

# Central Santa Monica Bay Watershed Area Steering Committee (WASC) Meeting Minutes



Tuesday, February 6, 2024  
1:00pm – 3:00pm

## In-person

Culver City Hall, Patacchia Room  
9770 Culver Blvd, Culver City, CA 90232

## Online

WebEx

## Committee Members Present:

Marcela Benavides, LA County Flood Control District (Agency)  
\*Mathew Veeh, West Basin Metropolitan Water District (Agency)  
\*Art Castro, LA Department of Water and Power (Agency)  
Susie Santilena, LA City Sanitation and Environment (Agency), Co-Chair  
\*Darryl Ford, LA City Recreation & Parks (Agency)  
Rita Kampalath, LA County Chief Sustainability Office (Community), Co-Chair  
\*Cecilia Mokler, PSOMAS (Community)  
\*Gloria Medina, The Solutions Project/SCOPE (Community)  
Bruce Reznik, LA Waterkeeper (Community)  
\*Matthew Magener, Beverly Hills/West Hollywood (Municipal)  
Sean Singletary, Culver City (Municipal)  
\*Blayne Sutton-Wills, Los Angeles (Municipal)  
Michelle Barton, Los Angeles (Municipal)  
Bruce Hamamoto, Los Angeles County (Municipal)  
Joshua Carvalho, Santa Monica (Municipal)  
Vanessa Boudreau, SGA Marketing (Watershed Coordinator, non-voting member)  
Ava Farriday, Heal the Bay (Watershed Coordinator, non-voting member)

\*Committee Member Alternate

## Absent Committee Members

Edgar Campos, (Community)  
Roberto Perez, Los Angeles (Municipal)

See attached sign-in sheet for full list of attendees.

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## **1) Welcome and Introductions**

Rita Kampalath, Co-Chair of the Central Santa Monica Bay (CSMB) Watershed Area Steering Committee (WASC), welcomed Committee Members, shared housekeeping items, and called the meeting to order.

District staff facilitated the roll call of Committee Members. District staff and all Committee Members made self-introductions and a quorum was established.

## **2) Approval of Meeting Minutes from [January 9, 2024](#)**

Co-Chair Susie Santilena motioned to approve meeting minutes from January 9, 2024, seconded by Member Darryl Ford. The Committee voted to approve the January 9, 2024 minutes, with 14 votes in favor, zero votes in abstention, zero votes in opposition, and one absent at the time of the vote (approved, see vote tracking sheet attached).

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### 3) Committee Member and District Updates

District staff provided an update, noting:

- Fiscal Year 2022-2023 (FY22-23) Regional Program Project Annual Reports were due December 31, 2023. The reports must still be completed even if there were no activities completed for the project or if the Transfer Agreement has not yet been executed. Failure to provide the report in a timely manner may delay disbursement of future allocated funds.
- The FY23-24 Q2 Report, for the October to December reporting period, is due on February 15th.
- The Round 4 Transfer Agreements and Addendums are newly available for download in the Reporting Module. District staff sent an email on January 24th with instructions on how to navigate this new feature. Transfer Agreements will not be downloadable until the Infrastructure Program Project Developer (IPPD) contract information is uploaded. The new feature in the Reporting Module is for projects included in Round 4 Stormwater Investment Plans (SIPs) and future SIPs only. Projects from previous SIPs can submit documents via email.
- On January 31st, the Regional Oversight Committee (ROC) voted to send the Biennial Report to the Board of Supervisors (Board). The Biennial Report includes a summary of the progress of the Safe, Clean Water Program's Regional, Municipal, and District Programs. More details can be found on the [SCW Program website](#) under the ROC webpage. The ROC will begin discussing next steps at the February 15th meeting.
- Municipal Annual Reports were due December 31, 2023. Municipal Annual Plans are due in April each year before the start of the upcoming FY and the Annual Reports are due in December. Annual Reports should reflect the progress made on activities that were planned for or listed in the Annual Plan. District staff should be notified in advance of any deviations in the Annual Report from the Annual Plan. Failure to submit the reports in a timely manner may delay the disbursement of the SCW Program Municipal funds.
- WASC Members whose job connects them to specific projects that are discussed by the committee should ask colleagues or consultants to attend WASC meetings to share about or advocate for those projects during SIP deliberations to ensure a fair and transparent process.

Member Bruce Reznik voiced that the ROC Biennial Report is a plan to plan future efforts and shared that the ROC will have monthly meetings to accelerate progress. Member Reznik also suggested that the SCW Program should make it easier to access relevant project information.

### 4) Watershed Coordinator Updates

Watershed Coordinator Ava Farriday shared the following updates:

- Partnered with Heal the Bay and led four presentations this past month
- Participated in Tribal Allyship Working Group to explore how to meaningfully engage tribes in the SCW Program
- Attended the Camino Nuevo Charter Academy ribbon cutting ceremony for a school greening project
- Continued supporting Technical Resource Program (TRP) projects, including the Fern Dell Restoration and Stormwater Capture and Syd Kronenthal Park Stormwater Capture Projects.
- Continued planning for school greening and stormwater tours in collaboration with other Watershed Coordinators. The next tour is tentatively scheduled for March 12.

Watershed Coordinator Farriday additionally shared upcoming efforts, including:

- A tour of the at Edward C. Little Water Recycling Facility on February 24 in partnership with the South Santa Monica Bay Watershed Coordinator and West Basin Municipal Water District.
- Hosting Ballona Creek Regional Coordination meetings and securing guest speakers
- Begin planning for Earth Month events

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Stephen Groner introduced Watershed Coordinator Vanessa Boudreau. Watershed Coordinator Boudreau will serve as the primary Watershed Coordinator for SGA Marketing. Groner provided the following updates:

- Presented at the recent ROC meeting, alongside other Watershed Coordinators, and shared a GIS mapping tool that shows the survey data from outreach. The data can be used to identify gaps in outreach strategies.
- Sent out an email to new local elected or appointed officials about the SCW Program to ensure the Program's visibility during periods of transition.
- Connected stakeholders with an interest in developing a TRP project at Runyan Canyon with the Friends of Griffith Park organization who successfully secured TRP funding for development of a feasibility study at Griffith Park.
- Met with City Managers to look at areas for leveraged funding.

## 5) Public Comment Period

No comment cards were received before the meeting and there were no public comments during the meeting.

## 6) Discussion

### a) Ex Parte Communication Disclosure

Co-Chair Santilena disclosed a call with Member Josette Descalzo regarding questions on Project Modification Requests (PMRs). Additionally, it was disclosed that Co-Chairs Santilena and Kampalath met with District staff to prepare for this meeting.

### b) Project Modification Requests (PMR) Overview Presentation *By: Mike Antos, Stantec, Regional Coordination*

Antos presented on the WASC Roles and Responsibilities related to the Project Modification Request process. PMR Guidelines can be found on the [SCW Program website](#) under the "Adaptive Management" tab.

Antos summarized that District staff will review PMRs and categorize the PMR either as consistent with the original SIP or inconsistent with the original SIP. If consistent with the original SIP, District staff will notify WASC Members and the project developer. If inconsistent, District staff will refer the PMR to the WASC for discussion.

### c) Consistent PMRs

#### i) Edward Vincent Jr. Park Stormwater Improvements

District staff summarized the project's PMR form. The original project proposed a subsurface reservoir underneath the ballfield. However, the City received Dodger's Dreamfields funding to redevelop the ball field, so the project can no longer include construction at the newly renovated ballfields. The subsurface reservoir is now being proposed at the southern end of the park.

### d) PMRs for WASC Discussion

#### i) MacArthur Lake Rehabilitation Project *City of Los Angeles Sanitation and Environment*

Mike Scaduto (City of Los Angeles Sanitation and Environment (LASAN)) provided a brief update on the MacArthur Lake Rehabilitation project and their submitted Project Modification Request. The lake will be storing runoff, will include a tiered wetlands area, and is at 50% design. CEQA is expected to be completed

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in June 2024, as the project developer decided to conduct a full Environmental Impact Report (EIR). Design is expected to finish in June 2024, with the Bid/Award phase to occur in October 2024.

Scaduto noted that the original application submitted in 2019 had escalation rates around 3-5%. Now, the City of Los Angeles recommends using escalation rates as high as 12-13%. The PMR requests an additional \$11 million spread out over three years to account for the increased escalation and high inflation, as well project modifications.

Scaduto stated that the amount requested in the PMR is not sufficient to fill the entire \$16.9 million project funding gap. Scaduto shared that the project received \$550,000 from Proposition K from Recreation and Parks, the City of Los Angeles is willing to commit \$6 million from municipal funds and has applied to the California Natural Resources Agency (CNRA) Urban Greening Grant program and is expected to hear back in May. If the project is awarded grant funds, the City could change their SCW Program funding request. The maximum grant amount from CNRA is \$5 million, but there is a chance that more could be.

District staff shared a summary funding table from the PMR document onscreen to show the funds disbursed, funds that have been awarded but not disbursed due to CEQA status, and additional funds requested (see attached).

Upon request, Scaduto confirmed that LASAN would prioritize returning Regional Program funds to the SCW Program rather than reducing the municipal contribution in the instance that construction costs do not end up being as high as expected.

Member Marcela Benavides asked what the previously awarded \$20 million and the additional \$11M requested would fund. Scaduto replied that previously disbursed funding is being utilized for 100% design and environmental documents and the remaining previously allocated funds and additional funding requested through the PMR would go towards construction.

Scaduto addressed Co-Chair Kampalath's concern that the project would be able to utilize the awarded and unreleased funds, along with the new funding request, and stay on schedule with the SCW Program's Transfer Agreement disbursement timeline.

When asked about the increase in the drainage area noted in the PMR, the project engineer explained that the original diversion structure was located at a busy intersection and that the project decided to move the diversion location downstream, along the same storm drain, for ease of maintenance and construction. This change resulted in capturing a larger drainage area. Regarding the noted decrease in water supply acre-feet/year in the PMR, it was shared that the water supply parameter originally came from offsetting the potable water that is used to fill the lake. Now that more water is being captured, the excess that cannot be stored within the lake will be treated and returned to the storm drain.

Upon inquiry, Scaduto expressed confidence that no additional PMRs will be made for this project. Scaduto explained that the project is passing the 50% design stage and no major modifications are anticipated.

Scaduto reaffirmed that the additional PMR funding requested go towards the bid and award and construction phases.

Upon inquiry, Scaduto noted that the \$6 million municipal funds are not yet approved, as the City's budgets are released in June. Since this project is further along, it is a higher priority within the City Mayor's Office. If SCW Program funds are not secured, the likelihood of securing municipal funds decreases.

#### ii) [Ballona Creek TMDL Project](#) ***City of Los Angeles Sanitation and Environment***



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Scaduto provided an update on this project, highlighting that the Ballon Creek TMDL Project is currently in construction. At the time of application, the project was had completed 30% design plans and had a Class C Estimate. Scaduto noted that some changes arose after comments from the various project partners (i.e., U.S. Army Corps of Engineers, U.S. Department of Fish and Wildlife) that created additional costs, not to mention a cost escalation like the previous project.

The additional \$7 million requested are spread over two FY and represents 15% of the funding deficit. Scaduto shared that when the project was first put forth in the SCW Program, the City and partners came up with \$16.9 million match to support the project and have now secured around \$42 million match funds (a combination of municipal funds, Proposition O funds, LASAN general funds, and Caltrans funds). Scaduto shared that the project was unsuccessful in obtaining grants from the National Ocean and Atmospheric Administration and CNRA.

Watershed Coordinator Farriday asked the project proponent which of the two projects are higher priority based on the progress of each project. Scaduto stated that the two projects with additional PMR budget requests are higher priority than the Round 5 Baldwin Vista Green Streets Project. Upon inquiry, Scaduto explained that if this project was not granted the additional funding, the project would continue to go on, but the recent joint Memorandum of Understanding between the project partners would need to be updated.

Scaduto confirmed that project is in construction and does not anticipate needing to submit a future PMR to request additional funding.

Member Bruce Hamamoto expressed that a \$7 million request for a \$76 million project, in addition to all the municipal funding match, makes this funding request seem more reasonable than the previous.

Member Ford confirmed that while the project has contingency built in and funding from other sources, the project still came to the SCW Program to request additional funds once the PMR became available. Scaduto mentioned that the PMR took into consideration the WASC's current SIP budget when developing the request to be as reasonable as possible.

Some Committee Members noted that while the request is more reasonable than the MacArthur Lake Rehabilitation Project's PMR, this project is an example of traditional grey infrastructure, while the MacArthur Lake Rehabilitation Project is an exemplary instance of social equity within the SCW Program-creating green infrastructure for an underrepresented community and incorporating local community-based organizations during engagement. Member Gloria Medina commented that the WASC should be careful to not over allocate funds and lose the ability to support green infrastructure projects like the one at MacArthur Lake.

Scaduto noted that LASAN recently released a report that shows that an estimated 11.7 jobs are created for every million dollars that goes into developing an LASAN project. The Ballona Creek TMDL project includes a workforce development aspect by creating specific job classifications for maintaining the project.

