



CITY OF BEVERLY HILLS
City Hall Room 280-A
455 N. Rexford Drive
Beverly Hills, CA 90210
MINUTES

PUBLIC WORKS COMMISSION REGULAR MEETING

May 8, 2014
8:30 A.M.

The meeting was called to order at 8:34 a.m.

A. ROLL CALL

Commissioners Present: Felsenthal, Wolfe, Aronberg, Shalowitz and Pressman
Commissioners Absent: None

B. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Dr. Wunderlich.

C. COMMISSION MINUTES

Consideration of the Minutes of the Public Works Commission Regular Meeting of March 14, 2014.

MOTION by Vice Chair Shalowitz, SECONDED by Commissioner Wolfe to Approve as Agendized the minutes of the Regular Meeting of March 14, 2014

AYES: Commissioner Felsenthal, Commissioner Aronberg, Commissioner Wolfe, Vice Chair Shalowitz and Chair Pressman.

NAYS: None.

ABSTAIN: None.

ABSENT: None.

CARRIED 5/0

Consideration of minutes of the Public Works Commission Regular Meeting of April 10, 2014. MOTION by Vice Chair Shalowitz, SECONDED by Commissioner Aronberg to Approve as Corrected the minutes of the Meeting of April 10, 2014.

AYES: Vice Chair Shalowitz, Chair Pressman, Commissioner Felsenthal, Commissioner Aronberg and Commissioner Wolfe.

NAYS: None.

ABSTAIN: None.

ABSENT: None.

CARRIED 5/0

D. ORAL COMMUNICATIONS FROM THE AUDIENCE

None.

E. REPORT FROM THE CHAIRPERSON

Mayor's Cabinet Meeting

Dr. Pressman attended this month's Meeting on April 23, 2014. Minutes from the Mayor's Cabinet Meeting to be included (when available) in the Public Works Commission Packet going forward. A piece of artwork recommended by the Fine Arts Commission to City Council will be placed on the same block as existing sculpture pieces on Santa Monica Boulevard.

Other Items of Interest

Mr. Rhoads and Mr. Brower from the Finance Department provided an update on utility billing software, Munis. Testing is complete, transition is in progress and bills are properly calculating and printing. June 2, 2014, the online bill pay website will be available with new enhancements for check and recurring payments. Pay by phone and in person payments still available.

F. CONTINUED AND NEW BUSINESS

Report on the City Council/Public Works Liaison Committee Meeting of April 29, 2014

Present were Council Members Brien and Mirisch and Commission Members Vice Chair Shalowitz and Chair Pressman, Staff Members Mr. Chavez, Ms. Rhay and Mr. Cartagena. There was no public comment. The Water Enterprise Plan was reviewed. Objectives and schedule; sense of urgency from Council Members, cost benefit analysis, protection of City's water rights and action items were discussed. City Attorney's Office is working with James Markman of Richards, Watson & Gershon. Mr. Markman will be at the next Public Works Commission meeting. Council Members Mirisch and Brien are not comfortable with a 0% water rate increase. The proposal for Solid Waste and Waste Water Rate increase is 0%; there is a potential use of developer fees to support water enterprise. Staff to bring options to the next meeting including capacity and/or connection fees and infrastructure fees

Continued Discussion of Water Rates for FY 2014/15

Presentation by Noel Marquis from the Finance Department. Ms. Rhay discussed increases at 0%, 1.5%, 2%, 3% and 5%, including additions and CPI adjustments. It costs more for the City to produce water than purchasing from MWD. Assuming City Council approves, placeholders will be: 2 million for Shallow Groundwater, 500,000 yearly thereafter for 5 to 6 years. Water Plan Placeholder scenario by Ms. Rhay: How rates may affect anticipated, new projects' ability to move forward; Impact with MWD's 1.5% increase.

Ms. Rhay discussed the difference between the City's and MWD's fiscal years. Mr. Marquis stated MWD is calendar year; we know the first half of our fiscal year, not the second half – this has a compounding effect for the City. Mr. Wunderlich stated 1.5% is a region-wide average; effects for each city are different based on usage. During the past drought MWD sold more water from physical reserves and built up financial reserves. Beverly Hills' effective rate increase is more than 1.5%. Beverly Hills buys 100% treated water entirely within Tier 1. Based on 15/16 looking like 2014 purchases, the actual rate increase will be 3.6% increase for 2015 and 1.4% increase for 2016. Mr. Marquis stated MWD is 30% of our costs among others (payroll, debt service, chemicals, testing, etc.). The less we sell equates to the more we must charge. Holding 50% reserves is deemed good business by City Council; reserves provide emergency funds and funds to be used on special projects.

MOTION by Commissioner Felsenthal, SECONDED by Commissioner Wolfe to Reconsider the previously approved 3% Water Rate Increase.

AYES: Vice Chair Shalowitz, Commissioner Felsenthal, Commissioner Aronberg and Commissioner Wolfe.

NAYS: Chair Pressman.

ABSTAIN: None.

ABSENT: None.

CARRIED 4/1

MOTION by Commissioner Felsenthal, SECONDED by Commissioner Aronberg to Amend the previously approved 3% Water Rate Increase to 2% for the Fiscal Year.

AYES: Vice Chair Shalowitz, Commissioner Felsenthal, Commissioner Aronberg and Commissioner Wolfe.

NAYS: None.

ABSTAIN: None.

ABSENT: None.

CARRIED 5/0

Commissioner Felsenthal believes City Council wants to improve water independence and suggests requesting an additional five million in placeholder funds.

