

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 16, 2009

CAO File No. 0220-03994-0017
Council File No. 06-1235
Council District: All

To: The Council

From: Raymond P. Ciranna, Interim City Administrative Officer *RPC*

Reference: Council Instructions Adopted on June 29, 2007

Subject: **PROPOSITION O, CLEAN WATER GENERAL OBLIGATION BOND PROGRAM --
FINANCIAL REVIEW, PROJECT ADJUSTMENT AND FUNDING RECOMMENDATIONS**

SUMMARY

On November 2, 2004, the voters of the City of Los Angeles approved the Proposition (Prop O) Clean Water Bond. Prop O authorized the issuance of \$500 million in General Obligation Bonds to finance projects that assist in bringing the City into compliance with the Federal Clean Water Act. The Prop O Program consists of projects designed to remove trash, bacteria and stormwater pollution from the City's rivers, lakes, beaches and the ocean, as well as reduce flooding and increase water conservation in order to meet Total Maximum Daily Load (TMDL) requirements for trash and bacteria. A TMDL is a calculation of the maximum amount of a pollutant that a water body can receive and still safely meet water quality standards. The Mayor and Council appointed a five member Administrative Oversight Committee (AOC) and a nine member Citizens Oversight Advisory Committee (COAC) to oversee the program.

In our June 14, 2007 report, the Council approved Prop O project funding of \$160.6 million. This was added to previously approved Prop O funding of \$307.9 to total \$468.5 million. This left only \$31.5 million in unallocated Prop O monies. We reported that approximately \$127 million in additional requests were under consideration by the AOC and COAC. Funding of all those requests would have resulted in Prop O being over-budgeted by \$95.5 million. In addition, once the Prop O projects are implemented, operations and maintenance (O&M) costs were estimated to be up to \$1.9 million annually. Funding for O&M costs were also not identified. Therefore, on June 29, 2007, the Council instructed this Office:

- To report back to the Budget and Finance Committee relative to staffing costs associated with the approved Prop O projects and any impact to these projects should staffing costs be more than anticipated;
- Along with the Chief Legislative Analyst (CLA) to:
 - review the financial condition of Prop O and report back to Council with appropriate recommendations; and,
 - explore the possibility of using the allocated funding as leverage for State infrastructure bonds and report back within 30 days with an estimate of funding to be freed by the infrastructure bonds for other projects.

Staffing Costs

A thorough analysis of Prop O staffing needs was conducted with assistance of the Bureau of Engineering (BOE) and the Bureau of Sanitation (BOS). A projection of future staffing needs was developed for the four Department of Public Works bureaus supporting Prop O. Resolution authorities were approved through the budget process to include 20 positions for the BOE, 13 positions for the BOS (including eight TMDL positions),

and one position in the Board of Public Works, Office of Accounting. Bureau of Contract Administration inspectors will be deployed to the projects as needed and will be funded from within the existing project budgets.

The Prop O project budgets include \$29.4 million in direct and indirect salary costs for the City's project implementation staff. City staff program implementation costs are budgeted separately and are projected to be \$13.9 million for the life of the program. Altogether, staff costs are estimated at \$43.3 million.

To date, the Council has authorized \$10 million in City staffing costs for Prop O. Approximately \$5.7 million of these costs are budgeted within the projects, with \$4.3 million budgeted separately under program implementation. An additional \$23.6 million in project-related and \$9.6 million in program-related staffing is anticipated through 2014-15. The staff cost breakdown is shown below and illustrated in Attachment A:

Prop O Staffing	Council Approved (Through June 30, 2009)	Future Needs (Through June 30, 2015)	Total
Project-Related	\$5,721,520	\$23,645,128	\$29,366,648
Program-Related	\$4,347,550	\$9,579,972	\$13,927,522
Total	\$10,069,070	\$33,225,100	\$43,294,170

Of the eight TMDL positions supporting Prop O, four are assigned to and budgeted within the three Catch Basin Opening Screen Covers projects. The remaining four positions are assigned to and budgeted under program implementation for the purpose of providing TMDL program planning, implementation and compliance for the Echo Park Lake Rehabilitation and Machado Lake Ecosystem Rehabilitation projects. The \$6.3 million cost for the eight TMDL positions is included in the Prop O staffing table shown above. The breakdown of direct and indirect costs for these positions is shown in the following table:

Project Title(s)	Assignment	Pos.	Direct	Indirect	Total
Catch Basin Opening Screen Covers	Project Implementation	4	\$1,865,643	\$1,258,278	\$3,123,921
Echo Park Lake and Machado Lake	Program Implementation	4	\$1,888,514	\$1,264,947	\$3,153,461
Total		8	\$3,754,157	\$2,523,225	\$6,277,382

All eight TMDL positions will be phased out of the Prop O program upon project completion.

