CITY OF BEVERLY HILLS
City Hall Council Chambers
455 N. Rexford Drive
Beverly Hills, CA 90210
MINUTES
PUBLIC WORKS COMMISSION REGULAR MEETING
June 11, 2015
8:00 A.M.

The meeting was called to order at 8:05 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 Commissioner Felsenthal.

C. COMMISSION MINUTES

Consideration of Minutes of the Public Works Commission Regular Meeting of April 9, 2015, and Special Meeting of May 11, 2015. MOTION by Vice Chair Aronberg, SECONDED by Commissioner Pressman to approve. Absent objection by the Commission, Minutes are approved by order of the Chair. **CARRIED 5/0**

D. ORAL COMMUNICATIONS FROM THE AUDIENCE

None.

E. REPORT FROM THE CHAIRPERSON

Mayor's Cabinet Meeting
Chair Shalowitz attended the meeting of May 21, 2015; minutes are available online.

Other Items of Interest
None.

F. NEW BUSINESS

1. *Water Enterprise Plan Update*

Ms. Rhay provided an update. City Council approved the Water Enterprise Plan (WEP) concept with funding approved for FY 15-16 expenses; Staff returns yearly with budget requests. The three Project Manager positions are pending justification. Staff is working on filling two key positions, the Conservation Administrator and the Water Resource Manager; both to be funded July 1st. Commissioner Felsenthal requested the Commission be kept apprised of Finance's recommendations and be involved in recommendations to Council. Mr. Chavez stated the process of developing positions begins with a request based on feedback from the Commission; information will be brought to the Commission as available. Commission involvement in the hiring process (key positions) is appropriate. Regarding appropriating funds, Council has priorities and makes spending decisions. The Water Utility is an Enterprise funded by rates; it could be difficult for Council to provide funding. The WEP must be reviewed continually as the environment changes. Regarding the recent Liaison Meeting and request for $10 million in bond funding, full Council approval must occur. Multi-year projects are financed by funds being placed into the CIP budget and expended over years. Once a project is approved, it is forecasted out as it moves forward.

MOTION by Commissioner Felsenthal, **Seconded** by Commissioner Wolfe that the Commission urges City Council to formally adopt the Water Enterprise Plan in concept and funding; that subject to approval of specific phases of the project, the Council authorize and allocate $10 million in funding as a Capital Improvement Project with the understanding and authorization, subject to Council approval, that there be an additional two to three occurrences of $20 million in bond funding as the project moves through phases.

Ayes: Aronberg, Felsenthal, Pressman, Shalowitz and Wolfe.
Noes: None
Abstentions: None
Absent: None
CARRIED 5/0

2. *Penalty Surcharge and Tiered Water Rate Structure Review*

Ms. Rhay provided an update. The following were discussed: Conservation and Impacts; Conservation-Related Factors; Current Objectives; Penalty Surcharge Framework Update; Timeline; and Next Steps. If the proposed structure and rate increase are approved at the June 30th City Council Meeting, they will go into effect thirty days after. Regarding the role of the Commission, Commissioner Felsenthal asked that the Commission be informed of updates. He raised the issue of a revenue shortfall when conservation goals are met. Commissioner Pressman stated raising the rate 5% is not enough; the City will see decreased revenue as it pertains to the rate structure. He recommends rates be increased 30% to address the corresponding anticipated shortfall. He asked that Staff's presentation to Council show a clear delineation between revenue reduction due to conservation and the resulting need to increase rates from penalty surcharges due to failure to meet conservation goals. Ms. Rhay stated Staff will present options on rate increases and a surcharge penalty recommendation at the June 30th Council Meeting. The next liaison meeting is Monday, June 15th at 4:00 p.m.

MOTION by Commissioner Wolfe, **Seconded** by Vice Chair Aronberg that the Commission recommends City Council consider a minimum 5% rate increase in the short term, implemented as soon as practicable, to cover anticipated revenue shortfalls resulting from conservation efforts and to analyze potential income sources with a bi-annual review of same to see if additional adjustments would be merited.

Ayes: Aronberg, Felsenthal, Pressman, Shalowitz and Wolfe.
Noes: None
Abstentions: None
Absent: None
CARRIED 5/0

3. *Water Growth Management Plan*
   - *"Will Serve" Policy*

Mr. Markman, Esq. provided an update. The question is at what cost does the City bring new water into its system; possibilities are: 1) Get an entitlement to private water for developers to pay for a portion of water in order to serve it and deciphering the reliability of that water, and 2) Figuring out the cost of developing more local water. It is likely one can be accomplished. This is a Staff, City Council and Commission decision. Developing an infrastructure program to build local water is best. With new developments, the City can make a rational finding that not enough water exists if the City has a basis to do so. A water connection moratorium is possible and legally supportable with proper findings. Other communities are targeting new developments coming online with a proportionate share of cost. New developers can assist with paying the cost; the City can legally charge in-lieu water fees as long as fees meet constitutional requirements. Regarding calculating the rate, Mr. Wiener, Esq. stated a recommendation that the City develop development fees for the cost of water resources/incremental water should be made to City Council.

