


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: November 16, 2023

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

FROM: 
David R. Pettijohn, Director
Water Resources Division
Los Angeles Department of Water and Power

**SUBJECT: SUBMITTAL OF PROJECT MODIFICATION REQUESTS SEEKING
ADDITIONAL FUNDING FOR THE LOS ANGELES DEPARTMENT OF
WATER AND POWER REGIONAL PROJECTS IN THE SAFE, CLEAN
WATER PROGRAM**

SUMMARY

1. The Los Angeles Department of Water and Power (LADWP) intends to submit six (6) Project Modification Requests (PMRs) to the Los Angeles County Flood Control District (District), requesting additional Safe, Clean Water (SCW) Regional funding as listed in Table 1.
2. LADWP intends to accept future SCW Program funds, conduct negotiations, provide additional information, and submit all documents, including, but not limited to project reports, updated Scope of Work (SOW) documents, agreements, amendments, subject to the approval of the City Attorney as to form, that are necessary to secure funding with respect to the administrative actions required as part of the PMR approval process.

BACKGROUND

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

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

LADWP intends to submit a PMR Form for each of its Round 1, 2 and 3 Projects that are included in the SCW Program's fiscal year (FY) 23/24 SIP. LADWP's Rounds 1, 2 and 3 Projects, which were prepared in FY 19/20 - 21/22, have experienced budget increases as a result of unprecedented inflation, supply chain challenges, scarcity of skilled labor forces, and market conditions. These factors have resulted in cost increases beyond what was awarded. The PMR process allows project applicants to request additional regional funding for projects which are experiencing projected shortfalls.

The additional funding request to the Regional Program will be considered by the Upper Los Angeles River (ULAR) WASC during the Round 5 SIP deliberations and for inclusion into the FY 24/25 SIPs.

CONSIDERATIONS AND RECOMMENDATIONS

This will be the first time that the District implements the PMR process and the first time that the ULAR WASC is considering additional funding for approved projects. LADWP requests priority consideration for the Stormwater Capture Parks projects for the following reasons:

1. LADWP has committed to providing matching funds up to 50 percent of the original total project costs.
2. Projects have completed 100 percent designs, received California Environmental Quality Act determination, and are ready to proceed to Bid & Award starting in early 2024.
3. Projects received the highest scores from the Scoring Committee
4. Projects meet the goals of the Measure W SCW Program by addressing increased water supply, improved water quality, and providing for community investment benefits in Disadvantaged Communities

Due to the limited funding available for programming by the ULAR WASC, funding requests have been spread into multiple years starting FY25/26 with special consideration to the David M. Gonzales Recreation Center Stormwater Capture Project to request FY24/25 SCWP funds.

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

Table 1: Additional Funding Requests for LADWP's Regional Round 1, 2 and 3 Projects

Project Name	SIP Round	Project Modification Requests for Additional Funding
Fernangeles Park Stormwater Capture (CD 6)	1	\$28.5M
Strathern Park North Stormwater Capture (CD 2)	1	\$23.8M
Valley Village Park Stormwater Capture (CD 2)	1	\$12.9M
David M. Gonzales Recreation Center Stormwater Capture (CD 7)	2	\$23.3M
Valley Plaza Park Stormwater Capture (CD 2)	2	\$34.5M
Whitsett Fields Park North Stormwater Capture (CD 2)	3	\$18.0M

After a thorough review of the projected funding shortfalls, project delivery schedules, and available funding, LADWP recommends the Safe, Clean Water Program Administrative Oversight Committee (AOC) support its submission of additional funding requests, as summarized in Table 1 and Attachment 1 through the submission of PMR forms.

If you have any questions or need additional information, please contact my staff, Mr. Art Castro, at (213) 367-2966 or via email at Art.Castro@ladwp.com.