Financial Review

A financial review of Prop O was conducted with assistance from the Chief Legislative Analyst (CLA), Bureau of Engineering (BOE) and Bureau of Sanitation (BOS). The purpose was to balance the Prop O fund and to ensure sufficient funds will be available to fund the current list of Council approved projects. The review included an analysis of future staffing needs, project scopes and cost, and bond proceeds from interest and anticipated grant reimbursements to the Prop O fund.

Our analysis reflects an overall potential surplus of \$13.2 million. The total Prop O Program commitment of \$517.5 million is offset with \$530.7 million in total available funding which is detailed in Attachment B and summarized below:

<u>Budget Item</u>	<u>Amount</u> <u>(\$ millions)</u>
Council approved project funding	\$264.0
Council approved program funding (City Staff)	4.3
Council approved program funding (Consultants)	1.0
Council approved project funding set-asides	203.4
Additional project funding needs identified	45.3
Savings identified	(10.1)
Future program staffing needs	9.6
Total – Prop O Funding Requirement	\$517.5
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Bond authorization	\$500.00
Bond interest to date	4.2
Arbitrage set-aside to date	(0.1)
Total – Anticipated Bond Funding to Date	\$504.1
Secured grants reimbursable to Prop O	19.6
SCM funding reimbursable to Prop O	7.0
Total – Potential Funding	\$530.7
Total – Prop O Funding Requirement	(\$517.5)
Potential Surplus	\$13.2

It should be noted that the \$13.2 million in unprogrammed funding authority is tenuous. It is recommended that the unprogrammed authority not be programmed at this time. Though there may be worthwhile eligible uses for the funds, a conservative approach should be used to avoid the possibility of Prop O projects creating a burden on the General Fund. The \$13.2 million should be designated as a Prop O Program Contingency. Currently, there are numerous potential fiscal impacts that could easily impact or exceed the unprogrammed amount. For example:

- Machado Lake Ecosystem Rehabilitation/Wilmington Drain Multiuse (\$117.5 million) and Echo Park Lake Rehabilitation (\$84.3 million) are large, multi-year projects that are still in the initial stages of development. The City Engineer will make every effort to remain within budget. However, projects of this scope have little precedent and there is the potential for significant, unpredictable issues. Due to the size and complexity, these projects will be the last to be implemented. Thus, if and when unanticipated issues arise, most, if not all, of the Prop O money will already have been spent or committed to other projects in construction or will have been spent. Therefore, a Program Contingency will help minimize the potential need for a General Fund contribution to resolve unanticipated issues.
- Prop O projects have a total of \$19.6 million in secured grants from outside sources supporting the projects. The City has yet to receive approximately \$18.6 million in reimbursable grants from the grantors. Financial difficulties experienced by the State of California have placed some of these grants at risk. Should the City experience any difficulty in receiving any of these grant funds, a Program Contingency will allow the already approved projects to survive without a General Fund impact.
- Albion Dairy Park and Taylor Yard River Park are approved water quality projects that have only partial land acquisition funding. Funding still needs to be identified for the remainder of the projects.
- Many of the approved projects have little precedence for the Department of Public Works. While the City Engineer has done a thorough and responsible job in projecting costs, there may be other cost increases to existing projects that may arise (i.e. South Los Angeles Wetlands Park increased \$5.3 million in this report). A number of project cost estimates were based upon preliminary (Class O) and pre-design (Class C) estimates. These estimates will be refined during 20%, 50% and 90% design, which may result in project cost adjustments. Lack of a Program Contingency may mean canceling projects midway through design or construction, or supplementing projects from the General Fund.

Projects that are approved but do not have funding yet (Aliso Wash –Limekiln Creek and Boyle Heights CC), could be funded from the Program Contingency as soon as it becomes clear that sufficient funds exist to complete all existing, funded projects. As projects progress, any project savings and interest earnings from future bond sales (which we cannot project at this time) should return to the Program Contingency.

Further detail on the specific items in the summary table above are provided in the Findings attached to this report. As the Prop O program proceeds, we will return with additional recommendations as necessary.

RECOMMENDATIONS

That the Mayor and Council:

