

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 16, 2021

CAO File No. 0220-05445-0005;
0220-05445-0004, 0220-05445-0003
Council File No. 13-1526
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 NEW FUNDING CONSIDERATIONS**

RECOMMENDATIONS

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

1. Approve the 2020-21, 2019-20 and 2018-19 modified Master Schedules contained in Attachment A;
2. Approve a total appropriation of up to \$9,977,250 to reimburse Public Works' staffing costs, consisting of up to \$4,707,950 to fund approximately 19 full-time equivalents for Fiscal Year 2020-21 and up to \$5,269,300 to fund approximately 23 full-time equivalents for Fiscal Year 2019-20, subject to approval of the invoices by the City Administrative Officer, to support the Proposition O (Prop O) Program as follows;

| From: | Fund/Department | Account | Description | Amount |
|-------|-----------------|---------|-----------------------|-----------------|
| | 16T/50 | 3361 | State Grants - Others | \$ 1,048,172.00 |

| To: | Fund/Department | Account | Description | Amount |
|-----|-----------------|---------|----------------------------|-----------------|
| | 16T/50 | 50T176 | PW-Contract Administration | \$ 1,048,172.00 |

| From: | Fund/Department | Account | Description | Amount |
|-------|-----------------|---------|------------------------------------|---------------|
| | 16Q/50 | 3361 | State Grants - Others | \$ 409,774.40 |
| | 16Q/50 | 4904 | Interest on Pooled Invest-Bond Fds | \$ 12,519.18 |
| | 16T/50 | 3361 | State Grants - Others | \$ 98,572.42 |

| To: | Fund/Department | Account | Description | Amount |
|-----|-----------------|---------|-------------------------------------|---------------|
| | 16Q/50 | 50T299 | Reimbursement of General Fund Costs | \$ 422,293.58 |
| | 16T/50 | 50T299 | Reimbursement of General Fund Costs | \$ 98,572.42 |

| | | | | |
|-------|-----------------|---------|-----------------------|-----------------|
| From: | Fund/Department | Account | Description | Amount |
| | 16T/50 | 3361 | State Grants - Others | \$ 5,965,348.00 |

| | | | | |
|-----|-----------------|---------|-------------------------------------|-----------------|
| To: | Fund/Department | Account | Description | Amount |
| | 16T/50 | 50T178 | PW-Engineering | \$ 4,050,492.00 |
| | 16T/50 | 50T299 | Reimbursement of General Fund Costs | \$ 1,914,856.00 |

| | | | | |
|-------|-----------------|---------|-----------------------|-----------------|
| From: | Fund/Department | Account | Description | Amount |
| | 16T/50 | 3361 | State Grants - Others | \$ 2,442,864.00 |

| | | | | |
|-----|-----------------|---------|-------------------------------------|-----------------|
| To: | Fund/Department | Account | Description | Amount |
| | 16T/50 | 50T182 | PW-Engineering | \$ 1,606,406.00 |
| | 16T/50 | 50T299 | Reimbursement of General Fund Costs | \$ 836,458.00 |

- a. Instruct the Controller to reimburse the funding source that was used to front-fund prior year (2019-20) staffing cost, subject to approval of the invoice by the City Administrative Officer;
3. Authorize a decrease in the Arbitrage Project by \$1,992,660, from \$2,000,000 to \$7,340;
4. Approve the Taylor Yard G2 Water Quality Improvements Project and approve Prop O funding in the amount of \$16,400,000 with the understanding that up to \$4,000,000 will be reimbursed by grant funds; and,
 - a. Remove the Taylor Yard River Park – Parcel G2 Land Acquisition project from Prop O;
 - b. Accept up to \$4,000,000 in Proposition 1 Grant funds awarded to the MRCA for this project; and,
 - c. Authorize the Controller, upon receiving the grant reimbursements for the project, to deposit the grant reimbursements into the Prop O fund, under Revenue Source Code 3361, State Grants - Others;
5. Approve the new Penmar Water Quality Improvement Project – Phase III project and approve Prop O front-funding in the amount of \$2,541,451 with the understanding that this Project is fully funded by grant funds;
 - a. Authorize the City Controller to transfer and appropriate \$470,000 from Fund 16V, Account No. 50JYCT, Program Contingency, to a new account entitled “Penmar Water Quality Improvement Project – Phase III” within the same fund to front-fund design and bid and award costs;
 - b. Upon the issuance of new Proposition O bond proceeds, estimated in 2021, appropriate \$2,071,451 in funds from the new bond proceeds to a new account entitled “Penmar Water Quality Improvement Project – Phase III” and,

- c. Authorize the Controller, upon receiving the grant reimbursements from the State grant program for the project, to deposit the grant reimbursements into the Prop O fund, under Revenue Source Code 3361, State Grants - Others;
6. Authorize an increase in the Aliso Creek Limekiln Creek Restoration Project of \$5,200,000, from \$10,940,089 to \$16,140,089;
 7. Approve the Machado Lake Ecosystem Rehabilitation (Machado Lake) Project - Optimization Phase and the release of \$4,800,000 in project savings from the Machado Lake project for the Machado Lake Project - Optimization Phase and the Program Budget Contingency;
 - a. Authorize the transfer of \$4,180,000 in savings from the Machado Lake Ecosystem Rehabilitation Project, Fund No. 16V/50, Account No. 50HYAC, to a new account entitled "Machado Lake Project-Optimization Phase" within the same fund; and,
 - b. Authorize the transfer of \$620,000 in savings from the Machado Lake Ecosystem Rehabilitation Project, Fund No. 16V/50, Account No. 50HYAC, to Fund No. 16V/50, Account No. 50JYCT, Program Contingency;
 8. Approve an appropriation of up to \$3,640,832 to fund approximately 34 full-time equivalents in the Department of Public Works in Fiscal Year 2018-19, subject to approval of the invoices by the City Administrative Officer, to support Proposition O projects as follows:

From:

| Fund/Department | Account | Description | Amount |
|-----------------|---------|-----------------------|---------------|
| 16T/50 | 3361 | State Grants - Others | \$ 186,427.00 |

To:

| Fund/Department | Account | Description | Amount |
|-----------------|---------|----------------------------|---------------|
| 16T/50 | 50*176 | PW-Contract Administration | \$ 186,427.00 |

From:

| Fund/Department | Account | Description | Amount |
|-----------------|---------|------------------------------------|--------------|
| 16T/50 | 3361 | State Grants - Others | \$ 57,404.04 |
| 16T/50 | 4904 | Interest on Pooled Invest-Bond Fds | \$ 31,507.96 |

To:

| Fund/Department | Account | Description | Amount |
|-----------------|---------|-------------------------------------|--------------|
| 16Q/50 | 50T299 | Reimbursement of General Fund Costs | \$ 88,912.00 |

From:

| Fund/Department | Account | Description | Amount |
|-----------------|---------|------------------------------------|-----------------|
| 16T/50 | 4904 | Interest on Pooled Invest-Bond Fds | \$ 1,423,385.00 |

To:

| Fund/Department | Account | Description | Amount |
|-----------------|---------|-------------------------------------|---------------|
| 16T/50 | 50T178 | PW-Engineering | \$ 985,295.00 |
| 16T/50 | 50T299 | Reimbursement of General Fund Costs | \$ 438,090.00 |

| From: | Fund/Department | Account | Description | Amount |
|-------|-----------------|---------|------------------------------------|---------------|
| | 16T/50 | 4904 | Interest on Pooled Invest-Bond Fds | \$ 383,307.64 |
| | 16T/50 | 5602 | Debt Proceeds - Long Term | \$ 854,387.36 |

| To: | Fund/Department | Account | Description | Amount |
|-----|-----------------|---------|----------------|-----------------|
| | 16T/50 | 50T182 | PW-Engineering | \$ 1,237,695.00 |

| From: | Fund/Department | Account | Description | Amount |
|-------|-----------------|---------|---------------------------|---------------|
| | 16T/50 | 5602 | Debt Proceeds - Long Term | \$ 704,413.00 |

| To: | Fund/Department | Account | Description | Amount |
|-----|-----------------|---------|-------------------------------------|---------------|
| | 16T/50 | 50T299 | Reimbursement of General Fund Costs | \$ 704,413.00 |

- a. Instruct the Controller to reimburse the funding source that was used to front-fund prior year staffing cost, subject to approval of the invoice by the City Administrative Officer;
9. Note and file the two CAO Reports dated May 22 and June 7, 2019 (C.F. 13-1526);
 10. Instruct the Prop O Administrative Oversight Committee to report back with a plan for the use of the remaining Prop O Program Contingency and the close out of the Program. The plan should seek to avoid a funding impact on the City General Fund, to maximize Clean Water Act compliance, to consider projects that remain unfunded, to close out the Program in a reasonably short horizon and to potentially use Prop O to increase the competitiveness of City projects for funding from non-City sources such as Measure W regional funds; and,
 11. Authorize the City Administrative Officer, in coordination with the Bureau of Engineering and the Bureau of Sanitation, to:
 - a. Make technical corrections as needed to the above recommendations, including preparing Controller instructions, and authorize the Controller to implement these instructions; and,
 - b. Prepare any additional Controller instructions to reimburse City Departments for their accrued labor, material, and associated costs related to the Prop O Program, consistent with the Mayor and Council action on this matter, and authorize the Controller to implement these instructions.

SUMMARY

At the regular meeting of August 27, 2020, the Prop O Administrative Oversight Committee (AOC) approved recommendations of the Prop O Citizens Oversight Advisory Committee (COAC). These recommendations include an update to the 2020-21 Prop O Master Schedule (included under Attachment A), an appropriation of \$4,707,950 for staffing for 2020-21 (included under Attachment

B), a reduction to the Arbitrage budget (Attachment C), and approval of the Taylor Yard G2 Water Quality Improvements Project with a project budget of \$16.4 million (Attachment D). Of this amount, funding of \$12.4 million that was budgeted for the Taylor Yard River Park G2 Land Acquisition project will be re-purposed for this water quality improvements project. This report transmits these items for consideration by the Council and Mayor as Recommendations 1 through 4.

At the Special Meeting of December 12, 2019, the Prop O AOC approved items that were forwarded by the Prop O COAC at its meeting on November 18, 2019. The items include a revision of the Prop O Master Schedule for 2019-20 (included under Attachment A), approval of Prop O staffing appropriation for Fiscal Year 2019-20 (included under Attachment B) and the Penmar Water Quality Improvement Project – Phase III (Attachment E). This report transmits these items for consideration by the Council and Mayor as Recommendations 1, 2 and 5.

Additionally, this Office released two reports, dated May 22, 2019 and June 22, 2019, that are pending Council approval due to concerns raised by supporters of Prop O projects as to recommended adjustments (C.F. 13-1526). We have addressed those concerns by revising some of the previously recommended adjustments and have included it in this report. It is now recommended that the May 22, 2019 and June 22, 2019 reports be noted and filed. This set of recommendations involve approving a 2018-19 program schedule update (included under Attachment A), 2018-19 staffing appropriation for the Prop O Program and project budget adjustments. The refreshed recommendations fulfill the intent of the oversight committees and are included here for consideration by the Council and Mayor as Recommendations 1 and 6-8.

BACKGROUND

In November 2004, the City of Los Angeles voters passed Proposition 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. To date, 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 \$582.6 million consisting of bond proceeds, interest earnings, grants, and special funds.

| Prop O Funding Sources | Amount |
|---|-----------------------|
| Bond Proceeds | \$ 441,366,298 |
| Interest Earnings | \$ 33,975,269 |
| Future Bond Sale | \$ 60,500,000 |
| Secured Grants Received & Other Sources | \$ 46,753,294 |
| Prop O Funds: | \$ 582,594,861 |

* Based on Office of Accounting’s Cash Analysis Report dated December 4, 2020

As shown in the table below, the current Prop O Program budget is \$549.2 million based on approved project budgets for active projects and total expenditures to date for completed projects, staffing costs, and other program costs. This leaves about \$33.4 million in remaining program budget.

| Prop O Budgeted Items | Amount |
|--------------------------------------|-----------------------|
| Total Project Budget | \$ 482,550,328 |
| City Staff | \$ 56,460,333 |
| Consultants | \$ 959,864 |
| General Costs including Optimization | \$ 9,275,380 |
| Prop O Funds: | \$ 549,215,905 |

* Based on a Prop O Funds analysis dated December 17,2020

Approval of the items contained in this report will reduce the remaining program budget to \$19.2 million as shown in the table below. Additionally, the Prop O Program expects to receive approximately \$9.3 million in future grant reimbursements from two existing projects, Vermont Avenue Stormwater Capture and Green (\$0.6 million) and Westwood Neighborhood Greenway (\$2.2 million) projects, and two proposed projects pending Council approval, Penmar Water Quality Improvement Project – Phase III (\$2.5 million) and Taylor Yard G2 Water Quality Improvements Project (\$4 million).

| Prop O Budget Summary | Amount |
|---|----------------------|
| Remaining Program Budget – Program Contingency | \$ 33,378,956 |
| Items from December 2019 and August 2020 AOC Meeting | |
| Penmar Water Quality Improvement Project – Phase III | \$ (2,541,451) |
| Prop O Staffing Costs – Fiscal Year 2019-20 * | \$ (1,206,961) |
| Prop O Staffing Costs – Fiscal Year 2020-21 * | \$ (1,235,903) |
| Arbitrage Adjustment | \$ 1,992,660 |
| Taylor Yard G2 Water Quality Improvements Project ** | \$ (4,000,000) |
| Running Balance – Subtotal: | \$ 26,387,301 |
| CAO Report dated May 22, 2019 | |
| Aliso Creek Limekiln Creek Restoration Project | \$ (5,200,000) |
| Machado Lake Project Savings | \$ 4,800,000 |
| Machado Lake – Optimization | \$ (4,180,000) |
| Running Balance - Subtotal: | \$ 21,807,301 |
| CAO Report dated June 7, 2019 | |
| Prop O Staffing Costs – Fiscal Year 2018-19 * | \$ (2,618,833) |
| Running Balance - Total: | \$ 19,188,468 |
| Future Grant Reimbursements | \$ 9,342,801 |
| Total – Program Contingency: | \$ 28,531,269 |

| | |
|--|----------------------|
| Anticipated Future Funding Needs (for on-going activities and existing projects that may require future funding due to cost increases): | |
| Staffing costs for Fiscal Year 2021-22, 2022-23 and 2023-24 fiscal years | \$ 2,000,000 |
| Reserve for Project Cost Increases (existing projects: Aliso Limekiln, Penmar Phase III, and Taylor Yard G2 Water Quality) | \$ 4,000,000 |
| Reserve for Project Optimization | \$ 2,000,000 |
| Total Projected Remaining Prop O Contingency Funds***: | \$ 20,531,269 |

* Reflects Sanitation's staffing costs only since staffing costs for Engineering and Contract Administration are included in the project budget.

