

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 9, 2018

CAO File No. 0220-05445-0000

Council File No.

Council District: All

To: The City Council
The Mayor

From: Richard H. Llewellyn, Jr., City Administrative Officer
Chair, Proposition O Administrative Oversight Committee

Reference: Proposition O Oversight Committee Recommendations

Subject: **PROPOSITION O CLEAN WATER GENERAL OBLIGATION BOND – BUDGET
ADJUSTMENTS AND FUNDING CONSIDERATIONS**

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Approve the transfer of \$11,000,000 in savings from the Machado Lake Ecosystem Rehabilitation (Machado Lake Eco) Project to the Program Budget Contingency;
2. Authorize an increase in the Argo Drain Sub-Basin Facility Project (Argo Drain) of \$13,240,131, from \$30,122,000 to \$43,362,131; and,
 - a. Authorize the transfer of funds up to \$13,240,131 within Proposition O (Prop O) accounts to Fund 16T, Dept. 50, Account 50LWAF;
3. Authorize an increase in the Temescal Canyon Park Stormwater Best Management Practices (BMP) Phase II (Temescal Canyon) Project of \$658,000, from \$4,398,565 to \$5,056,565; and,
 - a. Authorize the transfer of funds up to \$658,000 within Prop O accounts to Fund 16T, Dept. 50, Account 50FD17 entitled "Temescal Canyon Park Phase II";
4. Approve the release of funds of \$12,400,000 from the Taylor Yard Land Acquisition Project to the Program Budget Contingency;
5. Approve an appropriation of \$6,521,277 to fund approximately 30 full time equivalents in the Department of Public Works to support Prop O projects in Fiscal Year 2017-18;
6. Approve the modified Master Schedule in Attachment C for 16 projects and the close-out of two projects;
7. Concur with the recommendations of the Proposition O Advisory Oversight Committee and Citizens Oversight Advisory Committee to consider the following six projects for future

Proposition O funding, subject to funding availability: Hollenbeck Park Lake Rehabilitation Project, Fernangeles Park Stormwater Capture Project, Public Right-of-Way Low Impact Development Projects, Rosa Parks Learning Center Project, Big Tujunga Canyon Via Verde, and Taylor Yard G2 Project;

8. Direct the Bureau of Sanitation to fully develop the six proposed projects and to secure funding commitments from other non-Prop O funding sources prior to requesting Prop O funding;
9. Authorize the City Administrative Officer, in coordination with the Bureau of Engineering and the Bureau of Sanitation, to make technical corrections as needed to the above recommendations to implement Mayor and Council intentions.

SUMMARY

At the Special Meeting of January 25, 2018, the Proposition O (Prop O) Clean Water General Obligation Bond Administrative Oversight Committee (AOC) approved the recommendations of the Prop O Citizens Oversight Advisory Committee (COAC) from its Regular Meeting of November 20, 2017 and Special Meeting of January 25, 2018. The recommendations include the transfer of identified project savings to the Program Contingency, a budget increase to two existing projects, approval of Prop O staffing appropriation for Fiscal Year 2017-18, a revision of the Prop O Master Schedule, and a release of project funds to the Program Contingency. The COAC also recommended four proposed projects that may be considered for Prop O funding at a future date, subject to funding availability. This recommendation was amended by the AOC to include two additional projects, for a total of six proposed projects, which may be considered for future Prop O funding. These matters are hereby transmitted for Council consideration.

BACKGROUND

In November 2004, the City of Los Angeles voters passed the Prop O Clean Water General Obligation Bond, authorizing the sale of \$500 million in general obligation bonds to finance projects that protect public health by cleaning up pollution in the City's rivers, lakes, and beaches. Since then, the City has issued \$439.5 million in general obligation bonds for Prop O. There is still \$60.5 million in bond fund authority remaining to be issued.

The total funding for the Prop O Program is \$565.9 million consisting of bond proceeds, interest earnings, grants, and special funds.

Prop O Funding Sources	Amount
Bond Proceeds	\$ 439,500,000
Interest Earnings*	\$ 29,481,867
Future Bond Sale	\$ 60,500,000
Secured Grants Received & Other Sources	\$ 36,437,505
Prop O Funds:	\$ 565,919,372

* Interest Earnings as of October 31, 2017

As shown in the table below, the current Prop O Program budget is \$550.2 million which includes \$506.7 million in Council-approved project budgets (which is allocated to 43 projects consisting of 26 completed projects, 15 active projects, and two newly funded projects) and \$43.5 million in funding for other program costs, including City staff.

