

**Proposition O – Administrative Oversight Committee (AOC)
Meeting Minutes
Thursday, March 28, 2022
3:00 P.M.**

Committee Members

Matthew W. Szabo, City Administrative Officer, Chair (CAO)
Matias Farfan, Chief Legislative Analyst (CLA)
Rebecca A. Rasmussen, Office of the Mayor (Mayor)
Teresa Villegas, Board of Public Works
David Pettijohn, Department of Water and Power

City Staff

Salyna Cun (CAO)
Rafael Prieto (CLA)
Blayne Sutton-Wills (CAO)
John Saldin (BOE)
Michael Scaduto (LASAN)

Bold indicates members or staff present.

Note: The minutes below follow the order in which the meeting’s agenda items were discussed.
Discussion began at 3:03 pm with four committee members present.

PUBLIC COMMENTS: General Public Comment, Multiple Agenda Item Comment

A representative from the Mountains Recreation and Conservation Authority provided public comment relative to the Taylor Yard G2 Water Quality Improvement Project (Item #7).

AGENDA ITEMS:

1. Approval of the Minutes from prior meeting on March 15, 2021

Rebecca Rasmussen (Mayor’s Office) reported that she was not present at the meeting and will excuse herself from the vote.

DISPOSITION: Approved.

2. City Administrative Officer (CAO)/Chief Legislative Analyst (CLA)/Citizens Oversight Advisory Committee (COAC) representative update on Proposition O (Prop O) issues and COAC meetings - Information only

Salyna Cun (CAO) reported that at the last AOC meeting in April 2021, the AOC recommended programming the remaining \$20.5 million (of \$28.5 million) in available Program funds for projects that were in the queue and new projects. The remaining \$8 million was budgeted for future funding needs, including \$2 million for staffing costs, \$4 million for cost increases on existing projects, and \$2 million for project optimization. Any requests for Prop O funding will have to be either funded from new project savings or from the \$4 million reserved for project cost increases.

Additionally, Salyna Cun reported that the COAC did not take formal action on the items since it did not have a quorum at their meeting in March 2022. The Chair of the COAC communicated the items to the AOC and the written communications were included with the meeting materials.

DISPOSITION: Note and File.

3. Update by the Bureau of Engineering (BOE) on the Proposition O Program – Information

John Saldin (BOE) reported on the following projects:

- Aliso Limekiln Creek Restoration – The project is in the design phase. The Bureau is currently re-engaging with the consultant to incorporate any necessary updates to the design due to the project being on hold for a long time.
- Machado Lake Ecosystem Rehabilitation Project – The Habitat Restoration Monitoring and Mitigation Plan (HRMMP) was completed and accepted by the California Department of Fish and Wildlife (CDFW). The HRMMP will be closed out soon.
- Penmar Phase III – The Bureau received bids in late February 2022. The bids came in higher than the City Engineer's estimate. The request for the funding gap will be considered in Item 9 of the agenda.
- Taylor Yard G2 Water Quality Improvement Project – The project will be implemented with the Paseo del Rio project. The Bureau has selected a design consultant and will award the contract soon.
- Westwood Project Supervisor Control and Data Acquisition (SCADA) Communication System – This project was part of the original scope of the Westwood Neighborhood Greenway Project, but was removed from the construction project in order to meet the grant deadline. Funding for the SCADA project will be considered in Item 8.

DISPOSITION: Note and File.

4. BOE report relative to the Proposition O Master Schedule Update for 2021-22 – Action by Committee

John Saldin (BOE) provided a summary of the report and stated that the next update to the Master Schedule will be prepared at the start of 2022-23. Matias Farfan (CLA) asked if there were any anticipated budget impacts of the modified schedules. John Saldin confirmed that there were budget impacts and those were submitted to the AOC for consideration at the meeting. Matt Szabo (CAO) inquired about the project extensions for several projects. John Saldin reported that the extension for the Argo Drain project is due to construction delays due to COVID, procurement, and commissioning issues. The project is expected to be completed by June 2022. The extension for the Machado Lake Ecosystem Rehabilitation Project is related to the five-year HRMMP which is required by the CDFW. The Rory Shaw Project is managed by the LA County and has experienced construction delays because the project includes a stormwater pipeline project that will convey stormwater runoff to the project. Also, John Saldin reported that they would need to request additional information on the construction delays from the County.