** This is the amount of front-funding needed for the remaining project budget of \$16.4 million.

*** Subject to change based on project savings, earned interest and grant reimbursements.

The remaining Program Contingency is estimated to be \$20.5 million. The Prop O Program has been in place since 2006. The experience of the Prop O Program has helped shape the City overall stormwater compliance strategy and the initial approach to the Measure W Program. The City has reached the point in the Program where it is appropriate to consider how best to close out the Program in the near future. Therefore, it is recommended that the Council and Mayor instruct this Office, with the assistance of the Chief Legislative Analyst, to create a strategy for use of the remaining Program funds and for the close out of the Program. Consideration should be given to avoiding a funding impact on the City General Fund, maximizing Clean Water Act compliance, considering proposed projects that remain unfunded, closing out the Program within a reasonably short horizon and potentially using Prop O to increase the competitiveness of City projects for funding from non-City sources such as Measure W regional funds.

APPROVED ITEMS FROM THE PROPOSITION O AOC MEETINGS HELD IN AUGUST 2020 AND DECEMBER 2019

UPDATED MASTER SCHEDULE FOR 2020-21 and 2019-20

The Bureau of Engineering (Bureau) is requesting approval of the Master Schedule Update for 2020-21 and 2019-20. The 2020-21 Master Schedule Update includes modifications to the project schedule for seven projects. The Bureau requested the AOC to approve an amendment to the 2020-21 Master Schedule Update to reflect an extension to the post-construction phase, instead of the construction phase, for the Pen Mar Phase II project. The AOC approved the 2020-21 Master Schedule Update as amended by the Bureau. The 2019-20 Master Schedule Update includes modifications to the project schedule for eight projects and close-out of one project. (See Attachment E)

PROPOSITION O STAFFING APPROPRIATION FOR 2019-20 AND 2020-21

The Bureau of Engineering, as the Prop O Program Manager, is recommending an appropriation totaling \$9,977,250 to fund staffing costs for 2020-21 and 2019-20 as follows (see Attachment B):

| Bureau | 2020-21 | | 2019-20 | |
|-------------------------|-----------------------|---------------|-----------------------|---------------|
| | Full Time Equivalents | Appropriation | Full Time Equivalents | Appropriation |
| Contract Administration | 4 | \$ 772,353 | 4 | \$ 796,685 |
| Engineering | 10 | \$2,699,694 | 14 | \$3,265,654 |
| Sanitation | 5 | \$1,235,903 | 5 | \$1,206,961 |
| Total | 19 | \$4,707,950 | 23 | \$5,269,300 |

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. Tasks that are ineligible for Prop O funding include, but are not limited to, accounting, financial reporting, administrative, and operation and maintenance activities. Ineligible costs will need to be absorbed within the department budgeted appropriations.

Staff costs that are directly associated with the design and construction of the capital project are included in the project budget. This includes staff from the Bureaus of Engineering and Contract Administration. Staff costs for the Bureau of Sanitation, totaling up to \$2,442,864, are not included in the project budget and must be funded separately. Funding for resources directly supporting the Prop O Program is provided on a reimbursement basis consistent with bond requirements. All reimbursements for prior year (2019-20) staffing costs should be processed to the funding source that front-funded Prop O costs.

ARBITRAGE ADJUSTMENT

The Prop O Program budgeted \$2 million in funding for arbitrage should the City be required to make payments on any interests earned over the three-year limit on unspent bond proceeds. To date, the City has expended \$7,340 toward arbitrage payments. This Office’s Debt Group projects no future arbitrage payments for the Prop O Program. Therefore, at the August 27, 2020 meeting, the AOC approved to reduce the arbitrage budget by \$1,992,660, from \$2 million to \$7,340 (see Attachment C).

TAYLOR YARD G2 WATER QUALITY IMPROVEMENTS PROJECT

The Bureau of Sanitation provided a brief overview of the Taylor Yard G2 Water Quality Improvements Project at the COAC and AOC meeting, held on July 20 and August 27, 2020, respectively. The project includes the excavation and remediation of contaminated soils, installation of a diversion and pre-treatment system to capture flows from storm drains from 4,297 acres of tributary area, and creation of a natural treatment system that provides stormwater detention and cleaning as well as habitat and open space. The AOC approved the project with a Prop O project budget of \$16.4 million, of which \$4 million will be reimbursed by the Mountains Recreation and Conservation Authority (MRCA) through a State Prop 1 Grant that it received (see Attachment D).

There are a total of four proposed projects that will be installed on the G2 site area. Including the water quality project, the other three projects are the Paseo del Rio, the Taylor Yard Pedestrian Bikeway/Pedestrian Bridge over the LA River Project, and the remaining Park that will be

constructed at this site concurrently. The Bureau of Engineering reports that these projects can be implemented independent of each other.

The table below shows the estimated total project cost and project schedule for the water quality project:

| Budget Category | Cost | Schedule |
|---|-----------------------|--------------------------|
| Pre-Design | \$250,000 | Aug 2020 – July 2021 |
| Planning/Design/Engineering/Environmental Documentation and permitting (includes outreach, permits, final plans & specifications) | \$1,300,000 | January 2021 – June 2022 |
| Bid and Award | \$180,000 | July 2022-November 2022 |
| Construction/Implementation (includes mobilization, excavation and capping, construction management and contingency) | \$14,670,000 | December 2022 – May 2024 |
| Grand Total | \$ 16,400,000* | |

*The Mountains Recreation and Conservation Authority (MRCA) will provide \$4 million in grant funding it received from the State Prop 1 Grant.

The Bureau of Sanitation is requesting to re-purpose \$12.4 million in Prop O funding that was budgeted for land acquisition of the Taylor Yard G2 site to this proposed water quality improvements project. Since the Prop O funds are no longer required for land acquisition, the AOC approved the re-purposing of the \$12.4 million in Prop O funds. The remaining project cost of \$4.0 million will be reimbursed by a State Proposition 1 Grant that was awarded to the MRCA through the Santa Monica Mountain Conservancy. The MRCA will provide the grant funding on a reimbursement basis to fund public access improvements or green elements.

PENMAR WATER QUALITY IMPROVEMENT PROJECT – PHASE III

At the AOC meeting of December 12, 2019, the Bureau of Engineering, on behalf of the Bureau of Sanitation, requested \$2,541,451 in front-funding from the Prop O Bond Program for the Penmar Water Quality Improvement Project – Phase III (Project) in Council District 11 (see Attachment E). The Penmar Water Quality Improvement Project - Phase I and Phase II (Penmar Project – Phase I and II), funded by Prop O bond funds, will divert, capture, and treat stormwater runoff for on-site irrigation. Phase I has been completed and Phase II is currently in post-construction, with an expected completion date of June 2021.

In 2016, the Los Angeles County Department of Public Health informed the Bureau of Sanitation that the Penmar Project – Phase I and II did not comply with the more stringent requirements of Title 22, NSF/American National Standard Institute (NSF/ANSI) 350 and California Toxic Rule standards. The overall project must be able to treat potential issues with color, odor, or oily film and foam and requires a minimum contact time and minimum contact value. As such, the Bureau of Sanitation is proposing modifications to the current system to achieve the contact requirements. These modifications include the construction of a pretreatment device (such as a hydrodynamic separator), filtration facility, and disinfection facilities (such as ultraviolet system).

The Project was awarded a grant of \$2,541,451 through Proposition 84 Integrated Regional Water Management, which is administered by the Department of Water Resources (DWR). The grant

agreement was executed on May 2019. As part of the grant agreement, the Bureau of Sanitation must complete design and advertise construction of the Project by December 2020. The Bureau of Sanitation indicates that the deadline will be extended by one year (to December 2021) due to the impact of COVID-19 pandemic. The proposed project completion date is June 30, 2023. As this is a reimbursement grant, the Bureau of Sanitation reports that the DWR will reimburse the City on a quarterly basis upon receipt and approval of City invoices.

At the AOC meeting of December 12, 2019, the AOC recommended to approve Prop O funds to front-fund the Project, and specified that existing bond proceeds should be used to front-fund the design phase and new bond proceeds to front-fund the construction phase. The Bureau of Engineering estimated that the cost of design is \$470,000 and the cost of construction is \$2,071,451. Funding for project construction will be provided from future bond proceeds.

CAO REPORT DATED MAY 22, 2019: PROPOSITION O CLEAN WATER GENERAL OBLIGATION BOND – BUDGET ADJUSTMENTS

At the regular meeting of January 31, 2019 and March 28, 2019, the Prop O AOC approved recommendations of the Prop O COAC from its Regular Meeting of November 19, 2018 and March 18, 2019. The recommendations include a revision of the 2018-19 Prop O Master Schedule, a budget increase for the Aliso Creek Limekiln Creek Restoration Project, funding for optimization of the Machado Lake Ecosystem Rehabilitation project, and approval of the Sun Valley/North Hollywood Greenway project. These items are hereby transmitted for Council consideration.

On July 3, 2019, Council approved the Sun Valley/North Hollywood Greenway project, which was renamed to the Ben and Victory Green Stormwater Infrastructure Project and authorized Prop O funding for the project.

UPDATED 2018-19 MASTER SCHEDULE

At the COAC meeting of November 19, 2018 and the AOC meeting of January 31, 2019, a revised 2018-19 Master Schedule for the Prop O Program was approved that modified the project schedule for 10 projects and added three new projects (included under Attachment A).

ALISO CREEK LIMEKILN CREEK RESTORATION PROJECT

The Aliso Creek Limekiln Creek Restoration (Aliso Creek) project site is approximately 11.8 acres consisting of Aliso Creek, Limekiln Creek, Los Angeles County Right of Way, and portions of Vanalden Park in Council District 12. The project will build a wetlands to divert and treat storm water runoff from Aliso Creek, Limekiln Creek, and an existing open channel storm drain, for a total a drainage area of approximately 12,091 acres, which will then be pumped into bio-retention basins for further filtration.

The current project budget is \$10,940,089 as approved by the City Council on April 19, 2016. This current budget is insufficient to cover the project costs due to the current construction market in which the average construction bids have been consistently higher than the City Engineer's

Estimate. In 2018, the Bureau of Engineering (Bureau) obtained a third-party construction estimate for the Aliso Creek project, which confirmed the need for a budget increase of \$5.2 million in order for the Bureau to deliver the project (see Attachment F). Due to delays in the approval of funding for this Project, it is possible that additional cost increases may occur in the future.

OPTIMIZATION FUNDING FOR THE MACHADO LAKE ECOSYSTEM REHABILITATION PROJECT-OPTIMIZATION PHASE

At the COAC meeting of March 18, 2019, the Bureau of Sanitation requested \$4.56 million in funding for optimization of the Machado Lake Ecosystem Rehabilitation (Machado Lake) Project for three years. The COAC reduced the requested amount by \$380,000, from \$4.56 million to \$4.18 million, by reducing contingency to 10 percent from the requested 20 percent contingency. At the AOC meeting of March 28, 2019, CAO staff reported that the COAC approved \$4.18 million in funding for optimization of the Machado Lake project. In addition, CAO staff, with concurrence by the Bureau of Engineering staff, reported that the estimated savings from the Machado Lake project is \$4.8 million, which is sufficient to fund Machado Lake Project optimization and the remaining surplus, \$620,000, could be appropriated to the Program Budget Contingency. The AOC approved the use of \$4.8 million in savings to fund Machado Lake Project optimization (\$4.18 million) and the transfer of the remaining surplus to Program Budget Contingency (see Attachment G).

CAO REPORT DATED JUNE 7, 2019: PROPOSITION O CLEAN WATER GENERAL OBLIGATION BOND – STAFFING APPROPRIATION FOR FISCAL YEAR 2018-19

At the regular meeting of November 19, 2018 and May 30, 2019, the Prop O COAC and AOC, respectively, approved an appropriation of approximately \$7.14 million for staffing to support the Proposition O Program. This matter is hereby transmitted for Council consideration.

PROPOSITION O STAFFING APPROPRIATION FOR FISCAL YEAR 2018-19

The Bureau of Engineering recommended an appropriation of up to \$7,140,579 to fund up to 33 FTE to support the Prop O Program in 2018-19 for the following departments: Public Works-Contract Administration (up to four FTEs), Public Works-Engineering (up to 16 FTEs), and Public Works-Sanitation (up to 13 FTEs) (see Attachment D). This recommendation was approved by the AOC and the COAC at the Regular Meeting of May 30, 2019 and November 28, 2018, respectively.

