

**Measure W – Safe, Clean Water Program
Administrative Oversight Committee (AOC) Minutes**

Thursday, September 28, 2023

Members Present: Matthew W. Szabo, City Administrative Officer, Chair (CAO)
Matias Farfan, Chief Legislative Analyst (CLA)
Ryan Jackson, Office of the Mayor (Mayor)

Staff Present: Jacqueline Wagner, CAO
Jessica Quach, CAO
Blayne Sutton-Willis, CLA

The meeting was called to order at 11:39 AM.

Public Comment – Held

1. Minutes of the August 31, 2023 Regular Meeting

Disposition: Approved 3-0

2. Verbal update from the Bureau of Sanitation on the status of Measure W – Safe, Clean Water Regional Program modified project application requests

In response to the prior month's meeting request, Michael Scaduto, LASAN Measure W Program Manager, provided a verbal status update on Round 5 projects and previously approved projects from Rounds 1 and 2 that have shortfalls. Mr. Scaduto reported on projects with shortfalls that could potentially be submitted as part of the additional funding requests for South Santa Monica Bay, Central Santa Monica Bay and the Upper Los Angeles River watersheds.

Mr. Scaduto informed the Committee that the Los Angeles County's (County) additional funding request guidelines were to be released in September, but were further delayed. Mr. Scaduto also shared concerns about uncertainty on the funding criteria, various unknowns and whether the County or Watershed Area Steering Committee (WASC) would make decisions. Based on preliminary information from the Regional Board, additional funding requests deadline would be set for two months after the guidelines are released, or November 30, 2023.

South Santa Monica Bay Watershed - there are two LASAN projects, specific to CD 15, that require additional funding: 1) Round 1 - Wilmington Q Street Local Urban Area Flow Management Project, and 2) Round 2 - the Wilmington Neighborhood Greening Project. There is capacity in the WASC to fund these two potential requests.

Central Santa Monica Bay Watershed – there are two LASAN projects with shortfalls: 1) Round 1 - Ballona Creek Project, and 2) Round 2 - MacArthur Lake Rehabilitation Project.

Following verbal presentations on SSMB and CSMB, Mr. Scaduto clarified that the accompanying slide presentation contained the total available in each WASC and amount requested for each project. There are enough funds in the two WASCs to fund the City's entire request.

Upper Los Angeles River Watershed - Mr. Scaduto reported that there are \$8.6 million available in FY 2024-25 for project modification requests and discussed each of the three

LASAN projects. The projects are: 1) Round 1 Oro Vista Local Area Urban Flow Management, 2) Lankershim Blvd LAUFM, and 3) Round 2 Lincoln Park Neighborhood Green Street. Citing a variety of reasons, such as increase in project delivery cost, preliminary budgeting and estimates from when geotech rates were low, increased material costs and inflationary factors have caused overall increases from three percent to 12 percent. If all requests are submitted, the total amount requested for FY 2024-25 is \$38 million compared to the \$8.6 million available.

The Committee further discussed the reported project shortfalls, the causes of the shortfalls, and potential funding options to address the issue. Reducing scopes of projects was also discussed. Mr. Scaduto cautioned that reducing scope is not recommended due to language in the transfer agreements.

Matias Farfan (CLA) asked if there is enough funding for the phase of work that has been approved. Mr. Scaduto responded that LASAN projects are fully funded through design and the construction phase is where the shortfall exists.

Mr. Farfan asked if it is allowed for the City to front fund and get reimbursed with Measure W funds. Mr. Scaduto said it is possible but there is no guarantee of reimbursement unless awarded. Mr. Szabo expressed concern with front funding projects if future requests exceed funding capacity. Mr. Farfan asked if funds were already expended and the project was stopped, if funds already received would have to be repaid. Mr. Scaduto responded in the affirmative.

Ryan Jackson (Mayor) opined that the County guidelines need to be released and explained to understand its impact and prior to identifying which projects to advance. Mr. Scaduto agreed that the best approach is to first receive the guidelines, meet and determine how to proceed and report back to the Committee at the next meeting.

Disposition: No action

3. Memo from the Bureau of Sanitation requesting to issue a Letter of Non-Objection for the Elephant Hill Open Space and Stormwater Infrastructure Feasibility Study

Staff from LASAN presented a summary of the project, current status and the County's request for a Letter of Non-Objection. LASAN requested that the Measure W AOC issues the required letter. Following some discussion, it was determined that only the City is required to submit a Letter of Non-Objection and not the MRCA.

Mr. Szabo proposed to amend Recommendation No. 2 of the department's report to authorize LASAN, with the concurrence of the City Administrative Officer, Chief Legislative Analyst and the Mayor's Office, to draft and issue a Letter of Non-Objection for the Project, instead of the Measure W AOC as originally requested.