District staff provided an overview of the SIP tool and how it could be used to evaluate the budget requests and constraints to assist Committee Members prepare for upcoming deliberations. District staff noted that there are two scenarios currently loaded into the SIP tool for the CSMB Watershed Area. One scenario shows the funding allocations and total budget if all Round 5 projects were recommended for inclusion in the FY24-25 SIP. This scenario results in 56% of the available FY24-25's budget being allocated. The other scenario includes funding all Round 5 projects plus the PMR full additional funding requests, which would result in an 87% of the available budget for FY24-25 allocated. District staff noted that the funding scenario table can be edited by Committee Members to see how funding partial amounts of the additional PMR requested funding would affect the projected budgeting allocations. These funding scenarios do not include the anticipated construction costs for those projects that were awarded design-only funds.

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Member Reznik asked District staff if there was any way to gauge which projects may be coming to the WASCs with PMRs in future years, as it would be unfortunate to have new projects denied because of funding PMRs. District staff noted that that is difficult to predict and noted that one PMR was retracted by the developer and may submit a PMR next year.

Several Committee Members discussed the fact that projects that apply for design and construction funding in one application could have an unfair advantage in using the PMRs compared to projects that are packaging design and construction separately, as the WASC would naturally be inclined to support projects that the WASC has already approved. Member Reznik noted that, as a Member of the Scoring Committee, the SCW Program does not want to punish projects that are taking the right steps of applying for design and construction funding separately.

Antos noted that the Watershed Coordinators are available to may speak with project developers to gauge whether projects may need PMRs down the line and share that information with the WASC. Antos recognized that the lessons learned about separate design and construction funding applications is a good instance of adaptive management.

## **7) Public Comment Period**

Margarita Aguilar (Senior Community Engagement Coordinator, Mujeres de la Tierra) provided public comment and highlighted personal contributions to outreach/engagement efforts during the design portion of MacArthur Park. Aguilar shared that MacArthur Park is valuable green space for a historically underserved community.

## **8) Voting Items**

### **a) None**

There were no voting items.

## **9) Items for Next Agenda**

The next meeting is scheduled for Tuesday, March 5, 2024, 1:00pm – 3:00pm and will be hybrid, held in person at Culver City Hall and online via WebEx. See SCW Program website for meeting details. Items on the next agenda may include:

- a) Scientific Studies Summary Discussion
- b) Begin FY24-25 Stormwater Investment Plan (SIP) Deliberations

## **10) Adjournment**

Co-Chair Kampalath thanked WASC Members and the public for their attendance and participation and adjourned the meeting.

CENTRAL SANTA MONICA BAY WASC MEETING - February 6, 2024						
		Quorum Present				Voting Items
Member Type	Organization	Primary Member	Attendance: In-person ("x" for present)	Alternate Member	Attendance: In-person ("x" for present)	Approval of January 9, 2024 Meeting Minutes
Agency	Los Angeles County Flood Control District	Marcela Benavides	x	Mark Beltran		Y
Agency	West Basin Municipal Water District	E.J. Caldwell		Matthew Veeh	x	Y
Agency	Los Angeles City Water & Power	Delon Kwan		Art Castro	x	Y
Agency	Los Angeles City Sanitation and Environment	<b>Susie Santilena</b>	x	Hubertus Cox		Y
Agency	Los Angeles City Recreation & Parks	Cathie Santo Domingo		Darryl Ford	x	Y
Community Stakeholder	Los Angeles County Chief Sustainability Office	<b>Rita Kampalath</b>	x	Rebecca Ferdman		Y
Community Stakeholder	PSOMAS / Business Sector	Alysen Weiland		Cecilia Mokler	x	Y
Community Stakeholder	The Solutions Project / SCOPE	Gloria Walton		Gloria Medina	x	Y
Community Stakeholder	Los Angeles Waterkeeper	Bruce Reznik	x	Maggie Gardner		Y
Community Stakeholder		Edgar Campos				
Municipal Members	Beverly Hills / West Hollywood	Josette Descalzo		Matthew Magener	x	Y
Municipal Members	Culver City	Sean Singletary	x	Yanni Demitri		Y
Municipal Members	Los Angeles	Roberto Perez				
Municipal Members	Los Angeles	Rafael Prieto		Blayne Sutton-Wills	x	Not present for voting
Municipal Members	Los Angeles	Michelle Barton	x	Ryan Jackson		Y
Municipal Members	Los Angeles County	Bruce Hamamoto	x	Geremew Amenu		Y
Municipal Members	Santa Monica	Joshua Cavalho	x	Selim Eren		Y
Watershed Coordinator	Heal the Bay	Ava Farriday				N/A
Watershed Coordinator	SGA Marketing	Stephen Groner/Vanessa Boudreau	x			N/A
Total Non-Vacant Seats		17			Yay (Y)	14
Total Voting Members Present		15			Nay (N)	0
Agency		5			Abstain (A)	0
Community Stakeholder		4			Total	14
Municipal Members		6				Approved

Other Attendees	
Amanda Begley	Mark Beltran
Ana Rivera	Mark Nguyen
Angineh Shahnazarian	Mikaela Randolph
Anh Ta	Naomi Diep
Annelisa Moe	Paige Bistromowitz
Ben O'Neal	Rafael Sanchez
Brenda Ponton	Rob Buss
Carmen Andrade	Ryanna Fossum
Conor Mossavi	Sara
Giselle Ramirez	Serena Zhu
Gus Orozco	
Irma Munoz	
Jennifer A	
Johanna Chang	
John Bodenchak	
Josafat Flores	
Joyce Amaro	
Julia Schmitt	
Julie Allen	
Karely Dorado	
Kevin Ho	
Maggie Gardner	
Margarita Aguilar	
Marisol Serrano	



# Central Santa Monica Bay

## Watershed Area Steering Committee Meeting

COMMITTEE MEMBER AND ALTERNATE SIGN-IN: FEBRUARY 6, 2024



Member Type	Member Name	Municipality/ Organization	Role	Signature
Agency	Marcela Benavides	Los Angeles County Flood Control District	P	<i>MB</i>
Agency	Mark Beltran	Los Angeles County Flood Control District	A	
Agency	E.J. Caldwell	West Basin Metropolitan Water District	P	
Agency	Matthew Veeh	West Basin Metropolitan Water District	A	<i>Matthew Veeh</i>
Agency	Delon Kwan	Los Angeles City Water & Power	P	
Agency	Art Castro	Los Angeles City Water & Power	A	
Agency	Susie Santilena	Los Angeles City Sanitation and Environment	P	<i>Susie Santilena</i>
Agency	Hubertus Cox	Los Angeles City Sanitation and Environment	A	
Agency	Cathie Santo Domingo	Los Angeles City Recreation & Parks	P	
Agency	Darryl Ford	Los Angeles City Recreation & Parks	A	<i>Darryl Ford</i>
Community Stakeholder	Rita Kampalath	Los Angeles County Chief Sustainability Office	P	<i>Rita Kampalath</i>
Community Stakeholder	Rebecca Ferdman	Los Angeles County Chief Sustainability Office	A	
Community Stakeholder	Alysen Weiland	PSOMAS / Business Sector	P	
Community Stakeholder	Cecilia Mokler	PSOMAS / Business Sector	A	<i>Cecilia Mokler</i>
Community Stakeholder	Gloria Walton	The Solutions Project / SCOPE	P	
Community Stakeholder	Gloria Medina	The Solutions Project / SCOPE	A	<i>Gloria Medina</i>
Community Stakeholder	Bruce Reznik	Los Angeles Waterkeeper	P	
Community Stakeholder	Maggie Gardner	Los Angeles Waterkeeper	A	<i>Maggie Gardner</i>
Community Stakeholder	Edgar Campos		P	
Community Stakeholder				
Municipal Member	Josette Descalzo	Beverly Hills / West Hollywood	P	
Municipal Member	Matthew Magener	Beverly Hills / West Hollywood	A	<i>Matthew Magener</i>
Municipal Member	Sean Singletary	Culver City	P	<i>Sean Singletary</i>



# Central Santa Monica Bay

## Watershed Area Steering Committee Meeting

COMMITTEE MEMBER AND ALTERNATE SIGN-IN: FEBRUARY 6, 2024



Member Type	Member Name	Municipality/ Organization	Role	Signature
Municipal Member	Yanni Demitri	Culver City	A	
Municipal Membe	Roberto Perez	Los Angeles	P	
Municipal Member	Rafael Prieto	Los Angeles	P	
Municipal Member	Blayne Sutton-Wells	Los Angeles	A	Blayne Sutton-Wells
Municipal Member	Michelle Barton	Los Angeles	P	Michelle Barton
Municipal Member	Ryan Jackson	Los Angeles	A	
Municipal Member	Bruce Hamamoto	Los Angeles County	P	
Municipal Member	Geremew Amenu	Los Angeles County	A	
Municipal Member	Joshua Carvalho	Santa Monica	P	
Municipal Member	Selim Eren	Santa Monica	A	
Watershed Coordinator	Ava Farriday	Heal the Bay	WC	
Watershed Coordinator	Vanessa Boudreau	SGA Marketing	WC	Vanessa Boudreau

# Central Santa Monica Bay

## Watershed Area Steering Committee Meeting

PUBLIC SIGN-IN: FEBRUARY 6, 2024



First Name	Last Name	Municipality/Organization	Email Address
Mike	Sordano	City of LA-CASAN.	
SEAN	PHAN	CITY OF CASAN	

\*Signing or completing this form is voluntary for members of the public





## **SAFE CLEAN WATER PROGRAM**

### **Project Modification Requests for FY24-25 SIP**

### **WASC Roles and Responsibilities**



# Project Modification Requests (PMRs)

Updated PMR guidelines posted by the District on January 18.

- Reflects draft ROC recommendations and Supervisor Horvath's Motion to accelerate implementation of the SCWP.
- Modifies that submitted PMR sent to the WASCs will not be rescored in the current cycle, as the scoring criteria is being re-evaluated.
- The WASCS have discretion on whether and how to address these project modifications in the SIPs.



# Types of PMRs

- **Consistent with SIP (District staff)**
  - Schedule change or minor scope/benefit modifications with no impact to future funding allocations
- **Inconsistent with SIP (WASC)**
  - Any modification to the Funding Request
  - Significant modifications to Scope and/or Benefits

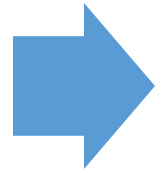
For more information, please review the [Project Modification Guidelines](#).



# Overview of a 'Consistent' PMR

## District Staff Review

- PMR Consistent with adopted SIP



WASC  
Notified



Staff Update  
Transfer  
Agreement  
with  
Proponent



# Overview of 'Inconsistent' PMR

## District Staff Review

- PMR Inconsistent with adopted SIP



PMR  
Referred to  
the WASC



Discussion  
Item with  
Proponents



PMR  
considered  
during SIP  
deliberation



## Potential ? for the PMR Proponent (1 of 2)

- What is the status of your project?
- Is design complete?
- How certain are you that the changes requested are final?
- *[If a Recipient has multiple projects under consideration]* which of your projects are the highest priority?



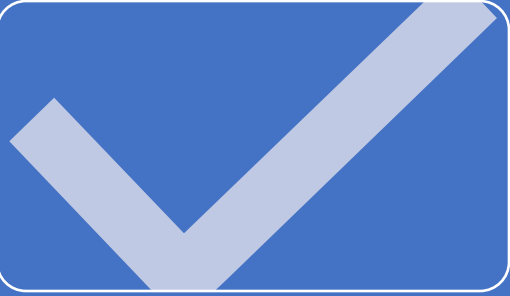


## Potential ? for the PMR Proponent (2 of 2)

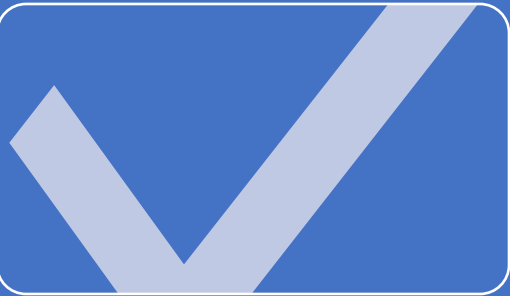
- Is additional funding needed for the project to be implemented?
- Have you considered other funding sources?
- Would spreading funding over additional years impact the project's ability to be implemented?
- Would your project succeed with only a portion of the additional funding request?



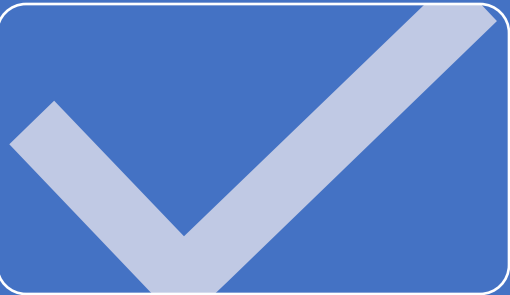
# Overview of PMR SIP Deliberation



Deem modified project as no longer meeting SCWP Goals, remove all projected SCWP funding or abandon modification



Deem modified project as meeting SCWP Goals, and continue to support only the original funding request (no additional funding)



Deem modified project as meeting SCWP Goals, and adjust funding in line with request, up to the amount requested in PMR

## ATTACHMENT A: Project Modification Request (PMR) FORM

The purpose of this PMR form is to initiate the Project modification process and provide the District with information necessary to evaluate the Project modification request.