Of the \$7.14 million appropriation that was approved by AOC and COAC, this Office is recommending a total appropriation of up to \$3,640,830 in Prop O funding to reimburse for eligible staff costs for the Bureaus of Engineering, Contract Administration, and Sanitation for Fiscal Year 2018-19. Funding for resources directly supporting the Prop O Program is provided on a reimbursement basis consistent with bond requirements. As these are prior year staffing costs, the reimbursements should be processed to the funding source that front-funded the Prop O costs.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund for project implementation as funding will be provided by

the Proposition O Bond Fund. Potentially, there may be an impact to the General Fund for any ineligible 2020-21 staffing costs and operation and maintenance (O&M) costs. These O&M costs will be addressed through the City's annual budget process.

FINANCIAL POLICIES STATEMENT

The recommendations provided in this report are in compliance with the City's Financial Policies as funding for the proposed projects is funded from bond proceeds which are supported by voter-approved property tax revenue.

RHL:SMC:06210072

ATTACHMENTS

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: July 13, 2020

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

From: Christopher F. Johnson, PE, GE, Division Engineer
Proposition O Clean Water Division
Bureau of Engineering

Subject: **PROPOSITION O MASTER SCHEDULE UPDATE FOR 2020-2021**



Christopher F. Johnson
cn=Christopher F. Johnson,
o=Department of Public Works,
Bureau of Engineering, ou=Clean
Water Division,
email=christopher.johnson@lacity.or
g, c=US
2020.07.14 15:20:57 -07'00'

Recommendation

Approve seven modified project schedules, as shown in the Proposition O Master Schedule (Attachment) and described in this correspondence.

Seven Projects with Modified Schedules

Albion Riverside Park

It is recommended that the post construction phase be extended by ten months. The post construction phase will now end in October 2020. The extension is to allow for Board of Public Works acceptance of the project.

Temescal Canyon Stormwater BMP Phase II

It is recommended that the post-construction phase be extended by 12 months, ending in March 2021. The extension is to allow for completion of As-built drawings.

Penmar Water Quality Improvement Phase II

It is recommended the construction phase be extended by 12 months, ending in June 2021. The extension is to allow for Board of Public Works acceptance of the project.

Aliso Creek – Limekiln Creek Restoration Project

It is recommended that the design phase be extended 12 months ending in January 2021. This will extend bid and award completion to July 2021, construction completion to July 2023, and post construction completion to July 2025. Although design is complete, a Memorandum of Agreement has yet to be completed between LASAN and LA County Flood Control District. Additionally, land use agreements are still being negotiated with the Department of Recreation and Parks.

Rory M. Shaw Wetlands Park

It is recommended that the design phase be extended 4 months, ending September 2020, the bid and award phase completion be extended 9 months, ending April 2021, the construction phase completion be extended to May 2028, and the post-construction phase completion be extended to November 2028. LA County, which controls the schedule of this project, has recommended these changes to the schedule. The schedule has been extended due to lengthy permit review processes, construction schedule studies, and additional remediation plans anticipated during construction.

Vermont Stormwater Capture – Phase I

It is recommended the post construction phase be extended by 12 months, ending in June 2021. The extension is to allow for Board of Public Works acceptance of the project.

Westwood Neighborhood Greenway

It is recommended the Construction phase be extended 6 months, ending March 2021, and the post-construction be extended by 6 months, ending March 2022 due to a landscaping maintenance extension request from LA Sanitation, which is still under negotiation, as well as instrumentation changes requested from LA Sanitation during the construction phase.

Project Close Outs

Machado Lake Ecosystem Phase I (Wilmington Drain) HRMMP

Post construction phase is complete.

Attachment

CFJ/cj

Q:\Master Schedule\Master Schedule Memos\Master Schedule 2020-2021

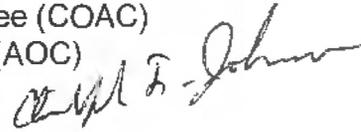
cc: Rafael E. Prieto, CLA
David Hirano, CAO
Roy Cervantes, CAO
Salyna Cun, CAO
Ken Redd, BOE
Shahram Kharaghani, BOS
Wing Tam, BOS
Master File

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: October 23, 2019

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

From: Christopher F. Johnson, PE, GE, Division Engineer
Proposition O Clean Water Division
Bureau of Engineering



Subject: **PROPOSITION O MASTER SCHEDULE UPDATE FOR 2019-2020**

Recommendation

Approve eight modified project schedules, as shown in the Proposition O Master Schedule (Attachment) and described in this correspondence.

Eight Projects with Modified Schedules

Albion Riverside Park

It is recommended that the post construction phase be extended by three months. The post construction phase will now end in December 2019. Due to contaminated soil encountered during construction, completion of construction was extended until June 2019.

Temescal Canyon Stormwater BMP Phase II

It is recommended that the post-construction phase be extended by 12 months, ending in March 2020. The extension is to allow for Board of Public Works acceptance of the project.

Penmar Water Quality Improvement Phase II

It is recommended the construction phase be extended by 6 months, ending in June 2020. The extension is to allow for Board of Public Works acceptance of the project.

Aliso Creek – Limekiln Creek Restoration Project

It is recommended that the design phase be extended 16 months ending in January 2020. This will extend bid and award completion to July 2020, construction completion to July 2022, and post construction completion to July 2024. Although design is complete, a Memorandum of Agreement has yet to be completed between LASAN and LA County Flood Control District. Additionally land use agreements are still being negotiated with the Department of Recreation and Parks.

Rory M. Shaw Wetlands Park

It is recommended that the design phase be extended 10 months, ending April 2020, the bid and award phase completion be extended to July 2020, the construction phase completion be extended to October 2025, and the post-construction phase completion be extended to April 2026. LA County, which controls the schedule of this project, has

recommended these changes to the schedule. The schedule has been extended due to on-going design challenges and the existence of unsuitable soil at the site.

Vermont Stormwater Capture – Phase I

It is recommended the construction phase be extended 1 month, ending July 2019. The time extension is required for landscape establishment performed under the construction contract. This time extension does not impact the project achieving its IRWMP grant deadline.

Vermont Stormwater Capture – Phase II

It is recommended the bid and award phase be extended 3 months, ending in January 2020, and the construction phase be reduced 3 months, ending February 2021. The time extension is required for incorporation of scope adjustments during the design phase. With the construction phase reduction, this time extension does not impact the project achieving its IRWMP grant deadline.

Westwood Neighborhood Greenway

It is recommended the Bid and Award phase be extended 1 month, ending August 2019, and the post-construction be extended by 1 month, ending September 2021. Coordination of final design changes before Bid and Award required one additional month.

Project Close Outs

Santa Monica Bay LFD Upgrades Package 3 Phase 2

Post construction phase is complete.

Attachment

CFJ/cj

Q:\Master Schedule\Master Schedule Memos\Master Schedule 2019-2020

cc: Rafael E. Prieto, CLA
David Hirano, CAO
Roy Cervantes, CAO
Salyna Cun, CAO
Ken Redd, BOE
Brett McReynolds, BCA
Shahram Kharaghani, BOS
Wing Tam, BOS
Master File

Proposition O Clean Water Division

September 2019

Subject to Approval by Prop O Administrative Oversight Committee

| CD | CIP #s | Project Title | Half 2, 2018 | | Half 1, 2019 | | Half 2, 2019 | | Half 1, 2020 | | Half 2, 2020 | | | | | | | | | | | |
|----|----------|---|------------------------------------|---|--------------|---|--------------|---|--------------|---|--------------|---|---|---|---|---|---|---|---|---|--|--|
| | | | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | | |
| 15 | O/01-36b | Machado Lake Ecosystem Rehabilitation Project | [Gantt bar with diagonal hatching] | | | | | | | | | | | | | | | | | | | |
| VR | O/01-52c | Catch Basin Opening Screen Covers Phase IV | [Gantt bar with diagonal hatching] | | | | | | | | | | | | | | | | | | | |
| 11 | O/01-54 | Temescal Canyon Park Stormwater BMP Phase II | [Gantt bar with diagonal hatching] | | | | | | | | | | | | | | | | | | | |
| 11 | O/01-53 | Penmar Water Quality Improvement Ph II | [Gantt bar with diagonal hatching] | | | | | | | | | | | | | | | | | | | |
| 15 | O/01-36c | Machado Lake Pipeline Project | [Gantt bar with diagonal hatching] | | | | | | | | | | | | | | | | | | | |
| 11 | O1-20E | Mar Vista Recreation Center Stormwater BMP Phase 2 | [Gantt bar with diagonal hatching] | | | | | | | | | | | | | | | | | | | |
| 1 | 827 | Albion Riverside Park | [Gantt bar with diagonal hatching] | | | | | | | | | | | | | | | | | | | |
| 15 | O1003 | Machado Lake Pipeline Project - Eastern Reach (Const. Ends 11/2021) | [Gantt bar with diagonal hatching] | | | | | | | | | | | | | | | | | | | |
| 11 | O/01-63 | Argo Drain Sub-basin Facility | [Gantt bar with diagonal hatching] | | | | | | | | | | | | | | | | | | | |
| 8 | O1004 | Vermont Avenue Stormwater Capture - Phase I | [Gantt bar with diagonal hatching] | | | | | | | | | | | | | | | | | | | |
| 5 | O1005 | Westwood Neighborhood Greenway | [Gantt bar with diagonal hatching] | | | | | | | | | | | | | | | | | | | |
| 8 | O1006 | Vermont Avenue Stormwater Capture - Phase II (Const. Ends 2/2021) | [Gantt bar with diagonal hatching] | | | | | | | | | | | | | | | | | | | |
| 12 | O/01-62 | Aliso Creek - Limekiln Creek Restoration Project (Const. Ends 7/2022) | [Gantt bar with diagonal hatching] | | | | | | | | | | | | | | | | | | | |
| 6 | O/01-10 | Rory Shaw/Strathern Wetlands Park (LA County) (Const. Ends 10/2025) | [Gantt bar with diagonal hatching] | | | | | | | | | | | | | | | | | | | |
| 15 | O1001 | Machado Lake Ecosystem Rehabilitation HRMMP Compliance (Ends 6/2022) | [Gantt bar with diagonal hatching] | | | | | | | | | | | | | | | | | | | |
| 15 | O1002 | Wilmington Drain Habitat Restoration Mitigation and Monitoring Plan Project (Ends 1/2020) | [Gantt bar with diagonal hatching] | | | | | | | | | | | | | | | | | | | |

Status Date: Mon 9/30/19

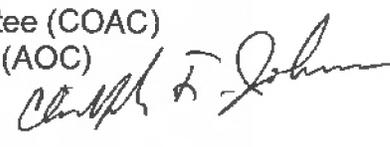


**CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE**

Date: November 15, 2018

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

From: Christopher F. Johnson, PE, GE, Division Engineer
Proposition O Clean Water Division
Bureau of Engineering



Subject: **PROPOSITION O MASTER SCHEDULE UPDATE FOR 2018**

RECOMMENDATIONS

1. Approve 10 modified project schedules, as shown in the Proposition O Master Schedule dated June 2018 (Attachment), and described in this correspondence.
2. Approve 3 added project schedules as shown in the Proposition O Master Schedule dated June 2018 (Attachment), and described in this correspondence.

10 PROJECT WITH MODIFIED SCHEDULES

Machado Lake Ecosystem Rehabilitation Project:

It is recommended the construction phase be extended by 4 months and the post-construction phase be extended by 11 months. The construction phase will now end in February 2018 and the post-construction phase will now end in July 2019.

This adjustment to the construction phase is to reflect the date Statement of Completion was issued. The post construction phase adjustment is to account for ongoing close-out negotiations with the Contractor, and a more typical timeframe for acceptance by the Board of Public Works.

Temescal Canyon Stormwater BMP Phase II:

It is recommended the construction phase and post-construction phase be extended by 6 months each. The construction phase will now end in September 2018, and the post-construction phase will now end in October 2019.

Due to field delays the construction duration is being extended. The post-construction phase is being extended to one year to be consistent with typical post-construction durations.

Penmar Water Quality Improvement Phase II:

It is recommended the construction phase and post-construction phase be extended by 6 months each. The construction phase will now end in September 2018, and the post-construction phase will now end in October 2019.

Due to field delays the construction duration is being extended. The post-construction phase is being extended to one year to be consistent with typical post-construction durations.

Machado Lake Pipeline Project:

It is recommended the construction phase be extended by 5 months and will now end in December 2018.

Expired traffic control plans caused delays due to the reapproval process by LADOT and Caltrans.

Mar Vista Recreation Center Stormwater BMP Phase 2:

It is recommended the construction phase be extended 7 months and the post-construction phase be extended 6 months. The construction phase will now in June 2018, and the post-construction phase will now end in July 2019.

LA Sanitation requested an additional change in scope. Additionally, the SCADA operation experienced technical issues occurred during testing.

Albion Riverside Park:

It is recommended the construction phase be extended by 3 months and will now end in March 2019.

Unforeseen quantities of contaminated soil caused delays. The budget was increased by \$2.7 million to issue the change order for the unforeseen quantities of contaminated soil and was approved by City Council and the Board.

Argo Drain Sub-basin Facility:

It is recommended the Bid & Award phase be extended by 9 months and will now end in July 2018.

Due to bids coming in high, a request was made for a \$15.5 million construction budget increase.

Aliso Creek – Limekiln Creek Restoration Project:

It is recommended that the Design phase be extended 8 months and the Right-of-Way(ROW)/Approvals phase be extended 12 months. The Design phase will now end in September 2018 and the ROW/Approvals phase will now end in December 2018.

The prolonged plan check process by LA County Flood Control District caused delays to the Design phase of the project. Additionally, the Department of Recreation and Parks (RAP) construction permit was not yet secured during the Design phase.

