

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

Thursday, January 28, 2016
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)
Heather Repenning, Board of Public Works
Ted Bardacke, Office of the Mayor
David Pettijohn, DWP

Staff Members Present: David Hirano, Office of the CAO
Raoul Mendoza, Office of the CAO
Jennifer Quintanilla Office of the CLA
Rafael Prieto, Office of the CLA
Kendrick K. Okuda, Bureau of Engineering (BOE)/Proposition O
Kenneth Redd, Deputy City Engineer, BOE
Adel Hagekhalil, Bureau of Sanitation (BOS)
Wing Tam, BOS

The meeting was called to order at 11:33 a.m.

1. Approval of the Minutes for meeting on October 29, 2015:

ACTION: 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:

Raoul Mendoza, CAO provided a briefing on two COAC meetings (November 16, 2015 and December 4, 2015) that occurred since the October 2015 AOC meeting. During the November meeting there were several concept reports presented. The concept projects have been forwarded to BOS for review and they will report back in the future with recommendations. During the December meeting the COAC expressed concerns about Optimization and Monitoring. The main concern was having some funding in place to do some optimization and monitoring for the El Nino season.

ACTION: Received and Filed.

3. Request from the Bureau of Sanitation (BOS) for Optimization funding:

Wing Tam, BOS, stated there are three items that BOS is requesting for Optimization, as listed in their memo. The first item is \$800,000 in funding to continue current optimization and monitoring of the current Prop O projects using consultant services. The second item is funding in the amount of \$2.16 million for structural improvements. The structural improvements will make the projects run more efficiently. The third item is funding in the amount of \$2.416 million for eight projects that need optimization.

Patricia Huber, CAO advised that the CAO reviewed BOS' request and they had alternate recommendations and asked Mr. Mendoza to restate the CAO's recommendations. The

CAO looked at the detailed scope and found that some of the improvements were more maintenance and recommended that the budget for structural improvements be reduced to \$1.868 million.

Mr. Mendoza stated that the CAO supports the optimization of the newly completed projects which will allow staff to determine if the projects are working effectively and as they were intended.

Mr. Mendoza advised that the \$800,000 requested for continued optimization of Prop O projects, that have already experienced both dry and wet weather events, might be perceived as operation and maintenance (O and M). Therefore, it would not be appropriate to continue using Prop O money.

The CAO will work with Sanitation to identify different sources of funds for the activities, if they are in fact necessary. An AOC member asked what alternate funds would be available for Optimization. David Hirano, CAO advised that storm water savings or funding from the General Fund would be considered to fund the Optimization efforts. The CAO recommended that the funding requested in Table 1 be sent through the Budgeting process for the 2016/2017 General Fund. BOS stated there would be a timing issue with waiting for the 2016/17 General Fund Budgeting Process.

There was public comment from Joyce Dillard: Ms. Dillard stated there are a lot of issues with this as it was based on a Prop O Bond that was never measured. There needs to be some scientific information. There is no baseline of data. There are concept reports with no comparisons. There is a lot of O&M but no Capitalization Projects. COAC does not have a grasp of what they are doing since the ERIPS. TDML issues are substantial. Need to look at those which have been done. Ms. Dillard also stated there should have been O&M budgeting since day one. Department of Recreation and Parks (RAP) does O&M. A lot of these are park projects not water projects. These projects do not satisfy the Prop O language and is a waste of money.

ACTION: 1) Approve funding of \$2.166 million for structural improvements and funding of \$2.416 million for Optimization on recently completed projects; 2) Approve \$800,000 for continued Optimization contingent upon presentation to Bond Counsel for eligibility determination.

4. Consideration of a memo from the Bureau of Engineering (BOE) regarding City Staff Salary Appropriations for Fiscal Year 2015-16

ACTION: Item was approved by consent.

5. Consideration of a memo from BOE with a revised master schedule for the Proposition O program

ACTION: Item was approved by consent.

6. Verbal Presentation by the BOE Regarding the Prop O Program December 2015 Monthly Report:

Kendrick K. Okuda, BOE, stated BOE received bids for the Penmar and Temescal Phase II projects. There were 5 bids for each project. The two lowest bids came in higher than BOE estimates. The Temescal Bid was 14.2% higher and Penmar was 33.5% higher. All of the bids were around the same amount and therefore may be in indication the demand of construction is on the rise. Mr. Okuda advised that the Machado Ecosystem Rehabilitation Project is 70% complete. The dredging work is done and there was less contamination than expected, which was a major milestone for the project. Mr. Okuda

also discussed that the Broadway Neighborhood Green project soil and infiltration mechanisms and the Wilmington Drain project Trash Net System which has collected over 27 tons of trash.

Public comment from Joyce Dillard: Penmar is never listed as a partner with the city of Santa Monica and why not? Ms. Dillard stated that she was under the impression that the Broadway Neighborhood Project was completed by a non-profit and not by the City of LA. Ms. Dillard stated that private property was involved and that it should not have happened and it should be checked out. Ms. Dillard also stated there are projects that come into COAC that would use private property. People are coming in and presenting to COAC thinking they can get anything and the money. AOC needs to review these requests closely and provide some guidance to COAC as the COAC is not reviewing items enough

7. Verbal Presentation by the BOS Regarding Projects Status Updates

Wing Tam, BOS provided a status update on the Santa Bay Restoration Grant. Mr. Tam provided an update on 2 projects: Avalon Green Alley South is complete and working as it should. Avalon Green Alley North will be completed within 3 to 5 months

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

Meeting adjourned at 12:48 a.m.