<b>Regional Program</b>	<input checked="" type="checkbox"/> Infrastructure Program Project <input type="checkbox"/> Scientific Studies Program <input type="checkbox"/> Technical Resources Program
<b>Project/Study Name</b>	Edward Vincent Jr. Park Stormwater Improvements Project
<b>Project/Study Lead</b>	City of Inglewood
<b>Watershed Area(s)</b>	Central Santa Monica Bay
<b>Current Project Phase</b>	Design
<b>Approved Stormwater Investment Plan Fiscal Year</b>	FY23-24
<b>Transfer Agreement ID (e.g., 2020RPULAR52)</b>	2022RPCSMB02

Has Transfer Agreement or most recent Addendum been executed (i.e., signed by the project lead and the District)? ☒ Yes ☐ No

### What type(s) of modification request?

- ☒ like-for-like modifications
- ☒ functionally equivalent BMP modifications
- ☐ modifications to Project or Study components that were not material to the WASC, ROC, or Board's decision to include the Project or Study in the SIP
- ☒ minor modifications to the budget or schedule of intermediate tasks where the total Funded Activity amount and Funded Activity completion date is unchanged
- ☐ change in primary or secondary objective
- ☐ change in Project benefits
- ☐ change in methodology (e.g., infiltration instead of diversion to sanitary sewer)
- ☐ decrease in BMP capacity
- ☐ change in Project or Study location
- ☐ change in capture area where benefits claimed are diminished or where there is a change in the municipalities that are receiving benefits
- ☐ updated engineering analysis resulting in a reduction of benefits claimed
- ☐ increase in Construction Cost or Life Cycle Cost greater than 10%
- ☐ increase or reallocation of annual funding distribution
- ☐ change in Funded Activity completion date
- ☐ other, please describe:

# SCW Program

## Project Modification Guidelines



### Impact on scope or benefits?

- ☐ Improved  
☐ Diminished

- ☒ Neither  
☐ Not Sure

**Description of the proposed modification(s) and the reason(s) why the modification(s) is/are being proposed.**

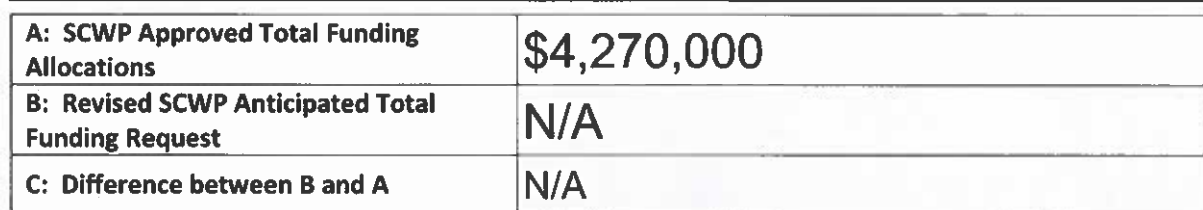
The City is moving the location of the sub-surface infiltration gallery from the ballfields to the open space area at the southwest end of the park. The City received Dodger's Dreamfields funding to renovate the ballfields which reopened in 2023. The Project can no longer include construction at the newly renovated ballfields. The open space area in the southwest end of the park is available, underutilized, and was already included in the project footprint for the bioretention area. Design scope modifications will include infiltration testing in the open space area rather than the ballfields. Project benefits will be maintained. The dry creek and bioretention area will be included in the revised concept. Rather than improving the ballfields through the Project, the Project will provide a new community/recreation/Park amenities in the open space area. The surface improvements will be defined and updated following community engagement during preliminary design.

**If applicable, list previously approved funding allocations/disbursements and revised funding request:**

**Note, if some or all of a previously Funded Activity cannot be completed as a result of the proposed modification, please include a description and indicate the amount of unused funds. Any unused funds should be reallocated and accounted for in your revised funding request.**

Fiscal Year	Approved Funding Allocations	Revised Funding Request	Description/Phase <i>If applicable, include description of unused funds</i>
22-23	\$1,035,000	N/A	
23-24	\$2,610,000	N/A	
24-25	\$625,000	N/A	
Future Funding			
<b>TOTAL</b>	<b>\$4,270,000</b>		

## Project Modification Guidelines

[illegible][illegible]

I certify the information and supporting documentation provided is accurate and true.	<input checked="" type="checkbox"/> YES
I understand this is a request and it is under the WASC's discretion to consider requested modifications.	<input checked="" type="checkbox"/> YES

**Organization** City of Inglewood Public Works Department

Date 11/22/2023

# SCW Program

## Project Modification Guidelines



### FOR DISTRICT USE ONLY

#### Proposed Modifications to Projects or Studies:

	Status	Date
Modified Project or Study is <b>consistent</b> with the Project or Study included in the current fiscal year's SIP and proposed modifications were <b>approved</b> by the District.	<input checked="" type="checkbox"/> YES	12/11/23
Modified Project or Study is <b>NOT consistent</b> with the Project or Study included in the current fiscal year's SIP. <b>If yes, select all that apply:</b>	<input type="checkbox"/> YES	
PMR was received <b>after</b> October 31 of a fiscal year and the PMR will be considered for approval during the preparation of <b>subsequent</b> SIP for the fiscal year <b>after</b> the next	<input type="checkbox"/> YES	-
For Infrastructure Program Projects, modified Project was sent to <b>Scoring Committee</b> . If yes, revised score:	<input type="checkbox"/> YES	
Project or Study <b>abandoned</b> the proposed modifications	<input type="checkbox"/> YES	
Project or Study was <b>withdrawn</b> from consideration by the WASC and shall issue repayment of unspent funds	<input type="checkbox"/> YES	
Proposed modifications were <b>recommended for approval</b> in the SIP	<input type="checkbox"/> YES <input type="checkbox"/> NO	

#### Proposed Modifications to Project Concepts:

	Status	Date
Proposed modifications were deemed <b>consistent</b> with the Project concept that was approved by the WASC, ROC and Board for inclusion in the SIP and can be addressed within the existing budget. District will proceed to incorporate the proposed modification into the Feasibility Study immediately.	<input type="checkbox"/> YES	
Proposed modifications were deemed significant enough to result in a <b>significantly different</b> Project concept from the one approved by the WASC, ROC and Board for inclusion in the SIP. <b>If yes, select one:</b>	<input type="checkbox"/> YES	
District to <b>discontinue</b> work on the Feasibility Study, return unused funds to be programmed in the SIP for the next fiscal year, and advise the proponent to submit the modified Project concept during the Call for Projects for a future fiscal year.	<input type="checkbox"/> YES	-
District to <b>abandon</b> the proposed modifications and proceed with the Project concept included in the SIP.	<input type="checkbox"/> YES	-



## ATTACHMENT A: Project Modification Request (PMR) FORM

The purpose of this PMR form is to initiate the Project modification process and provide the District with information necessary to evaluate the Project modification request.

<b>Regional Program</b>	<input checked="" type="checkbox"/> Infrastructure Program Project <input type="checkbox"/> Scientific Studies Program <input type="checkbox"/> Technical Resources Program
<b>Project/Study Name</b>	MacArthur Lake Rehabilitation Project
<b>Project/Study Lead</b>	City of Los Angeles, Sanitation and Environment (LASAN)
<b>Watershed Area(s)</b>	Central Santa Monica Bay
<b>Current Project Phase</b>	Design
<b>Approved Stormwater Investment Plan Fiscal Year</b>	FY20-21
<b>Transfer Agreement ID (e.g., 2020RPULAR52)</b>	2020RPCSMB04

**Has Transfer Agreement or most recent Addendum been executed (i.e., signed by the project lead and the District)?**    ☐ Yes    ☒ No

**What type(s) of modification request?**

- ☒ like-for-like modifications
- ☒ functionally equivalent BMP modifications
- ☐ modifications to Project or Study components that were not material to the WASC, ROC, or Board's decision to include the Project or Study in the SIP
- ☐ minor modifications to the budget or schedule of intermediate tasks where the total Funded Activity amount and Funded Activity completion date is unchanged
- ☐ change in primary or secondary objective
- ☐ change in Project benefits
- ☐ change in methodology (e.g., infiltration instead of diversion to sanitary sewer)
- ☐ decrease in BMP capacity
- ☐ change in Project or Study location
- ☐ change in capture area where benefits claimed are diminished or where there is a change in the municipalities that are receiving benefits
- ☐ updated engineering analysis resulting in a reduction of benefits claimed
- ☒ increase in Construction Cost or Life Cycle Cost greater than 10%
- ☒ increase or reallocation of annual funding distribution
- ☒ change in Funded Activity completion date
- ☒ other, please describe:

Increased project cost sharing.

# SCW Program

## Project Modification Guidelines



### Impact on scope or benefits?

- ☐ Improved  
☐ Diminished

- ☒ Neither  
☐ Not Sure

### Description of the proposed modification(s) and the reason(s) why the modification(s) is/are being proposed.

LASAN and its design consultants, have concluded the Pre-Design for the MacArthur Lake Rehabilitation Project (Project). The conceptual design included in the Feasibility Study served as the basis for the three (3) alternatives that are presented and evaluated in the Project Definition Report (PDR). The final recommended alternative in the PDR is based on an understanding of the project and its impact on the community, operations staff, existing infrastructure, regulations, and the surrounding environment. The now titled MacArthur Lake Stormwater Capture Project consists of various key components to maximize water quality and water supply benefits while providing community benefits. The updated elements and the drivers for their adjustments are described in Appendix A.

Since the execution of the Transfer Agreement (TA), the total project and construction costs have increased due to high cost escalation and economic inflation over the past few years. The Covid-19 Pandemic has been a major factor contributing to both material and labor shortages, which resulted in high escalation and inflation. The City of Los Angeles Bureau of Engineering (BOE) released a report in July 2022 with suggested inflation rates for project estimates. In August of 2023, BOE released an updated report with a revised inflation rate. Both of the rates are included as appendices for reference. Please see these attached letter detailing the modifications that were presented and approved by the CSMB WASC on November 7, 2023, before the PMR process was established.

The modifications previously accepted by the WASC included changes to Section A-3 Estimated Reasonable Total Activity Cost, Section A-10 Work Schedule and Completion Date Modifications, and Cost Share Modification of Exhibit A - Scope of Work of the TA.

### If applicable, list previously approved funding allocations/disbursements and revised funding request:

**Note, if some or all of a previously Funded Activity cannot be completed as a result of the proposed modification, please include a description and indicate the amount of unused funds. Any unused funds should be reallocated and accounted for in your revised funding request.**

Fiscal Year	Approved Funding Allocations	Revised Funding Request	Description/Phase <i>If applicable, include description of unused funds</i>
FY 20-21	\$2,000,000	\$2,000,000	Approved funding received
FY 21-22	\$2,000,000	\$2,000,000	Approved funding received
FY 22-23	\$9,397,900	\$9,397,900	Approved but not yet received; addendum #2 pending CEQA
FY 23-24	\$4,697,900	\$4,697,900	Approved but not yet received; addendum #3 pending CEQA
FY 24-25	\$1,947,918	\$5,947,918	Requesting an additional \$4M
Future Funding	\$0	\$7,000,000	Requesting additional funding for FY25/26 (\$4M); FY26/27 (\$3M)
<b>TOTAL</b>	<b>\$20,043,718</b>	<b>\$31,043,718</b>	Refer to table 1 in Appendix A for details

# SCW Program

## Project Modification Guidelines



<b>A: SCWP Approved Total Funding Allocations</b>	\$20,043,718
<b>B: Revised SCWP Anticipated Total Funding Request</b>	\$31,043,718
<b>C: Difference between B and A</b>	\$11,000,000

**If applicable, description of difference in SCWP Anticipated Total Funding Request. As a reminder, annual funding is at the discretion of the WASC, ROC, and ultimately the Board of Supervisors.**

Beside requesting additional funding from SCWP, LASAN has been actively pursuing various options to fill the funding gap. These include leveraging the City's Measure W Municipal Funds, securing funding from Proposition K (\$550K) to be used for park improvement purposes, and applying for both State and Federal Grants. A Letter of Intent (LOI) was submitted to a NOAA grant, but the Project was not selected. LASAN also submitted an application on 11/20/2023 requesting \$16.9M from California Natural Resources Agency Urban Greening Grant. Decisions regarding the grant award are pending.