Rory M. Shaw Wetlands Park:

It is recommended the design phase be extended 20 months (ending in June 2019), the Bid and Award phase be reduced by 6 months (ending in September 2019), the construction phase be reduced by 12 months (ending in April 2022) and the post-construction be extended by 6 months (ending in October 2023).

LA County, who controls the schedule of this project, has recommended these changes to the schedule. The schedule has been extended due to the presence of contaminated soil. This required additional design changes to be made including the development of specifications and remediation plans to be applied during construction.

Machado Lake Pipeline Project – Eastern Reach:

It is recommended that the Bid & Award phase be reduced by 1 month, ending in May 2018.

The original Bid & Award duration was scheduled to end in July 2018. However, the project was awarded ahead of schedule on May 25, 2018.

3 ADDED PROJECT SCHEDULES

Vermont Avenue Stormwater Capture – Phase I:

The Pre-Design phase is scheduled to be from January 2018 to February 2018 (1 Month), Design phase to be from March 2018 to July 2018 (4 months), Bid & Award phase to be from July 2018 to September 2018 (2 Months), Construction phase to be from September 2018 to June 2019 (9 months), and Post-Construction phase to be from July 2019 to July 2020 (12 Months).

Vermont Avenue Stormwater Capture – Phase II:

The Pre-Design phase is scheduled to be from March 2018 to July 2018 (4 Months), Design phase to be from July 2018 to April 2019 (9 months), Bid & Award phase to be from April 2019 to October 2019 (6 Months), Construction phase to be from October 2019 to February 2021 (17 months), and Post-Construction phase to be from March 2021 to July 2022 (17 Months).

Westwood Neighborhood Greenway:

The Pre-Design phase is scheduled to be from March 2018 to July 2018 (4 Months), Design phase to be from July 2018 to January 2019 (5 months), Bid & Award phase to be from January 2019 to July 2019 (5 Months), Construction phase to be July 2019 to August 2020 (13 months), and Post-Construction phase to be from August 2020 to July 2021 (12 Months).

Attachment

CFJ/kc

Q:\Master Schedule\Master Schedule Memos\2018 Master Schedule Memo Update

cc: David Hirano, CAO
Salyna Cun, CAO
Rafael E. Prieto, CLA
Ken Redd, BOE
Shahram Kharaghani, BOS
Master File

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: July 15, 2020

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

From: Christopher F. Johnson, PE, GE, Division Engineer
 Proposition O Clean Water Division
 Bureau of Engineering

CF for:

Subject: **PROPOSITION O STAFFING APPROPRIATION FOR
 FISCAL YEAR 2020-2021**

RECOMMENDATION

1. Approve an appropriation of up to \$4,707,950 from accrued Interest for Proposition O staffing costs for the Bureaus of Contract Administration (BCA), Engineering (BOE), and Sanitation (BOS) to continue and sustain project implementation for 2020-21; and,
2. Authorize the City Administrative Officer, in conjunction with the BOE, to review proposed staffing cost and to make funding and technical corrections, as needed, within the approved budget authority for City staff costs.

BACKGROUND

During fiscal year 2020-2021, 16 active projects will have work tasks that are being performed by City staff. Based on a City-wide review of fiscal year 2020-2021 work levels and the proposed 2021 Master Schedule, a staffing appropriation of up to 19 full time equivalents (FTEs, see attachment), not to exceed \$4,707,950 is recommended.

For the BCA, an appropriation for 4 FTE, up to \$772,353, is requested for contract management and construction inspection tasks. An appropriation for overtime and mileage is included.

For the BOE, an appropriation for 10 FTE, up to \$2,699,694, is requested for program management, project implementation and other direct costs and support that are charged directly to projects by Proposition O staff members.

For the BOS, an appropriation for 5 FTE, up to \$1,235,903, is requested to provide technical support, assist with preparation of technical documents, and provide critical interfacing between BOE and operating workforce for proper design and construction of ongoing projects. An appropriation for overtime and mileage is included.

Attachment

cc: David Hirano
 Shahram Kharaghani
 Victoria Santiago
 Robert Kadomatsu

Fiscal Year 2020-21 Proposition O Staff Costs by Bureau and FTE
Estimates for July 1, 2020 through June 30, 2021
(Based on Modified CAP 40 Rates)

Attachment

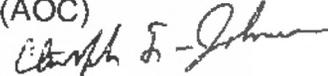
| | | | | | A | B | C | D | E=A+B+C+D |
|----------|-------|--------------------------------|--------------|------------|--------------|-----------|-----------|-----------------|--------------|
| Dept No. | FTEs | Position Resource Level | Base Labor | CTO | Gross Labor | Overtime | Mileage | Fringe Benefits | Total Costs |
| | | | | 19.56% | | | | 50.10% | |
| 76 | 3.00 | Construction Inspector | \$ 314,013 | \$ 61,421 | \$ 375,434 | | | \$ 188,092 | \$ 563,526 |
| | 1.00 | Sr Construction Inspector | \$ 116,364 | \$ 22,761 | \$ 139,125 | | | \$ 69,702 | \$ 208,826 |
| 76 | 4.00 | Total-Bureau of Contract Admin | \$ 430,377 | \$ 84,182 | \$ 514,559 | \$ 70,747 | \$ 21,000 | \$ 257,794 | \$ 772,353 |
| | | | | 20.58% | | | | 47.45% | |
| 78 | 1.00 | Principal Civil Engineer | \$ 185,184 | \$ 38,111 | \$ 223,295 | | | \$ 105,953 | \$ 329,248 |
| | 2.00 | Sr Civil Engineer | \$ 308,230 | \$ 63,434 | \$ 371,664 | | | \$ 176,354 | \$ 548,018 |
| | 2.00 | Civil Engineer | \$ 393,189 | \$ 80,918 | \$ 474,107 | | | \$ 224,964 | \$ 699,071 |
| | 1.00 | Landscape Arch I | \$ 134,863 | \$ 27,755 | \$ 162,618 | | | \$ 77,162 | \$ 239,780 |
| | 3.00 | Civil Eng Assoc III | \$ 382,416 | \$ 78,701 | \$ 461,117 | | | \$ 218,800 | \$ 679,917 |
| | 1.00 | Civil Eng Assoc II | \$ 114,547 | \$ 23,574 | \$ 138,121 | | | \$ 65,538 | \$ 203,659 |
| 78 | 10.00 | Total-Bureau of Engineering | \$ 1,518,429 | \$ 312,493 | \$ 1,830,922 | \$ 4,600 | \$ 460 | \$ 868,772 | \$ 2,699,694 |
| | | | | 19.61% | | | | 48.98% | |
| 82 | 2.00 | Environmental Eng Assoc II | \$ 229,094 | \$ 44,925 | \$ 274,019 | | | \$ 134,215 | \$ 408,234 |
| | 1.00 | Civil Eng Assoc IV | \$ 138,580 | \$ 27,176 | \$ 165,756 | | | \$ 81,187 | \$ 246,943 |
| | 2.00 | Sr Environmental Engineer | \$ 325,894 | \$ 63,908 | \$ 389,802 | | | \$ 190,925 | \$ 580,727 |
| 82 | 5.00 | Total-Bureau of Sanitation | \$ 693,568 | \$ 136,009 | \$ 829,577 | \$ 4,600 | \$ 460 | \$ 406,327 | \$ 1,235,903 |
| | | | | | | | | | |
| | 19.00 | GRAND TOTAL | \$ 2,642,374 | \$ 532,683 | \$ 3,175,057 | \$ 79,947 | \$ 21,920 | \$ 1,532,893 | \$ 4,707,950 |

**CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE**

Date: October 23, 2019

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

From: Christopher F. Johnson, PE, GE, Division Engineer
Proposition O Clean Water Division
Bureau of Engineering



Subject: **PROPOSITION O STAFFING APPROPRIATION FOR
FISCAL YEAR 2019-2020**

RECOMMENDATION

1. Approve the appropriation of up to \$5,269,300 for Proposition O staffing costs for the Bureaus of Contract Administration (BCA), Engineering (BOE), and Sanitation (BOS) to continue and sustain project implementation.
2. Authorize the City Administrative Officer, in conjunction with BOE, to review proposed staffing cost and to make technical corrections as needed to the recommendations in this correspondence.

BACKGROUND

During fiscal year 2019-2020, 14 active projects will have work tasks that are being performed by City staff. Based on a City-wide review of fiscal year 2019-2020 work levels and the proposed 2019 Master Schedule, a staffing appropriation of up to 23 full time equivalents (FTEs, see attachment), not to exceed \$5,269,300 is recommended.

For the BCA, an appropriation for 4 FTE, up to \$796,685, is requested for contract management and construction inspection tasks. An appropriation for overtime and mileage is included.

For the BOE, an appropriation for 14 FTE, up to \$3,265,654, is requested for program management, project implementation and other direct costs and support that are charged directly to projects by non-Proposition O Resolution Authority staff members. An appropriation for overtime and mileage is included.

For the BOS, an appropriation for 5 FTE, up to \$1,206,961, is requested to provide technical support, assist with preparation of technical documents, and provide critical interfacing between BOE and operating workforce for proper design and construction of ongoing projects. An appropriation for overtime and mileage is included.

Attachment

cc: David Hirano
Shahram Kharaghani
Victoria Santiago
Robert Kadomatsu

Fiscal Year 2019-20 Proposition O Staff Costs by Bureau and FTE
 Estimates for July 1, 2019 through June 30, 2020
 (Based on Modified CAP 39 Rates)

Attachment

| | | | | | A | B | C | D | E=A+B+C+D |
|----------|-------|--------------------------------|--------------|------------|--------------|-----------|-----------|-----------------|--------------|
| Dept No. | FTEs | Position Resource Level | Base Labor | CTO | Gross Labor | Overtime | Mileage | Fringe Benefits | Total Costs |
| | | | | 20.35% | | | | 49.30% | |
| 76 | 3.00 | Construction Inspector | \$ 331,551 | \$ 67,471 | \$ 399,022 | | | \$ 196,718 | \$ 595,739 |
| | 1.00 | Sr Construction Inspector | \$ 111,834 | \$ 22,758 | \$ 134,592 | | | \$ 66,354 | \$ 200,946 |
| 76 | 4.00 | Total-Bureau of Contract Admin | \$ 443,385 | \$ 90,229 | \$ 533,614 | \$ 70,747 | \$ 21,000 | \$ 263,072 | \$ 796,685 |
| | | | | 20.35% | | | | 47.13% | |
| 78 | 1.00 | Principal Civil Engineer | \$ 179,943 | \$ 36,618 | \$ 216,561 | | | \$ 102,065 | \$ 318,627 |
| | 2.00 | Sr Civil Engineer | \$ 308,230 | \$ 62,725 | \$ 370,955 | | | \$ 174,831 | \$ 545,786 |
| | 3.00 | Civil Engineer | \$ 393,189 | \$ 80,014 | \$ 473,203 | | | \$ 223,021 | \$ 696,224 |
| | 1.00 | Landscape Arch I | \$ 131,063 | \$ 26,671 | \$ 157,734 | | | \$ 74,340 | \$ 232,075 |
| | 5.00 | Civil Eng Assoc III | \$ 602,910 | \$ 122,692 | \$ 725,602 | | | \$ 341,976 | \$ 1,067,578 |
| | 1.00 | Civil Eng Assoc II | \$ 108,346 | \$ 22,048 | \$ 130,394 | | | \$ 61,455 | \$ 191,849 |
| | 1.00 | Environmental Suprv I | \$ 120,582 | \$ 24,538 | \$ 145,120 | | | \$ 68,395 | \$ 213,516 |
| 78 | 14.00 | Total-Bureau of Engineering | \$ 1,844,263 | \$ 375,308 | \$ 2,219,571 | \$ 4,600 | \$ 460 | \$ 1,046,084 | \$ 3,265,654 |
| | | | | 22.67% | | | | 55.37% | |
| 82 | 2.00 | Environmental Eng Assoc II | \$ 216,692 | \$ 49,124 | \$ 265,816 | | | \$ 147,182 | \$ 412,998 |
| | 1.00 | Civil Eng Assoc IV | \$ 108,346 | \$ 24,562 | \$ 132,908 | | | \$ 73,591 | \$ 206,499 |
| | 2.00 | Sr Environmental Engineer | \$ 308,230 | \$ 69,876 | \$ 378,106 | | | \$ 209,357 | \$ 587,463 |
| 82 | 5.00 | Total-Bureau of Sanitation | \$ 633,268 | \$ 143,562 | \$ 776,830 | \$ 4,600 | \$ 460 | \$ 430,131 | \$ 1,206,961 |
| | | | | | | | | | |
| | 23.00 | GRAND TOTAL | \$ 2,920,916 | \$ 609,098 | \$ 3,530,014 | \$ 79,947 | \$ 21,920 | \$ 1,739,286 | \$ 5,269,300 |

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: July 13, 2020

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

From: Christopher F. Johnson, P.E., G.E.
Proposition O Project Implementation Program Manager
Bureau of Engineering

Subject: PROPOSITION O ARBITRAGE BUDGET ADJUSTMENT



Christopher F. Johnson
cn=Christopher F. Johnson,
o=Department of Public
Works, Bureau of
Engineering, ou=Clean
Water Division,
email=christopher.johnson@
lacity.org, c=US
2020.07.13 15:22:28 -07'00'

RECOMMENDATIONS

1. Authorize a decrease in Arbitrage General Cost Appropriation by \$1,992,660, from \$2,000,000 to \$7,340.
2. Authorize the City Administrative Officer, in coordination with the Bureau of Engineering, to make technical corrections, as needed, to the recommendations in this correspondence.

