

**PROPOSITION O GENERAL OBLIGATION BOND
ADMINISTRATIVE OVERSIGHT COMMITTEE MEETING**

Thursday, January 29, 2015
Room 1500, City Hall East

Members Present: Patricia Huber, Office of the City Administrative Officer (CAO)
Matias Farfan, Office of the Chief Legislative Analyst (CLA)
Barbara Romero, Board of Public Works
Greg Good, Office of the Mayor

Staff Members Present: David Hirano, Office of the CAO
Alma Gibson, Office of the CAO
Blayne Sutton-Wills, Office of the CLA
Rafael Prieto, Office of the CLA
Gary Lee Moore, City Engineer, Bureau of Engineering (BOE)
Kendrick K. Okuda, BOE/Proposition O
Adel Hagekhalil, BOS
Shahram Kharaghani, BOS

The meeting was called to order at 11:05 a.m.

1. Approval of the Minutes for meeting on November 20, 2014:

ACTION: Item is approved.

2. City Administrative Officer (CAO)/Chief Legislative Analyst (CLA)/Citizens Oversight Advisory Committee (COAC) representative update on Proposition O (Prop O) issues and Administrative Oversight Committee (AOC) Meetings:

Alma Gibson, CAO provided a briefing on the December 15, 2014 COAC meeting. A motion was presented by the chair and unanimously approved by COAC to restart the Westchester Stormwater BMP project in order to complete the design phase and move forward with the project.

ACTION: Item is received.

3. Consideration of Memo from the Bureau of Engineering Regarding Westchester Stormwater Best Practices Project – Restart of Pre-Design and Design:

Kendrick Okuda, BOE stated this is a joint recommendation with BOS from BOE. In 2008 the project was suspended by the AOC to give time to BOS and Los Angeles World Airports (LAWA) to reach agreement on land use. In December of 2014, with the help of the Mayor's Office an agreement was reached to move forward with the project. The agreement stipulates that LAWA would release the project site to BOS for a fee of \$500,000 annually for a term of 50 years. The fee would be offset by LAWA's annual \$250,000 sewer service charge and \$250,000 for LAWA's half-share of ongoing operations and maintenance of the facility. As part of the MOU, the project needs to be upgraded by about 10%-25% in size to accommodate the additional LAWA flows which was critical to reaching the agreement with LAWA and meeting their water quality objectives. LAWA will be contributing a total of \$7 million to pay for their upsized portion of the project.

Mr. Okuda stated the current project budget is \$32.7 million. With LAWA's \$7.0 million, the total project budget is \$39.7 million. To date, \$2.6 million has been expended, leaving a total remaining balance of \$37.1 million.

Mr. Okuda stated that LAWA, BOS, and BOE are also requesting approval of the new project schedule. Pre-design will start February 2015; Design will run through February 2017; Construction will begin August 2017; Completion of the project will take place February 2020.

Patrica Huber, CAO asked if the request to restart pre-design and design, and the new project schedule, should include approval of the revised budget. Mr. Okuda said yes, and requested the budget also be approved. Ms. Huber motioned to amend the report and add the budget to the request for approval.

Motion to approved the recommendation, as amended, was approved.

Greg Good, Mayor's Office thanked the various agencies involved in getting the project moving forward.

ACTION: Item is approved as amended.

4. Verbal Presentation by the Bureau of Engineering Regarding the Prop O Program December 2014 Monthly Report:

Kendrick K. Okuda, BOE discussed the Penmar Water Quality Improvement Phase II and Temescal Canyon Park Stormwater BMP Phase II projects and the easement issues on Department of Recreation and Parks (RAP) property. RAP, in order to document and understand where the sanitation improvements are located in their parks, have required that BOS and BOE to request project approval and that easements be obtained through the RAP Board. The process was moving along, however, due to the recent fire near the RAP headquarters the department's operations have been disrupted and the processing of the easements has been stalled. Mr. Okuda stated that he reached out to RAP management and a Task Force briefing of two commissioners will take place to get their concurrence on the project approvals and easements. Mr. Okuda expects RAP administration would then issue a temporary right of entry, so the projects advertisement can begin. The RAP projects approvals are needed before the project is advertised. The project designs were completed on schedule, however the projects are now delayed and behind schedule. Mr. Okuda and Prop O staff will be briefing the task force on February 4th. Adel Hagekhalil, BOS stated that the approvals are critical to the Mayor's Executive on One Water and expressed how important it is to move forward quickly. Mr. Hagekhalil stated that the capture of the stormwater has been completed per the directive; however, phase two is the reuse of the water within the context of the Mayor's directive. Ms. Huber stated that the delay is out of the control of RAP due to the fire. Ms. Huber stated that RAP has been scrambling trying to continue their operations. Mr. Hagekhalil stated that he understands the cause of the delay but expressed the importance of watering their parks. Mr. Hagekhalil asked Gary Lee Moore, BOE, if it was possible to move ahead with the advertisement and the bid & award process. Mr. Moore stated he would consider it after the Task Force briefing.

Mr. Okuda then discussed that the Machado Lake Ecosystem Rehabilitation project is at about 25% of dredging complete. About 65,000 cubic yards of material has been removed from the lake. Total dredge volume for the project is about 260,000 cubic yards. Dredging of the lake continues, however, due to recent rains and wet conditions the hauling of the dredge material has been suspended. The dredge material cannot be wet when hauled to the landfills.