### **Brief description of Supporting Documentation provided.**

Appendix A - MacArthur Project Modification Request (PMR) Details  
Appendix B - Project Benefit Comparison  
Appendix C - Quarter 4 (Q4) Fiscal Year (FY) 22-23 Quarterly Report Modification Letter  
Appendices D and E - BOE Inflation Rate Letters

<b>I certify the information and supporting documentation provided is accurate and true.</b>	<input checked="" type="checkbox"/> YES
<b>I understand this is a request and it is under the WASC's discretion to consider requested modifications.</b>	<input checked="" type="checkbox"/> YES

Name Michael Scaduto, P.E., ENV SP

Organization City of Los Angeles, LASAN

Signature Michael Scaduto  
Digitally signed by Michael Scaduto  
Date: 2023.11.30 07:29:00-08'00'

Date 11/30/2023

## FOR DISTRICT USE ONLY

**Proposed Modifications to Projects or Studies:**

	Status	Date
Modified Project or Study is <b>consistent</b> with the Project or Study included in the current fiscal year's SIP and proposed modifications were <b>approved</b> by the District.	<input type="checkbox"/> YES	
Modified Project or Study is <b>NOT consistent</b> with the Project or Study included in the current fiscal year's SIP. <b>If yes, select all that apply:</b>	<input checked="" type="checkbox"/> YES	12/13/23
PMR was received <b>after</b> October 31 of a fiscal year and the PMR will be considered for approval during the preparation of <b>subsequent</b> SIP for the fiscal year <u>after</u> the next	<input type="checkbox"/> YES	-
For Infrastructure Program Projects, modified Project was sent to <b>Scoring Committee</b> . If yes, revised score:	<input type="checkbox"/> YES	
Project or Study <b>abandoned</b> the proposed modifications	<input type="checkbox"/> YES	
Project or Study was <b>withdrawn</b> from consideration by the WASC and shall issue repayment of unspent funds	<input type="checkbox"/> YES	
Proposed modifications were <b>recommended for approval</b> in the SIP	<input type="checkbox"/> YES <input type="checkbox"/> NO	

**Proposed Modifications to Project Concepts:**

	Status	Date
Proposed modifications were deemed <b>consistent</b> with the Project concept that was approved by the WASC, ROC and Board for inclusion in the SIP and can be addressed within the existing budget. District will proceed to incorporate the proposed modification into the Feasibility Study immediately.	<input type="checkbox"/> YES	
Proposed modifications were deemed significant enough to result in a <b>significantly different</b> Project concept from the one approved by the WASC, ROC and Board for inclusion in the SIP. <b>If yes, select one:</b>	<input type="checkbox"/> YES	
District to <b>discontinue</b> work on the Feasibility Study, return unused funds to be programmed in the SIP for the next fiscal year, and advise the proponent to submit the modified Project concept during the Call for Projects for a future fiscal year.	<input type="checkbox"/> YES	-
District to <b>abandon</b> the proposed modifications and proceed with the Project concept included in the SIP.	<input type="checkbox"/> YES	-

## Appendix A: MacArthur Project Modification Request (PMR) Details

### What type(s) of modification request?

#### Like for like modifications:

Diversion & Pretreatment – **RELOCATED DOWNSTREAM ON SAME DRAIN.** The original diversion was located at the intersection of Wilshire Blvd and Alvarado St and consisted of a 181.4-acre drainage area. The existing inverts and lake elevation prohibited gravity diversion while placing project elements within the travel lanes requiring interruptions during all maintenance events. The diversion was shifted downstream along the same storm drain network to Lake St immediately south of 7<sup>th</sup> St to a more easily accessible area for maintenance and the installation of a wet well for pumping. This increased the diverted drainage area to 200 acres. In addition to the shift in location and the requirement for pumping, the peak diversion rate was analyzed and adjusted to 12.6 cfs. This diversion ensures that 80% of the 85<sup>th</sup> percentile design storm volume is continued to be captured and treated. A similar pretreatment system is proposed that provides for 100% trash capture and remains unchanged.

Treatment Filter – **INCREASED IN CAPACITY.** The original concept included adding a 900 gallon per minute (gpm) (2.0 cfs) treatment filter to help improve the water quality entering the lake. The updated concept proposes increasing the treatment filter rate to 1,800 gpm (4.0 cfs) to provide added pollutant removal of fines and metals prior to discharge into the lake.

Overall water quality performance – The original water quality metric provided within the transfer agreement identifies a 100% zinc removal and 100% trash removal. The project maintains the 100% trash removal by ensuring a seal above the 100-year hydraulic grade line thus capturing all trash that is diverted to the system. Through the combination of the pretreatment, filter, and lake settling, the zinc pollutant loading is anticipated to be 84%. While a goal of 100% zinc reduction is ideal, engineering realities show that no system will ever truly be 100% unless capable of diverting the entirety of the existing drain into the treatment system, which is infeasible and impractical. Knowing that redirecting the existing drain into the park would not be feasible, the project sought to maintain a robust pollutant removal performance that would be consistent with what was originally envisioned. While there is a slight decrease, the project remains within the same bands of scoring, consistent with the original project intent.

Overall water supply performance – The original water supply metric provided within the transfer agreement identifies 129.5 ac-ft/yr. Though more water is anticipated to be treated through the filtration system during an event, the larger drainage area and the continued use of the lake for storage prior to discharge to the sanitary sewer is anticipated to yield an average annual water supply volume of 88.4 ac-ft/yr. This water also offsets the potable water use presently needed to fill the lake.

#### Functionally equivalent BMP modifications:

Water Feature/Terrace Garden – **SHIFTED LOCATION.** The original concept included a treatment wetland on the eastern banks of the lake that would provide treatment to the inflows. The constructed wetlands were shifted to the western banks of the lake to a lesser used space and built into the hillside in a terraced fashion to promote continual circulation, aeration, and filtration through root and soil medias. Due to the stepped nature of the adjusted feature, the treatment was renamed a terrace garden, but the function is the same as the original envisioned constructed wetland.

Storage – The original 24-hr storm capacity was identified as 13.1 ac-ft consisting of several 45 feet deep vertical cisterns that would be located within the driving lanes of Alvarado Dr. and lake storage. These cistern depths would pose maintenance issue as they exceed the 25-foot depth limit of the City Vector trucks. Additionally, the heavy traffic along Alvarado combined with the required regular maintenance of the pre-treatment system necessitated moving the diversion, pretreatment, and storage, as outlined above. In addition, with the heavy presence of existing underground utilities and substructures, it would be very costly to implement the proposed cisterns. Given these constraints and the shift in the diversion, an alternative solution for the storage system was required and the most cost-efficient method identified as the use of the lake for primary storage. The updated design has an inflow 24-hour storm capacity of 23.8 ac-ft. The inflow is directed through the 4 cfs treatment filter and then discharged to the lake for up to 5 ac-ft thus providing 100% removal of trash and zinc for this fraction of the flow. Any flows greater than 4 cfs are returned to the existing storm drain having had an estimated 100% of the trash, 80% of the sediment, and 50% of the metals removed. Through long-term simulation modeling looking at 20-years of storm data, this system is expected to remove 100% of trash and 83% of zinc on an average annual basis.

Lake Recirculation Treatment – The original concept assumed that the existing 600 gpm (1.3 cfs) water circulation system would treat the water through a combination of a sand filter and UV. It should be noted that the 600 gpm filter is not presently operational and the original concept did not include scope nor budget to bring the system online. The present effort has incorporated the rehabilitation of the water circulation system that will bring the sand filter and UV treatment systems online and provide additional treatment of the lake water that is circulated through the terraced garden.

Landscape features – The original concept incorporated elements north of Wilshire and increased the tree canopy by 33 trees with an added 4,300 square feet of vegetation. Per conversations with the City Recreation and Park Department (RAP), a smaller overall project footprint that kept many of the existing uses intact was desired and the project shifted focus to the south of Wilshire and the western portion of the park where it had lower utilization. The terraced garden accounts for 10,450 square feet of new vegetation within the site and a total of 20 trees are incorporated into the project limits.



### **Increase in Construction Cost or Life Cycle Cost greater than 10%**

Since the original cost estimate, the design has been modified to include a pump station, additional treatment filters, and associated piping to ensure treatment of the whole drainage area while maintaining an 80% target of pollutant reduction. Additionally, construction costs have increased due to escalation and inflation which was attributed by supply chain shortages in both labor and materials.

Phase	Approved	Modified
Project Management	\$740,000	\$200,000
Pre-Design	\$600,000	\$1,614,730
Design	\$4,260,000	\$1,470,079
EIR Consultant	\$0	\$912,147
Bid and Award	\$517,900	\$146,000
Construction	\$13,575,818	\$31,091,000
Construction Management	\$350,000	\$1,659,762
Post Construction	\$0	\$150,000
Optimization	\$0	\$150,000
Audit Fee	\$0	\$200,000
<b>Total Project Cost</b>	<b>\$20,043,718</b>	<b>\$37,593,718</b>

### **Increase or reallocation of annual funding distribution:**

Change of total Regional funding request (from \$20,043,718 to \$31,043,718)

**Table 1.** Approved SCW Program contribution and additional request

Cash Flow	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY26/27	TOTAL
Approved	\$2,000,000	\$2,000,000	\$9,397,900	\$4,697,900	\$1,947,918	\$0	\$0	\$20,043,718
Additional Request	\$0	\$0	\$0	\$0	\$4,000,000	\$4,000,000	\$3,000,000	\$11,000,000
Total Regional Funding	\$2,000,000	\$2,000,000	\$9,397,900	\$4,697,900	\$5,947,918	\$4,000,000	\$3,000,000	\$31,043,718

**Change in Funded Activity completion date:**

The original concept was deemed infeasible due to the excessive inverts of the vertical system and the necessary regular traffic interruptions caused by routine maintenance. Additionally, the Recreation and Park Department of the City desired elements be installed on the west side of the park in lieu of the conceptualized east side. This required a re-envisioning of the concept to maintain the water quality, water supply, and community benefits identified. A new modeling analysis and Project Definition Report were generated to ensure a project that was maintainable and acceptable to the various City departments.

Phase	Approved Start Date	Approved End Date	Start Date Modification	End Date Modification
Pre-Design	01/01/21	12/31/21	02/15/21	08/31/22
Design	01/01/22	03/31/23	05/09/23	10/01/24
Bid and Award	01/01/23	09/30/23	10/02/24	05/01/25
Construction	07/01/23	03/31/25	05/02/25	11/01/26
Post Construction	04/01/25	06/30/25	11/02/26	11/01/27
O&M	04/01/25	06/30/75	11/02/27	11/02/77

**Other – Increased project cost sharing.**

As reported in previous quarterly reports to date, the City has been leveraging funding from Municipal Funds in support of the project delivery. LASAN has incurred cost share expenditures for the City of Los Angeles, Department of Public Works charges for project administration and implementation, design review, community engagement and outreach, environmental review, and construction management. The estimated City staff cost to support the Project is \$5.35M. In addition, the City has budgeted \$550,000 in FY24/25 to go towards delivery expenditures for the Project. These investments reflect the City's commitment to leveraging and maximizing benefits delivered in the Regional Program. A summary of the leverage fund to offset the Project's cost increase is provided below

Funding Info	FY 23/24 (Secured)	FY 24/25 (Proposed)	FY 25/26 (Proposed)	FY 26/27 (Proposed)	TOTAL
Prop K	\$550,000	\$0	\$0	\$0	\$550,000
Municipal Funding	\$0	\$600,000	\$5,200,000	\$200,000	\$6,000,000

## Appendix B: MacArthur Lake Rehabilitation Project Benefit Comparison

SCWP Metric	Description of Changes
A. Water Quality Benefits	<p>The overall zinc pollutant removal for the project slightly decreased but remains above the 80% target of the SCWP. Trash removal will remain at 100%.</p> <p>The Project encountered two new pieces of information during the pre-design that necessitated an alternative that could meet the original goals of the initial feasibility study; 1) cistern depths exceeded maintenance equipment, and 2) regular maintenance access requiring lane closures within Alvarado would not be acceptable. Additionally, the original water quality metric provided within the transfer agreement identifies a 100% zinc removal and 100% trash removal. The storage volume shifted from the vertical cisterns to the lake while still providing an elevated level of treatment through pretreatment and a treatment filter prior to discharging to the lake. The Project maintains the 100% trash removal by ensuring a seal above the 100-year hydraulic grade line thus capturing all trash that is diverted to the system. Through the combination of the pretreatment, filter, and lake settling, the zinc pollutant loading is anticipated to be 83%. The project sought to maintain a robust pollutant removal performance that would be consistent with what was originally envisioned.</p>
B. Water Supply Benefits	<p>The modeled annual water supply through lake potable offset and sanitary sewer discharge to Hyperion is decreased from 129.5 to 88.4 ac-ft/yr due to the decreased storage volume and increased filtration rate.</p>
C. Community Investment Benefits	<p>The updated project has maintained the 6 identified community investment benefits.</p>
D. Nature-Based Solutions	<p>The same nature-based solutions including terraced gardens with native plantings and new trees will be provided.</p>
E. Leveraging Funds	<p>The City of Los Angeles leveraged Municipal Funds for staff charges in support of project delivery. The estimated City staff cost to support the project is \$5.35M. In addition, the City is also contributing leverage funding, \$6.55M to offset the project cost increase. These investments reflect the City's commitment to leveraging and maximizing benefits delivered in the Regional Program.</p>
E. Community Support	<p>The community support for the project remains the same.</p>