ARBITRAGE

A budget decrease of \$1,992,660 is recommended. The original budget was \$2,000,000 and will be reduced to \$7,340 to reflect the amount expended to date.

If unforeseen future events mandate that Arbitrage is necessary, then the CWD Prop O Program may initiate it as a separate and new project.

If there are any questions, please contact Christopher Johnson at Christopher.johnson@lacity.org.

Cc: Rafael Prieto, CLA
David Hirano, CAO
Ken Redd, BOE
Shahram Kharaghani, BOS
Roy Cervantes, CAO
Salyna Cun, CAO
Wing Tam, BOS

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: August 24, 2020

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

FROM: 
Wing K. Tam, Proposition O Planning Manager
Watershed Protection Program,
LA Sanitation and Environment

SUBJECT: **REQUEST FOR PROPOSITION O FUNDING FOR THE TAYLOR YARD G2
WATER QUALITY IMPROVEMENTS PROJECT**

RECOMMENDATIONS

1. Approve the budget of \$16,400,000 for the Taylor Yard G2 Water Quality Improvements Project (Project).
2. Approve the transfer of \$16,400,000 from the following Proposition O accounts to a new account entitled the Taylor Yard G2 Water Quality Improvements Project to fund the Project:
 - a. \$12,400,000 from the Taylor Yard River Park – Parcel G2 Project; and,
 - b. \$4,000,000 from Program Contingency, which will be reimbursed upon receipt of Proposition 1 Grant funds that was awarded to the Mountains Recreation and Conservation Authority (MRCA).
3. Authorize receipt of up to \$4,000,000 in funds from the Water Quality, Supply and Infrastructure Act of 2014 (State Proposition 1) funding, awarded to MRCA through Santa Monica Mountains Conservancy (SMMC) to fund the Project and deposit these funds to the Proposition O Program.
4. Authorize the Bureau of Engineering (BOE) and LA Sanitation and Environment (LASAN), to fully develop and implement the Project.
5. Authorize the City Administrative Officer, in coordination with the Proposition O Planning Manager of LASAN and the Proposition O Implementation Manager of BOE, to make technical corrections, as necessary, to the transaction included in this memorandum.
6. Request approval from the City Council and the Mayor to accept grant funding for the Project, by LASAN, from the State Water Resources Control Board (SWRCB), in an amount not to exceed \$10,000,000. Authorize Proposition O Program to fully front-fund the awarded grant amount not to exceed \$10,000,000.
7. Request that the City Council and the Mayor to authorize the Director of LASAN, or a designee, to apply for and accept grant funding; to conduct all negotiations; and to execute and

submit all grant-related documents, including, but not limited to, applications, agreements, or amendments, which may be necessary to secure funding under the State of California's Proposition 1 Storm Water Grant Program.

BACKGROUND

The Taylor Yard G2 parcel has often been referred to as the crown jewel of the Los Angeles River (LA River) revitalization effort and the last piece in the puzzle that will connect over 100 acres of open space along the LA River. The 42 acre parcel, a former Union Pacific railroad maintenance yard, is located in Council District 1 bordering the Los Angeles River adjacent to the Glassell Park and Cypress Park neighborhoods of Northeast Los Angeles. The City's Los Angeles River Revitalization Master Plan (Master Plan) adopted by City Council in 2007 identified the G2 parcel as Taylor Yard River Park, Project No. 165. The opportunity was also described in the Los Angeles River Ecosystem Restoration Feasibility Report (Ecosystem Plan), also known as the "Area with Restoration Benefits and Opportunities for Revitalization" or ARBOR Study, in 2015 by the U.S. Army Corps of Engineers (USACE) for which the City is serving as local sponsor.

Additionally, California State planning documents, including the Santa Monica Mountains Conservancy's (SMMC) 2001 Common Ground Plan, the State Coastal Conservancy's 2002 Taylor Yard Multiple Objective Feasibility Study, and California State Parks' 2005 Rio de Los Angeles State Park General Plan all identified Taylor Yard as a priority site. The G2 parcel is critical to fulfillment of the Ecosystem Plan goals to restore ecosystem values in and along an 11-mile soft-bottomed corridor of the River from the edge of Griffith Park into Downtown Los Angeles known as the Glendale Narrows.

Following the Master Plan adoption in 2007, LASAN identified stormwater quality improvement opportunity at the G2 site and created an initial Concept Report for Prop O funding. \$25 million in Prop O funding for Taylor Yard River Park G2 Parcel Land Acquisition was authorized by COAC and AOC and approved by City Council and Mayor in July 2007. In September 2009, the City Council approved the transfer of \$12.6 million from the Taylor Yard River Park-Parcel G2 land acquisition to land acquisition for the Albion Dairy Park project site. The City acquired the G2 parcel in early 2017, without using the remaining \$12.4 million of Prop O funds.

On January 25, 2018, the COAC and the AOC approved close out of the Taylor Yard River Park – Parcel G2 Land Acquisition project and recommended that the funding be considered for a future water quality improvement project. On April 10, 2018, the City Council approved withholding the release of the remaining \$12.4 million in funds from the Taylor Yard River Park – Parcel G2 Land Acquisition project, pending future project concept proposals (C.F. 13-1526).

In 2019, the City conveyed to the MRCA two multipurpose easement grants for approximately 12.5 acres on Taylor Yard G2 for the preservation of open space, construction of public access improvements, additional environmental cleanup, and habitat restoration, and other activities on the Easement Area as described in the grants. The City and the MRCA also entered into a Memorandum of Understanding (MOU) in order to outline the mutual cooperation between the Parties relating to the cooperative planning, environmental remediation, and coordinated development and improvement of the Property and the Easement Area (C.F. 13-1641-S3).

The City acquired the G2 parcel with the intent of advancing the multiple objectives of the Plans and studies in this stretch of the LA River, which include contaminated soil remediation, stormwater quality improvement, river access, recreation, and habitat restoration. In June 2020, the 100 Acre Partnership was constituted, made up of State Parks, the City, and the MRCA, to support efforts to complete the planning, remediation and development of all 100 acres of open and recreational space along the LA River at Taylor Yard.

The partners and stakeholders are currently engaged in efforts to remediate and activate the Project site in a series of projects over an approximately 10-year period. The projects generally consist of an early activation effort, this Taylor Yard G2 Water Quality Improvements Project, and the Taylor Yard G2 River Park Project to complete full development of the site. Multiple projects to be implemented at and adjacent to the G2 parcel are in the planning and concept design phases such as the Paseo del Rio project (to provide River access), which is in pre-design, and the Taylor Yard Bikeway/Pedestrian Bridge over the LA River (connecting the G2 site to the Elysian Valley neighborhood and LA River bikepath), which is in construction. The City and partners worked closely with the community for nearly two years to gather input and ideas for the development of design concepts for the multiple phases and projects at the Taylor Yard G2 River Park.

Water quality in the LA River adjacent to the G2 parcel is impaired in wet weather, meaning it does not meet Federal and State water quality standards. The City's Municipal Storm Sewer Permit (MS4) regulated by the Regional Water Quality Control Board (RWQCB), lists pollutants with Total Maximum Daily Load (TMDL) requirements for the LA River and receiving waters. Approved TMDLs include trash, ammonia, copper, nutrients, and bacteria. Stormwater runoff from the watershed is impacted with these pollutants due to the impervious land uses in the watershed and historic contamination within the site. The City of Los Angeles Bureau of Sanitation (LASAN) is the department responsible for stormwater management and TMDL-MS4 compliance. Prop O funding would allow the Project to realize vital water quality improvements as well as provide additional ancillary environmental benefits.

SCOPE AND BENEFITS

Project improvements will include excavation and remediation of contaminated soils, installation of a diversion and pre-treatment system to capture flows from storm drains, and creation of a natural treatment system that provides stormwater detention and cleaning as well as habitat and open space. The Project will aid the City in reducing pollutants entering the LA River, helping to meet the Total Maximum Daily Load (TMDL) requirements of our Municipal Storm Sewer Permit (MS4) regulated by the Regional Water Quality Control Board (RWQCB) for the LA River and receiving waters. The Project will be designed to integrate with and provide benefits to current and future Taylor Yard G2 River Park projects.

The Project will divert flows of storm drain runoff from 4,297 acres of tributary area that includes the City neighborhoods of Glassell Park, Cypress Park, Mt. Washington and Eagle Rock as well as portions of Glendale and State Highways CA-2 and 134. The runoff flows in underground concrete box channels under Taylor Yard before discharging at outfalls at the LA River. Stormwater runoff is expected to be impacted with trash, some nitrates, metals, bacteria, and

suspended solids due to the commercial, industrial, educational, transportation, and recreational uses in the area and within the site. In addition to the diversion and pre-treatment, the Project will consist of best management practices (BMPs) that are designed to treat onsite runoff along with varying portions of dry and wet weather flows from upstream and adjacent offsite areas. The natural treatment BMP proposed is a bioretention facility with an underdrain and liner (Bioretention BMP). Bioretention facilities are landscaped shallow depressions that capture and filter stormwater runoff according to the City’s Low Impact Development (LID) Manual. These facilities have a layer of plants and soil where pollutants can be filtered, absorbed, and biodegraded as stormwater percolates through the soil media. Once stormwater saturates the media materials and fills the Bioretention BMP, an underdrain system conveys the treated stormwater to an outlet, discharging clean water to the LA River. Due to the existing soil contamination found on-site from previous industrial uses, an impermeable liner would be used to prevent infiltration into underlying soils.

The Bioretention BMP will provide water quality improvements and additional benefits such as habitat, open green space and biodiversity. This alternative was selected to treat pollutants associated with land uses in the area and within the site, in addition to addressing the Clean Water Act (CWA) Section 303(d) impairments and current and future TMDLs associated with Los Angeles River Reach 3/ARBOR Reach 6 and the Upper Los Angeles River Enhanced Watershed Management Program.

BUDGET

| Budget Category | Cost |
|---|----------------------|
| Pre-Design | \$250,000 |
| Planning/Design/Engineering/Environmental Documentation and permitting (includes outreach, permits, final plans & specifications) | \$1,300,000 |
| Bid and Award | \$180,000 |
| Construction/Implementation (includes mobilization, excavation and capping, construction management and contingency) | \$14,670,000 |
| Grand Total | \$ 16,400,000 |

The total estimated cost of the project is \$16,400,000. Of this amount, LASAN is seeking funding from the Proposition O Program for an amount of \$16,400,000 to be able to implement the Project. According to the May 2020 Prop O Monthly Report, there is currently \$12.4 million in Prop O funds budgeted for land acquisition of the Taylor Yard River Park - Parcel G2. As these funds are no longer needed for land acquisition, LASAN is requesting the transfer of \$12,400,000 Prop O funds to fund the Project at the Taylor Yard G2 site. An additional amount of \$4,000,000 in Proposition O funding is requested as an interim funding pending the reimbursement of MRCA funds as discussed below.

Up to \$4,000,000 of Project costs are reimbursable from the State Proposition 1 grant held by MRCA through SMMC. The 2019 MOU between the City and the MRCA allows cost sharing for G2 parcel projects, for planning, design and construction-related Project costs providing benefits such as environmental, landscaping, habitat and public access. Other funding sources at State and

local levels will be pursued. Upon accumulation of \$4,000,000 in Project spending, MRCA will be requested to fund the Project. Upon receiving these funds, Proposition O Program will be reimbursed.

In addition to the funding described above, on July 2, 2020, LASAN applied to the SWRCB for \$10,000,000 in funding under the State’s Proposition 1 Storm Water Grant Program. If any of this funding becomes available, it will be used to offset Proposition O contributions. However, because of the lag in obtaining State reimbursement, the Proposition O Program will still need to fully front-fund the project in the amount \$12.4M. This memo also requests to pursuit City Council and Mayor’s approval to allow LASAN to apply and accept the grant as well as negotiate and execute the grant agreement with SWRCB.

Below is the schedule and funding summary for the Taylor Yard Project.

SCHEDULE

| Work Item | 2020 | | | | 2021 | | | | 2022 | | | | 2023 | | | | 2024 | | | | | | | | | | | | | | | |
|-----------------------------|------|---|---|---|------|---|---|---|------|---|---|---|------|---|---|---|------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | J | F | M | A | M | J | A | S | O | N | D | J | F | M | A | M | J | A | S | O | N | D | J | F | M | A | M | J | A | S | O | N |
| Public Outreach | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-Design | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Environmental Documentation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Design | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bid and Award | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Construction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Post Construction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

FUNDING SUMMARY

| Funding Source | Amount (\$) |
|--|--|
| Proposition O | 16,400,000 (12,400,000 after MRCA reimbursement) |
| MRCA - SMMC Prop 1 | Up to 4,000,000 |
| Other (Prop 1, Prop 68, Measure W, City) | To be determined |

If you have any questions or wish to discuss this matter further, please contact me at (213) 359-5932.

Attachment: MRCA BOS G2 Prop O Letter of Support
 WKT:KK:gh

- cc: David Hirano, CAO
- Salyna Cun, CAO
- Shahram Kharaghani, LASAN
- Kosta Kaporis, LASAN
- Gordon Haines, LASAN
- Ken Redd, BOE
- Christopher Johnson, BOE
- Bryan Powell, BOE



MOUNTAINS RECREATION & CONSERVATION AUTHORITY
Los Angeles River Center & Gardens
570 West Avenue Twenty-Six, Suite 100
Los Angeles, California 90065
Phone (323) 221-9944 Fax (323) 221-9934

July 8, 2020

Wing Tam, P.E.
Proposition O Planning Manager
LA Sanitation and Environment
1149 S. Broadway, 10th Floor
Los Angeles, CA 90015

<<Transmitted via electronic mail: wing.tam@lacity.org>>

RE: Taylor Yard G2 Water Quality Improvements Project-Proposition O Application

Dear Mr. Tam:

On behalf of the Mountains Recreation and Conservation Authority (MRCA), I am writing in strong support of the Proposition O Committee's (Proposition O) for the **Taylor Yard G2 Water Quality Improvements Project** (Project).

