

Attachment 3

To: Trish Rhay and Steve Bucknam
From: Harvey R. Gobas, PE
Date: January 7, 2015
Subject: CBH Staff Augmentation Required to Address Water Enterprise Plan Recommendations

EXECUTIVE SUMMARY

The City of Beverly Hills currently imports an average of 90 to 95 percent of its water supply from the Metropolitan Water District (MWD). To increase the City's supply reliability, we recommend reducing dependence on MWD to 75 percent. To accomplish this objective, we recommend implementing a series of water supply portfolio options including: (1) Developing three new wells in the unadjudicated Central Basin; (2) Addressing on-going problems with the City's existing Reverse Osmosis (RO) Water Treatment Plant to allow treating water produced from two recently approved shallow groundwater wells in the Hollywood Basin; (3) Participating in a Water Bank allowing the City to access stored water during a drought; and (4) Implementing water conservation programs required to address State conservation legislation.

Implementing these recommended projects and programs will require augmenting current City staff with eleven new full-time positions including a Water Conservation Coordinator, three Engineering Project Managers, a Water Resources Manager, three Water Treatment Plant Operators, a Pump/Well Mechanic, a Pump/Well Electrician and a Water Distribution Operator. The first five positions should be filled beginning in the 2015/16 Fiscal Year. The last six positions should be filled once the new facilities (wells, pipelines, pumping plants, treatment plant upgrades, etc.) begin to come on-line in 2017/18. The estimated salary cost (including employee benefits) to fund these eleven positions in 2015 dollars is approximately \$1.6 million.

INTRODUCTION

Psomas was retained by the City of Beverly Hills to evaluate potential options for enhancing the City's water supply reliability. Following a series of detailed evaluations, we recommended a portfolio of options aimed at decreasing the City's reliance on MWD from the current 90 to 95 percent level to 75 percent. To accomplish this objective, we recommend implementing the following options:

1. Central Basin – Developing three new wells in the unadjudicated portion of the Central Basin (La Brea Sub-basin) capable of producing approximately 1,700 AFY;
2. Hollywood Basin – Addressing on-going problems with the City's existing Reverse Osmosis (RO) Water Treatment Plant, which together with the drilling of two new shallow groundwater wells in the Hollywood Basin, will allow the City to produce and treat up to 1,120 AFY at the RO plant;
3. Water Bank – Participating in a Water Bank with the ability to store and access up to 3,400 AF during a two-year shortage;
4. Water Conservation – Implementing Water Conservation programs with the intent of conserving up to 1,180 AF;
5. MWD – Continuing to rely on MWD for up to 75 percent of the City's total water annual supply or approximately 8,485 AFY.

REQUIRED STAFFING TO ADDRESS WEP RECOMMENDATIONS

Achieving the above-noted objectives will require a concerted effort on the part of City staff. To manage these projects and programs, City staff should be augmented with eleven new positions as described below.

Central Basin Staffing Requirements

The development of three new wells in the Central Basin will take seven to eight years from inception to production and will require City staff management of design consultants during this extended period. Those staff members will also have to manage the design of other new related infrastructure including pipelines, pumping facilities and treatment plant upgrades. City staff will also have to manage related CEQA activities, acquisition of required land, testing and permitting. Given the extensive amount of work, we recommend two full time engineering project managers be added to current City staff. Both of these project managers should have a background in well and pipeline design with related construction management experience. These two staff positions will be needed by the beginning of the 2015/16 Fiscal Year.

In addition to the Engineering Managers, once the first well is in place, the City should augment its current production staff to include one-full-time pump/well mechanic, one full-time pump/well electrician and a full-time water distribution operator. The need for these three positions should commence during the 2017-18 Fiscal Year.

Hollywood Basin and RO Plant Staffing Requirements

The additional work associated with the management, drilling, equipping, testing and permitting of two new shallow groundwater wells and associated improvements and upgrades to the existing RO plant will require a full time engineering project manager over the next several years. The need for this staff position is immediate.

Once the treatment plant has been successfully upgraded, it should be capable of being operated on a 24/7 basis (as opposed to the current Monday-Friday operation). This will require round-the-clock operation and will necessitate the hiring of three new full-time treatment plant operators at least one of whom has a Grade 5 Treatment Plant Operator certification. The hiring of three additional plant operators will allow the City to fully staff the plant during both weekdays and weekends and will provide back-up staffing during holiday periods or when the primary operator is on vacation or out sick.

Water Banking Staffing Requirements

We also recommend the hiring a full-time Water Resources Manager to oversee all of the City's water programs and infrastructure. This individual will also play a key role in the negotiation and execution of a water banking agreement. The position should be filled during the 2015-16 Fiscal Year.

Water Conservation Staffing Requirements

We have recommended implementing a number of water conservation programs including separate analytic engagement programs addressing both public and quasi-public users as well as residential users, system loss reduction and operations enhancement, and continuation and enhancement of on-going rebate programs. The management of all of these programs will require a full time water conservation

coordinator, which will also satisfy Demand Management Measure (DMM) 12 of the California Urban Water Management Planning Act. The position should be filled during the 2015-16 Fiscal Year.

MWD Staffing Requirements

No additional staffing is required to continue 75 percent reliance upon MWD.

FUNDING TO STAFF THE RECOMMENDED POSITIONS

As noted in the previous section, we are recommending augmenting City staff with 11 new positions. Several of these positions should be filled during the 2015-16 Fiscal Year, while others will not be needed until the recommended facilities have been constructed and placed into service. The eleven positions are summarized in the Table 1 below. The table also notes the fiscal year in which each position should be filled and the estimated loaded cost in 2015 dollars (i.e., salary and benefits) for the designated employee. Once all eleven positions are filled, the annual loaded salary costs are estimated to be approximately \$1.6 million.

Table 1
Recommended Staffing to Address WEP Recommendations

Recommended Staffing Position	FY Needed	Loaded Salary in 2015 Dollars
Water Conservation Coordinator (One Full-Time)	2014/15	\$140,000
Project Managers (3 Full-Time)	2014/15 to 2015/16	\$525,000
Water Resources Manager (One Full-Time)	2015/16	\$200,000
Water Treatment Operators (3 Full-Time)	2017/18	\$400,000
Pump/Well Mechanic (One Full-Time)	2017/18	\$100,000
Pump/Well Electrician (One Full-Time)	2017/18	\$100,000
Water Distribution Operator (One Full-Time)	2017/18	\$100,000
Total Recommended Staffing Costs		\$1,565,000