**BOARD OF PUBLIC WORKS  
MEMBERS**

**AURA GARCIA**  
PRESIDENT

**M. TERESA VILLEGAS**  
VICE PRESIDENT

**DR. MICHAEL R. DAVIS**  
PRESIDENT PRO TEMPORE

**VAHID KHORSAND**  
COMMISSIONER

**SUSANA REYES**  
COMMISSIONER

**DR. FERNANDO CAMPOS**  
EXECUTIVE DIRECTOR

**CITY OF LOS ANGELES  
CALIFORNIA**



**KAREN BASS**  
MAYOR

**BUREAU OF SANITATION**

**BARBARA ROMERO**  
DIRECTOR AND GENERAL MANAGER

**TRACI J. MINAMIDE**  
CHIEF OPERATING OFFICER

**SARAI BHAGA**  
CHIEF FINANCIAL OFFICER

**JULIE ALLEN**  
**NICOLE BERNSON**  
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**ALEXANDER E. HELOU**  
**ROBERT POTTER**  
ASSISTANT DIRECTORS

**TIMEYIN DAFETA**  
HYPERION EXECUTIVE PLANT MANAGER

1149 SOUTH BROADWAY, 9<sup>TH</sup> FLOOR  
LOS ANGELES, CA 90015  
TEL: (213) 485-2210  
FAX: (213) 485-2979  
WWW.LACITYSARL.ORG

August 14, 2023

ELECTRONIC SUBMITTAL (safecleanwaterla@dpw.lacounty.gov)

DPW-Safe, Clean Water LA  
Attn: Safe Clean Water Program Team

**REQUEST FOR MODIFICATIONS TO SCOPE OF WORK - EXHIBIT A, SECTIONS  
A-3 AND A-10 OF AGREEMENT NO. 2020RPCSMB04 FOR THE MACARTHUR  
LAKE REHABILITATION PROJECT**

The City of Los Angeles Bureau of Sanitation and Environment (LASAN), as the Project Developer, is requesting to make modifications to the Scope of Work – Exhibit A, Sections A-3, and A-10 of Agreement No. 2020RPCSMB04 for the MacArthur Lake Rehabilitation Project (Project) for Quarter 4 (Q4) Fiscal Year (FY) 22-23 Quarterly Report.

As described in the original application and transfer agreement, the Project is a stormwater quality improvement project located at and adjacent to MacArthur Park in the City of Los Angeles (2230 W. 6<sup>th</sup> Street). It would divert a portion of storm water flows from the existing underground storm drain system, treat the water, and discharge it into MacArthur Lake for storage or return it to the storm drain system. The Project will provide community benefits to the Westlake neighborhood, a disadvantaged community in Council District 1, through landscaping and land use improvements to preserve and enhance the utility of the park, a Los Angeles Historic Cultural Monument.

The Project aims to improve water quality in the Ballona Creek watershed to better achieve compliance with regulatory standards and provide tangible community benefits, such as treating stormwater runoff, partially offsetting potable water use, and providing educational features. The Project would achieve these aims by capturing, treating, and reusing stormwater. The proposed Project would also enhance MacArthur Park by increasing educational opportunities as well as adding to the park's passive recreational amenities. The estimated Project cost at the time the Project was submitted for Measure W Regional Program funding was \$20 million dollars, which was awarded in Round 1, Measure W Regional Program Funds.

***zero waste • zero wasted water***

The Transfer Agreement for this Project was executed by the District on August 6, 2021. Since that execution, LASAN has concluded the pre-design phase with the following tasks. Prepared a Project Definition Report to assess up to three (3) distinct alternatives for the Project. Prepared a Basis of Design Report (BDR) for the preferred alternative selected. Conducted several community outreach and engagement activities. And began the preparation for the documentation in compliance with the California Environmental Quality Act (CEQA). The design phase is now ongoing as of May 2023.

Based on these recent efforts, a summary of the requested modifications is provided below.

Scope of Work Section	Section Breakdown				
<b>(A-3) Estimated Reasonable Total Activity Cost</b>	<b>Phase</b>	<b>Approved</b>		<b>Modification</b>	
	Project Management & On-Site Enforcement	\$740,000		\$0	
	Pre-Design	\$600,000		\$2,316,525	
	Design	\$4,260,000		\$1,680,431	
	Admin/Bid and Award	\$517,900		\$146,000	
	Construction	\$13,575,818		\$31,091,000	
	Construction Management	\$350,000		\$1,020,000	
	<b>Total Project Cost</b>	<b>\$20,043,718</b>		<b>\$36,253,956</b>	
<b>(A-10) Reporting Module Schedule</b>	<b>Phase</b>	<b>Approved Start Date</b>	<b>Approved End Date</b>	<b>Start Date Modification</b>	<b>End Date Modification</b>
	Pre-Design:	01/01/21	12/31/21	<b>02/15/21</b>	<b>08/31/22</b>
	Design:	01/01/22	03/31/23	<b>05/09/23</b>	<b>10/01/24</b>
	Bid and Award:	01/01/23	09/30/23	<b>10/02/24</b>	<b>05/01/25</b>
	Construction:	07/01/23	03/31/25	<b>05/02/25</b>	<b>11/01/26</b>
	Post Construction/Optimization:	04/01/25	06/30/25	<b>11/02/26</b>	<b>11/01/27</b>
	O&M:	04/01/25	06/30/75	<b>11/02/27</b>	<b>11/02/77</b>

In addition, in the FY22/23 Q4 reports, LASAN is outlining a technical Scope Modification under the “Cost Share Modifications” category. As reported in previous quarterly reports to date, the City has been leveraging funding from Municipal Funds for staff charges in support of project delivery. City of Los Angeles Public Works staff charges relate to planning, design, and construction (i.e. project administration, design review, outreach, environmental review, and construction management). The City has also obtained funding from Prop K for park improvements during Construction in the amount of \$550,000. These investments reflect the City’s commitment to leveraging and maximizing benefits delivered in the Regional Program. A summary of the leverage fund amounts for this Project is provided below.

<b>Leveraging Funds for the Project</b>	<b>Timeframe</b>	<b>Approved</b>	<b>Modification</b>
	From Project Approval Through FY22/23 Q3	\$0	\$93,640.66
	FY22/23 Q4	\$0	\$42,684.69
	Estimate for the Future Through Project Completion	\$0	\$5,213,500.00
	<b>Total Estimated Through Project Completion</b>	<b>\$0</b>	<b>\$5,349,825.35</b>

With this letter, LASAN is notifying the Safe, Clean Water Program of the Project’s modifications, which would be part of the Project’s Quarterly Report for FY22/23 Q4 in the Safe Clean Water Module. If you have any questions, please contact the City’s Measure W Program general email address at [san.safecleanwater@lacity.org](mailto:san.safecleanwater@lacity.org).

Sincerely,

*Michael Scaduto*  
Digitally signed by Michael Scaduto  
Date: 2023.08.11 07:52:42-07'00'  
Michael Scaduto, P.E., ENV SP  
Principal Engineer  
Safe Clean Water Implementation Division  
LA Sanitation and Environment

cc:  
Julie Allen, LASAN  
Susie Santilena, LASAN  
Sean Phan, LASAN  
Ida Meisami-Fard, LASAN

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

**Agenda Item No. 9**

Date: 7/28/22

To: Municipal Facilities Committee

From: Deborah Weintraub, AIA, LEEDAP  
Chief Deputy City Engineer



Electronically Signed by Deborah Weintraub  
on 07/12/2022 12:53:31 PM

Subject: **FUNDING FOR CONSTRUCTION COST INFLATION**

**Recommendations:**

1. That the Bureau of Engineering (BOE) work with the office of the City Administrative Officer to develop a funding strategy for projects that are either in construction and/or starting construction in Fiscal Year 2022-23 due to construction cost inflation, and;
2. Reassess market conditions in January 2023 to adjust this strategy accordingly.

**Introduction:**

The BOE is submitting this report in order to alert our City Hall colleagues of significant price increases we are experiencing in construction cost bids. The construction cost increases have a variety of causes and are extraordinary. In order to deliver committed capital projects to the City residents, the funding allocations for construction projects may need to be augmented.

**Background:**

Non-residential building inflation between 2011 and 2020 on a national basis was on average 3.7% annually (Zarenski, 2021<sup>1</sup>), and 2.4% in California (California Department of General Services). While the pandemic initially decreased construction activity in 2020, in 2021 there was a large increase in demand for construction materials. Unfortunately, this demand was met with serious supply chain challenges, and this resulted in a reduction in the availability of construction materials and higher construction costs.

Between January 2020 to July 2021, prices of all materials and services for new construction performed by contractors has gone up 26.3% on a national average (AGC, August 2021<sup>2</sup>), and 13% in California (California Department of General Services, 2022). The California Department of General Services also reported that new construction costs in California went up 15.22% from June 2021 to June 2022.

Through 2022, prices for construction materials have continued their ascent and in addition, skilled labor has become even more scarce than previous years. Construction project starts are also being delayed to account for supply chain challenges and labor shortages, and the

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<sup>1</sup> Zarenski is a nationally recognized construction economics analyst, author, educator and presenter. Website: <https://edzarenski.com/>. Article: <https://edzarenski.com/2022/02/11/construction-inflation-2022/>

<sup>2</sup> AGC is an organization of qualified construction contractors and industry related companies dedicated to skill, integrity and responsibility. Website: <https://www.agc.org/>

time delays and the uncertainty in product pricing are also resulting in higher bids (Engineering News Record, 2021). Contractors are transferring these risks to the Owner at the time of bidding.

### **Forecast:**

Market analysis is showing the construction cost escalation rate in Los Angeles is currently 7.99% per year (Rider Levett Bucknall (RLB), 2022<sup>3</sup>), however, RLB is using 8.04% per year in their cost estimate calculations, and HNTB<sup>4</sup> is using 15%.

Below is a summary of some of the other market forces impacting construction costs. As of February 2022, diesel fuel, steel mill products, lumber, plywood, copper, brass, aluminum, plastic, gypsum, concrete, pavement, and roofing have all gone up drastically and forecasts are predicting that prices through 2022 will exceed peak prices of 2021 (Engineering News Record, 2022<sup>5</sup>). Interest rates are set to continue to rise, and the Russia-Ukraine war creates a lot of uncertainty and has market impacts. Supply chain and labor issues continue to cause a backlog of orders and an inventory shortage, indicating a supply-demand imbalance that will result in higher-priced goods and services. The anticipated pace of inflation is not likely to decelerate until 2023, with manufacturers potentially beginning to catch up to demand in late 2022, potentially with supply chains largely unclogged by late-2023 (CBRE, 2022<sup>6</sup>).

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<sup>3</sup> RLB is a global cost consultant partner and a nationally recognized project management and advisory firm. Website: <https://www.rlb.com/americas/>. Article: <https://s31756.pcdn.co/americas/wp-content/uploads/sites/4/2022/03/City-Market-Insight-LOS-ANGELES-Q1-2022.pdf>

<sup>4</sup> HNTB is a national engineering consulting company, with a strong presence in Southern California. Website: <https://www.hntb.com/>

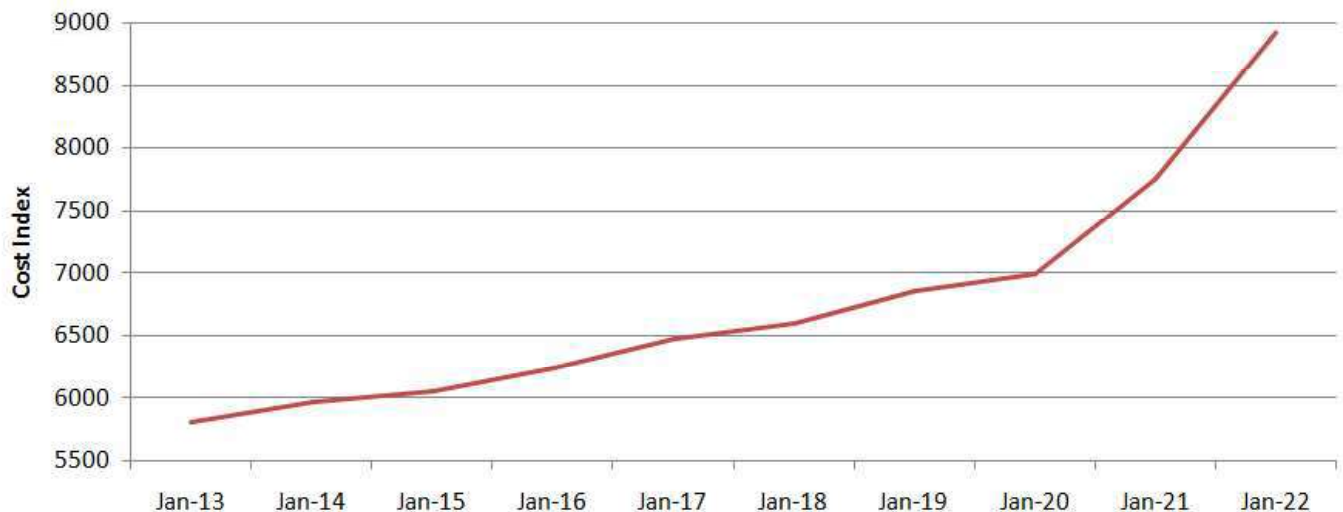
<sup>5</sup> Engineering News Record is a national magazine that covers the engineering and construction industry. Website: <https://www.enr.com/>

<sup>6</sup> CBRE is the world's largest commercial real estate services & investment company. Website: <https://www.cbre.com/about-us> . Article: <https://www.cbre.com/en/insights/reports/2022-fm-cost-trends-report> .