1. Approve an increase of \$31,139,028 to the Proposition (Prop) O project budget for construction costs associated with the Santa Monica Bay Low Flow Diversion Upgrades projects, Packages 1 through 4;
2. Instruct the Bureau of Sanitation to include the Coastal Interceptor Relief Sewer (CIRS) project in the Wastewater Capital Improvement Program budget for Fiscal Years 2009-10 through 2013-14 in an amount not-to-exceed \$7,000,000 from the Sewer Construction and Maintenance Fund for the purpose of constructing the CIRS as part of the Santa Monica Bay Low Flow Diversion Upgrades, Package 3 Project;
3. Authorize the Chief Accounting Officer of the Department of Public Works to transfer an amount not-to-exceed \$7,000,000 from the Sewer Construction and Maintenance Fund to the Proposition O Fund for Fiscal Years 2009-10 through 2013-14 based upon annual instructions provided by the Director of the Bureau of Sanitation and/or designee;
4. Remove the La Cienega/Fairfax Stormwater BMP project from Prop O, de-obligate unspent funds and transfer remaining funds (approximately \$6,999,728) to the Unappropriated Balance within the Prop O Fund;
5. Approve the new Westside Rainwater Irrigation project and approve Prop O funding in the amount of \$6,904,589;
6. Approve an increase of \$5,278,202 to the Prop O project budget for the South Los Angeles Wetlands Park project, pending further review of water quality scope;
7. Approve an increase of \$2,000,000 to front-fund land acquisition costs for the South Los Angeles Wetlands Park to be reimbursed to Prop O upon receipt of Prop 12 grant funds or other alternative sources of funding;
8. Authorize the Department of Public Works and the City Administrative Officer to make technical corrections relative to the actions approved by the Council and the Mayor on this matter and authorize the Controller to implement those corrections; and
9. Instruct the City Administrative Officer and the Chief Legislative Analyst to periodically review the financial condition of the Prop O Bond Fund and report back to Council with appropriate recommendations.

FISCAL IMPACT STATEMENT

The recommendations in this report result in additional appropriations of \$45.3 million in the Proposition O Fund and \$7 million in appropriations in the Sewer Construction and Maintenance Fund. This is partially offset by the cancellation of one project (\$7 million) and transfers of approximately \$3.1 million in funds from completed projects. Approval of the recommendations in this report will allocate the total amount of \$500 million in Prop O funding. There is an estimated additional annual cost to the General Fund of \$0.7 million for Operation and Maintenance (O&M) costs for the Santa Monica Bay Low Flow Diversion Upgrades projects. The O&M costs for the other Prop O projects are to be determined and will be addressed through the City's annual budgetary process. The recommendations in this report are in compliance with the City's Financial Policies as funding for the proposed projects is provided from bond funds which are supported by voter-approved property tax revenue.

FINDINGS

Status of Bond Issuance Authority

Of the \$500 million authorized, \$146 million in bonds have been issued to date. Bond interest earnings to date are approximately \$4.2 million. Bond proceeds from grant reimbursements total \$1 million out of \$19.6 million in secured grant funding. A new bond issuance will be pursued for 2009 to ensure that bond projects are not delayed. The amount of that issuance is currently being determined by staff.

State Infrastructure Bonds

Prop O projects are included in the City's database for potential funding from State Infrastructure Bonds. Prop O BOS staff will continue to apply for grant funding to complement or reduce the Prop O amounts currently approved for projects. To date, \$19.6 million in reimbursable grant funding has been identified from the State's Prop 12, Prop 40 and Prop 50 grants. The level of reimbursement is determined by the grantors and the City's ability to meet the grant requirements. Grant receipts are deposited in the Prop O Bond Fund which provided the front funding for the project. Pursuant to the Prop O Governance Structure, these grant receipts are reallocated by the AOC to approved projects up to the funding levels set by Council. Approximately \$1 million in grant reimbursements have been received as of February 2009.

Project Funding Adjustments- Projects with Partial Prop O Funding

Completed Projects

Cost savings from completed projects totaling \$3.1 million were identified as follows:

Project	Million
Oros Green Street	\$ 0.2
Catch Basin Inserts and Covers – Phase I	\$ 2.3
Catch Basin Opening Screen Covers – Phase II	<u>\$ 0.6</u>
Total	\$ 3.1

Santa Monica Bay Low Flow Diversions

In August 2006, the Council approved \$6 million in design costs for four Santa Monica Bay Low Flow Diversion (SMBLFD) Upgrades projects, Packages 1 through 4. Project design has been completed, and construction funding in the amount of \$31.1 million is recommended. This would bring the total project cost to \$37.1 million. The AOC approved \$31.1 million in Prop O funding for construction of the four SMLFD sites at their December 2008 meeting. The BOS recently secured \$7 million in funding from the Sewer Construction and Maintenance (SCM) Fund for construction of the Coastal Interceptor Relief Sewer (CIRS) as part of the SMLFD Upgrades, Package 3 project. These funds will be reimbursable to Prop O upon completion of the work and will reduce the overall Prop O commitment from \$37.1 million to \$30.1 million.

The four SMLFD packages will upgrade eight existing sites to assist the City in complying with future winter (November 1 to March 31) dry weather Santa Monica Bay Beaches Bacterial TMDL requirements. The existing systems divert summer (April 1 to October 31) dry weather storm drain flows. Once completed, all eight diversion sites will flow through the flood control channels into the sanitary sewer system for treatment at the Hyperion Waste Water Treatment Plant, thus reducing the level of contaminants discharged into Santa Monica Bay.

