The meeting was called to order at 11:12 a.m.

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

   ACTION: Item is 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 the September 21, 2015 COAC meeting. The COAC has decided to meet every other month and the next meeting will take place in November. The COAC meetings will take place during the odd months.

   During the last meeting there was some discussion on a ten year review of the program being conducted by the Bureau of Sanitation (BOS). Since COAC members have been receiving program questions from community members and organizations, the members would like to move forward with funding for communication and community outreach.

   ACTION: Item is received.

3. Consideration of Reprogramming of Project Savings for Active Projects, Optimization, and New Projects:

   There was public comment for Item #3 from Nate Hayward of Council District 14 (CD14). Mr. Hayward stated that CD14 is very supportive of Prop O and noted that the Boyle Heights Joint Use Community Center, located in CD14, is on list for future funding. CD14 would like to replace this project with the Hollenbeck Lake. BOS is preparing a concept report on the Hollenbeck Lake project and it is expected to be ready in December. CD14 requests that the program contingency be used to fund projects that take a look at how to really meet Prop O goals. Mr. Hayward asked that the AOC take some time and allow CD 14 and BOS to present the concept report on the Hollenbeck Lake project.
Kendrick Okuda, Prop O, Bureau of Engineering (BOE), presented a memo on Proposition O Project Budget Reductions and Savings. Mr. Okuda stated that Prop O continues to do project close outs as projects are completed. The total project expenditures were compared to the project budgets and it is recommended that savings from four projects be released as follows: the Echo Park budget be decreased by $8,670,774, Peck Park be decreased by $632,910, Rosecrans Recreation Center be decreased by $1,850,884, and South Los Angeles Wetlands be decreased by $2,548,828. It is recommended that the net sum of the savings is $13,703,396 placed in program contingency. Currently, the Machado Lake Ecosystem is in construction and there are other projects that have not been designed. In order to protect the program from any future unforeseen costs, BOE recommends reserving $12,400,000 for future program contingency.

Matias Farfan, CLA, asked how Items #5 and #6 of the report relate as they both speak to project contingency funds. Mr. Okuda noted that the existing program contingency is $33,787,422. Of that, BOE is requesting to reserve $12,400,000 for future program contingency. David Hirano, CAO clarified that the current program contingency is about $20 million. With Mr. Okuda’s request to retain $12.4 million, it would add $7.6 million to the program contingency from the project savings identified, available for re-programming.

Raoul Mendoza, CAO, discussed the memo on Proposition O Clean Water General Obligation Bond Reprogramming of Project Savings from the CAO. After working with BOE and BOS, the CAO proposes to reprogram $13.7 million in savings identified by BOE. The first project listed is the Aliso Creek – Limkiln Creek Restoration. It was approved by the AOC to begin design for $1,595,089; BOE is requesting $9,345,000 to cover the cost of construction. The next project listed is the Machado Lake project which has permit-required activities that would occur over the next few years at an estimated cost of $4,043,800. The total estimated cost of these two projects is $13.3 million. In addition, and as a result of previously approved Optimization activities, there is a recommendation to fund structural improvements at a cost of $1,572,588. Optimization is also needed on recently completed projects at an estimated cost of $2,296,000. The memo initially recommended appropriating $17,257,388 for the listed projects. However, before releasing the memo, BOS submitted a revised memo with updated figures for optimization for both structural improvements and optimization on recently completed projects. The costs were higher than what was anticipated and initially reviewed. It is recommended that staff analyze the estimates to determine the actual funds needed and report back to the AOC at a future meeting. Patricia Huber, CAO, asked if the recommendations for Aliso Creek – Limkiln Creek and Machado Lake should stand as recommended; Mr. Mendoza confirmed. Mr. Mendoza stated that after they review the request for optimization, the program may have about $3.5 to $5 million that could potentially be programmed for additional projects listed in the memo.

Mr. Mendoza stated that CAO concurs with BOE’s recommendation to take the project savings and place them in the program contingency and then use some of those funds to fund the recommendations for the Aliso Creek – Limkiln Creek and Machado Lake projects. Mr. Farfan asked about the revised program contingency of $16.5 million on the CAO report and the $12.4 million that BOE is asking to reserve. Mr. Mendoza stated that the $16.5 million on the CAO memo includes the $12.4 million that BOE is asking for and the $3.5-$5 million he mentioned earlier for future additional projects. Instead of reserving the $12.4 million BOE recommended, the reserved amount would be $16.5 million. Ms. Huber asked if the actual program contingency amount would remain above $16.5 since the optimization amounts have not yet been confirmed. Mr. Hirano stated that the program contingency budget would be a higher amount with the $16.5 million being reserved and the remaining amount being available for reprogramming.
Heather Repenning, Board of Public Works, stated that she has been working with BOS on optimization and asked to hear what BOS thinks the direct benefit to the City would be if they received additional funding.

Shahram Kharaghani, BOS, introduced Laurie Rittenberg from the City Attorney’s office. Ms. Rittenberg will be assigned to the Prop O COAC and AOC.