Prop O Budgeted Items	Amount
Project Costs	\$ 506,680,172
City Staff (As of Fiscal Year 2016-17)	\$ 33,562,799
Consultants	\$ 959,864
General Costs including Optimization	\$ 9,001,224
Prop O Program Budget:	\$ 550,204,059
Prop O Program Contingency:	\$ 12,932,142

This leaves \$15.7 million in remaining program budget, of which the recommended program contingency is \$12.9 million. Therefore, there are \$2.8 million in funds available based on approved actions to date.

The Program Contingency was established to ensure that sufficient funds existed to complete projects in progress. The AOC and COAC approved savings identified in this report to be added to the Program Contingency and did not approve any new appropriations at this time because in the current construction market, many bids for City projects are coming in higher than expected. Four Prop O projects that are underway will require construction funding in the near future. They are:

- Argo Drain Sub-Basin Facility;
- Aliso Creek – Limekiln Creek Restoration;
- Vermont Avenue Stormwater Capture and Green Street; and,
- Westwood Neighborhood Greenway.

The Bureau of Engineering has indicated that a request for additional funds is forthcoming for the Aliso Creek – Limekiln Creek Restoration Project. Additionally, four projects are in construction and could encounter cost increases.

The AOC plans on ensuring that sufficient funds exist to successfully complete these projects as they move forward, establishing more detailed cost estimates on the projects under consideration for funding, and then returning to the Council and Mayor with additional recommendations for funding.

MACHADO LAKE ECOSYSTEM REHABILITATION PROJECT

The Machado Lake Ecosystem Rehabilitation (Machado Lake) project is located within the Ken Malloy Harbor Regional Park in Council District 15. The Machado Lake project will help reduce trash, bacteria, heavy metals, total suspended solids, nitrogen, and phosphorus in Machado Lake. The current budget is \$110,457,563 as approved by the AOC and the City Council on

November 4, 2013 and February 12, 2014 respectively. The construction of the Machado Lake project is nearly complete. As of September 30, 2017, the project expenditures total \$86,638,248. The Bureau of Engineering (BOE) is requesting to decrease the total project budget by \$11 million, from \$110,457,563 to \$99,457,563. This will leave a remaining budget of \$12,819,315, which will be sufficient to complete the project, including expenditures for remaining invoices, potential claims, and post construction activities. (See Attachment A for more details.) It is recommended that the \$11 million be moved to Program Contingency at this time.

ARGO DRAIN SUB-BASIN STORMWATER FACILITY

The Argo Drain Sub-Basin Stormwater Facility (Argo Drain) project is located in Council District 11, north of Westchester, between Falmouth Avenue and Pershing Drive. The Argo Drain project will divert and treat stormwater runoff from a watershed area of approximately 2,200 acres, which will then be pumped into underground infiltration galleries to recharge the groundwater basin. The project is jointly funded by Prop O and the Los Angeles World Airports (LAWA). The current total budget is \$37,122,000, consisting of \$30,122,000 in Prop O funds and \$7 million in LAWA funds, as approved by the AOC and the City Council on January 29, 2015 and April 21, 2015 respectively.

The six construction bids that came in were all higher than the City Engineer's Estimate, ranging from \$10.3 million to \$19.6 million above estimates. As such, the current budget is not sufficient to award the construction contract. On October 5, 2017, the LAWA's Board of Airport Commissioners approved an increase in the LAWA contribution to 17.5 percent of the construction bid or \$2.5 million, whichever is less, for a total contribution of \$9.5 million. In addition to LAWA's contribution, a budget increase of \$13,240,131 is needed to complete the Argo Drain project. This will increase the total Prop O budget from \$30,122,000 to \$43,362,131 for construction, delivery costs, and contingency. (See Attachment A for more details.)

Argo Drain Project	Amount
Current Prop O Funding	\$ 30,122,000
Budget Increase	\$ 13,240,131
Total Prop O Funding:	\$ 43,362,131
LAWA Funding:	\$ 9,500,000
Total Project Budget:	\$ 52,862,131

TEMESCAL CANYON PARK STORMWATER BMP PHASE II

The Temescal Canyon Phase II project is currently in the construction phase and is almost complete. Due to high construction bids, unforeseen site conditions, and schedule delays, the current project budget of \$4,398,505 is insufficient to cover all costs. As such, a budget increase of \$658,000, from \$4,398,505 to \$5,056,565, is needed to complete the project. (See Attachment A for more details.)

