

OFFICE OF
CONTROLLER

June 1, 2009

200 N. MAIN STREET, RM 300
LOS ANGELES 90012
(213) 978-7200
www.lacity.org/ctr

Ms. Cynthia M. Ruiz, President
Board of Public Works
200 N. Spring Street, Suite 361
Los Angeles, CA 90012

Dear Ms. Ruiz:

**SUBJECT: EVALUATION OF BOS' RESPONSE TO THE CONTROLLER'S
PERFORMANCE AUDIT OF THE WASTEWATER COLLECTION
SYSTEMS**

My Audit Division evaluated your planned timeframes for implementing the recommendations contained in the report entitled, "Performance Audit of the Wastewater Collection Systems."

The target implementation dates are acceptable. As part of my Office's follow-up program, we will request a status report in approximately six months. The objective of the follow-up program is to ensure that the audit recommendations have been properly addressed.

If you have any questions or comments, please contact Farid Saffar, Director of Auditing at (213) 978-7392.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rushmore D. Cervantes', is written over a white background.

RUSHMORE D. CERVANTES
Acting City Controller



Ms. Cynthia M. Ruiz, President
Board of Public Works
June 1, 2009
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cc: Robin Kramer, Chief of Staff, Office of the Mayor
Jimmy Blackman, Deputy Chief of Staff, Office of the Mayor
Dan Grunfeld, Deputy Chief of Staff of Policy, Office of the Mayor
Romel Pascual, Environment Associate Director, Office the Mayor
Raymond P. Ciranna, Interim City Administrative Officer
Gerry F. Miller, Chief Legislative Analyst
Jim Gibson, Board of Public Works
Suzanne Scheideker-Cook, Board of Public Works
Enrique C. Zaldivar, Bureau of Sanitation
Adel Hagekhalil, Bureau of Sanitation
Traci Minamide, Bureau of Sanitation
Barry Berggren, Bureau of Sanitation
Brent Lorscheider, Bureau of Sanitation
Chris Westhoff, City Attorney's Office



OFFICE OF
CONTROLLER

LAURA N. CHICK
CONTROLLER

200 N. MAIN STREET, RM 300
LOS ANGELES 90012
(213) 978-7200
www.lacity.org/ctr

March 16, 2009

Ms. Cynthia M. Ruiz, President
Board of Public Works
200 N. Spring Street, Suite 361
Los Angeles, CA 90012

Dear Ms. Ruiz:

**SUBJECT: EVALUATION OF BOS' RESPONSE TO THE CONTROLLER'S
PERFORMANCE AUDIT OF THE WASTEWATER COLLECTION
SYSTEMS**

My Audit Division evaluated your response, dated February 13, 2009, to the report entitled, "Performance Audit of the Wastewater Collection Systems."

I appreciate your commitment to strive for excellence and to enhance programs to achieve greater efficiencies. Overall, your plans for implementing the recommendations are acceptable; although in a number of cases, you have not indicated a targeted implementation date. Please provide a planned implementation date for Recommendations 1, 2, 3, 4, 6, 8, 9, 10, 11, 12 and 20.

For Recommendation 6, your response provides both long-term and interim measures to implement this recommendation. The long-term solution of replacing the Enterprise Maintenance Planning and Control system by FY 2010-11 is acceptable. I encourage you to work with the Information Technology Agency as you plan for the system replacement. In the interim, your Department is working on improving the reporting process to allow greater management oversight of maintenance activities. This is an acceptable measure to address the recommendation; however, a target implementation date for this interim solution was not provided.

In a few cases you indicate a disagreement with either the finding and/or recommendation, despite providing a corrective action plan. It is essential that there is a clear understanding of the audit issue and the information being conveyed in the

Ms. Cynthia M. Ruiz, President
Board of Public Works
March 16, 2009
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report. With that in mind, I would like to discuss three specific findings/recommendations.

Recommendation 1:

Extend the utilization of the existing hydraulic model in preparation of primary master plans to include sewer reaches in secondary sewer basins that have demonstrated a high risk for sanitary sewer overflows.

Recommendation 2:

Extend the utilization of the existing hydraulic model to include sewer reaches where the secondary sewer joins the primary sewer. The Secondary Sewer Planning Section should use the results of the modified hydraulic model to review and revise the completed 62 master plans and account for possible surcharges at the confluence points between the two sewer systems.

Your response indicates that although you disagree with the conclusion and recommendations, the secondary system planning group will develop a more detailed review of backflow conditions in the Primary System that could assist in analyzing secondary capacity, and that the hydraulic model will be used to identify and map backflow conditions at the primary/secondary interface for comparison to acceptable flow depth. Your basis for disagreement is that you believe the recommendations offer little value in return for the level of effort that it will take to implement them. For example, you stated it would require two years and three additional staff to extend modeling efforts, and that calibrating a hydraulic model for the secondary systems would slow down the process of identifying and renewing sewers in a timely manner.

The audit acknowledged that modeling every secondary sewer basin may be a tedious and inefficient approach. Therefore, the recommendation was to consider “. . .*secondary sewer basins that have demonstrated a high risk for sanitary sewer overflows*”, and “. . .*to include reaches where the secondary sewer joins the primary sewer*”. The audit did not recommend that hydraulic modeling be utilized for the entire secondary system. As described, your planned actions address our primary concern. Therefore, except for not providing a targeted implementation date, the plan is acceptable.

Recommendation 22:

Formally request an extension to the terms of the Agreement from the EPA and the RWQCB as soon as the practical after Sanitation is aware that an extension to the terms of the Agreement will be required.

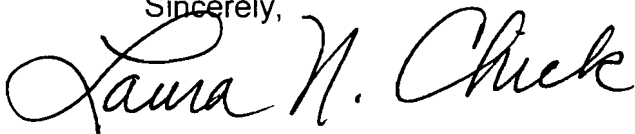
Your response indicates that you disagree with the finding related to this recommendation. The audit finding was “Sanitation has experienced delays in the

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construction of permanent odor control facilities as part of the odor control requirements of the Agreement, which presents a potential risk of non-compliance with the Agreement." You indicated that the Bureau was in direct communication with the plaintiffs and community as soon as you were aware of the need to reevaluate the effectiveness of the Air Treatment Facilities (ATFs) and the potential delays. However, as our report notes, despite your Bureau identifying the need for additional study in 2006 in the Odor Control Master Plan, no formal request for extension was made until November 2007. Further, as of our review, no written response had been received from either the EPA or Regional Water Quality Control Board. Sanitation needs to ensure it is diligent in submitting requests for extensions and following up with regulatory agencies to obtain formal responses. We believe this will demonstrate Sanitation's continued efforts to comply with the Agreement.

Please provide the target implementation dates as requested to my office by April 16, 2009. If you have any questions or comments, please contact Farid Saffar, Director of Auditing at (213) 978-7392.

Sincerely,



LAURA N. CHICK
City Controller

cc: Robin Kramer, Chief of Staff, Office of the Mayor
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