Mr. Kharaghani explained that optimization accomplishes three things. Optimization ensures long term sustainability of a fragile natural system. Mr. Kharaghani explained that Prop O projects are not like building projects that are complete once built. For Prop O projects, the work begins after construction completion. It also enables the projects to remain in compliance with TMDL’s. If the issues that arise are not addressed, the projects will not be in compliance. Finally, Optimization provides information on how to deal with unforeseen issues. Mr. Kharaghani stated that the initial request for Optimization funding was underestimated due to the new and unique nature of the Prop O projects.

Ms. Repenning pointed out the importance of displaying a record of success with green infrastructure projects in order to continue making the argument for additional funding. Ms. Huber stated that optimization has been supported by the committee and the only outstanding issue is the review of the estimates. Mr. Kharaghani asked Ms. Huber if it would be possible for BOS to meet with AOC before the next meeting so as not to further delay the approval of the request. Mr. Kharaghani expressed his concern that if there is no approval today, sufficient funds will not be available to pay the consultant.

Mr. Hirano asked for the timeframe of the optimization for the projects. Mr. Kharaghani stated that the work is completed over 2-3 years for the pumps and mechanical parts, and longer for the green infrastructure and water.

Ms. Huber asked to clarify which items are being requested for approval today. The items for approval are items #1, 2, 3, 4, 5 and 7 of the BOE report and items #1, 2, 3, and 5 of the CAO report. Mr. Hirano stated item #3 of the CAO report was for the optimization. Mr. Mendoza stated that item #4 is the program contingency request. Item #5 of the CAO report regarding staffing will be addressed at the next AOC meeting.

**ACTION:** Items #1, 2, 3, 4, 5, and 7 of the BOE report and items #1, 2, and 4 of the CAO report are approved.

4. Verbal Presentation by the Bureau of Engineering Regarding the Prop O Program September 2015 Monthly Report:

Kendrick K. Okuda, BOE stated the Machado Lake Rehabilitation project is at 63% completion. There was a slight delay due to early rains this fall. They are anticipating an El Nino, but are hoping it will not have an effect on the project. Although there was a delay, the project is still on schedule and on budget. Mr. Okuda also discussed the Broadway Greenway project. Mr. Kharaghani and Wing Tam, BOS received a grant for this project. Mr. Okuda stated they are working with a church and a non-profit to include rain-garden type improvements in front of about 40 homes which are located in South Los Angeles. Mr. Okuda stated that this area can benefit from this type of green infrastructure. Mr. Okuda also discussed the meeting they had for the Argo Drain project. The Council Office was present. All parties are getting along and the project is moving forward. There is now a good pre-design concept and preliminary cost estimates.
Mr. Kharaghani also stated that Laura Cadogan from the City Attorney’s Office has been assigned to work with BOE and BOS to finalize the lease agreement with Los Angeles World Airports (LAWA), which is the basis for LAWA providing funding for the project.

There was public comment from Joyce Dillard regarding the Argo Drain project. Ms. Dillard stated that at the COAC meeting it was stated that a CEQA addendum was going to be completed for the project. Ms. Dillard stated that part of the process was to bring awareness to the public. Ms. Dillard stated that legally, a CEQA addendum can be done but it is not a good idea for this bond program. Ms. Dillard stated that it has gone over to the Planning and Land Use Management Committee. Ms. Dillard stated that it was inappropriate for a project of this scale to continue changing. Ms. Dillard believes that a separate environmental report should be done for this project.

**ACTION:** Item is received.

5. Verbal Presentation by the Bureau of Sanitation Regarding Project Status Updates:

Shahram Kharaghani, BOS stated the monitoring plan is being reviewed by the Water Board, and will have a meeting on November 5th. BOS is geared to start monitoring because of El Nino. Mr. Kharaghani also stated that BOE has been collaborating and coordinating with every department in the City and in the region in anticipation of El Nino. Mr. Kharaghani said the system is designed for a 10-year storm, but noted that a more intense storm would overwhelm the system. There is an El Nino motion with City Council on the schedule for the second week of November and BOS can present on their preparation activities.

**ACTION:** Item is received.

6. General Public Comment:

Joyce Dillard provided public comment on the TMDL’s and whether or not they know if it does work. Ms. Dillard said she mentioned the blue algae to someone and they said that the fish should be swimming and eat the algae; it should be a simple solution. Ms. Dillard said the TMDL’s have no baseline. She stated that Mr. Kharaghani passed out a report at COAC but there has been no official submission of a report of the monitoring or the results. There has been no analysis of the concept reports of what’s done for the optimization. There are things in this that doesn’t show that you prove what the bond promised. These issues need to be addressed and COAC talks about it but the AOC is the group that works with the council and there is no understanding of this. There is no baseline and no monitoring to really say it works. Ms. Dillard also stated that in her mind it doesn’t work. It is a lot of money and no cost per whatever. Because of the permitting going on with the MS4 and some of the legislation in the state and they are now talking about these kind of projects as water supply. Yet DWP is not part of these TMDL issues and they have their own stormwater caps, which she has no problems with. Apples and oranges are getting mixed and this bond needs to stay pure to what they voted for. Mr. Dillard believes it has not gone that way and would like the AOC to address it in a farther issue and really get a handle on what the results are from all this money spent and the cost per acreage for the different projects. Ms. Dillard also mentioned that there are lawsuits from the cities of Gardena, Huntington Park, and Duarte challenging things that she has mentioned and the AOC should be aware of these lawsuits.

**Meeting adjourned at 11:45 a.m.**