PROPOSITION O STAFFING APPROPRIATION FOR FISCAL YEAR 2017-18

The Bureau of Engineering, as the Prop O Program Manager, is recommending an appropriation of up to \$7,995,779 to fund up to 38 full-time equivalents (FTEs) to support the Prop O Program in 2017-18 in the following departments: Public Works-Board/Office of Accounting (up to one FTE), Public Works-Contract Administration (up to six FTEs), Public Works-Engineering (up to 19 FTEs), and Public Works-Sanitation (up to 13 FTEs). (See Attachment B for more details.) This recommendation was approved by the AOC and the COAC at the Special Meeting of January 25, 2018.

Subsequently, the City Attorney advised our Office regarding eligibility of bond proceeds relating to City staff costs. Tasks that are eligible for Prop O funding include, but are not limited to, pre-design, design, project and construction management, engineering work, preparation of the Environmental Impact Report and required public hearings, and on-site inspections. According to the City Attorney, ineligible tasks for Prop O funding include, but are not limited to, accounting, financial reporting, administrative, and operation and maintenance activities. Therefore, the appropriation amount is reduced by \$1.5 million, from \$8.0 million to \$6.5 million, due to ineligible costs. Prior to staff cost reimbursements, the Bureaus must provide documentation to substantiate the work performed. Ineligible costs will need to be absorbed within the department salary appropriations. These costs are budgeted in and paid by Prop O General Obligation Bonds.

	Appropriation approved by the AOC and COAC	Revised Appropriation
2017-18 Direct Staffing Costs:	\$ 4,691,221	\$ 3,803,397
Related Costs:	\$ 3,278,558	\$ 2,691,880
Overtime salaries and mileage expenses:	\$ 26,000	\$ 26,000
Total Appropriations requested:	\$ 7,995,779	\$ 6,521,277

UPDATED MASTER SCHEDULE

At the Special Meeting of January 25, 2018, the COAC and AOC approved a revised Master Schedule for the Prop O Program which modified the project schedule for 16 projects and closed out two projects. (See Attachment C for more details.)

TAYLOR YARD G2 LAND ACQUISITION PROJECT AND FUNDING CONSIDERATIONS FOR FUTURE PROJECTS

At the Regular Meeting of November 2017, the COAC approved the development of a Subcommittee to evaluate the funding status of the Prop O Program and the proposed projects which may be eligible for Prop O funding. On January 8, 2018, the Subcommittee met to discuss these items. Subsequently, the Subcommittee submitted a report to COAC and AOC with recommendations to approve four proposed projects, in concept, for future Prop O funding consideration and to close out the Taylor Yard River Park Parcel G2 Land Acquisition project and

to release the project funds to Program Contingency. (See Attachment D for more details.)

The Taylor Yard River Park Parcel G2 Land Acquisition (Taylor Yard G2) Project is approximately 41 acres and is located at 2070 North San Fernando Road. The original budget for the land acquisition was \$25.0 million. In September 2009, the Council approved a fund transfer of \$12.6 million from the Taylor Yard G2 project to the Albion Dairy project for the acquisition of the Albion Dairy property. Thus, the total project budget was reduced by \$12.6 million, from \$25.0 million to \$12.4 million. The City financed the purchase of the Taylor Yard G2 property through the City's Municipal Improvement Corporation of Los Angeles (MICLA) Commercial Paper Program. As such, the \$12.4 million for the Taylor Yard G2 land acquisition is no longer required. In the Subcommittee Report to AOC and COAC, the Subcommittee recommended closing out the Taylor Yard G2 Land Acquisition project and releasing the project funds to Program Contingency. This recommendation was approved by the AOC and COAC on January 25, 2018.

The Subcommittee's Report also included a recommendation to approve, in concept, the following four proposed projects, for funding considerations, subject to Prop O funding availability:

- Hollenbeck Park Lake Rehabilitation Project
- Fernangeles Park
- Public Right-of-Way Low Impact Development on Sidewalk Repair Program
- Rosa Parks Learning Center Stormwater Capture Project

The AOC approved the COAC Subcommittee's Report with an amendment to include two additional proposed projects, a redesigned Big Tujunga project and a water quality benefit project at Taylor Yard, for a total of six projects, for funding considerations, subject to available Prop O funding. Concept reports for these two projects are not yet complete. At a future date, these potential projects will be presented to the AOC and COAC for Prop O funding approval.