DISPOSITION: Approved.

5. BOE report relative to the Proposition O Staffing Appropriation for Fiscal Year 2021-22 – Action by Committee

John Saldin (BOE) provided a summary of the report. Rebecca Rasmussen (Mayor's Office) asked if the appropriation is for this fiscal year. Salyna Cun (CAO) responded that it is for this fiscal year since this is the first AOC meeting for the year. Teresa Villegas (BPW) asked if this is one-time funding. Salyna Cun confirmed that it is one-time funding and the Bureau of Engineering will prepare a staff appropriation annually.

DISPOSITION: Approved.

6. BOE report relative to the Proposition O – 2021/2022 Budget Adjustments – Action by Committee

John Saldin (BOE) provided a summary of the report. Rebecca Rasmussen (Mayor's Office) asked if this will add to the Prop O budget, bringing the total to \$9 million. John Saldin confirmed that it will add to the \$4 million that was identified.

DISPOSITION: Approved.

7. BOE report relative to the Taylor Yard G2 Water Quality Improvements Project Budget Increase – Action by Committee

Bryan Powell (BOE) provided a summary of the report. The Taylor Yard project will be combined with the Paseo del Rio Project to build a cohesive project. The Bureau issued a Task Order Solicitation (TOS) in August 2021 to hire a design consultant. On April 1, 2022, the Bureau will seek authority from the Board of Public Works to award the TOS to Tetra Tech. Bryan Powell also reported that Bureau staff reviewed the concept report and cost estimate and determined that the project is underfunded by \$4 million. \$1.4 million is for escalation, City staff time, consultant, and contingencies due to the increased complexity of G2, which includes oversight by the Army Corps of Engineers, Department of Toxic Control Substances, CDFW, and coordination with the 100-acre Partnership. Additionally, at the time the concept report was developed, it was assumed that the project would be a stand-alone water quality feature as part of a larger Taylor Yard River Park Project (42-acre project) and the cost estimate did not include access paths, walkways, signs, habitat restoration, and other features. The water quality project is moving forward as an early activation project and the Taylor Yard River Park Project will not be constructed until 2028. An additional \$2.6 million in funding is required for some habitat restoration and public access to be designed and constructed as part of the Taylor Yard Water Quality project to provide a pathway from the main entrance and the Paseo del Rio project. Should the \$2.6 million be not funded, the two options are as follows: 1) The project will not have public access or habitat restoration, or, 2) The Bureau will have to downscope the stormwater Best Management Practices (BMP) to incorporate public access and habitat restoration.

Teresa Villegas (BPW) asked if the stormwater BMP was downscaled, could the remaining BMP be constructed later. Bryan Powell responded that it is feasible to construct the remaining improvements later on because the concept report for the Taylor Yard River Park includes a BMP that will traverse the entire site of the Taylor Yard River Park Project. Bryan Powell also noted that it wants to limit the amount of projects at the overall site due to coordination with other oversight agencies.

Matias Farfan (CLA) asked if the COAC took any formal action on this item. Salyna Cun responded that there were not enough members for a quorum and thus, the COAC couldn't take any formal action. The Chair of the COAC communicated this item to the AOC.

Matt Szabo (CAO) asked about the action that was going to the Board of Public Works on April 1st. Bryan Powell responded that it is for design, but it does not include the added scope. Matt Szabo asked if there was a cost estimate for design of the added scope. Bryan Powell reported that they do not have it, but can provide it later.

Matt Szabo reported that he could commit to funding the \$1.6 million increase and the design cost of the added scope, and would request that the Bureau of Engineering report back on other funding opportunities. Matt Szabo asked the Bureau if this poses any issues with the

project since he didn't want to delay the progress of the project. Deborah Weintraub (BOE) reported this project falls under the LA River Ecosystem Restoration project and stated the importance of having a pathway for constituents to access the water quality project.

Matt Szabo made a motion to move forward with the recommendations in the report and for the Bureau of Engineering to report back on alternative funding that could cover the additional scope instead of Prop O funds.

DISPOSITION: Approve recommendations in the report as amended.