Disposition of Item: Approved 3-0, as amended.

4. Other Committee organizational matters, as necessary

Mr. Szabo noted that the next regularly scheduled meeting is on October 26th.

Action: No action.

Meeting adjourned at 12:17 PM.

**CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE**

Date: November 8, 2023

To: Measure W: Safe, Clean Water Program Administrative Oversight Committee
Matthew Szabo, City Administrative Officer
Sharon Tso, Chief Legislative Analyst
Ryan Jackson, Office of the Mayor

From: Michael Scaduto, PE, ENV SP *Michael Scaduto* Digitally signed by Michael Scaduto
Principal Engineer Date: 2023.11.08 06:41:32-08'00'
Safe, Clean Water Implementation Division
LA Sanitation & Environment

Subject: Approval of Public Works Project Modification Requests Seeking Additional Funding For Regional Projects in the Safe, Clean Water (SCW) Program

RECOMMENDATIONS

1. Approve the submission of the six (6) Project Modification Requests (PMRs) to the Los Angeles County Flood Control District, requesting additional SCW Regional funding as listed in Table 1.
2. Authorize the Director and General Manager of LA Sanitation and Environment, or designee, to submit six (6) PMRs for additional Regional funding for LASAN led projects.
3. Authorize the Director of LASAN, or designee, to accept future SCW Program funds, conduct negotiations, provide additional information, and submit all documents, including, but not limited to project reports, updated Scope of Work (SOW) documents, agreements, amendments, subject to the approval of the City Attorney as to form, that are necessary to secure funding with respect to the administrative actions required as part of the PMR approval process.

BACKGROUND

Previously, any anticipated or proposed changes to scope, budget and schedule in SCW Program projects were reported by project proponents through the quarterly reporting process, which were in turn evaluated by the Los Angeles County Flood Control District (District) and the Watershed Area Steering Committee (WASC) to help inform future Stormwater Investment Plan (SIP) recommendations. The District has recently implemented a new process to better address modifications proposed during the upcoming SIP preparation.

Utilizing the new PMR form and process will facilitate a more timely and transparent resolution of proposed modifications. It will also allow for more streamlined quarterly reports since PMRs can simply be referenced in the applicable sections of the quarterly reports that are submitted and reviewed at distinct points in the process.

LASAN intends to submit a PMR Form for each of its Round 1 and 2 Projects that are included in the SCW Program’s fiscal year (FY) 23/24 SIP. LASAN’s Rounds 1 and 2 Projects, which were prepared in FY 19/20 - 20/21, have experienced budget increases as a result of unprecedented inflation, which has been further compounded due to project delays from the Covid-19 pandemic and the extended length of time to receive funding disbursements. These factors have resulted in cost increases beyond what was awarded. In addition to reporting changes in project scopes and schedules, the PMR process also allows project applicants to request additional regional funding for projects which are experiencing projected shortfalls.

The additional funding request to the Regional Program will be considered by each of the respective WASCs concurrently with the project applications submitted in July 2023 as part of the Round 5 SIP deliberations and for inclusion into the FY 24/25 SIPs.

CONSIDERATIONS AND RECOMMENDATIONS

This will be the first time that the District implements the PMR process and the first time that the WASC is considering additional funding for approved projects. In an effort to be competitive in the request for additional regional funding, LASAN has provided additional leverage funds from our municipal returns and, in some cases, secured additional funds from grants, projects partners (e.g. Ballona Creek TMDL responsible parties), Proposition O, General Funds and California Department of Transportation. Despite the additional funds that have been committed, the prevailing circumstances still have projects experiencing funding shortfalls for the construction phases of the projects. Funding requests have been spread into multiple years due to the limited funding available for programming by the WASCs.

Table 1 provided a summary of the projected funding shortfalls for the projects seeking additional funding from the Regional Program. Attachment 1 provides a breakdown by FY of funds requested from the Regional Program.

Table 1: Additional Funding Requests For LASAN’s Regional Round 1 and 2 Projects

Project Name	SCWP WASC	Project Modification Requests for Additional Funding
Wilmington Q Street Local Urban Area Flow Management (CD 15)	SSMB	\$7.6M
Wilmington Neighborhood Greening (CD 15)	SSMB	\$4.5M
MacArthur Lake Rehabilitation (CD 1)	CSMB	\$11.0M
Ballona Creek TMDL (CD 11)	CSMB	\$7.0M
Lankershim Boulevard Local Area Urban Flow Management Network (CD 2, 6)	ULAR	\$11.0M
Lincoln Park Neighborhood Green Street Project (CD 1, 14)	ULAR	\$12.0M

After a thorough review of the projected funding shortfalls, project delivery schedules, and available funding within each WASC, LASAN recommends the Safe, Clean Water Program Administrative Oversight Committee (AOC) approve the submission of additional funding requests, as summarized in Table 1 and Attachment 1 to each of the respective WASCs through the submission of PMR forms.