FISCAL IMPACT STATEMENT

The transfer of \$11 million from Machado Lake Project to the Program Budget Contingency will increase the Program Contingency from \$12.9 million to \$23.9 million. The cost of the budget increases for the Argo Drain Sub-Basin Facility (\$13,240,131) and Temescal Canyon Park Stormwater BMP Phase II (\$658,000) will reduce the Program Budget Contingency from \$23.9 million to \$10.0 million. The approval of the release of funds of \$12.4 million from the Taylor Yard River Park Parcel G2 Land Acquisition project to Prop O Budget Contingency will increase the Program Contingency from \$10.0 to \$22.4 million. The concurrence of the six proposed projects for future funding considerations will not impact the Prop O Program budget as funding authority is not provided. Approval of the staffing appropriation will require ineligible staffing costs to be absorbed within each Bureau's salary appropriation. The recommendations in this report are in compliance with the City's Financial Policies as sufficient funds exist to support these recommendations.

RHL:SMC:06180052

ATTACHMENTS

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: November 16, 2017

To: Proposition O Citizens Oversight Advisory Committee (COAC)
Proposition O Administrative Oversight Committee (AOC)

From: 
Andy Flores, PE
Assistant Division Engineer
Bureau of Engineering

Subject: **PROPOSITION O BUDGET ADJUSTMENTS**

RECOMMENDATIONS

1. Authorize a decrease in the Machado Lake Ecosystem Rehabilitation Project (Machado Lake Eco) Proposition O total project budget by \$11,000,000 from \$110,457,563 to \$99,457,563.
2. Authorize an increase in the Argo Drain Sub-Basin Facility Project (Argo Drain) Proposition O total project budget by \$13,240,131 from \$30,122,000 to \$43,362,131.
3. Authorize an increase in the Temescal Canyon Park Stormwater Best Management Practices (BMP) Phase II (Temescal Canyon) total project budget by \$658,000 from \$4,398,565 to \$5,056,565.
4. Authorize the City Administrative Officer, in coordination with the Bureau of Engineering (BOE), to make technical corrections, as needed, to the recommendations in this correspondence.

Project	Authority Change Requested	Increase or Decrease to Program Contingency	Contingency Running Subtotal (Starting at \$12,932,142)
Project Savings			
Machado Lake Eco	\$11,000,000	Increase	\$23,932,142
Total Project Savings	\$11,000,000		
Project Budget Authority Increases			
Argo Drain	\$13,240,131	Decrease	\$10,692,011
Temescal Canyon	\$658,000	Decrease	\$10,034,011
Total Authority Request Increase	\$17,128,131		
	Remaining Contingency		\$10,034,011

PROJECT SAVINGS / BUDGET DECREASE

Machado Lake Ecosystem Rehabilitation Project

It is recommended that the total project budget be reduced by \$11,000,000. Construction of the Machado Lake Eco Project is nearly complete. The project budget is currently \$110,457,563 as approved by the AOC on November 4, 2013 and by City Council on February 12, 2014 (C.F. 13-1526). Expenditures as of September 30, 2017 are \$86,638,248. This project budget decrease will result in a new project budget of \$99,457,563. Funds remaining in the project budget after this transfer will total \$12,819,315. This budget is considered sufficient to complete the project including expenditures for remaining invoicing, potential claims, staff for post construction activities, and implementation of the 5-year Habitat Restoration, Mitigation and Monitoring (HRMM) Plan. An additional savings review will be conducted once the project has completed construction.

BUDGET AUTHORITY INCREASE

Argo Drain Project

The Argo Drain Project is funded jointly by Proposition O Clean Water Bond (Prop O) and the Los Angeles World Airports (LAWA). The current total budget is \$37,122,000, including \$30,122,000 from Prop O funds and \$7 million in LAWA funds. This budget was approved by the AOC on January 29, 2015 and by City Council on April 21, 2015 (Council File, CF 15-0361).

Construction bids were received for the Argo Drain Project on September 20, 2017. The City Engineer's Estimate was \$23,435,933. Six bids were received ranging from \$33,740,500 (43.97% high) to \$42,992,500 (83.45% high). The five lowest bids are very closely grouped; with the apparent 5th low bid is only 15% higher than the apparent low bid.

The budget is not sufficient to award the construction contract due to the high bids received. On October 5, 2017, the LAWA Board of Commissioners approved an increase in the LAWA contribution to the lower of 17.5% of the construction bid or \$2,500,000. In addition to the LAWA contribution, the recommended increase to the Prop O budget by \$13,240,131 is needed to complete the Argo Drain Project. Based on the range of bids, this is a conservative estimate needed to award the construction contract. BOE is making this request now as to not incur any additional delays to this project.

