habitat area will not have any known impact on the General Fund. All costs for the design, construction and monitoring of the mitigation project are the responsibility of ARS. Upon transfer of the mitigation area to the Department, it is anticipated that the interest bearing account created from the mitigation payment provided to the Department should be sufficient to pay for maintenance costs of the habitat area.

This report was prepared by Cid Macaraeg, Senior Management Analyst II, Real Estate and Asset Management, Planning and Construction Division.



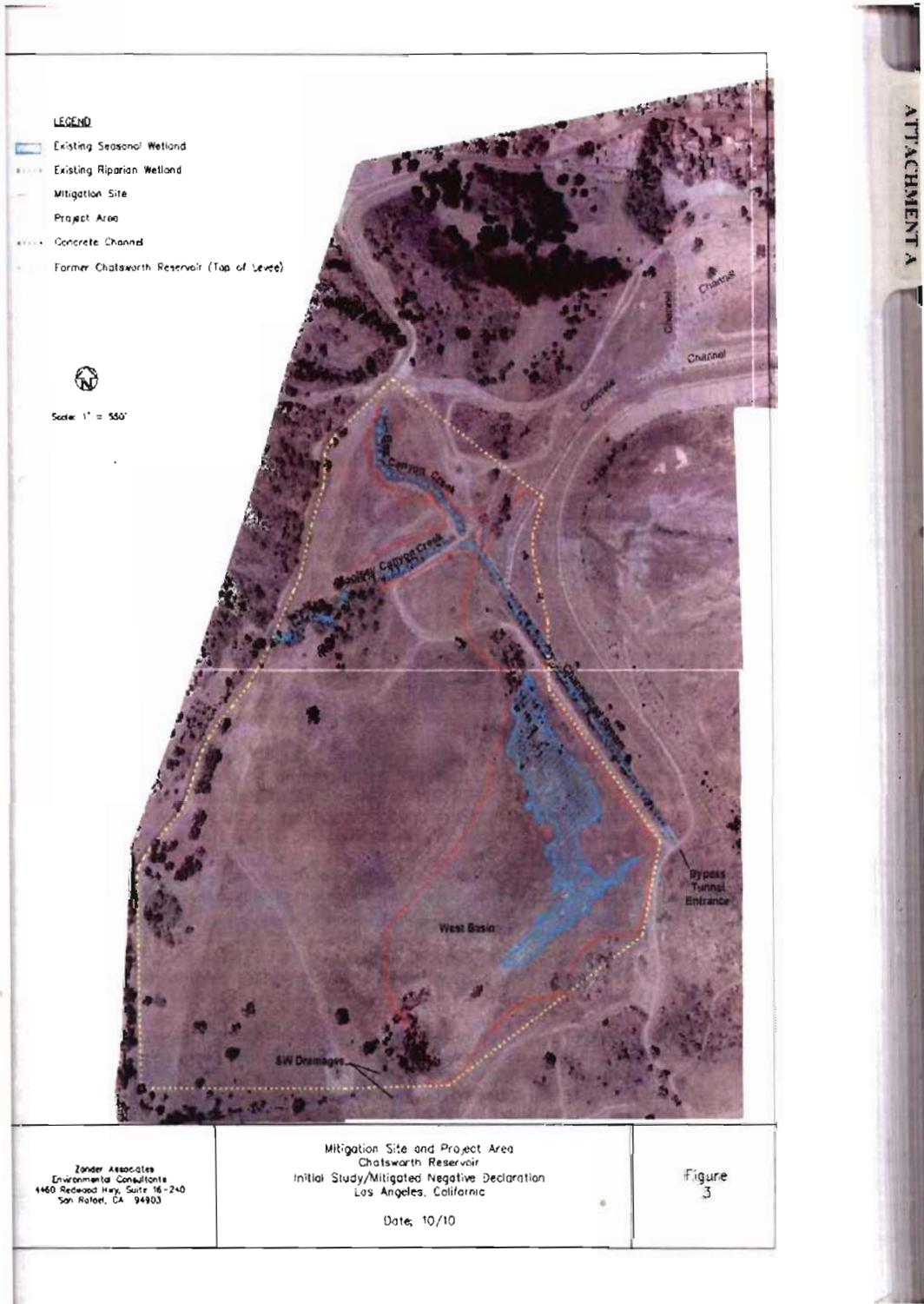
Zanker Associates  
 Environmental Consultants  
 4460 Redwood Hwy, Suite 16-240  
 San Rafael, CA 94903



Date: 10/10  
 Source of Aerial Photograph: Remiserve, Flown Feb 2005

Project Area Characteristics  
 Chatsworth Reservoir  
 Initial Study/Mitigated Negative Declaration  
 Los Angeles, California

Figure  
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Mitigation Site and Project Area  
Chatsworth Reservoir  
Initial Study/Mitigated Negative Declaration  
Los Angeles, California

Date: 10/10

Figure  
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ATTACHMENT A