Albion Dairy Park

On December 17, 2008, the Council approved the Albion Dairy Park Project and allocated \$5 million in Prop O funding (C.F. 06-1235). In addition, the Council authorized the Community Redevelopment Agency to receive reimbursement from within the \$5 million for costs associated with environmental assessment work. Future funding requirements are still being prepared and will be addressed in a separate report.

Taylor Yard

The Taylor Yard (G2) River Park project has a \$25 million Council-approved set-aside (C.F. 06-1235). However, project acquisition and details have yet to be further developed.

La Cienega/Fairfax Stormwater BMP Project - Westside Park Rainwater Irrigation Project

The La Cienega/Fairfax Stormwater BMP project was approved by Council in August 2006, with \$7.7 million funded from Prop O and \$0.7 million expended to date. This project received strong opposition from Council District (CD) 10 and the local community at a public meeting held in April 2008. The project consists of an underground storage tank and two bio-retention basins capable of treating approximately 81,000 gallons of runoff per day.

Subsequent to the meeting, the BOE engaged with CD 10 and local community members to provide a suitable water quality project alternative that met the approval of the Council Office and the community. In late October 2008, a Concept Report for the re-scoped project entitled Westside Park Rainwater Irrigation was presented to Councilmember Herb Wesson and community members; receiving their full support. The new project, which was approved by the AOC on October 30, 2008 and the COAC on January 21, 2009, will utilize subsurface irrigation supplied by stormwater and treat 45,000 gallons of runoff per day.

The Westside Park Rainwater Irrigation project is scheduled to begin design in March 2009. Therefore, it is recommended that the Council remove the La Cienega/Fairfax Stormwater BMP project from the Prop O program, de-obligate the remaining unspent balance for a cost reduction of nearly \$7 million and reallocate \$6.9 million of these funds to the new Westside Park Rainwater Irrigation project, for a net savings of \$0.1 million.

South Los Angeles Wetlands Park Project

The cost of the South Los Angeles Wetlands Park Project is estimated at \$25.7 million. The project scope includes both water quality and recreation elements. The recreation elements are funded by Prop K, Prop 12 and Prop 40 grants totaling \$4.3 million. The remainder is funded by Prop O, Prop 50, the Metropolitan Transportation Agency and the Sewer Construction and Maintenance Fund.

A total of \$13.4 million is proposed for funding from Prop O for the South Los Angeles Wetlands Park project. The City Council and Mayor approved \$8.1 million in Prop O funding in August 2006. On January 29, 2009, the AOC approved an additional set-aside of \$5.3 million pending a complete review of all project scope. Therefore, Council and Mayoral approval of the \$5.3 million set-aside is recommended in this report, with the same conditions established by the AOC.

The review of the project scope is necessary as the original project cost was estimated to be \$14.7 million and has since increased to \$25.7 million (a 61 percent increase). The BOE reports that the original project cost estimate relied on construction values from 2003 that inadvertently were not escalated for inflation. In January 2009, the BOE completed an updated cost estimate which corrected this omission and provided the basis for the action of the AOC and requested action of the Council and Mayor.

The South Los Angeles Wetlands Park project is projected to be reimbursed \$2 million from the State of California's (State's) Prop 12 Roberti-Z'berg/Harris (RZH) grant for land acquisition. In January 2009, the AOC and COAC approved front-funding the grant from Prop O. Council and Mayor concurrence is requested. This would increase the overall Prop O appropriation for the project from \$13.4 million to \$15.4 million but the \$2 million increase is projected to be reimbursed. Therefore, the net commitment from Prop O will remain at \$13.4 million.

Summary of Changes to Projects with Partial Funding

Savings from Completed Projects	\$ (3.1)
Santa Monica Bay Low Flow Diversions	24.1
Albion Dairy Park	--
Taylor Yard	--
La Cienega/Fairfax Stormwater BMP	(7.0)
Westside Park Rainwater Irrigation	6.9
South Los Angeles Wetlands Park	<u>\$ 5.3</u>
Total Changes	\$26.2

Project Funding Adjustments- Projects with No Prop O Funding

The AOC approved the Lincoln Heights Interchange Restoration and Parking Grove at El Sereno projects for Prop O pending availability of funds, and development and evaluation of the Concept Reports. The cost to Prop O for both of these projects was never determined.

However, on January 31, 2008, the AOC voted to remove the Lincoln Heights Interchange Restoration project from consideration for Prop O funding. This project was to divert flows from the Avenue 26 storm drain which was never constructed. Other alternatives for this project were explored, but determined to be not feasible.

Furthermore, at the request of Council District 14, the AOC voted on March 19, 2008, to remove the Parking Grove at El Sereno project from consideration for Prop O funding. The design and scope of the project changed and the Council Office was able to secure alternative funding through the Community Development Block Grant.