Mr. Okuda next discussed the Santa Monica Bay Low Flow Diversion Package 3 Phase 2 project. The nine hundred-foot microtunneling under Pacific Coast Highway has been completed and the sixty-three inch steel casing has been installed in preparation for the installation of the relief sewer. The microtunneling machine completed the tunneling and was retrieved and hauled away successfully. There was some slight settling during the tunneling which damaged the highway pavement. Some slight damage was anticipated and Prop O is fully committed to fixing the highway and will be working with Caltrans to repair highway damage and a portion of the adjoining sidewalks. The repairs will be completed once the settlement has been stabilized. The project is still on schedule for completion in the fall of 2015. The project has sufficient contingency funding in the budget to make the repairs.

ACTION: Item is received.

5. Verbal Presentation by the Bureau of Sanitation Regarding Project Status Updates:

Shahram Kharaghani, BOS discussed the Westchester project. Mr. Kharaghani stated that they are meeting with Los Angeles World Airports (LAWA) on a monthly basis to work on a series of details that the project requires. One item is a CAO report recommending approval of an MOU to be approved by Council is required before the lease agreement is reached. Also, for LAWA to be able to discharge to the Hyperion Treatment Plant, they are working on executing a permit to ensure the flows are allowed. Once the MOU goes through the City Council then LAWA will provide \$2.7 million for the pre-design and design completed project plans. Mr. Kharaghani stated he wants to make sure the MOU is expedited by the City Council. Once the MOU is approved by the City Council, LAWA will provide the remaining \$4.3 million to award the project. Mr. Kharaghani stated there are a series of other details discussed at the monthly meetings, such as security and clearances and access to the site.

Mr. Kharaghani next reported on the water released from the County's Waleria Lake detention basin. The basin is upstream from the Wilmington drain project and from time to time the County has to discharge water which flows into the drain. Mr. Kharaghani stated they are working with the County to make sure that the water qualities and the BMP's they have are sufficient to not negatively impact the Prop O projects.

Mr. Kharaghani next discussed the four watershed wide plans being created for the watersheds that the City is discharging to under the name of Enhanced Watershed Management plan. The last workshop will be held on on March 19th, from 9 a.m. to 1 p.m. at the LA Zoo. Very soon after the workshop the plans will be deliberated before the Board of Public Works and City Council for their consideration and adoption. The plans are due to the Regional Water Quality Control Board (RWQCB) on June 28, 2015. Mr. Good asked if an invite will be sent for the workshop and Mr. Kharaghani stated that a meeting invite will be sent.

Ms. Huber asked Mr. Kharaghani about the information on optimization that was requested at the last AOC meeting. Mr. Kharaghani stated that they tried to meet with CAO staff before this AOC meeting but could not happen. However, Mr. Okuda will set up a meeting to discuss what has been done and how to move forward. Adel Hagekhalil, BOS, stated that they are working to have a report on every project on the condition of the project and the optimization that has been completed. Some of the findings of the optimizations need some construction adjustments and BOS will work with BOE on some of the items that need to be done through a contract. Mr. Hagekhalil hopes to have a report on the operations of the facilities as it stands, in regards to its performance and optimization, within the next month. Mr. Hagekhalil stated that their goal is to transfer all

the information to a GIS based webpage, for all green infrastructure, whether public or private, that has gone through BOS. The information posted will include what kind of project it is; the cost, technology, performance, water management, etc.

Barbara Romero, BPW asked Mr. Kharaghani if the Enhanced Watershed Management Plans (EWMP) would go through the Board of Public Works and City Council before going to the RWQCB. Mr. Kharaghani stated that was correct. The plans have to be reviewed and approved by the City Council and Mayor before they go to the RWQCB because once they stamp their approval on the plans, the City becomes obligated for the next twenty years for the work to be completed to the watershed. Ms. Romero asked if the plans could be changed by the RWQCB. Mr. Kharaghani stated the plans require programmatic EIR's and the RWQCB could send the plans back with comments and BOS would have to address the comments and make any changes necessary to the plans. Mr. Kharaghani stated that the plans could go back and forth a few times.

Joyce Dillard provided public comment on this item. Ms. Dillard stated that she was at the State Board and testified. Ms. Dillard stated that the EWMP's are not done deals yet and the environmental groups will probably be suing the MPD and the City if it goes through as is because they are not really interested in the water quality aspect. Ms. Dillard stated it has never been monitored or reported in this community with the money spent. There is an interim process which will give them a chance. Ms. Dillard stated she heard a consultant at a water meeting stating they would be penalized and she stated it was not true. Ms. Dillard stated the Board members requested a second workshop on this due to a lot of people leaving because it was a long day. U.S. EPA doesn't think this process satisfies the Clean Water Act. There are several cities fighting this; the City and County are not. The smaller cities cannot afford it and neither can the City because it's in the billions of dollars. Prop O could have been a jump ahead in some of this aspect of water quality but the numbers have not been reported. Ms. Dillard stated there is going to be a big fight on this permit. One way or another it's not a done deal and wouldn't count on anything going with just an action plan.

ACTION: Item is received.

6. General Public Comment: There were no comments from the public.

Blayne Sutton-Wills, CLA was introduced to the AOC.

Meeting adjourned at 11:27 a.m.