



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

**PUBLIC WORKS COMMISSION
REGULAR MEETING MINUTES**

February 11, 2016
8:00 a.m.

MEETING CALLED TO ORDER

Date/Time: February 11, 2016 / 08:03 am

PLEDGE OF ALLEGIANCE

ROLL CALL

Commissioners Present: Commissioners Felsenthal, Pressman, Shalowitz, Vice Chair Wolfe, Chair Aronberg

Commissioners Absent: None

Staff Present: George Chavez, Mark Cuneo, Josette Descalzo, Chad Lynn, Trish Rhay, Caitlin Sims, Michelle Tse, Audrey Wright

COMMUNICATIONS FROM THE AUDIENCE

Members of the public may address the Commission regarding any items not on the Agenda that are within the subject matter jurisdiction of the Commission. By State law, the Commission may not discuss or vote on items not on the Agenda.

Speakers: None

APPROVAL OF AGENDA

By Order of the Chair, the agenda was approved as presented.

CONSENT CALENDAR

1. Consideration of January 14, 2016, Commission regular meeting minutes. – *TABLED*

REPORTS FROM PRIORITY AGENCIES

Operations Reports from City Departments, Consultants and Outside Agencies

- Metropolitan Water District (MWD) Director – Dr. Wunderlich provided an update. MWD began its process of establishing rates and budget for the next two years. The initial recommendation for the region is 4% per year for the next two years. Beverly Hills should see an increase of about 4% per year; fixed charges will be factored in. Once finalized, rates will go into effect January, 2017.

2. Capital Assets – Water Capital Improvement Projects

City Engineer, Mr. Cuneo, Project Manager, Vincent Chee and Asst. Dir. of Public Works, Ms. Rhay provided an update.

- a. **Water Treatment Plant** – Construction is 60% complete; the plant is being reconstructed and coating is in process. Testing to occur in March or April, with the Plant back online in May. Staff will provide a cost update at the next meeting. Staff is working with Hazen & Sawyer on membrane issues, old procedures and returning the Plant to operation; an update can be provided at the next meeting.
- b. **Shallow Groundwater Well** – A PowerPoint presentation was given. The following were discussed: Background; Objective; Project Plan; Well Siting; Well Drilling; Zone Testing; Results of Zone Test for Well 1; and Next Steps. Water pumped is good quality; water use to be discussed. For six months to one year, water will be pumped, conveyed to the sanitary sewer and can be used to fill trucks for washing and other City uses.
- c. **Greystone Reservoir Rehabilitation** – Physical work at the site is anticipated to begin the end of February. The contractor anticipates compliance with the schedule.

CONTINUED BUSINESS

None

NEW BUSINESS

3. Update on Tiered Water Rates

Asst. Directors of Public Works, Ms. Rhay and Mr. Lynn and Dir. of Admin. Services/CFO, Don Rhoads provided an update and discussed presenting an interim budget gap recommendation to City Council on February 16, 2016. The issue will be back before Council to highlight transparency and clear confusion concerning the penalty surcharge and tiered water rates. Discussion included the fact that a shortfall would exist in FY2015/16 even with a rate increase. Without the 5% increase a \$3.3 million shortfall would exist, \$2.9 with the 5% increase.

Motion: MOVED by, Commissioner Felsenthal, SECONDED by Vice Chair Wolfe that the Commission recommends City Council consider the following to address the anticipated budget shortfall: \$1.5 million General Fund transfer in FY2015/16 & FY2016/17; Delay of the Water Main and Hydrant Replacements with a reduction of \$2 million from the fund to be allocated to the Water Enterprise Plan (WEP) in FY 2016/17; and that City Council allocate \$700,000 to the WEP from unallocated funds (5-0).

AYES: Commissioners Felsenthal, Pressman, Shalowitz, Vice Chair Wolfe, Chair Aronberg

NOES: None

CARRIED

4. Modifications to the Penalty Surcharge Multiplier & Appeals Process

Ms. Rhay provided a PowerPoint presentation to discuss adjustments to the penalty surcharge multiplier and the appeals process criteria as discussed and analyzed by Staff and the Public Works Commission Conservation Subcommittee. The process included making adjustments based on actual numbers rather than assumptions. The following were discussed: Objective; Background; Surcharge Multipliers; Penalty Surcharge Impact on Conservation; Regional Performance; Appeals Process Criteria; Implementation Strategy; Subcommittee Proposal; and Next Steps.