These increases would result in a Prop O total project budget including construction, delivery costs and contingency of \$43,362,131.

If the project budget increase is approved, the BOE is planning to finalize a report recommending awarding the contract to the lowest responsive, responsible bidder by the Board of Public Works.

Temescal Canyon Park Stormwater BMP Phase II

On July 10, 2007, the Los Angeles City Council approved (CF 06-1235) a total project budget in the amount of \$18,646,000. It was reported to the AOC that the project would be delivered in two phases, Phase I and Phase II, on June 26, 2008. The budget for Temescal Canyon Park Stormwater BMP Phase I was \$14,247,435 and the budget for the Temescal Canyon is \$4,398,565. The Phase II project is currently in the construction phase and work is almost complete. Due to high construction bids, unforeseen site conditions, and schedule delays, the current project budget is insufficient and will not be able to cover all costs.

The Project expenditures to date and the expected cost-to-complete requires a total Project budget of \$5,056,565. The current Project budget is \$4,398,565; therefore, a project budget increase in the amount of \$658,000 is recommended. The anticipated construction completion of this date is April 30, 2018.

PROGRAM CONTINGENCY

The Program Budget Contingency was established to fund unforeseen project expenditures, when the expenditures exceeded the individual Project Contingency. The transfer of \$11,000,000 of Machado Lake Project savings to the Program Budget Contingency will increase the Program Budget Contingency from \$12,932,142 to \$23,932,142. The cost of the budget increases for the Argo Drain in the amount of \$13,240,131 and Temescal Canyon in the amount of \$658,000 will subsequently reduce the Program Budget Contingency from \$23,932,142 to \$10,034,011.

FUTURE BUDGET AUTHORITY INCREASE REQUESTS

At a future meeting BOE will request additional budget authority for the Aliso Creek-Limekiln Creek Restoration Project. This project has not been validated yet by the City Administrative Officer Staff. The estimated future budget authority increase to the project totals \$4.9 million.

CAFJ/gj

Q:\Budget and Reprogramming\Reprogramming 2017\AOC-COAC Budget Adjustment 3 projects 2017 NOVEMBER NO WD

cc: Rafael E. Prieto, CLA
Roy Cervantes, CAO
Salyna Cun, CAO
Master File

David Hirano, CAO
Raha Azarmehr, CAO
Ken Redd, BOE

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: November 16, 2017

To: Proposition O Citizens Oversight Committee (COAC)
Proposition O Administrative Oversight Committee (AOC)

From: 
Andy Flores, PE
Assistant Division Engineer
Bureau of Engineering

Subject: **PROPOSITION O STAFFING APPROPRIATION FOR FISCAL YEAR 2017-18**

Recommendation

1. Approve the appropriation of up to \$7,995,779 for Proposition O staffing costs for the Office of Accounting (OOA), and the Bureaus of Contract Administration (BCA), Engineering (BOE), and Sanitation (BOS) to continue and sustain program implementation and related activities.
2. Authorize the City Administrative Officer, in coordination with the BOE, to review proposed staffing cost and to make technical corrections, as needed, to the recommendations in this correspondence.

Background

During Fiscal Year (FY) 2017-18, 18 active projects have work tasks that are being performed by City staff. Based on a City-wide review of FY 2017-18 work levels, and the proposed 2017 Master Schedule, I am requesting a staffing appropriation of up to 39 full time equivalents (FTEs, see Attachment), which is up to \$7,995,779.

For the OOA, an appropriation up to 1.00 FTE (up to \$172,489) is requested to support program-wide accounting tasks including the preparation of appropriation and encumbrance documents.

For the BCA, an appropriation up to 6 FTEs (up to \$1,102,969) is requested for contract management and construction inspection tasks. An appropriation for overtime and mileage is included.

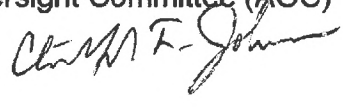
For the BOE, a total appropriation up to 19 FTEs (up to \$3,865,623) is requested. 3 FTEs are needed for program management, and 14 FTEs are needed for project implementation. The remaining 2 FTEs listed as "Other Direct Costs", are related to other BOE project support (i.e. geotechnical support, etc.), that are charged directly to projects by non-Proposition O Resolution Authority staff members. An appropriation for mileage is included.