Between July 2007 and January 2008, the AOC and the COAC approved the following three projects based upon an estimated Prop O eligible scope, subject to availability of funding. The amounts are estimated and may change:

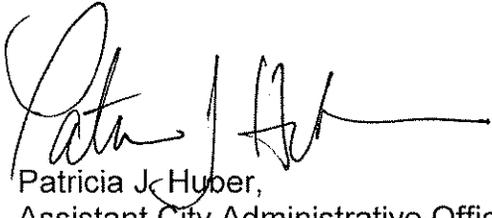
<u>Project Title</u>	<u>Amount</u> <u>(\$ millions)</u>
Aliso Creek and Limekiln Creek Confluence Restoration	\$7.8
Fremont High School Gardens Stormwater BMP	\$3.5
Boyle Heights Joint Use Community Center Improvements	2.3
Total – Unfunded Projects	\$13.6

On January 29, 2009, the AOC voted to remove the Fremont High School Gardens Stormwater BMP project from consideration for Prop O as alternative sources of funding were secured.

It is recommended that the Aliso Creek and Limekiln Creek Confluence Restoration and Boyle Heights Joint Use Community Center Improvements projects be considered for funding later in the Prop O program.

by: Mark J. Tullai
Mark J. Tullai, Senior Administrative Analyst

APPROVED:

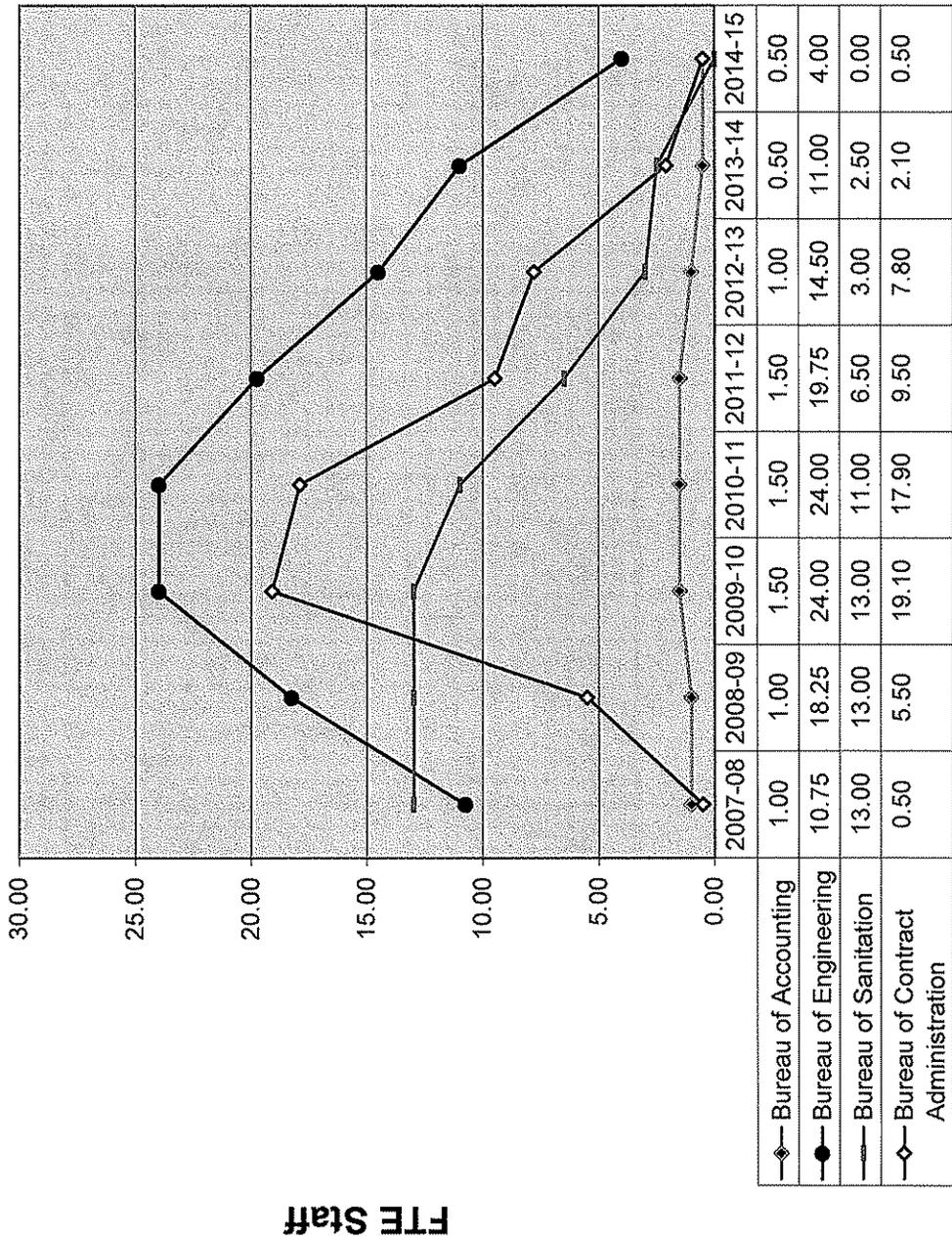


Patricia J. Huber,
Assistant City Administrative Officer

RPC:MJT:06090066

Attachments

Prop O Staffing FTE

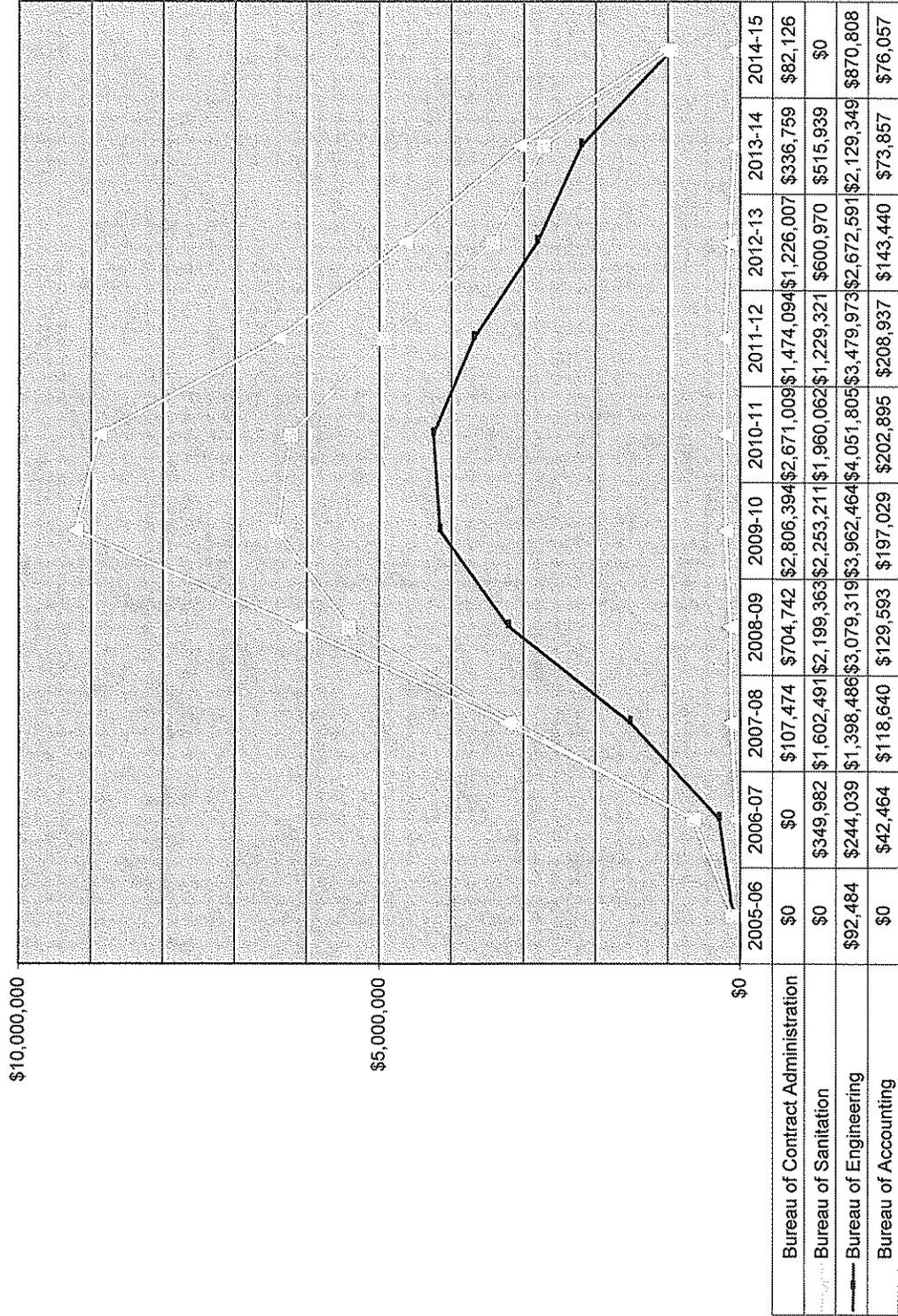


FTE Staff

Fiscal Year

- ◆ Bureau of Accounting
- Bureau of Engineering
- Bureau of Sanitation
- ◇ Bureau of Contract Administration

Prop O Staff Costs



Cost

Fiscal Year

Bureau of Contract Administration
 Bureau of Sanitation
 Bureau of Engineering
 Bureau of Accounting

