

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: August 29, 2024

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

From: Christopher F. Johnson, PE, GE
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ENGINEERING



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Michael Scaduto Digitally signed by Michael Scaduto
Date: 2024.08.13 12:50:02-0700'

Subject: **ALISO CREEK-LIMEKILN CREEK RESTORATION PROJECT SCOPE AND BUDGET ADJUSTMENTS**

RECOMMENDATIONS

1. Authorize implementation of the Aliso Creek-Limekiln Creek Restoration Project (Project) to proceed in two (2) phases.
2. Authorize Phase 1 of the Project to proceed with the previously approved total project budget of \$16,140,089.
3. Authorize the Bureau of Engineering (BOE) and the Bureau of Sanitation (BOS) to secure funding for Aliso Creek-Limekiln Creek Restoration Project Phase 2 up to \$17 million for a total combined budget of \$32,933,806 for both phases. Authorize BOE and BOS to use Proposition O funding as the front funding source for Phase 2. Report back to the COAC and AOC when funding is secured.
4. Authorize the City Administrative Officer, in coordination with the BOE, to make technical corrections, as needed, to the recommendations in this correspondence.

BACKGROUND

On February 16, 2021, the Council authorized (CF 13-1526) an increase in the project budget of \$5,200,00 from \$10,940,089 to \$16,140,089. This increase was based on a construction cost estimate prepared in 2018. The Project is currently in the design phase and is approximately 95% complete. An updated construction cost estimate was prepared in September of 2023 which brought the estimated total project cost to \$29,266,467. This results in a budget gap of \$13,126,378. The increase in cost is due to scope changes and cost escalation since the 2018 cost estimate.

Scope changes by BOS include changing gravel maintenance access roads to be wider and constructed of asphalt concrete, and the addition of five concrete maintenance ramps for vehicular access into the basins. Design changes initiated by BOE include jacking and

boring for a force main, electrical and communication conduits to cross underneath Limekiln Creek instead of over the top of the channel utilizing an existing rail bridge. In addition, pandemic-era inflation in the cost of materials and labor contributed to the cost increase.

To initiate construction using the existing approved funding, BOE and BOS are proposing to construct the project in two phases. Phase 1 of the Project would begin construction in fiscal year 2024-25 and would include two diversion structures, one pump station, one hydrodynamic separator, and two bioretention basins with a total estimated project cost of \$16,081,707, including escalation and contingency. This cost is within the currently approved funding amount. Phase 2 would require additional funding, would begin construction in fiscal year 2027-28, and would include one diversion structure, one pump station, one hydrodynamic separator, and three bioretention basins with a total estimated project cost of \$16,852,099, including escalation and contingency. The total estimated project cost for the two phases would be \$32,933,806. BOE and BOS recommend delivering the Project in two phases by proceeding with construction of Phase 1 within the approved project budget while BOS and BOE coordinate efforts to secure additional funding for Phase 2.

BOS, with the assistance of BOE, submitted a Fiscal Year (FY) 2024-25 Capital and Technology Improvement Expenditure Program (CTIEP) budget request in the amount of \$15,650,000 over two years (FY 2024/25, \$8.0M and FY 2025/26, \$7.65M) to fund the full project. However, the CTIEP budget request was not approved.

To secure the additional funding necessary to construct Phase 2, BOS has included the Aliso Creek-Limekiln Creek Restoration Project (Phase 2) on its Water Quality Capital Improvement Prioritization list. Potential funding opportunities being considered by BOS include, but not limited to, potential Supplement Environmental Project (SEP) funding, future Safe Clean Water (regional / municipal) funding and grants.

CFJ/jb

Attachment: CF13-1526

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