For the BOS, the BOS Planning Program Manager is requesting an appropriation up to 13 FTEs (up to \$2,854,698). 8 FTEs are needed for BOS program and project support. 1 FTE is needed for City-wide Trash Total Maximum Daily Loads (TMDLs) planning and compliance. 4 FTEs are needed for Watershed TMDL planning and compliance which include the following watersheds: San Pedro, Machado Lake, Los Angeles River, and Santa Monica Bay Beaches. An appropriation for mileage is included.

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: September 13, 2017

To: Proposition O Citizens Oversight Committee (COAC)
 Proposition O Administrative Oversight Committee (AOC)

From: Christopher F. Johnson, PE, GE 
 Principal Civil Engineer
 Bureau of Engineering

Subject **PROPOSITION O MASTER SCHEDULE UPDATE FOR 2017**

Recommendations

1. Approve 16 modified project schedules, as shown in the Proposition O Master Schedule dated July 2017 (Attachment), and described in this correspondence.
2. Approve administrative close out of 2 projects.

16 Projects with Modified Schedules

Albion Dairy Park – Demolition & Remediation:

It is recommended that the post-construction phase be extended by 7 months, ending in September 2017.

On August 14, 2017 a Board Acceptance Report was adopted by the Board of Public Works. The project is now officially completed.

Aliso Creek – Limekiln Creek Restoration Project:

It is recommended that the design phase be extended 6 months ending in September 2017.

Plan check and comments have yet to be received from LA County Flood Control District. Additionally land use agreements are still being negotiated with the Department of Recreation and Parks.

Argo Drain Sub-basin Facility:

It is recommended that the design phase be extended 7 months (ending in April 2017), the construction phase be extended 3 months (ending in February 2020) and the post-construction phase be extended 6 months (ending in February 2021).

Methane gas was discovered at the project site which resulted in a re-design of the project which required several additional Building and Safety permits.

Avalon Green Alley South Project:

It is recommended that the post-construction phase be extended 9 months, ending in September 2017.

The delivery of the final construction invoice has been delayed due to staffing issues with the contractor. Statement of completion was received in February 2016.

Broadway Neighborhood Stormwater Greenway Project:

It is recommended that the post-construction phase be extended 5 months, ending in August 2017.

The additional time will allow for the Warranty Walk, which was held in July 2017, and for the landscape establishment period. Statement of Completion was received in May 2016.

Catch Basin Opening Screen Covers Phase III:

It is recommended that the post-construction phase be extended 4 months, ending in November 2017.

The project is still currently in litigation.

Machado Lake Phase I (Wilmington Drain) Habitat Restoration Mitigation and Monitoring (HRMMP) Compliance:

It is recommended to add this project to the Master Schedule with a completion date of January 2020.

This scope of work is required by the California Department of Fish and Wildlife Permit and requires 5 years habitat mitigation and monitoring period that commenced February 2015.

Machado Lake Ecosystem Rehabilitation Project:

It is recommended the construction and post-construction phase be extended by 6 months each. The construction phase will now end in October 2017 and the post-construction phase will now end in October 2018.

Due to rainy season the construction phase experienced significant delays which caused the plant establishment period to be delayed too. The project cannot be closed out until this period has been complete.

Machado Lake Ecosystem Rehabilitation HRMMP Compliance:

On May 23, 2016 these projects were present to the COAC for consideration and requested funds in the amount of \$800,000 and \$395,000. Subsequently the originators of both projects contacted the City informing that they would be withdrawing their projects from Prop O consideration.

Attachment

CFJ/gj

Q:\Master Schedule\Master Schedule Memos\Master Schedule 2017

cc: Rafael E. Prieto, CLA
David Hirano, CAO
Jennifer Quintanilla, CLA
Roy Cervantes, CAO
Ken Redd, BOE
Frank Rinaldi, BCA
Adel Hagekhalil, BOS
Shahram Kharaghani, BOS
Wing Tam, BOS
Master File

It is recommended to add this project to the Master Schedule with a completion date of June 2022.

This scope of work is required by the California Department of Fish and Wildlife Permit and requires 5 years habitat mitigation and monitoring period that commenced July 2017.

Machado Lake Pipeline Project:

It is recommended the Bid and Award phase be extended 1 month (ending in October 2016), the construction phase be extended 4 months (ending in August 2018) and the post-construction phase be extended 6 months (ending in August 2019)

The bid and award phase was delayed due to contractor protest. The construction phase was delayed due to a slow start by the contractor.

Penmar Water Quality Improvement Phase II:

It is recommended the construction phase be extended by 4 months, ending in March 2018.