## Data Analysis:

### 10-Year New Construction Inflation



**\*New Construction Inflation has gone up 54% in the past 10 years**

Source: Department of General Services California Construction Cost Index (CCI), 2022

Information graphed by the Bureau of Engineering, June 2022

"The California Construction Cost index is developed based upon Building Cost Index (BCI) cost indices average for San Francisco and Los Angeles ONLY as produced by Engineering News Record (ENR) and reported in the second issue each month" (DGS).

## BOE Bid Results:

In the past couple of years, there has been a wide range of cost changes with a general trend of higher than average cost increases. For example, BOE looked at price escalation data from City bids from 2021 to 2022 for two key construction scopes used on our projects that are typically bid on a unit price basis; concrete sidewalk/driveway and concrete pavement. In the past year the average unit cost of concrete sidewalk/driveway and concrete pavement increased by 79% and 21% respectively. We also found that there was a high variation on the cost changes in AC pavement.

In addition, we looked at 20 Municipal Facility project bids between 2017 to the present. These projects are typically bid on a lump sum basis. Our analysis was to look at the variance between the low bid and City Engineer's Estimate on a project-by-project basis. The average in the variance between the low bid price as compared to the City Engineer Estimate from 2017 through 2021 was that the low bid averaged 5.9% higher than the City Engineer's estimate. In 2022 this number increased dramatically to the low bids averaging 40.68% higher than the City Engineer's Estimate.

## BOE Actions:

BOE is in the process of developing a draft cost inflation clause for City construction contracts, which would establish the mechanism for cost adjustments during construction for demonstrated inflationary cost increases and decreases. BOE intends to vet the proposed language with the local construction industry and with our City partners. This will help offset the perceived need by contractors to price risk into their bids.

Additionally, BOE is in the process of revising the suggested inflation rates for project budgeting. Since 2014, BOE suggested using 5% as the inflation rate for all new construction. The below chart is BOE's suggested inflation rates to use for future estimates:

Date	Annual Rate
July 1, 2022 - June 30, 2023	15%
July 1, 2023 - June 30, 2024	12%
July 1, 2024 - June 30, 2025	9%
July 1, 2025 - June 30, 2026	8%
July 1, 2026 - June 30, 2027	8%

The potential recession may cause changes in these inflation rates. Therefore, it is recommended to re-assess these rates in six months.

RL/MA:tt

Box\CMD\Administration\Municipal Facilities Meeting Minutes\MFC Report Construction Inflation

cc: Mary Hodge, Deputy Mayor  
Aura Garcia, Board of Public Works  
Teresa Villegas, Board of Public Works  
Mike Davis, Board of Public Works  
Vahid Khorsand, Board of Public Works  
Susana Reyes, Board of Public Works.  
Gary Lee Moore, Bureau of Engineering  
Ted Allen, Bureau of Engineering  
Alfred Mata, Bureau of Engineering  
Julie Sauter, Bureau of Engineering  
Jose Fuentes, Bureau of Engineering  
Richard Louie, Bureau of Engineering

**CITY OF LOS ANGELES**  
INTERDEPARTMENTAL CORRESPONDENCE

Agenda Item No. 3

Date: August 21, 2023

To: Municipal Facilities Committee

From:   
Ted Allen, City Engineer  
Bureau of Engineering

Subject: **FUNDING FOR CONSTRUCTION COST INFLATION UPDATE**

The Bureau of Engineering (BOE) is submitting this report to follow up on the Report presented at the July 2022 meeting which alerted our City Hall colleagues to significant price increases being experienced in construction cost bids. The construction cost increases have a variety of causes and remain higher than historic norms for the last decade, but have started to decline from recent highs. In order to deliver committed capital projects to the City residents, the funding allocations for construction projects may need to be augmented.

In the July 2022 report, BOE released the following chart for suggested inflation rates to use for future estimates:

Inflation rates per July 2022 Report	
Period	Construction Cost Inflation Annual Rate (%)
July 1, 2022 - June 30, 2023	15
July 1, 2023 - June 30, 2024	12
July 1, 2024 - June 30, 2025	9
July 1, 2025 - June 30, 2026	8
July 1, 2026 - June 30, 2027	8

Based on current market conditions, we recommend the chart be updated to the following:

Inflation Rates per July 2023 Report	
Period	Construction Cost Inflation Annual Rate (%)
July 1, 2022 - June 30, 2023	15
July 1, 2023 - June 30, 2024	8
July 1, 2024 - June 30, 2025	7
July 1, 2025 - June 30, 2026	6
July 1, 2026 - June 30, 2027	5

It should be noted that inflation for different construction types may vary. The proposed inflation rates assume that cost estimates being completed now are starting with unit costs that have accounted for the large inflationary pressures seen previously. Otherwise, additional adjustments should be made as needed to account for prior inflation to the point in time that the unit costs were established.

TA/DW/RL/MA/:tt:eg

BOX\EXE\\_Ready for Signature\TSA\Outbox\Archived\2023\Revised\_Construction  
Inflation MFC Report 080323 \_eg

cc: Randall Winston, Office of the Mayor  
Aura Garcia, Board of Public Works  
Teresa Villegas, Board of Public Works  
Mike Davis, Board of Public Works  
Vahid Khorsand, Board of Public Works  
Susana Reyes, Board of Public Works

## ATTACHMENT A: Project Modification Request (PMR) FORM

The purpose of this PMR form is to initiate the Project modification process and provide the District with information necessary to evaluate the Project modification request.

<b>Regional Program</b>	<input checked="" type="checkbox"/> Infrastructure Program Project <input type="checkbox"/> Scientific Studies Program <input type="checkbox"/> Technical Resources Program
<b>Project/Study Name</b>	Ballona Creek TMDL Project
<b>Project/Study Lead</b>	City of Los Angeles, LA Sanitation and Environment (LASAN)
<b>Watershed Area(s)</b>	Central Santa Monica Bay
<b>Current Project Phase</b>	Construction
<b>Approved Stormwater Investment Plan Fiscal Year</b>	FY 21-22
<b>Transfer Agreement ID (e.g., 2020RPULAR52)</b>	2021RPCSMB01

**Has Transfer Agreement or most recent Addendum been executed (i.e., signed by the project lead and the District)?**    ☐ Yes    ☒ No

**What type(s) of modification request?**

- ☐ like-for-like modifications
- ☐ functionally equivalent BMP modifications
- ☐ modifications to Project or Study components that were not material to the WASC, ROC, or Board's decision to include the Project or Study in the SIP
- ☐ minor modifications to the budget or schedule of intermediate tasks where the total Funded Activity amount and Funded Activity completion date is unchanged
- ☐ change in primary or secondary objective
- ☐ change in Project benefits
- ☐ change in methodology (e.g., infiltration instead of diversion to sanitary sewer)
- ☐ decrease in BMP capacity
- ☐ change in Project or Study location
- ☐ change in capture area where benefits claimed are diminished or where there is a change in the municipalities that are receiving benefits
- ☐ updated engineering analysis resulting in a reduction of benefits claimed
- ☒ increase in Construction Cost or Life Cycle Cost greater than 10%
- ☒ increase or reallocation of annual funding distribution
- ☐ change in Funded Activity completion date
- ☒ other, please describe:

Increased project cost sharing.

# SCW Program

## Project Modification Guidelines



### Impact on scope or benefits?

- ☐ Improved  
☐ Diminished

- ☒ Neither  
☐ Not Sure

### Description of the proposed modification(s) and the reason(s) why the modification(s) is/are being proposed.

The Ballona Creek TMDL Project is a collaborative water quality compliance project implemented by five partner cities in the Ballona Creek watershed, along with the County of Los Angeles and Los Angeles County Flood Control District (District). The Project will achieve the following objectives: meet the dry weather requirements of the TMDL for bacteria in Ballona Creek, Ballona Estuary and Sepulveda Channel; protect public health in the downstream Ballona Estuary and Santa Monica Bay; and provide a new source of water to the Hyperion Water Reclamation Plant (HWRP) for recycling and beneficial reuse in the region.

LASAN submitted modifications to the Scope of Work in Exhibit A of Agreement No. 2021RPCSMB01 for the Project in the Quarter 1 (Q1) Fiscal Year (FY) 22-23 Quarterly Report. Please see these attached letter detailing the modifications that were presented and approved by the CSMB WASC on June 6, 2023 before the PMR process was established. The modifications that previously were accepted by the WASC included changes to the Project schedule and total project cost as LASAN had since awarded a construction contract to Kiewit Infrastructure West Co. as the lowest, responsible bidder for a total project cost of \$77,593,000.

This PMR requests an additional \$7M (spread evenly between FY25/26 and FY26/27) from the CSMB WASC to address the funding deficit. Please see further description below.

FY24/25 and FY25/26

### If applicable, list previously approved funding allocations/disbursements and revised funding request:

**Note, if some or all of a previously Funded Activity cannot be completed as a result of the proposed modification, please include a description and indicate the amount of unused funds. Any unused funds should be reallocated and accounted for in your revised funding request.**

Fiscal Year	Approved Funding Allocations	Revised Funding Request	Description/Phase <i>If applicable, include description of unused funds</i>
21/22	\$3,000,000	\$3,000,000	This allocation has been received.
22/23	\$3,000,000	\$3,000,000	This allocation has been received.
23/24	\$3,000,000	\$3,000,000	This addendum is currently being executed.
25/26	\$3,000,000	\$6,500,000	Requesting an additional \$3.5M.
26/27	\$3,000,000	\$6,500,000	Requesting an additional \$3.5M.
Future Funding	\$0	\$0	
<b>TOTAL</b>	<b>\$15,000,000</b>	<b>\$22,000,000</b>	Requesting an additional \$7M

# SCW Program

## Project Modification Guidelines



<b>A: SCWP Approved Total Funding Allocations</b>	\$15,000,000
<b>B: Revised SCWP Anticipated Total Funding Request</b>	\$22,000,000
<b>C: Difference between B and A</b>	\$7,000,000

**If applicable, description of difference in SCWP Anticipated Total Funding Request. As a reminder, annual funding is at the discretion of the WASC, ROC, and ultimately the Board of Supervisors.**

As described in the Q1 FY 22-23 Quarter Report update, LASAN had a \$45,699,000 project funding deficit to fill due to the updated total project cost. This total project cost increase is mainly attributable to historical inflation and market conditions as well as comments received to ensure OSHA and federal Army Corp permit compliance while bringing the design from 50% when approved in Round 2 of the Regional Program to the 100% design and contract awarded this year.

LASAN has committed to delivering this project as scoped and has compiled various other leveraged funding sources including, but not limited to, Proposition O, Caltrans contributions, a project partner costsharing MOA, Municipal SCW funds, and City of Los Angeles general funds. Please see the attached summary of cost sharing.

This PMR requests an additional \$7M (spread evenly between FY25/26 and FY26/27) from the CSMB WASC to address the funding deficit. This accounts for about 15% of the realized deficit and is proportional to the cost associated with solely inflation over the past few years since the Project's approval in Round 2.