The MRCA has actively supported the City's efforts to acquire the Taylor Yard-G2 parcel and look forward to participating on the team that will guide development of the site, including the above referenced Project. The MRCA and the Santa Monica Mountains Conservancy (SMMC), our joint powers authority, have worked for nearly two decades to acquire and preserve the Taylor Yard-G2 site for use as a public open space park along the Los Angeles River. In early 2019, the MRCA was successful in securing a significant investment by the State's Wildlife Conservation Board (WCB) to purchase a 12.5-acre multi-purpose easement by the MRCA for the purposes of adding a project partner to the site to help with funding, development of open space improvements, and eventual operations. To this end, the MRCA and City have executed a Memorandum of Understanding (MOU) detailing roles and responsibilities as partners at Taylor Yard. Additionally, the SMMC has provided Proposition 1 Water Bond funding to both the City and MRCA for the planning and implementation that will complement the proposed Proposition O Project.

The Proposition O Project will support the improvement work of the City and key partners in developing the Taylor Yard River Park, which is Project No. 165 of the City Council-adopted Los Angeles River Revitalization Master Plan (LARRMP) and a pivotal component of the Recommended Plan of the US Army Corps of Engineers' (USACE) Los Angeles River Ecosystem Restoration Feasibility Study (also known as the ARBOR or "Area with Restoration Benefits and Opportunities for Revitalization" Study) for which the City is serving as local sponsor. The Taylor Yard G2 site is a brownfield and therefore complicated by legacy contamination, but it offers a significant opportunity upon remediation to provide direct access to the Los Angeles River in historically-underserved communities.

Mr. Wing Tam
July 8, 2020

Page 2

The G2 parcel is identified as the centerpiece of one of five primary “opportunity areas” in the 2007 LARRMP and its restoration will also help achieve the LARRMP goal to “Restore a Functional Riparian Ecosystem.” The Federal ARBOR Study also prioritizes the site as the nearest-term opportunity to remove the river’s concrete channel and expand the historic floodplain to accommodate riparian habitat that will include wetlands and freshwater marsh.

In addition to City and Federal prioritization of the Taylor Yard area, it is a long-standing priority of the State via the SMMC’s 2001 *Common Ground Plan*, the State Coastal Conservancy’s 2002 *Taylor Yard Multiple Objective Feasibility Study*, and California State Parks’ 2005 *Rio de Los Angeles State Park General Plan*. Significantly, the Taylor Yard River Park will leverage a very large investment already made by the State of California when it acquired the adjacent parcels (Bowtie upstream and Rio de Los Angeles State Park inland) and its development will finally make it possible to connect those to the Los Angeles River. Additionally, improvements funding from Proposition O would leverage those significant investments by the WCB and SMMC for the purpose of public access and open space improvements. The MRCA has committed to the City that it will contribute up to \$4,000,000 from an awarded 2017 Prop 1 acquisition and improvements grant for improvements developed within the Project on the MRCA easement. The MRCA anticipates using this existing funding to reimburse the City for eligible costs.

The Improvements of the G2 parcel will include a water-quality improvement component, which will utilize discharge from existing storm drains near the Project Site. The capture and treatment of the existing storm drain runoff, before it discharges into the Los Angeles River, supports the MRCA’s goals of improving water quality within the Los Angeles River watershed.

For these reasons, we support the City’s application to the Proposition O Clean Water Bond funds to complete the **Taylor Yard G2 Water Quality Improvements Project**.

We look forward to working with the City as this process continues. Please contact me at brian.baldauf@mrca.ca.gov or at (323) 221-9944, extension 190 with any questions you have concerning this recommendation.

Sincerely,

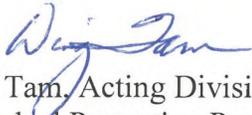


Brian Baldauf
Chief of Watershed Planning

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: October 9, 2019

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

FROM: 
Wing Tam, Acting Division Manager
Watershed Protection Program,
LA Sanitation and Environment

SUBJECT: **REQUEST FOR PROPOSITION O FUNDING FOR PENMAR WATER
QUALITY IMPROVEMENT PROJECT - PHASE III**

RECOMMENDATIONS

1. Approve a budget in the amount of \$2,541,451 for the Penmar Water Quality Improvement Project – Phase III (Penmar Phase III Project).
2. Approve the transfer of funds from the Proposition O Program Contingency to the project account to fund the project in the amount of \$2,541,451.
3. Authorize the Bureau of Engineering (BOE), in coordination with the LA Sanitation and Environment (LASAN), to fully develop and implement the Penmar Water Quality Improvement Project Phase III.
4. Authorize the City Administrative Officer, in coordination with the Proposition O Planning Manager of LASAN and the Proposition O Implementation Manager of BOE, to make technical corrections, as necessary, to the transaction included in this memorandum.

BACKGROUND

The Penmar Water Quality Improvement Project (Project) captures urban runoff from a 1,468-acre drainage area. The purpose of the Project has been to treat, store, and use the captured water for irrigation in the City of Los Angeles' Penmar Park, Penmar Golf Course and Santa Monica's Marine Park. The existing facilities were completed in two phases. The first phase constructed the facilities to capture and store stormwater. The second phase provided treatment of the captured stormwater. Phase III of this project will add to the previous two phases to ensure the product water complies with the recent 2016 Los Angeles County Department of Public Health (LACDPH) Guidelines by adding advance treatment components. The Penmar Phase III Project intends to do the following:

- Construction of a pretreatment device such as a hydrodynamic separator;
- Construction of filtration facilities;
- Construction of disinfection facilities such as ultraviolet system.

In June 2016, LASAN received the permit for specific conditions for the Penmar Project by LACDPH that indicated strict interpretation of the guidelines. In October of 2017 it became clear to LASAN that Phase II will not be adequate to meet LACDPH standards. At that time the project was substantially constructed. On November of 2017, LASAN started the process of identifying the components of Phase III. These added facilities for Phase III are needed to comply with more stringent requirements of Title 22, NSF 350 and California Toxic Rule (CTR) standards.

Under Phase II configuration, the system works by adding chlorine to the underground storage reservoir, mixing the water via a submersible tank mixing system, and then pumping the chlorinated water to a 200-micron filter before using the treated stormwater for irrigation. The system does not include any other treatment equipment to treat potential issues with color, odor, or oily film and foam, and therefore would likely not comply with NSF 350/CTR standards. Also Title 22 requires a minimum contact time of 90 minutes and minimum value Contact Time (CT) value of 450 mg-min/L. The system as currently configures under Phase II will not achieve this CT. Also the CTR standards set limits for heavy metals, volatile organic chemicals and other parameters to protect public health. The absence of additional processes will result in noncompliance of these standards and will jeopardize the ability of the project to produce water that can be used for irrigation purposes. Phase III of the Project consists of the design and construction of the facilities required to meet the NSF International Standard/American National Standard 350-“Onsite Residential and Commercial Water Reuse Treatment Systems” (NSF 350) or California Code of Regulations Title 22, Division 4, Chapter 3 (Title 22) and concurrently the CTR standards. Phase III as mentioned above will include the installation of pretreatment devices such as a hydrodynamic separator, a filtration system and a UV disinfection process.

On September 14, 2010, the Los Angeles County Flood Control District (LACFCD) filed applications for Proposition 84 Integrated Regional Water Management (IRWM) Planning and Implementation Grants funds with Department of Water Resources (DWR). LACFCD submitted grant applications to DWR that was comprised of 13 projects including the Penmar Project. On August 18, 2011 DWR approved grant funding for the Penmar Project in the amount of \$2,112,985. On June 28, 2013, the City Council authorized LASAN to accept grant funding for the Penmar Project from Department of Water Resources and execute the Memorandum of Understanding with LACFCD under Council File No. 13-0703. Concurrently DWR and LACFCD established a grant agreement for the implementation of all thirteen regional projects. The invoicing and reporting for the project was set on a quarterly basis. On May 1, 2019, DWR and the LACFCD executed Amendment #7 of the established IRWMP grant agreement. This amendment adds \$2,541,451 for the Phase III of the project and extended the deadline for the completion of the project. Thus, the total grant funding for the overall Penmar project is \$4,654,436. DWR requires that the Phase III of the Project be in the Bid and Award phase by December 2020.

LASAN is seeking funding from the Proposition O Program for the purpose of front funding the grant. Below is the schedule and funding summary for Penmar Phase III Project.

SCHEDULE

| Task | Start Date | End Date |
|---|-------------------|-----------------|
| Planning/Design/Engineering/Environmental Documentation (includes outreach, permits, final plans & specifications) | 9/01/2019 | 11/30/2020 |
| Bid and Award | 12/01/2020 | 5/30/2021 |
| Construction/Implementation (includes mobilization, construction management, contingency, and escalation) | 6/01/2021 | 6/30/2023 |

FUNDING SUMMARY

| PENMAR WATER QUALITY IMPROVEMENT PROJECT - PHASE III | | |
|---|------------------------------|---------------------------------------|
| Project Budget | Other Funding Sources | Prop O Funding (front funding) |
| \$2,541,451 | \$2,541,451 | \$2,541,451 |
| Total Front Funding Requested From Prop O | | \$2,541,451 |

I respectfully request the COAC and AOC to approve the recommendations listed above for the Penmar Phase III Project. If you have any questions or wish to discuss this matter further, please contact me at (213) 485-3985.

WKT:kk

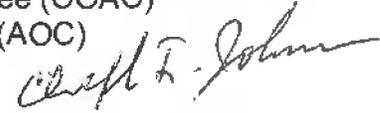
- cc: David Hirano, CAO
 Salyna Cun, CAO
 Shahram Kharaghani, LASAN
 Wing Tam, LASAN
 Kosta Kaporis, LASAN
 Ken Redd, BOE
 Chris Johnson, BOE

**CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE**

Date: November 16, 2018

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

From: Christopher F. Johnson, PE, GE, Division Engineer
Proposition O Clean Water Division
Bureau of Engineering



Subject: **ALISO CREEK LIMEKILN CREEK RESTORATION PROJECT BUDGET INCREASE**

RECOMMENDATIONS

1. Authorize an increase in the Aliso Creek Limekiln Creek Restoration Project (Project) total project budget by \$5,200,000 from \$10,940,089 to \$16,140,089.
2. Authorize the transfer of \$5,200,000 from the existing Program Budget Contingency to the Project Account.
3. Authorize the City Administrative Officer, in coordination with the Bureau of Engineering, to make technical corrections, as needed, to the recommendations in this correspondence.

BACKGROUND

The Project is located in Northridge, in Council District 12. The project site is approximately 11.8 acres and contains the concrete-lined channels of Aliso Creek and Limekiln Creek, Los Angeles County Right of Way and portions of Vanalden Park. The Project will construct several stormwater pollution abatement best management practices including bio-retention ponds, 2-pump stations, instrumentation, SCADA, and a hydrodynamic separator intended to treat onsite and offsite runoff and reduce contamination in Aliso Creek, Limekiln Creek, and the downstream Los Angeles River.

On April 19, 2016 the Los Angeles City Council approved a total project budget in the amount of \$10,940,089. The Project is currently in the design phase, and design documents are almost complete. Current average construction bids for Bureau of Engineering projects have been consistently higher than anticipated over the last year due to the current economic reasons. Consequently, construction and delivery estimates were updated now that we have a better understanding of all design elements and the latest cost data. In addition, a third party construction cost was performed to confirm the need for an updated budget. Based on our findings, a project budget adjustment is required to proceed with the Bid and Award phase of the project because the current budget is insufficient to fund the complete delivery of the Project. The project expenditures to date and the expected cost-to-complete requires a total project budget increase of \$5,200,000 in order to complete project delivery and construction.

PROGRAM CONTINGENCY

The program budget contingency was established to fund unforeseen project expenditures when the expenditures exceed the project contingency. The cost of budget increases for the Project in the amount of \$5,200,000 will reduce the estimated Program Budget Contingency from \$10,152,759 to \$4,952,759, subject to verification by the CAO.

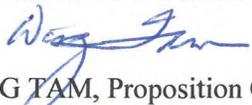
CFJ/caf

cc: David Hirano, CAO
Salya Cun, CAO
Rafael E. Prieto, CLA
Ken Redd, BOE
Shahram Kharaghani, BOS
Master File

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: January 23, 2019

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

FROM: 
 WING TAM, Proposition O Planning Manager
 LA Sanitation and Environment

SUBJECT: **PROPOSITION O MACHADO LAKE ECOSYSTEM REHABILITATION PROJECT - OPTIMIZATION PHASE REQUEST FOR PROPOSITION O FUNDING**

RECOMMENDATIONS

1. Approve a total budget of \$4,560,000 for the optimization phase of the Machado Lake Ecosystem Rehabilitation Project (Project).
2. Authorize LA Sanitation (LASAN) to commence the optimization phase of this project for a three-year period.
3. Authorize the transfer from the Machado Lake Ecosystem Rehabilitation Project budget in the amount of \$4,560,000 to LASAN Project Optimization account to fund specialized optimization activities, such as risk assessment, biological health assessment of wetlands, and monitoring of physical, chemical, and biological characteristics of the Project.
4. Authorize the City Administrative Officer, in coordination with LASAN and the Bureau of Engineering (BOE) to make technical adjustments as necessary.