Due to the rainy season construction has been significantly delayed.

Rory M. Shaw Wetlands Park:

It is recommended the design phase be extended 5 months (ending in October 2017), the Bid and Award phase be reduced by 3 months (ending in July 2018), the construction phase be extended by 24 months (ending in January 2022) and the post-construction be extended by 6 months (ending in January 2023).

LA County, which controls the schedule of this project, has recommended these changes to the schedule. The schedule has been extended due to design challenges and the existence of contaminated soil at the site.

Temescal Canyon Stormwater BMP Phase II:

It is recommended that the construction phase be extended by 4 months, ending in March 2018.

Due to the rainy season construction has been significantly delayed.

Project Close Outs

Water LA Neighborhood Retrofits and LA River Greenway Trails Projects:

It is recommended that these projects be removed from Prop O funds consideration.

Proposition O Clean Water Division

July 2017
Subject to Approval by Prop O Administrative Oversight Committee

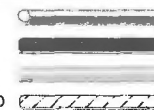
CD	CIP #s	Project Title	Half 2, 2016					Half 1, 2017					Half 2, 2017					Half 1, 2018					Half 2, 2018									
			J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
15	O/01-36a	Machado Phase I (a.k.a. Wilmington Drain)																														
11	O/01-53a	Santa Monica Bay LFD Upgrades Package 3 Phase 2																														
15	O/01-36b	Machado Lake Ecosystem Rehabilitation Project																														
9	O/01-61	Avalon Green Alley South Project																														
VR	O/01-52b	Catch Basin Opening Screen Covers Phase III																														
VR	O/01-52c	Catch Basin Opening Screen Covers Phase IV (Const. Ends 10/2020)																														
9	O/01-60	Broadway Neighborhood Stormwater Greenway																														
11	O/01-54	Temescal Canyon Park Stormwater BMP Phase II																														
11	O/01-53	Penmar Water Quality Improvement Ph II																														
15	O/01-36c	Machado Lake Pipeline Project																														
11	O1-20E	Mar Vista Recreation Center Stormwater BMP Phase 2																														
1	827	Albion Riverside Park (Const. Ends 12/2018)																														
11	O/01-63	Argo Drain Sub-basin Facility (Const. Ends 2/2020)																														
12	O/01-62	Aliso Creek - Limekiln Creek Restoration Project (Const. Ends 7/2020)																														
6	O/01-10	Rory Shaw/Strathern Wetlands Park (LA County) (Const. Ends 2/2022)																														
15	O1003	Machado Lake Pipeline Project - Eastern Reach (Const. Ends 2/2022)																														
1	O157	Taylor Yard River Park - Parcel G2 Land Acquisition																														
15	O1001	Machado Lake Ecosystem Rehabilitation HRMMP Compliance (Ends 6/2022)																														
15	O1002	Wilmington Drain Habitat Restoration Mitigation and Monitoring Plan Project (Ends 1/2020)																														

Status Date: Mon 7/31/17
Print Date: Tue 8/1/17

No Schedule
Progress
PreDesign
Design
BidAward



Cons
PostCons
RightOfWay
Design By Others (Schedule Not Controlled By Prop O)



CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: January 25, 2018

To: Proposition O, Administrative Oversight Committee
Proposition O, Citizens Oversight Advisory Committee

Adi Johnson

From: Proposition O Citizen Oversight Advisory Subcommittee

Subject: **REPORT FROM THE PROP O CITIZENS OVERSIGHT ADVISORY
SUBCOMMITTEE – FUTURE FUNDING CONSIDERATIONS**

RECOMMENDATIONS

1. Approve, in concept, the four proposed projects (Hollenbeck Park Lake Rehabilitation, Fernangeles Park Stormwater Capture, Public Right-of-Way Low Impact Development, and Rosa Parks Learning Center) without funding authority. Upon the Bureau of Sanitation securing the other non-Prop O funding commitments for the proposed projects, then funding authority may be requested, subject to Proposition O (Prop O) funding availability.
2. Authorize the Bureau of Sanitation to fully develop the Hollenbeck Park Lake Project, Fernangeles Park, Public Right-of-Way Low Impact Development on Sidewalk Repair Program, and Rosa Parks Learning Center Stormwater Capture Project and secure funding commitments.
3. Approve the close-out of the Taylor Yard River Park – Parcel G2 Land Acquisition project from the Master Schedule and release the \$12.4 million of project funds to Prop O Program account.