MOTION by Commissioner Pressman, **Seconded** by Vice Chair Aronberg that the Commission recommends that City Council direct Staff to develop a structure for developer fees related to the cost of incremental water required for any new projects.

Ayes: Aronberg, Felsenthal, Pressman, Shalowitz and Wolfe.
Noes: None
Abstentions: None
Absent: None
CARRIED 5/0

4. *Zero Waste Strategic Plan*
Ms. Rhay provided an update. Staff hired HF&H to begin work on this Plan; time will be scheduled for HF&H to present to the Commission. A first step, at City Council's direction, is to work on a new solid waste agreement. This Plan is not a regulatory requirement, yet many cities are implementing similar 20-30 year plans. This is a City Council Priority B and Mayor Gold has expressed interest in this area. A risk in putting off this Plan is renegotiating the current agreement at a higher cost. $95,000 is budgeted for this project.

G. CONTINUED BUSINESS

1. *Water Conservation Update*
Ms. Tse provided an update. An Internal Conservation Taskforce, comprised of Staff from all Departments, is in place; general updates are provided in the Report. City Council approved the Supplemental MWD Rebate Program and the G3 Individual Landscaping Program, effective July 1, 2015. Commissioner Wolfe voiced concern regarding conservation efforts, overall strategy and how the City will achieve the mandated water use reduction and where conservation efforts should be emphasized. Vice Chair Aronberg stated there does not seem to be an appropriate sense of urgency from the Recreation and Parks Division. Mr. Chavez stated the Commission's message is clear. The City Manager's Office has made conservation a priority for all Departments and is directing efforts. Regarding artificial turf, Mrs. Kahikina stated the City Executive and Manager Group met with the City Manager's Office to discuss issues to bring to the Commission and City Council.

2. *Reports from Sub-Committees*
Conservation & Education Sub-committee.
Mr. Chavez stated Public Works is working with Community Development and other Departments concerning conservation enforcement. Violation Letters are being sent and Inspectors are active in the field. PW is working with Information Technology to analyze water usage; future notices are to be sent based on this information. Regarding Water Tracker, Commissioner Wolfe stated multiple Departments are involved and sufficient coordination is not taking place. Issues with the system and meters still exist.

3. *Outstanding Action Items List from Previous Meeting* TABLED

4. *Capital Improvement Program Projects Under Public Works Management*
   - Water Treatment Plant Rehabilitation

Mr. Cuneo provided an update. City Council approved the rehabilitation as presented by Staff. An award package has been sent and work is slated to begin in July. The contract amount is roughly 2.3 Million. A condition is that the Plant must be in operation six months after work begins. Regarding membrane and brine issues and whether there will be a filter installed at the well head, this Project covers issues within the Plant; filtration inside the Plant will be addressed.

5. *Discussion of Future Agenda Items and Areas of Priority* TABLED

H. COMMENTS FROM COMMISSIONERS

None.

I. COMMENTS FROM STAFF

1. *Climatec Update*

Mr. Lynn provided an update. 3.5 Million has been budgeted toward Climatec activities. Sprinkler and water system updates will be the first task. Work is currently on schedule. Vice Chair Aronberg raised the issue of Civic Center Drive/Lots 12 and 13. There is a 6:00 p.m., June 17th meeting in the library auditorium where the Department of Toxic Substances Control (DTSC) will be present to discuss alleviating the contamination.

2. *Annual Consumer Confidence Report (Water Quality)*

Mr. Hillyer provided an update. Postcards were mailed in May to Beverly Hills residents and W. Hollywood customers noticing that the Annual Consumer Confidence Reports will be posted on the City's website; a hard copy can be requested. Of note is that there were zero positive results for the year and no nitrification found in any reservoirs.

Mr. Chavez stated the Writer's Block Group (not City sponsored) is hosting an event June 24th at 7:30 p.m. titled *Dripped Dry: Use Less Water and Still Be Ok;* the community is invited. He also noted that Daniel Cartagena will be retiring at the end of June.

J. COMMENTS FROM METROPOLITAN WATER DISTRICT (MWD) DIRECTOR

None.

K. ACTION ITEMS

- Commissioner Felsenthal would like to agendize use of landscape water and requiring two meters (for inside and outside use) on all new construction.
- Commissioner Felsenthal asked that Staff request $10 Million in upfront funding for the WEP.
- Commissioner Felsenthal asked that the Commission be provided with the description and qualifications for the Water Operations Manager position.
- Commissioner Felsenthal asked that the discussion of going before W. Hollywood City Council to request a contribution of funds toward conservation efforts/costs, be held.
- Regarding the Commission's role and its provision of specific resolutions to move processes and projects forward, Commissioner Felsenthal raised the topic of metrics needing to exist to assist in moving projects along.
- Commissioner Wolfe would like to agendize the topic of the planning process and updating the Urban Water Master Plan in the next year.
- Chair Shalowitz requested a discussion of the Department's RFP's.

L. ADJOURNMENT

There being no further business, Chair Shalowitz, with the consent of the Commission, adjourned the meeting at 11:47 a.m.

Passed and approved

This _____ day of _____, 2015

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Chair Shalowitz