Motion: MOVED by, Commissioner Shalowitz, SECONDED by Commissioner Felsenthal to adopt the Penalty Surcharge Multiplier as presented (5-0).

AYES: Commissioners Felsenthal, Pressman, Shalowitz, Vice Chair Wolfe, Chair Aronberg

NOES: None

CARRIED

Motion: MOVED by, Vice Chair Wolfe, SECONDED by Chair Aronberg to add a new criteria to the Appeals Process for multifamily and commercial properties that have already implemented water efficient fixtures whereby the percentage of landscape and pool areas are less than a specific number to be determined and if they qualify, their new target reductions are: Level 1 Surcharge Penalty reduced to 20% and Level 2 Surcharge Penalty be reduced to 8% (5-0).

AYES: Commissioners Felsenthal, Pressman, Shalowitz, Vice Chair Wolfe, Chair Aronberg

NOES: None

CARRIED

5. Recommendation to Implement Restrictor Policy for Largest Water Users

Planning & Research Analyst, Ms. Tse provided a PowerPoint presentation to discuss installing water restricting devices on the largest customers. The following were discussed: Background; Policy Framework; and Implementation Considerations.

PROJECT UPDATES & STATUS REPORTS

6. Update on Will Serve Policy Development & Groundwater Exaction Fee Study

Ms. Rhay provided an update. The City's Water Resources Manager is working with Community Development and the City of West Hollywood to set up contact, process and

checklist procedures for new developments to determine capacity and exaction fees and infrastructure improvements. The Commission suggested notice to developers to include infrastructure fees and water capacity information. Staff will bring this Item back to the Commission for review in April.

7. Update on Water Conservation Efforts

Ms. Tse and Environmental Compliance & Sustainability Program Mgr., Mr. Descalzo provided an update. The State Water Resources Control Board announced the Drought Declaration will continue through October 2016. Staff has reached out to area businesses, Garden Guru appointments continue and a rain barrel event was held. The City has seen a large increase in penalty surcharge appeals. Mr. Descalzo introduced the City's Water Conservation Enforcement Team – Debby Figoni and Brad Cornelius.

8. Jewish National Fund California-Israel Water Summit

Management Analyst, Ms. Sims provided an update. The Water Summit will be March 1st through 3rd in the general Los Angeles area; two events will be held in Beverly Hills. Information is in this month's packet. There is an all-day event March 2nd at the Wallis Annenberg Center for the Performing Arts. The final agenda will be distributed to the Commission when available.

9. Update on Community Choice Aggregation

Ms. Sims provided an update. City Council adopted a Resolution to participate in a feasibility study regarding developing community choice aggregation in the City. Data is being collected to analyze potential costs. A report and study is expected to be released in roughly two months. Staff will update the Commission as information becomes available.

10. Update on Current Projects

Ms. Rhay provided a brief update on the Cabrillo Reservoir site. Staff is collecting water and discussion is ongoing regarding rehabilitating the well and water conveyance to Coldwater Canyon Park. This Item is on the City's priority list for receiving unallocated funds; City Council will choose amongst alternatives. Staff requested funds for the Cabrillo Reservoir site in the next budget cycle.

COMMUNICATIONS FROM THE COMMISSION

- Chair's Report – *NONE*
- Mayors Cabinet Meeting – *NONE*
- Comments from Commissioners

Commissioner Felsenthal raised the following:

- Requests a report once Staff meets with W. Hollywood to discuss that City contributing funds for capital water costs.
- Requests information on the potential use of unallocated funds for water projects.
- Requests an update regarding the replacement of the Public Works Services Director and the status of Public Works Commission liaisons.
- Requests an updated Water Master Plan.

Commissioner Shalowitz raised the following:

- Requests information regarding the Solid Waste RFP.
- Requests information concerning the Santa Monica Boulevard reconstruction start date.

COMMUNICATIONS FROM STAFF

- Director's Report – *NONE*
- Upcoming Events – *NONE*

ADJOURNMENT

Date / Time: February 11, 2016 / 12:01 p.m.

PASSED AND APPROVED THIS 10TH DAY of MARCH, 2016

Sandra Aronberg, Chair