SUMMARY

On November 20, 2017, the Proposition O (Prop O) Citizens Oversight Advisory Committee (COAC) held its regular meeting. Among the items that were discussed at the meeting were a budget increase to the Argo Drain Facility project and the concept reports for five proposed projects as follows: Hollenbeck Park Lake Rehabilitation, Fernangeles Park Stormwater Capture, Big Tujunga Canyon Via Verde, Public Right-of-Way Low Impact Development, and Rosa Parks Learning Center. Due to the limited Prop O funding, the COAC approved the development of a Subcommittee to discuss and evaluate available Prop O funding in consideration of a budget increase for the Argo Drain Facility project and the five concept reports.

On January 9, 2018, the Subcommittee met to discuss the status of existing projects, funding availability for any future projects, and the scoring of the five concept reports (meeting minutes attached). The total funding availability is \$15.4 million, of which \$12.9 million is currently

reserved for program contingency in order to safeguard the Prop O Program from unforeseen costs. This results in an estimated \$2.5 million in available funds for future Prop O projects.

The Bureau of Sanitation provided the following data for the proposed projects, which is summarized in the table below:

Project Title	Score (Maximum Score of 100)	Total Project Estimate	Proposed Prop O Funding
Hollenbeck Park Lake Rehabilitation	89	\$28 million	\$5 million
Fernangeles Park Stormwater Capture	78	\$17.2 million	\$3.1 million
Big Tujunga Canyon Via Verde	57	\$4.48 million	\$4.48 million
Public Right-of-Way Low Impact Development	77	\$1.4 million	\$1 million
Rosa Parks Learning Center	80	\$2.5 million	\$1.96 million

As discussed in the meeting, the Subcommittee recommends that the COAC take the following actions:

- Approve funding consideration for four projects: Hollenbeck Park Lake Rehabilitation, Fernangeles Park Stormwater Capture, Public Right-of-Way Low Impact Development, and Rosa Parks Learning Center. Funding consideration will be first given to Hollenbeck Park Lake Rehabilitation and the remaining three projects will be considered based on Prop O funding availability.
- Release the funding of \$12.4 million from the Taylor Yard River Park – Parcel G2 Land Acquisition project to Prop O Program account in order to make the funds available to fund future proposed projects.

The Big Tujunga Canyon Via Verde project, which received a score of 57, does not at this time meet the COAC's guidelines for Prop O funding. The COAC had previously established a requirement that a proposed project must receive a minimum score of 70 in order for the proposed project to be considered for Prop O funding.

Attachment - Prop O Subcommittee Meeting Minutes
January 9, 2018, 2:30 – 3:30 pm
CAO Large Conference Room, City Hall East, 15th Floor

Attendees:

COAC: Mark Gold, Adi Liberman, Craig Perkins

CAO: Salyna Cun, Roy Cervantes

CLA: Rafael Prieto

LASAN: Shahram Gharagnani, Wing Tam, Kosta Kaporis

BOE: Ken Redd, Christopher Johnson, Darryl Kitagawa

- CAO and COAC members summarized that the meeting is in response to the November 20, 2017 COAC meeting to discuss the additional funding request and to consider the five projects that were presented by LASAN.
- Salyna Cun of CAO presented the funding availability report that \$15.4M was available. \$11M are scheduled to be returned from Machado Lake set-aside and an additional \$0.7M was allocated to Temescal Project in the November 2017 COAC Meeting. After consideration of the additional funding for the Argo (\$13.3M) and Aliso (\$4.9M) projects, only \$8.0M is available.
- Ken Redd indicated that he expects that about \$2-4 M will be needed to settle with the Machado Lake Contractor even though they filed a claim for more money.
- Adi Liberman indicated that \$12.4M for the G2/Taylor Yard acquisition may be returned to Prop O. Christopher Johnson estimated that it may be returned in about one year.
- Mark Gold started the discussion of the five projects that were proposed in the November 2017 meeting. LASAN staff responded to questions about how the scoring was performed. COAC members concurred with the scoring that:
 - o Hollenbeck project is preferred
 - o Rosa Parks, Fernangeles and Sidewalk projects can be equally considered and if funding is available to consider their funding
 - o Tujunga does not meet the passing score
- Roy Cervantes of CAO indicated that unlike past projects that had multiple funding sources, these projects cannot be fully front-funded since there is no availability.
- COAC members agreed to recommend to the entire COAC the needed additional funding the Argo and Aliso projects. COAC members agreed to consider funding of the Hollenbeck, Rosa Parks, Fernangeles and Sidewalk projects.