Attachment 1: Additional Funding Requests By Fiscal Year

cc: Ryan Jackson, Mayor's Office
Michelle Barton, Mayor's Office
Patty Huber, CAO
Jacqueline Wagner, CAO
Jessica Quach, CAO
Janice Chang Yu, CAO
Rafael Prieto, CLA
Blayne Sutton-Wills, CLA
Barbara Romero, LASAN
Traci Minamide, LASAN
Julie Allen, LASAN
Adena Hopenstand, City Attorney
Virginia Choi, City Attorney
Ted Allen, BOE
Alfred Mata, BOE
Debbie Pham, LASAN
Sam Yu Chen, LASAN

ATTACHMENT 1: Regional Funding By Fiscal Year

South Santa Monica Bay

Project	CD	Start of Construction	DAC Benefit	Project Shortfall	Cash Flow	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	Total
Wilmington Q Street Local Urban Area Flow Management (Rd 1)	15	8/2025	Yes	\$7.6 M	Approved	\$ 2,668,325	\$ 2,255,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,923,700
					Additional Request	\$ -	\$ -	\$ -	\$ -	\$ 750,000	\$ 3,250,000	\$ 3,576,300	\$ -	\$ 7,576,300
					PMR	\$ 2,668,325	\$ 2,255,375	\$ -	\$ -	\$ 750,000	\$ 3,250,000	\$ 3,576,300	\$ -	\$ 12,500,000
Wilmington Neighborhood Greening Project (Rd 2)	15	6/2025	Yes	\$13.4 M	Approved	\$ -	\$ 662,727	\$ 504,673	\$ 3,387,700	\$ 4,818,700	\$ 2,809,200	\$ -	\$ -	\$ 12,183,000
					Additional Request	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 2,500,000	\$ -	\$ 4,500,000
					PMR	\$ -	\$ 662,727	\$ 504,673	\$ 3,387,700	\$ 5,818,700	\$ 3,809,200	\$ -	\$ 16,683,000	

Central Santa Monica Bay

Central Santa Monica Bay WASC														
Project	CD	Start of Construction	DAC Benefit	Project Shortfall	Cash Flow	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	Total
MacArthur Lake Rehabilitation (Rd 1)	1	1/2025	Yes	\$17.6 M	Approved	\$ 2,000,000	\$ 2,000,000	\$ 9,397,900	\$ 4,697,900	\$ 1,947,918	\$ -	\$ -	\$ -	\$ 20,043,718
					Additional Request	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000	\$ 3,000,000	\$ -	\$ 11,000,000
					PMR	\$ 2,000,000	\$ 2,000,000	\$ 9,397,900	\$ 4,697,900	\$ 5,947,918	\$ 4,000,000	\$ 3,000,000	\$ -	\$ 31,043,718
Ballona Creek TMDL (Rd 2)	11	9/2022	No	\$45.0 M	Approved	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	\$ 15,000,000
					Additional Request	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000	\$ 3,500,000	\$ -	\$ -	\$ 7,000,000
					PMR	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 6,500,000	\$ 6,500,000	\$ -	\$ 22,000,000	

Upper Los Angeles River


Project	CD	Start of Construction	DAC Benefit	Project Shortfall	Cash Flow	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	Total
Lankershim Blvd LAUFM (Rd 1)	6	7/2025	Yes	\$59.3 M	Approved	\$ 5,139,380	\$ 5,139,380	\$ 5,139,380	\$ -	\$ 5,139,380	\$ 5,139,380	\$ -	\$ -	\$ 25,696,900
					Additional Request	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000	\$ 5,000,000	\$ -	\$ 11,000,000
					PMR	\$ 5,139,380	\$ 5,139,380	\$ 5,139,380	\$ -	\$ 5,139,380	\$ 11,139,380	\$ 5,000,000	\$ -	\$ 36,696,900
Lincoln Park Neighborhood Green Street (Rd 2)	14, 1	12/2025	Yes	\$18.4 M	Approved	\$ -	\$ 3,726,916	\$ 3,726,916	\$ -	\$ 3,726,916	\$ 3,726,916	\$ 3,726,916	\$ -	\$ 18,634,580
					Additional Request	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,250,000	\$ 4,750,000	\$ 4,000,000	\$ 12,000,000
					PMR	\$ -	\$ 3,726,916	\$ 3,726,916	\$ -	\$ 3,726,916	\$ 6,976,916	\$ 8,476,916	\$ 4,000,000	\$ 30,634,580

