

MINUTES

PROPOSITION "O" GENERAL OBLIGATION BONDS ADMINISTRATIVE OVERSIGHT COMMITTEE

Thursday, January 25, 2007 - 3:30 pm
City Hall East - Room 1500

Members Present: Karen Sisson
Gerry Miller
Nancy Sutley (representative)
Cynthia Ruiz

Members Not Present:
Ronald Deaton

The meeting was called to order.

The Administrative Oversight Committee (AOC) approved the minutes from the meetings held on January 8 and 17, 2007.

CAO/CLA staff provided a briefing relative to the actions taken by the Citizens Oversight Advisory Committee (COAC).

- At the meeting held on December 20, 2006:
COAC discussed the Strategic Plan For Improving the Proposition O (Prop O) process presented by the Mayor's Office, the revised Project Selection Criteria and the differing recommendations by the AOC for funding the Rosecrans and Peck Park projects. COAC requested that a special joint meeting with the AOC be scheduled for January 2007.
- At the meeting held on January 17, 2007:
COAC discussed the concepts reports for the Lake Machado, Wilmington Drain and Echo Park Lake projects. COAC supported the funding amounts as presented but recommended that only the pre-design, design costs and permitting costs are expended. The remaining costs for the projects are to be set aside while the City applies for other funding. COAC requested that staff report back to COAC on a plan to seek alternate sources of funding. COAC also discussed the December Monthly Report and the revised Project Selection Criteria (PSC). COAC recommended that the draft PSC is forwarded to the AOC. This item will be reconsidered by COAC at its next meeting.

COAC's representative stated that the COAC strongly supported these three projects. Additionally, the COAC can assist the City in seeking funding from other sources if requested to do so. The AOC chair welcomed Adi Liberman as the COAC representative that will be attending AOC meetings. Mr. Liberman stated that he or another member will attend the meetings to report on COAC actions.

Sanitation presented the concept reports for the following projects:

- Project No. 01-29 - Echo Park Lake Restoration Project. Echo Park Lake is a 13-acre lake located in CD 13 and is part of the Los Angeles River Watershed. This lake is on the 303d list as an impaired water body. The project will identify pollutants and implement Best Management Practices to reduce or eliminate the pollutants. The project implementation cost is \$84.3 million. The O&M cost is \$4.8 million. AOC approved a motion to concur with the COAC recommendation of \$10.9 million for pre-design, design and permitting and to earmark the remaining \$73.4 million within Prop O for the project. City staff should set up workshops to ensure that all aspects of the project provide water quality benefits and obtain input from stakeholders. Staff should also seek funding from other sources.
- Project No. 01-36a - Wilmington Drain Multiuse Project. This project is Phase I of the Lake Machado Ecosystem Project. Wilmington Drain is located in CD15 north of Lake Machado and discharges urban runoff and stormwater into Lake Machado. This project will be implemented along with the Lake Machado project and has received Prop 50 funding in the amount of \$4.5 million. The project will use a multi-step approach to screen and treat stormwater, stabilize the banks and restore native restoration. The project implementation cost is \$17.9 million and the O&M cost is \$1.2 million. AOC approved a motion to concur with the COAC recommendation of \$2.2 million for pre-design, design and permitting and to earmark the remaining \$15.5 million within Prop O for the project. City staff should set up workshops to ensure that all aspects of the project provide water quality benefits and obtain input from stakeholders. Staff should also seek funding from other sources.
- Project No. 01-36 - Lake Machado Ecosystem Project. Lake Machado is a 45-acre lake located in CD15 within Ken Mallory Harbor Regional Park and is within the Dominguez Watershed. This lake is on the 303d list as an impaired water body. This project will restore and rehabilitate the lake and surrounding area to meet TMDL requirements. The project implementation cost is \$99.7 million and the O&M cost is \$4.8 million. AOC concurred with the COAC recommendation of \$12.9 million for pre-design and design and permitting and to earmark the remaining \$86.8 million within Prop O for the project. City staff should set up workshops to ensure that all aspects of the project provide water quality benefits and obtain input from stakeholders. Staff should also seek funding from other sources.

The AOC members discussed the Wilmington Drain project. AOC inquired as to the reason the Wilmington Drain project is separated from the Lake Machado project. Sanitation responded that the Wilmington Drain project has received \$4.5 million in grant funding. The City will be reimbursed by the State. The grant application requests that the design is completed by April 2007. Sanitation will apply for an extension of the grant and it is likely that this will be approved. Sanitation also stated that while the projects could be done separately, the completion of both projects will provide maximum benefits. Engineering stated that the schedule for the completion of design is April 2008. AOC expressed concerns about the need to request an extension of the grant and whether it is likely that the extension will be approved. Sanitation responded that this project is part of the Integrated Regional Water Management Plan (LA IRWMP). The grant approval was finalized by the State in January 2007. The deadlines were set by the grantor. Sanitation

has attempted to have this project reviewed by the committees on two previous agendas. AOC discussed moving the Wilmington Drain project forward and holding workshops on the other two projects. AOC suggested that the City should try to identify and submit projects that are most ready for grant funding. AOC inquired as to the reason that COAC did not recommend full funding for this project as this is a smaller project with a defined deadline. The COAC representative responded that COAC was willing to fund the entire project, the COAC motion was later changed as a tactical measure. The Mayor's Office representative indicated that the State funding might not be approved for these projects if the projects are fully funded by Prop O.

AOC expressed concerns about ensuring that costs for 2007-08 are identified in time for the Bonds to be issued in August 2007. Engineering will provide the costs for the projects to meet the Bond issuance deadlines.

During public comment, a member of the public commented that IRMWP is very competitive. She also expressed concerns about the inclusion of dog parks in the project. Sanitation responded that there is a problem with off-lease dogs in this area. This feature will contribute to water quality. Another member of the public expressed support for the Wilmington Drain project. A third member expressed support for the Echo Park project. Additionally, there has been a lot of public input for the Echo Park project.

AOC requested that Engineering provide information on the required funding for the projects per fiscal year. Additionally, Engineering should provide a timeline for the various phases for the projects. Engineering will add these projects to its Master Schedule and will provide a blown up copy of the Master Schedule at the next AOC meeting. AOC requested that perhaps COAC should revisit the funding for the Wilmington Drain project.

Recreation and Parks inquired as to whether there will be CEQA issues if the Wilmington Drain and Lake Machado projects are separated. There might be cost savings if the projects are together however there is the timing issue for the grant deadline. This issue will need to be analyzed. An Environmental Impact Report might need to be done for the Lake Machado project. A Mitigated Negative Declaration might be sort for Wilmington Drain. AOC requested that work on the environmental reports start as soon as possible.

AOC discussed how Prop O can be used as leverage to get other funds. AOC suggested that this issue should be submitted to the Working Group addressing this issue. AOC expressed concerns about using Prop O funds to submit grant applications for grants from other sources especially if they are not approved. Front funding for these applications should be from others sources and possibly backfilled if funding is approved. A representative from the Mayor's Office stated that the earmarked amounts for the projects are not to be considered as full funding. Approval of the earmarks should not be a guarantee that these amounts will be billed.

Engineering requested approval to appropriate the funding approved by Council in C. F. 06-1235 for Westminster Dog Park (\$170,000) and Imperial Highway (\$335,000). AOC took action to approve these amounts.

A member of the public expressed concerns regarding comments on the Echo Park Boat

House. Recreation and Parks respond that the project has not changed.

Sanitation provided information of the draft Project Selection Criteria item. AOC stated that this item was not submitted in advance and moved this item to the next meeting.

The meeting was adjourned.