No.	Project Title	Council / Mayor Approved	Approved Set-Asides	Future Needs	Cost Reductions	Prop O Budget and Funding
01-09	Los Angeles Zoo Parking Lot	\$ 13,904,243	\$ -	\$ -	\$ -	\$ 13,904,243
01-10	Strathern Pit Multiuse	17,800,000	-	-	-	17,800,000
01-11	Cesar Chavez Ground Water Improvement	3,040,000	-	-	-	3,040,000
01-12	Cabrillo Paseo Walkway/Bike Path	1,337,696	-	-	-	1,337,696
01-14	Hansen Dam Wetlands Restoration	2,220,702	-	-	-	2,220,702
01-16	South Los Angeles Wellands Park	8,100,000	-	7,278,202	-	15,378,202
01-20a	La Cienega/Fairfax Stormwater BMP	7,667,887	-	-	(6,999,728)	668,159
01-20a	Westside Park Rainwater Irrigation	-	-	6,904,589	-	6,904,589
01-20b	Mar Vista Recreation Center Stormwater BMP	4,556,186	-	-	-	4,556,186
01-20c	Grand Boulevard Tree Wells	1,075,927	-	-	-	1,075,927
01-22a	Imperial Highway Sunken Median Stormwater BMP	2,723,403	-	-	-	2,723,403
01-22c	Westminster Dog Park Stormwater BMP	1,438,755	-	-	-	1,438,755
01-22e	Temescal Canyon Park Stormwater BMP - Phase I	14,947,435	-	-	-	14,947,435
01-22e	Temescal Canyon Park Stormwater BMP - Phase II	3,698,565	-	-	-	3,698,565
01-22f	Westchester Stormwater BMP	32,722,000	-	-	-	32,722,000
01-22g	Penmar Water Quality Improvement - Phase I	20,754,800	-	-	-	20,754,800
01-22g	Penmar Water Quality Improvement - Phase II	2,830,200	-	-	-	2,830,200
01-23	Aliso Creek and Limekiln Creek Confluence Restoration	-	-	-	-	-
01-28	Oros Green Street	386,000	-	-	(188,400)	197,600
01-29	Echo Park Lake Rehabilitation	10,997,899	73,265,414	-	-	84,263,313
01-30	Boyle Heights Joint Use Community Center Improvements	-	-	-	-	-
01-35	Rosecrans Recreation Center Stormwater Enhancements	4,829,119	-	-	-	4,829,119
01-36a	Machado Lake Phase I (Wilmington Drain Multiuse)	2,200,613	15,741,921	-	-	17,942,534
01-36b	Machado Lake Ecosystem Rehabilitation	10,124,312	89,399,585	-	-	99,523,897
01-40	Peck Park Canyon Enhancement	6,190,000	-	-	-	6,190,000
01-41	Inner Cabrillo Beach Bacterial Water Quality Improvement	8,000,000	-	-	-	8,000,000
01-51	Santa Monica Bay Low Flow Diversion Upgrades, Package 1	1,097,819	-	5,716,558	-	6,814,377
01-51a	Santa Monica Bay Low Flow Diversion Upgrades, Package 2	544,547	-	2,835,564	-	3,380,111
01-51b	Santa Monica Bay Low Flow Diversion Upgrades, Package 3	3,324,213	-	17,309,823	-	20,634,036
01-51c	Santa Monica Bay Low Flow Diversion Upgrades, Package 4	1,013,421	-	5,277,083	-	6,290,504
01-52	Catch Basin Inserts and Covers - Phase I	17,000,000	-	-	(2,297,114)	14,702,886
01-52a	Catch Basin Opening Screen Covers - Phase II	10,000,000	-	-	(637,596)	9,362,404
01-52b	Catch Basin Opening Screen Covers - Phase III	44,500,000	-	-	-	44,500,000
01-53	Taylor Yard River Park (Parcel G2 Land Acquisition)	-	25,000,000	-	-	25,000,000
01-54	Albion Dairy Park (Land Acquisition)	5,000,000	-	-	-	5,000,000
Total - Project Budget		\$ 264,025,742	\$ 203,406,920	\$ 45,321,819	\$ (10,122,838)	\$ 502,631,643

City Staff - Program-Related Budget						
	Bureau of Accounting	\$ 217,696	\$ -	\$ 678,000	\$ -	\$ 895,696
	Bureau of Contract Administration	-	-	-	-	-
	Bureau of Engineering	1,149,275	-	2,908,467	-	4,057,743
	Bureau of Sanitation	1,816,646	-	3,527,979	-	5,344,625
	Related Costs (Fringe Benefits)	1,163,933	-	2,465,525	-	3,629,458
	Subtotal	\$ 4,347,551	\$ -	\$ 9,579,972	\$ -	\$ 13,927,522

Consultants - Program-Related Budget						
	Program Development/Implementation	\$ 600,000	\$ -	\$ -	\$ -	\$ 600,000
	Full Proposal Development	360,000	-	-	-	360,000
	Subtotal	\$ 960,000	\$ -	\$ -	\$ -	\$ 960,000