CITY OF LOS ANGELES

INTER-DEPARTMENTAL CORRESPONDENCE

DATE: November 8, 2023

TO: Measure W: Safe, Clean Water Program Administrative Oversight Committee
Matthew Szabo, City Administrative Officer
Sharon Tso, Chief Legislative Analyst
Ryan Jackson, Office of the Mayor

FROM: Keith Mozee  for KM
Executive Director and General Manager
Bureau of Street Services

SUBJECT: Request for Authority to Submit Modification Request for Regional Rounds 1 and 2 Projects in the Safe, Clean Water (SCW) Program

This memo is to request authority for the Director and General Manager of the Bureau of Street Service (StreetsLA), or designee, to submit one project modification request for additional Regional SCW funding. StreetsLA is requesting consideration of the Broadway Manchester project to be the highest priority for additional funding based on the following reasons:

- Project is located in an underserved community with a Measure of Access, Disparity, and Equity (MADE) – Equity Index of 9.9 out of 10;
- Project has multiple funding sources with significant contribution beyond Measure W;
- Project is currently in design and will be in construction in winter 2024;
- Project is awarded and the additional funding would assist the project shortfalls;
- Project includes active transportation, urban greening, and stormwater quality improvements which is a holistic approach to providing the community with safe, resilient and sustainable improvements.

Currently, any anticipated or proposed changes to scope, budget and schedule are reported by project proponents through the quarterly reporting process, which are in turn evaluated by the Los Angeles County Flood Control District (District) and the Watershed Area Steering Committee (WASC) as appropriate to help inform future Stormwater Investment Plan (SIP) recommendations. The District has recently implemented a new process to better address modifications proposed during the upcoming SIP preparation.

Utilizing the new Project Modification Request (PMR) form and process will facilitate a more timely and transparent resolution of proposed modifications. It will also allow for more streamlined quarterly reports since PMRs can simply be referenced in the applicable sections of the reports that are submitted and reviewed at distinct points in the process.

StreetsLA intends to submit a PMR Form for each of its Round 1 and 2 Projects that are included in the County's FY 23/24 Stormwater Investment Plan (SIP). The City's Rounds 1 and 2 Projects, which were prepared in FY 19/20-20/21, have experienced budget increases as a result of unprecedented inflation, which has been further compounded due to project delays from the Covid-19 pandemic and the extended length of time to receive funding disbursements. These

factors have resulted in cost increases beyond what was awarded. In addition to reporting changes in project scopes and schedules, the PMR process also allows project applicants to request additional regional funding for projects which are experiencing projected shortfalls.

The additional funding request to the Regional Program will be considered by each of the respective WASC concurrently with the project applications submitted in July 2023 as part of the Round 5 SIP deliberations and for inclusion into the FY 24/25 SIPs.

This will be the first time the District implements the PMR process and the WASC considers additional funding for approved projects. In an effort to be competitive in the City's request for additional regional funding, SCW Projects under the Department of Public Works have provided some level of additional leverage funds from our municipal returns and in some cases secured additional funds from grants and Caltrans. Despite the additional funds that have been committed, the prevailing circumstances still have our projects experiencing funding shortfalls for the construction phases of the projects. In addition, the funding requests have been spread into multiple years due to the limited funding available for programming by the WASCs.

After a thorough review of the projected funding shortfalls, project delivery schedules and available funding, StreetsLA recommends the Safe, Clean Water Program Administrative Oversight Committee (AOC) approve the submission for additional funding request (summarized in Table 1 attached) to the respective WASC through the PMR submission process.

KM:SL/AB/gl

ATTACHMENT:

Table 1: Additional Funding Request for Regional Round 2 Project Cost Increases

cc: Patty Huber, CAO
Jacqueline Wagner, CAO
Jessica Quach, CAO
Janice Chang Yu, CAO
Rafael Prieto, CLA
Blayne Sutton-Wills, CLA
Shirley Lau, StreetsLA
Al Bazzi, StreetsLA

**Round 2 (FY 24/25) Stormwater Investment Plan
SCW StreetsLA Additional Regional Request**

Table 1: Additional Funding Request for Regional Round 2 Project Cost Increases

Upper Los Angeles River													
Project	CD	Start of Construction	DAC Benefit	Cash Flow	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	Total
Broadway-Manchester Multi-Modal Green Street Project	8	12/2024	Yes	Approved	\$ -	\$ 886,000	\$ 4,000,000	\$ 4,000,000	\$ 2,833,000	\$ -	\$ -	\$ -	\$ 11,719,000
				Additional Request	\$ -	\$ -	\$ -	\$ -	\$ 5,944,000	\$ 3,973,019	\$ -	\$ -	\$ 9,917,019
				PMR	\$ -	\$ 886,000	\$ 4,000,000	\$ 4,000,000	\$ 8,777,000	\$ 3,973,019	\$ -	\$ -	\$ 21,636,019