BACKGROUND

Proposition O (Prop O), a \$500 Million General Obligation Bond, has been funding numerous water quality improvement projects in the City of Los Angeles since 2004. LASAN manages the water quality and flood protection programs for the City of Los Angeles. These programs are governed by a Municipal Separate Storm Sewer System (MS4) Permit that is issued by the Los Angeles Regional Water Quality Control Board (RWQCB) and approved by the State Water Resources Control Board and the United States Environmental Protection Agency (US EPA). The MS4 Permit enforces compliance with all Total Maximum Daily Loads (TMDLs) that are in effect in the City of Los Angeles and are intended to protect the designated beneficial uses of local receiving waters. Projects funded by Prop O support the larger strategic plan to satisfy Clean Water Act mandates, through inclusion in the City's Enhanced Watershed Management Plans (EWMPs), which are required by the RWQCB to help meet the applicable water quality standards, including those specified by TMDLs.

The Prop O Projects are new, unique, multi-purpose projects that are designed to improve water quality in the City. The Projects include multi-purpose and multi-benefit elements that were conceived and implemented through a stakeholder driven process with community support and the expectation that the

investments will effectively enhance runoff and receiving water quality to support the attainment of beneficial uses. The community expects the constructed projects to be effective in meeting the applicable water quality objectives and to deliver on promises of providing other public benefits (e.g., green space for recreational use, educational opportunities, flood protection, etc.).

Previously, COAC and AOC approved LASAN's requests for funding optimization phase activities for nineteen completed Prop O Projects to ensure that these projects will continue to meet project objectives in a sustainable manner, over the long-term expected project lifespan. The initial eleven projects were authorized for optimization starting in 2013, and additional requests were authorized in 2015. The goal of optimization is to ensure long-term sustainability of Prop O projects by evaluating the effectiveness of the physical, biological, and chemical processes and elements of the projects. Through water quality and project monitoring and assessment, the hydraulic, vegetative/habitat-related, aesthetic, and water treatment elements are rebalanced and protocols for operation and maintenance established. This effort aims to ultimately result in an optimized configuration, designed to maximally achieve intended goals for water quality objectives (Machado Lake TMDLs), and advance the condition of the downstream receiving waters' beneficial uses.

The Machado Lake ecosystem is located within the Ken Malloy Harbor Regional Park (KMHRP) a 231-acre park owned, operated, and maintained by Los Angeles Department of Recreation and Parks (RAP) in the Wilmington community of the City of Los Angeles, approximately 15 miles south of downtown Los Angeles and immediately west of the Harbor Freeway (I-110). Machado Lake is located within the urbanized Dominguez Channel Watershed and has a drainage area of approximately 22 square miles (14,347 acres). The Machado Lake ecosystem is one of the largest remaining coastal wetland ecosystems in Southern California. It is bordered to the north by Pacific Coast Highway, to the south by Anaheim Street, to the east by Figueroa Street, and to the west by Vermont Avenue. Besides local stormwater flow entering the lake from storm drain laterals, the primary inflow to the lake is from Wilmington Drain to the north, which is a 150-foot-wide soft bottom channel maintained by the Los Angeles County Flood Control District (LACFCD).

Machado Lake is comprised of upper and lower basins separated by a low earthen dam. The upper basin contains the 40-acre recreational lake created by impoundment of stormwater runoff; the lower basin is a seasonal freshwater marsh of roughly 63 acres. The dam was designed to maintain the level of the recreational lake at a maximum of ten feet above Mean Sea Level (MSL). During major storms, water flows over the dam into the lower basin freshwater marshes and ultimately to the Harbor Outfall at the southeastern corner of the park, where it is discharged to the West Channel of the Los Angeles Harbor. Within KMHRP, riparian habitat is situated south of Pacific Coast Highway and north of Machado Lake. Runoff from Wilmington Drain passes through the riparian woodland before it enters Machado Lake. Recreational uses of the lake and park include picnic areas, fishing, bird watching, and hiking.

Both Machado Lake and Wilmington Drain are listed on the US EPA 303(d) list of impaired water bodies. Machado Lake is listed for Chem A, chlordane, DDT and dieldrin (fish tissue), algae, ammonia, eutrophic, odor, PCBs, and trash. TMDLs for Machado Lake include trash (effective 2008), nutrients (effective 2013), and toxics (including pesticides and PCBs) (effective 2012). The Regional Board established beneficial uses for surface waters in the Los Angeles region in the "Los Angeles Region Basin Plan for the Coastal Watersheds of Los Angeles and Ventura Counties", which include Water Contact Recreation (REC-1), Non-Contact Water Recreation (REC-2), Warm Freshwater Habitat (WARM), Wildlife Habitat (WILD), Rare, Threatened or Endangered Species (RARE), Wetland Habitat (WET), and a potential use for Municipal Supply (MUN).

The Machado Lake Ecosystem Rehabilitation Project (Project), which included rehabilitation of 40-acres of Machado Lake and 27 acres of the surrounding park, was designed to support the City's objective to improve water quality in Machado Lake, maintaining TMDL compliance while also enhancing the surrounding park and natural habitat. Prior to the Machado Lake Ecosystem Rehabilitation Project, the accumulation of toxic sediments had degraded habitat, damaged water quality, and prevented boating. The Project budget was approximately \$112 million. The Project was constructed between January 2014 and November 2017, and KMHRP was able to re-open to the public in June of 2017 following completion of major Project elements. Water quality improvements funded by Prop O, including planning, design, and construction, totaled \$110.5 million. Other Project funding included \$780,000 from Proposition K (Park Bond measure), \$297,000 from the California Coastal Conservancy, and \$352,000 from Quimby Act funds. Community stakeholders and non-profits were also involved in the planning and design phases, as well as numerous permitting and regulatory agencies including California Department of Fish and Wildlife (CDFW) and the U.S. Army Corps of Engineers (USACE).

The Machado Lake Ecosystem Rehabilitation Project included many critical improvements to water quality such as: Dredging of 239,000 cubic yards of contaminated lake sediments and capping the lake bottom with 6-inch AquaBlok and 3-inch layer of sand for aquatic plantings and fish habitat; construction of a 4.3 acre controlled-flow treatment wetland, including recirculation, oxygenation, and aeration diffuser to help meet water quality objectives; new littoral zone plantings; new diversions from adjacent storm drains to the lake and marsh for treatment; several hydrodynamic separators for pretreatment of the diverted flows; a sediment basin; and other drainage improvements including vegetated swales, berms, and rip-rap channels. Additionally, approximately 27 acres of park improvements included "smart" irrigation systems to reduce the irrigation demand, two pedestrian bridges and a boardwalk, four fishing piers, two fishing zones, and recreational amenities for the community. Native habitat was also restored by removing and controlling invasive plants and replacing native vegetation.

Given the Project's scope, complexity, and recent completion, it is essential that the optimization phase begin as soon as possible to allow the key Project elements to function optimally both in the present and into the long-term, for efficient and effective functionality in support of both the Machado Lake TMDL water quality objectives and other local benefits.

JUSTIFICATION

Project modeling conducted by the City in 2014 estimated that full implementation of the Project would significantly reduce nutrient and toxics concentrations within the lake in order to achieve compliance with applicable TMDLs. However, the modeling also noted the critical importance of upstream load reductions by other agencies in the tributary watershed, since pollutant loading includes:

- Sources external to Machado Lake outside of the City's jurisdiction;
- Sources external to Machado Lake within the City's jurisdiction; and
- Sources within Machado Lake, particularly due to nutrient cycling within the lake.

Since the completion of the Project, water quality monitoring at Machado Lake has been conducted. Interim water quality monitoring results indicate that TMDL limits for Chlorophyll, Nutrients, and Toxics within the lake are not yet being met. Optimization will allow the various Project components to be assessed to analyze effectiveness, thereby allowing focused attention on components that are not currently performing as planned. Such efforts are critical to the overall Project success, particularly with respect to achieving water quality compliance.

The City faces additional challenges in meeting final compliance milestones due to uncertainty of the implementation efforts of other upstream jurisdictions. Eighty-seven percent of the upstream portion of the Project watershed consists of land and other features that are outside of the City of Los Angeles' jurisdiction. Previous modeling demonstrated that in-lake TMDL compliance is dependent on loading reductions throughout the entire watershed. To this end, the effects of dry and wet weather discharges from upstream sources such as Walteria Basin have yet to be quantified. Optimization will provide necessary monitoring and data analysis efforts to help identify these impacts, thereby allowing strategies to be developed to focus on the largest remaining sources of loading to the lake.

Optimization efforts will focus on the four main groups of Project elements and activities: (1) mechanical and instrumentation (oxygenation and recirculation system); (2) lake, wetlands, and other natural treatment systems and vegetation management; (3) structural elements; and (4) general optimization activities. Primary goals and the estimated cost of each of these four elements/activities are summarized in Table 1 and discussed in more detail in the following sections. The Machado Lake Ecosystem Rehabilitation Project Optimization Needs Cost Estimate matrix (attached) more fully expands and elaborates on the Project elements, activities, and optimization goals.

TABLE 1. Primary Goals and Estimated Costs of Principal Optimization Activities

| Element/Activity | Goals of Optimization Activities | Estimated Cost |
|--|--|-----------------------|
| Mechanical and Instrumentation (Oxygenation and Recirculation System) | Confirm design intent and functionality; monitor and evaluate performance of systems and identify adjustments. | \$693,500 |
| Lake, Wetland and other Natural Treatment Systems, & Vegetation Management | Evaluate components of lake including AquaBlok and vegetation; lake and wetland water balance; control undesired vegetation and vectors; develop management plans and control strategies for sustainability and regulatory objectives. Develop Lake Management Plan. | \$1,692,900 |
| Structural Elements | Confirm design intent and functionality; monitor and evaluate performance. | \$767,600 |
| General Optimization Activities | Water quality monitoring, observations, and analysis. Evaluate overall BMP effectiveness. Develop Standard Operating Procedures and personnel training. | \$646,000 |
| Subtotal | | \$3,800,000 |
| Estimated Contingency (20%) | | \$760,000 |
| TOTAL | | \$4,560,000 |

Mechanical and Instrumentation (Oxygenation and Recirculation System)

The oxygenation system supplements dissolved oxygen (DO) to enhance water quality and mitigate the potential for eutrophication and odor in the lake. This system is critical to significant water quality improvements in the lake, particularly during the hot, dry months from May through October, when DO in the water column is most critical. Optimization of the mechanical and instrumentation elements is essential to TMDL compliance and sustainable and effective long-term operations.

The goal of evaluating these elements is to confirm that the mechanical and instrumentation systems controlling water flow to the treatment wetlands and oxygenation systems are performing to design criteria, operating within specifications, and providing optimum oxygen transfer efficiency while minimizing power consumption. Mechanical elements to be optimized include the oxygenation system,

pumps, instrumentation and control systems, SCADA system, Speece cone, diffusers, and valves and pipes, all of which are critical to the establishment and sustainment of healthy limnologic conditions in the lake and compliance with the TMDL objectives.

The proposed activities for optimizing these elements includes the observation and monitoring of chemical and biological conditions including dissolved oxygen, nitrogen, and phosphorous levels, evaluation of oxygen transfer efficiency, air supply, water/oxygen mix, and diffuser functionality. The evaluation will also assess water distribution effectiveness, mixing rates between return recirculation line and oxygen injection, as well as applicable chemical, biological, and mechanical parameters to promote lake health, help achieve designated beneficial uses, and make any needed improvements. Findings will be incorporated into the Standard Operating Procedure (SOP) and a Lake Management Plan.

Lake, Wetlands, and Other Natural Treatment Systems, & Vegetation Management

Machado Lake and adjacent treatment wetlands are the capstone and the most visible element of the Project. Not only do they critically serve as natural treatment systems for captured runoff, but they also provide aesthetic, habitat, and recreational benefits. Optimization activities are necessary to assess the condition of the lake and lake bottom (including the AquaBlok system and sand layer) to ensure that the specified standard of operation for both structural integrity and biological function are optimized and can be maintained following the optimization period. Observation of plant growth through at least two growing seasons is necessary to maximize plant survival, control invasive weeds and associated competition effect on performance, and prevent pest infestation during this sensitive growth period. These observations will help to ensure sustained growth and viability over the Project lifespan, thereby preventing erosion and deposition conditions that hinder Project performance.

These activities will include the development and implementation of a vector control plan/vegetation management plan in consultation with the Greater Los Angeles County Vector Control District (GLACVCD), which will ultimately be incorporated into the Project SOP. A Lake Management Plan will also be created as part of these optimization activities. This plan will establish limnologic parameters, ecological function, and hydrologic operations of the lake, including lake bathymetry and the normal range of water level fluctuation and movement within the lake, water distribution and balance, and recirculation effectiveness and needs.

With the goal of ensuring sustainment of beneficial uses, optimization activities will also evaluate the effectiveness and conditions of the aquatic habitat and AquaBlok at the bottom of the lake, examining the layer for scouring, contaminant release, and other deficiencies, to identify needed improvements. In particular, conditions will be evaluated before and after storm events to evaluate erosion and deposition impacts to the lake bottom. These observations are critical to prevent fish toxicity and comply with TMDL requirements and other water quality standards, as a defective lake bottom will inevitably lead to lake degradation.

The optimization phase will assess areas in which close coordination with RAP could efficiently support a post-optimization long-term management plan for permitted habitat restoration areas, including the ability to implement immediate corrective actions to comply with Department of Fish and Wildlife requirements as needed. Vectors, which are of special concern to GLACVCD due to the potential risk of West Nile Virus, as well as unauthorized uses and damage to the facilities due to vandalism, could also be minimized through local oversight, guided by the long-term management plan developed during the optimization phase. The proposed Lake Management Plan will define potential risk areas, criteria, and triggers for corresponding and sustainable corrective actions (e.g., elimination of standing water for

greater than 72-hours to eliminate the risk of mosquito breeding).