PT:lj
Attachment

cc: Delon Kwan
Sabrina Y. Tsui
Art Castro
Peter Tonthat

ATTACHMENT 1: Regional Funding By Fiscal Year

Upper Los Angeles River

Project Name	CD	Start of Construction	DAC Benefit	Project Shortfall	Cash Flow	FY 20/21	FY 21/22	FY 22/23	FY23/24	FY 24/25	FY 25/26	FY26/27	FY27/28	FY28/29	Total
Femangeles Park Stormwater Capture (Rd 1)	6	Nov-24	Yes	\$28.5M	Approved	\$ 2,926,262	\$ 3,344,299	\$ 1,254,112	\$ 836,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,360,748
					Additional Request	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,233,533	\$ 14,233,533	\$ -	\$ -	\$ 28,467,066
					PMR	\$ 2,926,262	\$ 3,344,299	\$ 1,254,112	\$ 836,075	\$ -	\$ 14,233,533	\$ 14,233,533	\$ -	\$ -	\$ 36,827,814
Strathern Park North Stormwater Capture (Rd 1)	2	Jan-25	Yes	\$23.8M	Approved	\$ 3,247,512	\$ 3,711,442	\$ 1,391,791	\$ 927,861	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,278,606
					Additional Request	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,921,049	\$ 11,921,049	\$ -	\$ -	\$ 23,842,098
					PMR	\$ 3,247,512	\$ 3,711,442	\$ 1,391,791	\$ 927,861	\$ -	\$ 11,921,049	\$ 11,921,049	\$ -	\$ -	\$ 33,120,704
Valley Village Park Stormwater Capture (Rd 1)	2	Jul-24	Yes	\$12.9M	Approved	\$ 1,112,070	\$ 1,270,938	\$ 476,602	\$ 317,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,177,344
					Additional Request	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,470,533	\$ 6,470,533	\$ -	\$ -	\$ 12,941,066
					PMR	\$ 1,112,070	\$ 1,270,938	\$ 476,602	\$ 317,734	\$ -	\$ 6,470,533	\$ 6,470,533	\$ -	\$ -	\$ 16,118,410
David M. Gonzales Recreation Center Stormwater Capture (Rd 2)	7	Sep-24	Yes	\$23.3M	Approved	\$ -	\$ 388,000	\$ 581,000	\$ 1,550,000	\$ 2,130,000	\$ 3,099,000	\$ 4,067,000	\$ 3,873,000	\$ 3,675,000	\$ 19,363,000
					Additional Request	\$ -	\$ -	\$ -	\$ -	\$ 4,669,238	\$ 4,669,238	\$ 4,669,238	\$ 4,669,238	\$ 4,669,238	\$ 23,346,191
					PMR	\$ -	\$ 388,000	\$ 581,000	\$ 1,550,000	\$ 6,799,238	\$ 7,768,238	\$ 8,736,238	\$ 8,542,238	\$ 8,344,238	\$ 42,709,191
Valley Plaza Park Stormwater Capture (Rd 2)	2	Jan-26	Yes	\$34.5M	Approved	\$ -	\$ 529,000	\$ 794,000	\$ -	\$ 2,910,000	\$ 4,232,000	\$ 7,670,000	\$ 5,290,000	\$ 5,022,000	\$ 26,447,000
					Additional Request	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,622,253	\$ 8,622,253	\$ 8,622,253	\$ 8,622,253	\$ 34,489,013
					PMR	\$ -	\$ 529,000	\$ 794,000	\$ -	\$ 2,910,000	\$ 12,854,253	\$ 16,292,253	\$ 13,912,253	\$ 13,644,253	\$ 60,936,013
Whitsett Fields Park North Stormwater Capture (Rd 3)	2	Mar-26	Yes	\$18.0M	Approved	\$ -	\$ -	\$ 840,000	\$ 1,679,000	\$ 1,679,000	\$ 1,679,000	\$ 2,516,000	\$ -	\$ -	\$ 8,393,000
					Additional Request	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,502,466	\$ 4,502,466	\$ 4,502,466	\$ 4,502,466	\$ 18,009,864
					PMR	\$ -	\$ -	\$ 840,000	\$ 1,679,000	\$ 1,679,000	\$ 6,181,466	\$ 7,018,466	\$ 4,502,466	\$ 4,502,466	\$ 26,402,864