



MARK PESTRELLA, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE

REFER TO FILE:

LD-0

May 8, 2023

Mr. Don Henry, President
Agua Dulce Town Council
33201 Agua Dulce Canyon Road, Box Number 8
Agua Dulce, CA 91390

Dear Mr. Henry:

**AGUA DULCE TOWN COUNCIL CONCERNS
APPARENT UNPERMITTED GRADING AND CONSTRUCTION
AGUA DULCE RESIDENTIAL PROJECT PHASES 1-3, TRACT 50385-01**

Supervisor Kathryn Barger ask that we look into your concerns stated in your recent letter, and we thank you for bringing these items to our attention.

The Los Angeles County Departments of Public Works and Regional Planning have conducted site visits and are working with the developer's Project Manager to ensure that the grading work is being done consistent with the grading permit and all conditions of approval of the project.

In 2006, in compliance with the County's standard practice, the grading plans were reviewed and approved prior to map recordation and in compliance with the tentative map and associated environmental documents. The approved grading plan included five areas located along the southerly boundary of the tract on easements that were recorded for flood control purposes. These easements were required for, and are considered a part of, the development.

Since grading is one of the first construction items that is needed to build the project, the developer applied for and obtained the required grading permit. That permit is valid to grade all the grading work identified on the approved grading plans, including grading within the flood control easements. Later, once the grading operations have reached the appropriate stage, the developer will apply for flood construction permits to construct the actual drainage improvements.

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During a recent inspection and as noted in your letter, it was discovered that some of the grading in the flood control easement went beyond the boundaries of the easement. Therefore, the contractor was issued a Notice of Correction on April 20 for the improper portions of the grading work. The Notice required the contractor to remove the stockpiled soil exceeding the easement boundaries and to restore the area to the satisfaction of the County. Since the Notice was for the improper work outside of the easement boundaries, grading operations were allowed to continue within the easement and tract boundaries for the project. During the Notice of Correction follow-up inspection, the inspector noted that the developer was making progress in correcting the issues documented in the Notice of Correction and was in the process of removing the stockpile. In discussions with the Project Manager and their design professional, they informed us that they are in the process of removing all the dirt placed outside the permitted grading limits and relocating it within the tract boundary. Our inspector will be kept informed of the removal progress as this may take some time.

Public Works and Regional Planning will continue to monitor the project to ensure the grading work performed at the site meets the approved grading plans and permit. Regional Planning will issue a Notice of Violation for any work that is inconsistent with the conditions of approval of the approved Conditional Use Permit or applicable Zoning Code requirements.

Regarding your concerns about the Multiple Agreement and improvement bonds referenced in your April 24, 2023, letter, we looked into your contentions and have the following responses:

- Your contention that Travelers Insurance cannot confirm that Bonds B3 4217653, 4217654, 4217655, 4217656, 4217661, 4217662, 4217663, and 4217664 remain in force.
 - On September 22, 2022, Traveler's Insurance confirmed that the eight relevant bonds remain in effect.
- Your contention that there is an apparent 5-year gap when the Multiple Agreement was not extended.
 - The Multiple Agreement was last extended on June 15, 2021. The Multiple Agreement was not extended in June 2022 because the County and the new owner of Tract 50385 were, and still are, in the process of drafting a replacement Multiple Agreement and updating related bonds and/or letters of credit. Drafts of such documents are not subject to disclosure. However, once the documents are finalized, they will be produced, and we will provide a copy.

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- The original Multiple Agreement does not expire and remains in effect until the replacement Multiple Agreement and related bonds have been secured by the new owner. The original Multiple Agreement remains valid even during the claimed 5-year gap.
- The Subdivider is also required to maintain the improvement security and payment security in full force and effect during the terms of the Multiple Agreement, including any extensions of time as may be granted.
- Your contention that the letter of credit for Grading Permit GRAD200218000115 should be re-validated.
 - Public Works has verified the validity of the letter of credit (LOC) provided by Credit Suisse AG in the amount of \$2,270,000 for the grading work being conducted at Tract 50385-01 in Agua Dulce, California. The LOC was accepted on July 11, 2022, and is set to expire on July 6, 2023, with automatic 1-year renewals as necessary. However, due to recent instabilities in the banking industry, we have been checking every 2 weeks for financial institution ratings. If we determine a financial institution's rating does not meet the County's minimum criteria and standards, we notify the customer of the finding and require the customer to replace the existing LOC with one from an eligible and County-approved financial institution.

If you have any further questions or concerns related to the grading inspections, please contact Ms. Jessica Bunker of our Building and Safety Division at (626) 458-6360 or jbunker@pw.lacounty.gov and Mr. James Chon of our Land Development Division at (626) 458-4943 or jchon@pw.lacounty.gov for Multiple Agreement and improvement bonds.

Very truly yours,

MARK PESTRELLA, PE



ART VANDER VIS
Assistant Deputy Director
Land Development Division

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cc: Supervisor Kathryn Barger (Stephanie English, Anish Saraiya)
Department of Regional Planning (Amy Bodek)