### Brief description of Supporting Documentation provided.

**FY24/25 and FY25/26**

Attachment #1: Quarter 1 (Q1) Fiscal Year (FY) 22-23 Quarterly Report Modification Letter  
Attachment #2: Construction Contract Notice To Proceed  
Attachment #3: Summary of Cost Sharing  
Attachment #4 and #5: City of Los Angeles Bureau of Engineering Inflation Rate Letters

<b>I certify the information and supporting documentation provided is accurate and true.</b>	<input checked="" type="checkbox"/> YES
<b>I understand this is a request and it is under the WASC's discretion to consider requested modifications.</b>	<input checked="" type="checkbox"/> YES

Name Michael Scaduto, P.E., ENV SP

Organization City of Los Angeles, LASAN

Signature Michael Scaduto Digitally signed by Michael Scaduto  
Date: 2023.11.30 07:45:50-08'00'

Date 11/30/2023

## FOR DISTRICT USE ONLY

**Proposed Modifications to Projects or Studies:**

	Status	Date
Modified Project or Study is <b>consistent</b> with the Project or Study included in the current fiscal year's SIP and proposed modifications were <b>approved</b> by the District.	<input type="checkbox"/> YES	
Modified Project or Study is <b>NOT consistent</b> with the Project or Study included in the current fiscal year's SIP. <b>If yes, select all that apply:</b>	<input checked="" type="checkbox"/> YES	12/11/23
PMR was received <b>after</b> October 31 of a fiscal year and the PMR will be considered for approval during the preparation of <b>subsequent</b> SIP for the fiscal year <u>after</u> the next	<input type="checkbox"/> YES	-
For Infrastructure Program Projects, modified Project was sent to <b>Scoring Committee</b> . If yes, revised score:	<input type="checkbox"/> YES	
Project or Study <b>abandoned</b> the proposed modifications	<input type="checkbox"/> YES	
Project or Study was <b>withdrawn</b> from consideration by the WASC and shall issue repayment of unspent funds	<input type="checkbox"/> YES	
Proposed modifications were <b>recommended for approval</b> in the SIP	<input type="checkbox"/> YES <input type="checkbox"/> NO	

**Proposed Modifications to Project Concepts:**

	Status	Date
Proposed modifications were deemed <b>consistent</b> with the Project concept that was approved by the WASC, ROC and Board for inclusion in the SIP and can be addressed within the existing budget. District will proceed to incorporate the proposed modification into the Feasibility Study immediately.	<input type="checkbox"/> YES	
Proposed modifications were deemed significant enough to result in a <b>significantly different</b> Project concept from the one approved by the WASC, ROC and Board for inclusion in the SIP. <b>If yes, select one:</b>	<input type="checkbox"/> YES	
District to <b>discontinue</b> work on the Feasibility Study, return unused funds to be programmed in the SIP for the next fiscal year, and advise the proponent to submit the modified Project concept during the Call for Projects for a future fiscal year.	<input type="checkbox"/> YES	-
District to <b>abandon</b> the proposed modifications and proceed with the Project concept included in the SIP.	<input type="checkbox"/> YES	-



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ASSISTANT DIRECTORS

**TIMEYIN DAFETA**  
HYPERION EXECUTIVE PLANT MANAGER

1149 SOUTH BROADWAY, 9<sup>TH</sup> FLOOR  
LOS ANGELES, CA 90015  
TEL: (213) 485-2210  
FAX: (213) 485-2979  
WWW.LACITYSAN.ORG

November 8, 2022

ELECTRONIC SUBMITTAL (safecleanwaterla@dpw.lacounty.gov)

DPW-Safe, Clean Water LA  
Attn: Safe Clean Water Program Team

**REQUEST FOR MODIFICATIONS TO SCOPE OF WORK - EXHIBIT A, SECTION  
A-1, A-3 AND A-10 OF AGREEMENT NO. 2021RPCSMB01 FOR THE BALLONA  
CREEK TMDL PROJECT**

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The City of Los Angeles (City) Bureau of Sanitation and Environment (LASAN), as the Project Developer, is requesting to make modifications to the Scope of Work – Exhibit A, Section A-1, A-3 and A-10 of Agreement No. 2021RPCSMB01 for the Ballona Creek TMDL Project (Project) for Quarter 1 (Q1) Fiscal Year (FY) 22-23 Quarterly Report.

As described in the original application and Transfer Agreement, the Ballona Creek TMDL Project is a watershed-wide water quality improvement project designed to perform a combination of treat-and-release and water diversion functions during dry weather conditions in the Ballona Creek Watershed. This collaborative Project is being completed by five cities in the Ballona Creek watershed along with the County of Los Angeles and Los Angeles County Flood Control District (District) and has been developed to meet the following Project objectives:

- (1) Regulatory water quality compliance: Meet the dry weather requirements of the TMDL for bacteria in Ballona Creek, Ballona Estuary and Sepulveda Channel, as specified in the Water Quality Control Plan for the Los Angeles Region as adopted by the Los Angeles Regional Water Quality Control Board (LARWQCB).
- (2) Water contact recreation: Protect public health in the downstream Ballona Estuary and Santa Monica Bay.
- (3) Ecosystem enhancement: Protect the beneficial uses of Ballona Estuary and Santa Monica Bay.
- (4) Increase local water supply: Provide a new source of water to the Hyperion Water Reclamation Plant (HWRP) for recycling and beneficial reuse in the region.

The estimated Project cost at the time the Project was submitted for Measure W Regional Program funding was \$31,894,000, of which \$15,000,000 was awarded in Round 2, Measure W Regional Program Funds with \$16,894,000 in matching funds.

The Transfer Agreement for this Project was executed by the District on May 25, 2022. LASAN has since awarded a construction contract to Kiewit Infrastructure West Co. as the lowest, responsible bidder for a contract total of \$70,437,000. This contract includes the construction of Low Flow Treatment Facility #1 for \$50,355,000 and Low Flow Treatment Facility #2 for \$20,082,000. A 5% construction contingency budget and funding necessary to bring electrical power service to Low Flow Treatment Facility #2 bring the new Project construction cost to \$75,960,000. The contractors have provided LASAN with an updated Project schedule based on the Project's scope and schedule of deliverables.

LASAN would like to report modifications to the following sections of Exhibit A of the Transfer Agreement.

LASAN is planning to provide an updated A-1 section with adjustments to the project schedule but does not include any adjustments to the approved funding distributions of \$3,000,000 for five years, starting in FY 21-22.

**Table 1. Sections A-3 Estimated Reasonable Total Activity Cost**

Tasks	Current Cost Estimate			Revised Cost Estimate		
	Total Cost	Cost Share	SCW Cost	Total Cost	Cost Share	SCW Cost
Design	\$1,633,000	\$1,633,000	\$0	<b>\$1,633,000</b>	<b>\$1,633,000</b>	<b>\$0</b>
Construction	\$30,261,000	\$15,261,000	\$15,000,000	<b>\$75,960,000</b>	<b>\$60,960,000</b>	<b>\$15,000,000</b>
Total	\$31,894,000	\$16,894,000	\$15,000,000	<b>\$77,593,000</b>	<b>\$62,593,000</b>	<b>\$15,000,000</b>

**Table 2.** Section A-10 Work Schedule and Completion Date Modifications

Activity Name	Phase Type	Activity Type	Original Schedule		Revised Schedule	
			Activity Start	Activity End	Activity Start	Activity End
Design	Design	Design	05/01/18	01/01/22	<b>05/01/18</b>	<b>01/01/22</b>
Bid and Award	Construction	Bid and Award	01/01/22	06/30/22	<b>01/01/22</b>	<b>10/31/22</b>
Construction	Construction	Construction	07/01/22	06/30/24	<b>11/01/22</b>	<b>08/31/25</b>
Post Construction	O&M	Post Construction	07/01/24	10/32/24	<b>09/01/25</b>	<b>02/28/26</b>

With this letter, LASAN is notifying the Safe, Clean Water Program of the Project's modifications, which would be part of the Project's Quarterly Report for Q1 FY 22-23 in the Safe Clean Water Module. If you have any questions, please contact my staff, Wendy Dinh at [wendy.dinh@lacity.org](mailto:wendy.dinh@lacity.org). Inquiries can also be directed to the City's Measure W Program general email address at [san.safecleanwater@lacity.org](mailto:san.safecleanwater@lacity.org).

Sincerely,

*Michael Scaduto* Digitally signed by Michael Scaduto  
Date: 2022.11.09 22:46:01-08'00'

Michael Scaduto, P.E., ENV SP  
Principal Engineer  
Safe Clean Water Implementation Division  
LA Sanitation and Environment

cc: Julie Allen, LASAN  
Susie Santilena, CSMB WASC Chair  
Wendy Dinh, LASAN

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200 NORTH SPRING STREET  
ROOM 355, CITY HALL  
LOS ANGELES, CA 90012

TEL: (213) 978-0261  
TDD: (213) 978-2310  
FAX: (213) 978-0278

<http://bpw.lacity.org>

NOTICE TO PROCEED

Kiewit Infrastructure West Co.  
10704 Shoemaker Avenue  
Santa Fe Springs, CA 90670

CONTRACT NO.: C- 141620

CONTRACT AMOUNT: \$70,437,000.00

ISSUANCE DATE: OCTOBER 25, 2022

PROJECT NO.: S33WLFT1, S33WLFT2

PROJECT TITLE: BALLONA CREEK WATER QUALITY  
IMPROVEMENTS CAPITAL IMPROVEMENT PROJECT J598  
AND SEPULVEDA CHANNEL LOW FLOW TREATMENT  
FACILITY CAPITAL IMPROVEMENT PROJECT J925

This is your Notice to Proceed for the above project previously awarded to you. The Board of Public Works executed the contract on October 7, 2022.

The work on this project must commence on the issuance date of this Notice to Proceed, and completed within the number of calendar days designated in the proposal.

The Board of Public Works requests that you contact the **Bureau of Engineering**, Project Manager, **Nadir Shah** at **Nadir.Shah@lacity.org / (310) 648-6197** and the **Bureau of Contract Administration** at **(213) 485-5080** regarding the actual starting date.

Dr. Fernando Campos  
Executive Officer  
Board of Public Works

Cc: Inspector of Public Works  
BOE (ADM and ARC)  
Office of Accounting  
File



## Summary of Cost Sharing:

LASAN has committed to delivering this project as scoped and has compiled various other leveraged funding sources including, but not limited to, Proposition O, Caltrans contributions, a project partner costsharing MOA, Municipal Safe Clean Water funds, and City of Los Angeles general funds. Please see attached for further funding effort.

As reported in previous quarterly reports to date, the City has been leveraging funding from Municipal Funds for staff charges in support of project delivery. City of Los Angeles Public Works staff charges relate to planning, design, and construction (i.e. project administration, design review, outreach, environmental review, and construction management).

### SECURED FUNDING SUMMARY

Funding information	Secured	Proposed	Total
General Funds	\$11,246,842	\$0	\$11,246,842
Regional Safe Clean Water Funds	\$15,000,000	\$7,000,000	\$22,000,000
Municipal Safe Clean Water Funds	\$17,043,914	\$5,509,647	\$22,553,561
Project Partner Agencies MOU	\$8,961,328	\$0	\$8,961,328
Prop O	\$11,431,269	\$0	\$11,431,269
Caltrans Agreement	\$1,400,000	\$0	\$1,400,000
<b>Total</b>	<b>\$65,083,353</b>	<b>\$12,509,647</b>	<b>\$77,593,000</b>

In addition, LASAN has also actively pursued grant opportunities, and will continue to in the future.

Applied for [2021 Urban and Multibenefit Drought Relief Grant Program](#) in January 2022, but did not get selected.

Submitted Letter of Intent for [NOAA Climate Resilience Regional Challenge](#) in October 2023 and was not get selected to move forward.



**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

**Agenda Item No. 9**

Date: 7/28/22

To: Municipal Facilities Committee

From: Deborah Weintraub, AIA, LEEDAP  
Chief Deputy City Engineer



Electronically Signed by Deborah Weintraub  
on 07/12/2022 12:53:31 PM

Subject: **FUNDING FOR CONSTRUCTION COST INFLATION**

**Recommendations:**

1. That the Bureau of Engineering (BOE) work with the office of the City Administrative Officer to develop a funding strategy for projects that are either in construction and/or starting construction in Fiscal Year 2022-23 due to construction cost inflation, and;
2. Reassess market conditions in January 2023 to adjust this strategy accordingly.

**Introduction:**

The BOE is submitting this report in order to alert our City Hall colleagues of significant price increases we are experiencing in construction cost bids. The construction cost increases have a variety of causes and are extraordinary. In order to deliver committed capital projects to the City residents, the funding allocations for construction projects may need to be augmented.

**Background:**

Non-residential building inflation between 2011 and 2020 on a national basis was on average 3.7% annually (Zarenski, 2021<sup>1</sup>), and 2.4% in California (California Department of General Services). While the pandemic initially decreased construction activity in 2020, in 2021 there was a large increase in demand for construction materials. Unfortunately, this demand was met with serious supply chain challenges, and this resulted in a reduction in the availability of construction materials and higher construction costs.

Between January 2020 to July 2021, prices of all materials and services for new construction performed by contractors has gone up 26.3% on a national average (AGC, August 2021<sup>2</sup>), and 13% in California (California Department of General Services, 2022). The California Department of General Services also reported that new construction costs in California went up 15.22% from June 2021 to June 2022.

Through 2022, prices for construction materials have continued their ascent and in addition, skilled labor has become even more scarce than previous years. Construction project starts are also being delayed to account for supply chain challenges and labor shortages, and the

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<sup>1</sup> Zarenski is a nationally recognized construction economics analyst, author, educator and presenter. Website: <https://edzarenski.com/>. Article: <https://edzarenski.com/2022/02/11/construction-inflation-2022/>

<sup>2</sup> AGC is an organization of qualified construction contractors and industry related companies dedicated to skill, integrity and responsibility. Website: <https://www.agc.org/>

time delays and the uncertainty in product pricing are also resulting in higher bids (Engineering News Record, 2021). Contractors are transferring these risks to the Owner at the time of bidding.

### **Forecast:**

Market analysis is showing the construction cost escalation rate in Los Angeles is currently 7.99% per year (Rider Levett Bucknall (RLB), 2022<sup>3</sup>), however, RLB is using 8.04% per year in their cost estimate calculations, and HNTB<sup>4</sup> is using 15%.