Optimization will include several surveys of plant species over multiple seasons, designed to evaluate the seasonal condition and number of both the designed plantings as well as any invasive or other undesired vegetation. Adaptive management strategies shall be developed for the post-optimization long-term control of weeds, invasive, and other undesirable species, with the intent of maximizing and sustaining a high habitat value for the Machado Lake ecosystem. Additionally, adaptive techniques and strategies will be developed for the treatment wetlands, other BMPs, freshwater marshes, and lake buffer zone and riparian areas, to similarly safeguard the long-term sustainable Project performance.

The longevity of lake itself is highly dependent on the known status of debris and sediment accumulation, other alterations to the lake bottom, and its ecological, chemical, and hydraulic state. Through the optimization phase, the accumulation of sediment and debris will be monitored over at least two wet seasons, providing critical insight as to the need for and objectives of any necessary control strategies. This effort will be coordinated with the optimization of the structural elements, specifically evaluating the effectiveness of the sediment basin and assessing the need for potential structural improvements. The proposed Lake Management Plan will also allow for the characterization of ecological, chemical, hydraulic and hydrologic function over both wet and dry seasons, over the three year period. The critical data collection task will provide a valuable snapshot that could be used to project lake health over the long-term, including compliance with applicable water quality objectives. If adjustments are needed to further enhance limnologic health, these should be identified and developed during the optimization phase. Potential areas of assessment are likely to include an overall water balance to evaluate the inflows, outflows, and recirculation/mixing within the lake, and an assessment of the future impact of potential input connections such as recycled water. This effort is to be integrated with the mechanical element assessment (evaluation of the pumps, Speece cone, etc.).

In summary, meeting the TMDL water quality objectives is directly tied to the condition of both the treatment systems within the lake and the lake/wetlands themselves. Critical to the performance of these elements is a more thorough understanding of the external loading to the system and the internal nutrient cycling that occurs within the lake. Optimizing these key treatment elements will allow LASAN to make any necessary adjustments to the overall design and to focus the Lake Management Plan on the Project elements most critical to maintaining sustained, long-term viability.

Structural Elements

The structural elements of the Project include five hydrodynamic separator units, a sediment basin, rip-rap channels/erosion control, energy dissipaters, the intake/sediment tank/return water, an embankment and sheet wall, and check dam improvements. These elements support the physical, chemical, and biological processes that improve water quality and help meet the water quality objectives.

The scope of optimization for the hydrodynamic separator units will include assessment to determine if they are operating within specifications to effectively remove trash and debris from the flow to the lake. An SOP will be developed for the CDS units in the post-optimization period to establish a data-driven condition-triggered schedule for trash removal frequency, based upon season, catchment area trash production rate, and variation in storm discharge. Observations and measurements collected during the optimization phase will inform this schedule.

The sediment basin is designed to allow particulate matter conveyed by runoff from three main drains to settle out before runoff is conveyed to the lake. This will facilitate more efficient and frequent sediment

removal from the lake. The removal of this sediment is intended to directly improve water quality and reduce the amount of sediment accumulated on the lake bottom, enhancing lake longevity. Given the significant loading of sediment-bound toxics that occurred historically in the lake, effective performance of the sediment basin is a critical component to near-term Project effectiveness assessment and long-term compliance efforts. Therefore, it is critical that the sediment basin be optimally functional both in the present and into the future. The optimization phase will observe, measure, and test the settled sediment, potentially supporting a source investigation. Recommended structural improvements or modifications will also be identified and corrected, as needed, to improve the effectiveness and sustainability of the basin, coupled with a data-driven, condition-triggered, long-term maintenance schedule within the SOP.

The velocity of runoff conveyed to the lake is controlled through a combination of equalization (e.g., sediment basin), energy dissipaters, and erosion controls such as the rip-rap channel. The purpose of these devices is to slow the runoff, thus reducing the risk of erosion as well as reduce conveyance and deposition of additional sediments into the lake. The optimization phase will allow for the assessment of these structures, resulting in possible recommendations for further structural enhancements or adjustments, and developing a data-driven condition triggered long-term maintenance schedule within the SOP.

General Optimization Activities

The final Project element to be optimized is more generally categorized and is similar to previously implemented Prop O optimization efforts. Such activities include water quality monitoring (influent, effluent, wetlands, and lake), inspections and visual observations, vegetation and algae monitoring, evaluations of water inputs and usage, and the final development and training on the SOPs.

Monitoring, including both qualitative observations and quantitative data collection, will provide data-driven insight to analyze BMP effectiveness and to inform potential structural adjustments and/or control strategies for any of the categorical Project elements. Subtasks will include the collection of both wet and dry weather water samples and visual observations, laboratory analysis of the collected samples, and data analysis including comparison to the relevant water quality objectives, where applicable. Monitoring data could also be used to refine the Project modeling that was conducted during Project design. This would allow for a more thorough investigation into the effectiveness of certain BMPs, such as the AquaBlok system and oxygenation system.

If deemed necessary in assessing the overall water balance, a dry weather flow source tracking study could be developed to minimize the non-authorized non-stormwater discharges to the lake by way of upstream storm drains. Additionally, source tracking during both dry and wet weather could be accomplished using specialized tools (e.g., isotope analyses). Identifying pollutant sources would allow for targeted optimization efforts within the tributary watershed and/or lake.

Lastly, development of the SOPs will provide a sustainable path forward for the integrated and optimized long-term system operations through the well-informed schedule of maintenance for the mechanical, structural, and lake, wetlands, and vegetated Project elements. Effective implementation of the SOPs is further enhanced by staff training, which will be conducted under the optimization phase by staff familiar with the Project elements, both in the field and in a more formal setting. Technological tools could also be developed to assist operations personnel in the field to best follow SOP protocols.

SUMMARY

The Machado Lake Ecosystem Rehabilitation Project utilizes many individual elements and a unique systematic approach to improve water quality and enhance other benefits of the lake. For this reason, and considering the legacy characteristics of the lake, the Project is the largest Prop O-funded project to-date. In order to further enhance the Project to the end of achieving TMDL compliance and improved public benefits, funding is requested for Project optimization.

The amount requested for the optimization phase of this Project is estimated at \$4.56M over three years. Recently completed optimization efforts at related Prop O projects such as Echo Park Lake (Approximately \$1.5M over 3 years for a 13-acre lake) indicate the cost estimate for Machado Lake (\$4.5M over 3 years for a 40-acre lake) is justified. As with Echo Park Lake, the system mimics a natural wetland treatment regime; however, the increased size of both the lake and watershed, the quantity and type of individual Project components, and the complex network of interdependent components pose an increased challenge when it comes to optimization of the Machado Lake Ecosystem Rehabilitation Project.

The optimization phase will enable LASAN to assess and enhance an efficient and sustainable balance of key Project elements, allowing for more effective post-optimization long-term performance, and providing a higher return on investment for the local community. This effort will continue to support the objectives of Proposition O by assessing and implementing any needed adjustments to the Project elements, thereby resulting in enhanced prevention and removal of pollutants from local waterbodies, continued restoration of designated beneficial uses, and furthering compliance with federal Clean Water Act regulations.

We respectfully request that you take immediate action on this important item. If you have any questions or wish to discuss this matter further, please contact me at (213) 485-3985.

WKT:KK:gh

cc: David Hirano, CAO
Salyna Cun, CAO
Rafael Prieto, CLA
Laurie Rittenberg, City Attorney
Ken Redd, BOE
Christopher Johnson, BOE
Shaharam Kharaghani, LASAN
Barry Berggren, LASAN
Eva Sung, LASAN
Lisa Mowery, LASAN

**Machado Lake Ecosystem Rehabilitation Project
Optimization Needs Cost Estimate**

| <i>Elements/Activities</i> | <i>Goals</i> | <i>Cost</i> |
|---|--|--------------------|
| Mechanical and Instrumentation (Oxygenation and recirculation Systems) | | \$693,500 |
| Oxygen generator | Confirmation that oxygenation system, pumps, instrumentation, Speece cone, diffusers, valves and pipes are operating within specifications, provides optimum oxygen transfer efficiency while minimizing power consumption. | |
| Speece cone | | |
| Oxygenation system piping | | |
| Recirculation, oxygenation and diffusion to lake | | |
| Pumps, valves, instrumentation and related appurtenances | | |
| Lake, Wetlands and other Natural Treatment Systems & Vegetation Management | | \$1,692,900 |
| AquaBlok, sand | Confirm effectiveness and condition of lake bottom, AquaBlok, sand layer. Ensure these are maintained to design parameters for structural integrity, biological function and monitor for contaminants. | |
| 8.8-ac and Riparian habitat | Develop management plan and implement improvements. | |
| Vegetated lake buffer | Sustain normal growth through at least two growing seasons to maximize plant survival, control invasive weeds and associated competition effect on performance, and prevent pest infestation during sensitive growth period. Ensure sustained growth and viability over project lifespan. Prevent erosion and deposition conditions that hinder project performance, incorporate into SOP. | |
| Treatment wetlands function and performance | | |
| Freshwater marsh and south riparian zones | | |
| Vegetated berms and swales | | |
| Vegetation and invasive plants | | |
| Vector control | Develop and implement a vector control plan/vegetation management plan in consultation with GLAVCMD, incorporate into SOP. | |
| Lake sediment accumulation | Prevent build-up and develop strategies for control | |
| Lake ecology, water distribution, lake water level, flow and balance, water quality standards | Create Lake Management Plan. Establish limnologic parameters, ecological function, normal range of water level fluctuation and movement within the lake, distribution and balance, and evaluate enhanced recirculation needs. Ensure sustainment of beneficial uses. | |
| Structural Elements | | \$767,600 |
| Hydrodynamic separator units (5) | Confirmation that CDS units operate within specifications. Establish effect of material loads on trash removal frequency, based upon season, catchment area trash production rate, and storm discharge variation. Maintain function of sediment basin Determine outlet erosion risks and issues. Determine servicing needs and schedule; incorporate information into SOP. | |
| Rip-rap channels/Erosion control | | |
| Energy dissipater | | |
| Intake/Sediment tank/Return water | | |
| Sediment basin | | |
| Embankment and sheet wall | | |
| Check dam improvements | | |

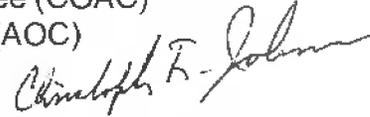
| <i>Elements/Activities</i> | <i>Goals</i> | <i>Cost</i> | |
|--|--|--------------------|---|
| General Optimization Activities | | \$646,000 | |
| Water quality monitoring (influent, effluent, wetlands and lake) | Confirmation that BMPs meet water quality requirements by collecting water samples, conducting laboratory analysis of the collected samples, analyzing the data, evaluating BMPs effectiveness, and revising BMPs to optimize operations. Evaluate upstream sources of pollutants. | | |
| Inspections and visual observations | | | |
| Vegetation and algae monitoring | | | Qualitative and quantitative observations to identify issues and develop control strategies |
| Water inputs and usage evaluation | | | Assess collective input sources; identify ways to minimize potable inputs |
| Standard Operating Procedures (SOPs) Manuals & Training | | | Establish SOPs and provide training for the integrated BMPs system to optimize operations. |
| Subtotal | | \$3,800,000 | |
| Estimating Contingency (20%) | | \$760,000 | |
| Total | | \$4,560,000 | |

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: May 30, 2019

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

From: Christopher F. Johnson, PE, GE, Division Engineer
Proposition O Clean Water Division
Bureau of Engineering



Subject: **REVISED PROPOSITION O STAFFING APPROPRIATION FOR
FISCAL YEAR 2018-2019**

RECOMMENDATION

1. Approve the appropriation of up to \$7,140,579 for Proposition O staffing costs for the Bureaus Contract Administration (BCA), Engineering (BOE), and Sanitation (BOS) to continue and sustain project implementation.
2. Authorize the City Administrative Officer, in conjunction with BOE, to review proposed staffing cost and to make technical corrections as needed to the recommendations in this correspondence.

BACKGROUND

Staffing salaries for project management of all Prop O funded projects are directly allocated within each project budget of the Council approved Prop O Project Budget of \$504,303,442 and Total Prop O Budget of \$545,847,329. Each project budget is structured to account for all costs related to all phases of each project from land acquisition/right-of-way, pre-design, design, bid and award, construction and post construction. This includes City staff project and construction management costs, as well as all hard dollar costs for consultant services, construction contractors, and other direct costs related to each of the phases.

To date, all projects are within project and program budget and are on schedule to deliver each project within the Council approved budget and the approved master schedule and no budget adjustments are required.

During fiscal year 2018-2019, 16 active projects will have work tasks that that are being performed by City staff. Based on a City-wide review of fiscal year 2018-2019 work levels and the proposed 2018 Master Schedule, I am requesting a staffing appropriation of up to 34 full time equivalents (FTEs, see attachment), not to exceed \$7,140,579.

For the BCA, an appropriation for 4.00 FTE, up to \$836,841 is requested for contract management and construction inspection tasks. An appropriation for overtime and mileage is included.

For the BOE, an appropriation for 16 FTE, up to \$3,684,905 is requested for program management, project implementation and project other direct costs and project support that are charged directly to projects by non-Proposition O Resolution Authority staff members (i.e. geotechnical support, etc.). An appropriation for overtime and mileage is included.

For the BOS, an appropriation for 13.0 FTE, up to \$2,618,833 is requested for BOS program and project support, including catch basins and optimization. An appropriation for overtime and mileage is included.

Attachment

cc: David Hirano
Shahram Kharaghani
Victoria Santiago
Robert Kadomatsu