MOTION by Commissioner Felsenthal, SECONDED by Commissioner Aronberg to Recommend to City Council a Five Million Dollar Placeholder for future projects approved by the Commission and City Council for water augmentation to include the Coldwater and Foothill Shallow Groundwater projects and the Desalinization testing operation at Foothill.

AYES: Vice Chair Shalowitz, Commissioner Felsenthal, Commissioner Aronberg.

NAYS: Commissioner Wolfe.

ABSTAIN: None.

ABSENT: None.

CARRIED 4/1

(Vice Chair Shalowitz departed the Meeting.)

Report from Southern California Edison on Community Outreach involving System Maintenance Work

Resident Steve Webb conveyed concern over electric wires being installed by Southern California Edison; notices of power outages sent to customers detailing steps to take to prepare, residents prepared. No outage occurred and subsequent outages were scheduled and not held. There was no notice that outages would not occur as scheduled.

Mark Olsen of Southern California Edison (Edison) discussed work being completed in Beverly Hills. A contractor completes a portion of work. The issue of the contractor not completing tasks as scheduled has been forwarded to Management. The Outage Map available on Edison's website contains locations and reasons for outages. Regarding recourse when contractors do not perform, Contract Management resolves issues. Contractors are under Edison's management and held to Edison standards but maintain latitude in work. Regarding mechanism for the City to interact with Edison for consistent communication and feedback, quarterly utility meetings are in place and also held as necessary.

Consideration of Notice of Public Hearing

Commissioner Wolfe noted a factual error in the first paragraph; MWD has not reduced allocation to the City. Mr. Wunderlich stated cities are getting 100% of water allocation; there is currently no mandatory shortage allocation in Southern California. Chair Pressman stated staff needs to review and proof Notice.

MOTION by Commissioner Felsenthal, SECONDED by Commissioner Wolfe to Approve As Corrected the Recommended Notice of Public Hearing.

AYES: Vice Chair Shalowitz, Commissioner Felsenthal, Commissioner Aronberg and Commissioner Wolfe.

NAYS: None.

ABSTAIN: None.

ABSENT: None.

CARRIED 5/0

Consideration of Solid Waste Rates for FY 2014/15

Ms. Rhay conducted a PowerPoint presentation: A scenario on what rate reduction would look like and clarifying reserves. Reserves are to be used for Hansen implementation and the increase to the Crown contract. The City required reserves are 50%. Staff recommends staying at 0% increase. There are no funds for potential zero waste City Council recommendation.

MOTION by Commissioner Felsenthal, SECONDED by Commissioner Wolfe to Maintain a 0% Solid Waste Rate Increase.

AYES: Commissioner Felsenthal, Commissioner Aronberg and Commissioner Wolfe.

NAYS: None.

ABSTAIN: None.

ABSENT: Vice Chair Shalowitz.

CARRIED 5/0

Mr. Cartagena stated staff can consolidate Water and Solid Waste Rates into one Notice and can add paragraph "Solid Waste Rate Recommendation" and change title to "Utility." Staff will work with the City Attorney's office on format.

Prioritize Elements of Water Enterprise Plan

Ms. Rhay stated there should be a placeholder.

Update on City Elevator Maintenance, Repair & Replacement Program

Commissioner Aronberg commented that there are a number of elevators seemingly regularly non-functional. Mr. Lynn stated the Bedford contract has been awarded; this elevator is being modernized in roughly four weeks. It has wear and tear due to high usage. The Beverly Canon elevator is in good working condition; there is a technology-based issue where the sim card diagnoses problems. Otis, our current maintenance contractor, cannot fix the problem. Another company, Schindler, is now under contract to fix the issue. Elevators are very proprietary in nature; they are engineered to be serviced by the maker. The City is in the process of a six million dollar full elevator modification.

Reports from Sub-Committees

Commissioner Wolfe discussed options on water conservation; staff, landscape professionals, other cities, etc. Two things that can be moved on quickly are increased communication with customers via bill inserts and revamping City website and information in the City's newsletter to promote conservation. The second is to expand on leak detection. Ms. Rhay stated the Triton agreement (for leak detection) is approved; staff is working on getting them operating.

Commissioner Wolfe stated the sub-committee would like to move forward on Promoting Existing MWD Rebates; Communicating Existing Conservation Practices; Code update--indoor conservation, expanding capacity and usage requirements; Code update--outdoor conservation, landscaping and irrigation. The Commission is onboard with moving forward and gathering more information. Commissioner Wolfe stated the sub-committee will continue will all except indoor conservation.

Discussion on Specific Roles and Responsibilities of Various Committees

Chair Pressman state current sub-committees are ad-hoc. If Commission Members receive calls from City Council they must inform them their issue will be discussed with the Commission Chair to determine the appropriate way to handle the issue. Sub-committees' function is fact-finding and reporting to the Commission. Members cannot speak in an individual manner or solely on behalf of the Commission. Input will be sought from Staff and Legal. Commissioner Felsenthal would like Chair Pressman to arrange a liaison meeting with Council Member Mirisch.

COMMENTS BY COMMISSIONERS AND STAFF

Mr. Cartagena acknowledged intern David Audell who has been with Public Works Services since December 2013. His internship ends May 2014.

COMMISSION ACTIONS

G. ACTION ITEMS

H. ADJOURNMENT

There being no further business, Chair Pressman, with the consent of the Commission, adjourned the meeting at 12:10 p.m.

Passed and approved

This _____ day of _____, 2014

Chair Pressman