8. BOE report relative to the Request for Proposition O Funding to Construct a Supervisory Control and Data Acquisition (SCADA) Communication System for the Westwood Neighborhood Greenway SCADA Project (Westwood SCADA Project) – Action by Committee

John Saldin provided a summary of the report. If approved, the project will begin in July 2022. Rebecca Rasmussen (Mayor's Office) asked if the requested funding will be funded from Contingency. This was confirmed by Salyna Cun (CAO)

9. BOE report relative to the Penmar Water Quality Improvements Phase III Project Budget Increase – Action by Committee

John Saldin (BOE) provided a summary of the report. The project was awarded a grant of \$2.54 million that require project completion by December 2022. In order to meet this deadline, the project will be implemented using a design-build delivery method. In February 2022, the bids came in significantly higher than estimated and the project couldn't be awarded. The Bureau of Sanitation is engaging with the grantor for a time extension and/or additional grant funds. The Penmar Phase II meets the TMDL stormwater pollution requirements. The Phase III Project will improve treatment to meet the newer requirements of the Public Health for irrigation reuse. The impacts of not funding Phase III include declining the grant award and not being able to use the water for irrigation.

Mike Scaduto (BOS) reported that the Bureau is still waiting for a response from the LA County, which serves as an intermediary between the City and the State on this grant. Additionally, the Bureau is working with the Mayor's Office on submitting this project for federal earmark funds.

Matt Szabo (CAO) asked if taking action to fully fund the project will impact the discussion with the County. Kosta Kaporis (BOS) reported that based on preliminary discussions with the County, they may grant an extension, but would not provide additional funds. Should the City not fund this project increase, then the County may not grant an extension. Kosta Kaporis also reported that there are no known risks since the City hasn't received the funds.

Rebecca Rasmussen (Mayor's Office) inquired about the cost increase and whether it was to cover bid and contingency. John Saldin reported that the bid was \$2.4 million over budget and the remaining amount is related to contingency so the Bureau does not have to come back before the AOC for another project increase. Matt Szabo reported that this request reflects a cost increase of 122 percent and that it is not sustainable to continue to fund projects with significant cost increases.

Mike Scaduto reported that this project was always a demonstration project and that if the standards didn't changed, the project would have already been implemented. Additionally, the City of Santa Monica and Penmar Park intended to use the treated water for irrigation.

Matt Szabo asked about the industry average for treated water. Kosta Kaporis reported that the cost varies depending on the type of water and estimated that the Department of Water

and Power's cost is about \$1,000 per acre-foot of treated water and consumer's cost may be \$3,000 per acre-foot of treated water. Alfred Mata (BOE) reported that this is the first project of this type and there is no industry average for getting water from the stormdrain and treating it for reuse. The cost stated by Kosta Kaporis is for fresh water coming from the mountain that being treated.

Matt Szabo proposed that the Bureau report back if there is additional information on the grant award or extension. Teresa Villegas (BPW) agreed with it. Rebecca Rasmussen asked if the project was granted an extension, could it go out to re-bid and get a lower bid price. John Saldin reported that the bid price was good considering the current environment.

Matt Szabo moved to take no action on the recommendation in the report and requested a report back from the Bureau upon receiving a response from the State or County on the grant extension. Teresa Villegas seconded this motion. Additionally, Teresa Villegas asked if an emergency meeting can be held to discuss this item should the State or County provide a response. Salyna Cun (CAO) reported that a Special meeting could be held provided that the meeting notice is posted 24-hours in advance in accordance with the Brown Act.

DISPOSITION: No action on the recommendation in the report.

10. Report by the CAO on AB 361 finding relative to remote meetings – Information only

Salyna Cun (CAO) reported that the City has been able hold Brown Act meetings via teleconferencing without having to meet the Brown Act requirements on teleconferencing due to the Governor's COVID-19 executive orders (N-29-20). On September 16, 2021, Governor Newsom signed Assembly Bill No. 361 (AB 361) which allows a legislative body to continue to meet via teleconferencing without following the Brown Act's rules that require each teleconference location be listed on the agenda, be open to the public, be ADA accessible, and so on. To continue to teleconference under AB 361, the AOC will have to meet within the 30-day window of this meeting to make an AB 361 and then again every 30 days after making the findings.

DISPOSITION: Note and File.