

ENERGY, CLIMATE CHANGE, ENVIRONMENTAL JUSTICE, AND RIVER COMMITTEE REPORT relative to budget adjustments and new funding considerations for Proposition O Clean Water General Obligation Bonds.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the modified Master Schedule for 2021-22 detailed in Attachment A of the June 8, 2022 City Administrative Officer (CAO) report, attached to the Council file.
2. APPROVE the release of \$5,123,641 in total savings from the following Proposition O projects to the Program Budget Contingency:
  - a. Authorize a decrease in the Argo Drain Sub-Basin Facility Project by \$2,500,000, from \$38,087,269 to \$35,587,269.
  - b. Authorize a decrease in the Catch Basin Phase IV Project by \$249,941, from \$6,160,000 to \$5,910,059.
  - c. Authorize a decrease in the Machado Lake Ecosystem Rehabilitation Project by \$1,350,000, from \$94,657,563 to \$93,307,563.
  - d. Authorize a decrease in the Penmar Water Quality Improvement Phase II Project by \$757,525, from \$5,830,200 to \$5,072,675.
  - e. Authorize a decrease in the Temescal Canyon Park Stormwater Phase II Project by \$266,175, from \$5,056,565 to \$4,790,390.
3. APPROVE final project budgets for the completed projects as provided in the table on recommendation number three, detailed in the June 8, 2022 CAO report, attached to the Council file.

PROJECT	FINAL BUDGET
Albion Dairy Park - Demolition & Remediation	\$ 6,325,458
Albion Dairy Park - Land Acquisition	14,465,528
Albion Riverside Park	18,457,704
Broadway Neighborhood Stormwater Greenway	4,550,380
Catch Basin Opening Screen Covers Phase III	43,477,927
Hansen Dam Wetlands Restoration	1,812,791
Machado Lake-Phase I (Wilmington Drain)	26,510,479

Mar Vista Recreation Center	
Stormwater BMP (Phase I & II)	4,065,258
Penmar Water Quality Improvement (Phase I)	17,598,355
Santa Monica Bay Low Flow Diversion	
Upgrades, Pkg. 3	11,607,354
Santa Monica Bay Low Flow Diversion	
Upgrades, Pkg. 3 Phase 2	13,697,567
Santa Monica Bay Low Flow Diversion	
Upgrades, Pkg. 4	3,575,048
Temescal Canyon Park Stormwater BMP (Phase I)	14,503,267

4. AUTHORIZE an increase in the Taylor Yard Water Quality Project of \$4 million, from \$16.4 million to \$20.4 million.
5. APPROVE the Westwood Supervisory Control and Data Acquisition (SCADA) Communication System Project and approve Proposition O funding in the amount of \$400,000.
6. AUTHORIZE the City Controller to transfer and appropriate \$400,000 in Proposition O funds in Fund 16V/50, Account No. 50JYCT, Program Contingency, to a new account entitled "Westwood SCADA Communication System" within the same fund.
7. AUTHORIZE the CAO, in coordination with the Bureau of Engineering and the Bureau of Sanitation, to make technical corrections as needed to the above recommendations to implement Mayor and Council intentions.

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund for project implementation as funding will be provided by the Proposition O Bond Fund. Potentially, there may be an impact to the General Fund for operation and maintenance (O&M) costs. These O&M costs will be addressed through the City's annual budget process. It should be noted that the available Program Contingency is \$8 million. Of this amount, \$2 million is budgeted for staffing needs, \$2 million for project optimization, and \$4 million for cost increases on existing projects. The approval of the release of funds of \$5,123,641 from various projects to Program Contingency will increase the Program Contingency from \$8 million to \$13,123,641. Funds requested for the Taylor Yard G2 Water Quality Project (\$4 million) and the Westwood SCADA Communication System (\$400,000) will reduce the Program Contingency by \$4.4 million, from \$13,123,641 to \$8,723,641. These funds will be budgeted for future staffing costs (\$2 million), project optimization (\$2 million), and cost increases on existing projects (\$4,723,641).

Financial Policies Statement: The CAO reports that recommendations comply with the City's Financial Policies as funding for the proposed projects is provided primarily from bond proceeds which are supported by voter-approved property tax revenue.

Community Impact Statement: None submitted.

Summary:

On June 16, 2022, your Committee considered Motion (O'Farrell for Krekorian, et al) relative to budget adjustments and new funding considerations for Proposition O Clean Water General Obligation Bonds. The report attached to the Council file includes some background on the matter. After providing an opportunity for public comment, the Energy, Climate Change, Environmental Justice, and River Committee moved to approve the recommendations reflected above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ENERGY, CLIMATE CHANGE, ENVIRONMENTAL JUSTICE, AND RIVER COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
O'FARRELL:	YES
KORETZ:	ABSENT
CEDILLO:	ABSENT
DE LEON:	YES
KREKORIAN:	YES

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**