Below is a summary of some of the other market forces impacting construction costs. As of February 2022, diesel fuel, steel mill products, lumber, plywood, copper, brass, aluminum, plastic, gypsum, concrete, pavement, and roofing have all gone up drastically and forecasts are predicting that prices through 2022 will exceed peak prices of 2021 (Engineering News Record, 2022<sup>5</sup>). Interest rates are set to continue to rise, and the Russia-Ukraine war creates a lot of uncertainty and has market impacts. Supply chain and labor issues continue to cause a backlog of orders and an inventory shortage, indicating a supply-demand imbalance that will result in higher-priced goods and services. The anticipated pace of inflation is not likely to decelerate until 2023, with manufacturers potentially beginning to catch up to demand in late 2022, potentially with supply chains largely unclogged by late-2023 (CBRE, 2022<sup>6</sup>).

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<sup>3</sup> RLB is a global cost consultant partner and a nationally recognized project management and advisory firm. Website: <https://www.rlb.com/americas/>. Article: <https://s31756.pcdn.co/americas/wp-content/uploads/sites/4/2022/03/City-Market-Insight-LOS-ANGELES-Q1-2022.pdf>

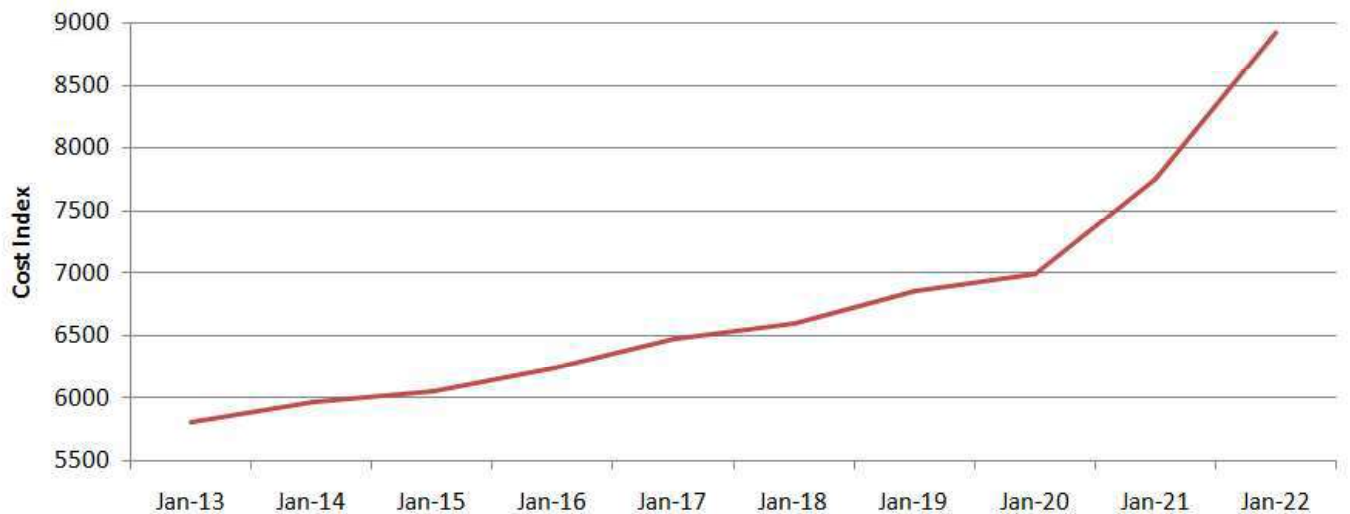
<sup>4</sup> HNTB is a national engineering consulting company, with a strong presence in Southern California. Website: <https://www.hntb.com/>

<sup>5</sup> Engineering News Record is a national magazine that covers the engineering and construction industry. Website: <https://www.enr.com/>

<sup>6</sup> CBRE is the world's largest commercial real estate services & investment company. Website: <https://www.cbre.com/about-us> . Article: <https://www.cbre.com/en/insights/reports/2022-fm-cost-trends-report> .

## Data Analysis:

### 10-Year New Construction Inflation



**\*New Construction Inflation has gone up 54% in the past 10 years**

Source: Department of General Services California Construction Cost Index (CCI), 2022

Information graphed by the Bureau of Engineering, June 2022

"The California Construction Cost index is developed based upon Building Cost Index (BCI) cost indices average for San Francisco and Los Angeles ONLY as produced by Engineering News Record (ENR) and reported in the second issue each month" (DGS).

## BOE Bid Results:

In the past couple of years, there has been a wide range of cost changes with a general trend of higher than average cost increases. For example, BOE looked at price escalation data from City bids from 2021 to 2022 for two key construction scopes used on our projects that are typically bid on a unit price basis; concrete sidewalk/driveway and concrete pavement. In the past year the average unit cost of concrete sidewalk/driveway and concrete pavement increased by 79% and 21% respectively. We also found that there was a high variation on the cost changes in AC pavement.

In addition, we looked at 20 Municipal Facility project bids between 2017 to the present. These projects are typically bid on a lump sum basis. Our analysis was to look at the variance between the low bid and City Engineer's Estimate on a project-by-project basis. The average in the variance between the low bid price as compared to the City Engineer Estimate from 2017 through 2021 was that the low bid averaged 5.9% higher than the City Engineer's estimate. In 2022 this number increased dramatically to the low bids averaging 40.68% higher than the City Engineer's Estimate.

## BOE Actions:

BOE is in the process of developing a draft cost inflation clause for City construction contracts, which would establish the mechanism for cost adjustments during construction for demonstrated inflationary cost increases and decreases. BOE intends to vet the proposed language with the local construction industry and with our City partners. This will help offset the perceived need by contractors to price risk into their bids.

Additionally, BOE is in the process of revising the suggested inflation rates for project budgeting. Since 2014, BOE suggested using 5% as the inflation rate for all new construction. The below chart is BOE's suggested inflation rates to use for future estimates:

Date	Annual Rate
July 1, 2022 - June 30, 2023	15%
July 1, 2023 - June 30, 2024	12%
July 1, 2024 - June 30, 2025	9%
July 1, 2025 - June 30, 2026	8%
July 1, 2026 - June 30, 2027	8%

The potential recession may cause changes in these inflation rates. Therefore, it is recommended to re-assess these rates in six months.

RL/MA:tt

Box\CMD\Administration\Municipal Facilities Meeting Minutes\MFC Report Construction Inflation

cc: Mary Hodge, Deputy Mayor  
Aura Garcia, Board of Public Works  
Teresa Villegas, Board of Public Works  
Mike Davis, Board of Public Works  
Vahid Khorsand, Board of Public Works  
Susana Reyes, Board of Public Works.  
Gary Lee Moore, Bureau of Engineering  
Ted Allen, Bureau of Engineering  
Alfred Mata, Bureau of Engineering  
Julie Sauter, Bureau of Engineering  
Jose Fuentes, Bureau of Engineering  
Richard Louie, Bureau of Engineering

**CITY OF LOS ANGELES**  
INTERDEPARTMENTAL CORRESPONDENCE

Agenda Item No. 3

Date: August 21, 2023

To: Municipal Facilities Committee

From:   
Ted Allen, City Engineer  
Bureau of Engineering

Subject: **FUNDING FOR CONSTRUCTION COST INFLATION UPDATE**

The Bureau of Engineering (BOE) is submitting this report to follow up on the Report presented at the July 2022 meeting which alerted our City Hall colleagues to significant price increases being experienced in construction cost bids. The construction cost increases have a variety of causes and remain higher than historic norms for the last decade, but have started to decline from recent highs. In order to deliver committed capital projects to the City residents, the funding allocations for construction projects may need to be augmented.

In the July 2022 report, BOE released the following chart for suggested inflation rates to use for future estimates:

Inflation rates per July 2022 Report	
Period	Construction Cost Inflation Annual Rate (%)
July 1, 2022 - June 30, 2023	15
July 1, 2023 - June 30, 2024	12
July 1, 2024 - June 30, 2025	9
July 1, 2025 - June 30, 2026	8
July 1, 2026 - June 30, 2027	8

Based on current market conditions, we recommend the chart be updated to the following:

Inflation Rates per July 2023 Report	
Period	Construction Cost Inflation Annual Rate (%)
July 1, 2022 - June 30, 2023	15
July 1, 2023 - June 30, 2024	8
July 1, 2024 - June 30, 2025	7
July 1, 2025 - June 30, 2026	6
July 1, 2026 - June 30, 2027	5

It should be noted that inflation for different construction types may vary. The proposed inflation rates assume that cost estimates being completed now are starting with unit costs that have accounted for the large inflationary pressures seen previously. Otherwise, additional adjustments should be made as needed to account for prior inflation to the point in time that the unit costs were established.

TA/DW/RL/MA/:tt:eg

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Inflation MFC Report 080323 \_eg

cc: Randall Winston, Office of the Mayor  
Aura Garcia, Board of Public Works  
Teresa Villegas, Board of Public Works  
Mike Davis, Board of Public Works  
Vahid Khorsand, Board of Public Works  
Susana Reyes, Board of Public Works



# MacArthur Lake Stormwater Capture Project

## Project Modification Request Summary

*January 2024*

### Funding Table

FY	Original Allocation	Additional PMR Requested Funds	Revised Total Request	Funds Status
FY20-21	\$ 2,000,000	\$ -	\$ 2,000,000	Funds disbursed
FY21-22	\$ 2,000,000	\$ -	\$ 2,000,000	Funds disbursed
FY22-23	\$ 9,397,900	\$ -	\$ 9,397,900	On-hold - CEQA
FY23-24	\$ 4,697,900	\$ -	\$ 4,697,900	On-hold - CEQA
FY24-25	\$ 1,947,918	\$ 4,000,000	\$ 5,947,918	Current SIP
FY25-26	\$ -	\$ 4,000,000	\$ 4,000,000	Future SIP
FY26-27	\$ -	\$ 3,000,000	\$ 3,000,000	Future SIP
<b>TOTAL</b>	<b>\$ 20,043,718</b>	<b>\$ 11,000,000</b>	<b>\$ 31,043,718</b>	

### Modifications

- Original Construction Cost: \$13.5M
- Revised Construction Cost (Revised SOW): \$31M
- Original Construction Start Date: 07/01/23
- Revised Construction Start Date (Revised SOW): 05/02/25
- Reasons for Project Cost Increase
  - High-cost escalation and inflation
  - Changes to project reflecting community impacts and benefits, operations staff, existing infrastructure, regulations, and surrounding environment
- Additional Modifications/Benefit Changes
  - Change in diversion structure location
    - Increased drainage area from 181 ac to 200ac
  - Treatment Filter capacity increased from 900 gpm to 1800 gpm
  - Reduction in Zinc removal efficiency from 100% to 84%
  - Water Supply reduction from 129.5 ac-ft/yr to 88.4 ac-ft/yr
  - Changed location of treatment BMP, from treatment wetland to terrace garden, functionally equivalent
  - Change from +25-ft deep cisterns on street to storage in lake
  - Added operation of presently non-operational water circulation system

- Reduction in number of trees from 30 to 20
- Leveraged Funding
  - Municipal Funds - \$5.3M (staff support)
  - Prop K - \$550K
  - Municipal Funds - \$6M (cost increase offset)

# Ballona Creek TMDL Project

## Project Modification Request Summary

*January 2024*

### Funding Table

FY	Original Allocation	Additional PMR Requested Funds	Revised Total Request	Funds Status
FY21-22	\$3,000,000	\$ -	\$3,000,000	Funds disbursed
FY22-23	\$3,000,000	\$ -	\$3,000,000	Funds disbursed
FY23-24	\$3,000,000	\$ -	\$3,000,000	Disbursement in progress
FY24-25	\$3,000,000	\$3,500,000	\$6,500,000	Current SIP
FY25-26	\$3,000,000	\$3,500,000	\$6,500,000	Future SIP
<b>TOTAL</b>	<b>\$15,000,000</b>	<b>\$7,000,000</b>	<b>\$22,000,000</b>	

### Modifications

- Original Construction Cost: \$30M
- Revised Construction Cost (FY22-23 Q1 Report): \$76M
- Original Construction Start Date (FY22-23 Q1 Report): 07/01/22
- Revised Construction Start Date: 11/01/22
- Reasons for Project Construction Cost Increase
  - Historical inflation and market conditions
  - OSHA and Federal Army Corps Permit Requirements
- PMR Request is 15% of funding deficit, associated with inflation
- Leveraged Funding:

### **SECURED FUNDING SUMMARY**

Funding information	Secured	Proposed	Total
General Funds	\$11,246,842	\$0	\$11,246,842
Regional Safe Clean Water Funds	\$15,000,000	\$7,000,000	\$22,000,000
Municipal Safe Clean Water Funds	\$17,043,914	\$5,509,647	\$22,553,561
Project Partner Agencies MOU	\$8,961,328	\$0	\$8,961,328
Prop O	\$11,431,269	\$0	\$11,431,269
Caltrans Agreement	\$1,400,000	\$0	\$1,400,000
<b>Total</b>	<b>\$65,083,353</b>	<b>\$12,509,647</b>	<b>\$77,593,000</b>