Total - Prop O Budget		\$ 269,333,293	\$ 203,406,920	\$ 54,901,791	\$ (10,122,838)	\$ 517,519,165
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Funding Sources						
	Bond Proceeds - First Sale	\$ 37,000,000	\$ -	\$ -	\$ -	\$ 37,000,000
	Bond Proceeds - First Sale (Interest Earned)	2,869,235	-	-	-	2,869,235
	Bond Proceeds - Second Sale	8,000,000	-	-	-	8,000,000
	Bond Proceeds - Second Sale (Interest Earned)	733,359	-	-	-	733,359
	Bond Proceeds - Third Sale	101,000,000	-	-	-	101,000,000
	Bond Proceeds - Third Sale (Interest Earned)	559,542	-	-	-	559,542
	Bond Proceeds - Future Sales	-	-	354,000,000	-	354,000,000
	Bond Proceeds - Future Interest (Estimated)	-	-	-	-	-
	Bond Proceeds - Secured Grants (Received)	950,000	-	-	-	950,000
	Bond Proceeds - Secured Grants (Anticipated)	18,687,500	-	-	-	18,687,500
	Less Set-Aside for Future Arbitrage Payments (First Sale)	-	(100,000)	-	-	(100,000)
	Sewer Construction and Maintenance (SCM)	-	-	7,000,000	-	7,000,000
Total - Funding Sources		\$ 169,799,636	\$ (100,000)	\$ 361,000,000	\$ -	\$ 530,699,636

Prop O Budget Deficit/Surplus		\$ (99,533,657)	\$ (203,506,920)	\$ 306,098,209	\$ 10,122,838	\$ 13,180,470
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Project Funding Recommendations in this Report						
	South Los Angeles Wellands Park	-	-	\$ 7,278,202	\$ -	\$ 7,278,202
	La Cienega/Fairfax Stormwater BMP	-	-	-	(6,999,728)	(6,999,728)
	Westside Park Rainwater Irrigation	-	-	6,904,589	-	6,904,589
	Oros Green Street	-	-	-	(188,400)	(188,400)
	Santa Monica Bay Low Flow Diversion Upgrades, Package 1	-	-	5,716,558	-	5,716,558
	Santa Monica Bay Low Flow Diversion Upgrades, Package 2	-	-	2,835,564	-	2,835,564
	Santa Monica Bay Low Flow Diversion Upgrades, Package 3	-	-	17,309,823	-	17,309,823
	Santa Monica Bay Low Flow Diversion Upgrades, Package 4	-	-	5,277,083	-	5,277,083
	Catch Basin Inserts and Covers - Phase I	-	-	-	(2,297,114)	(2,297,114)
	Catch Basin Opening Screen Covers - Phase II	-	-	-	(637,596)	(637,596)
Total - Project Funding Requested in this Report		\$ -	\$ -	\$ 45,321,819	\$ (10,122,838)	\$ 35,198,981

No.	Project Title	Council / Mayor Approved	Approved Set-Asides	Future Needs	Cost Reductions	Prop O Budget and Funding
Project Budget Allocations by Watershed						
	Los Angeles River	\$ 62,786,540	\$ 98,265,414	\$ 7,278,202	\$ (188,400)	\$ 168,141,756
	Ballona Creek	12,224,073	-	6,904,589	(6,999,728)	\$ 12,128,934
	Santa Monica Bay	86,171,085	-	31,139,028	-	\$ 117,310,113
	Dominguez Channel	31,344,044	105,141,506	-	-	\$ 136,485,550
	Various (Catch Basins)	71,500,000	-	-	(2,934,710)	\$ 68,565,290
Total - Project Budget Allocations by Watershed		\$ 264,025,742	\$ 203,406,920	\$ 45,321,819	\$ (10,122,838)	\$ 502,631,643
Project Budget Allocations by Council District						
	Council District 1	\$ 5,000,000	\$ 25,000,000	\$ -	\$ -	\$ 30,000,000
	Council District 2	-	-	-	-	\$ -
	Council District 3	-	-	-	-	\$ -
	Council District 4	13,904,243	-	-	-	\$ 13,904,243
	Council District 5	-	-	-	-	\$ -
	Council District 6	22,177,696	-	-	-	\$ 22,177,696
	Council District 7	2,220,702	-	-	-	\$ 2,220,702
	Council District 8	-	-	-	-	\$ -
	Council District 9	8,100,000	-	7,278,202	-	\$ 15,378,202
	Council District 10	7,667,887	-	6,904,589	(6,999,728)	\$ 7,572,748
	Council District 11	90,727,271	-	31,139,028	-	\$ 121,866,299
	Council District 12	-	-	-	-	\$ -
	Council District 13	11,383,899	73,265,414	-	(188,400)	\$ 84,460,913
	Council District 14	-	-	-	-	\$ -
	Council District 15	31,344,044	105,141,506	-	-	\$ 136,485,550
	Council Districts (All)	71,500,000	-	-	(2,934,710)	\$ 68,565,290
Total - Project Budget Allocations by Council District		\$ 264,025,742	\$ 203,406,920	\$ 45,321,819	\$ (10,122,838)	\$ 502,631,643