



CITY OF BEVERLY HILLS
PUBLIC WORKS SERVICES DEPARTMENT
MEMORANDUM

TO: PUBLIC WORKS COMMISSION

FROM: Trish Rhay, Assistant Director of Public Works Services
Caitlin Sims, Senior Management Analyst

DATE: May 12, 2016

SUBJECT: UPDATE ON WATER RATE DEVELOPMENT

ATTACHMENTS: None

At the April 18, 2016, Public Works Commission meeting, staff provided an update on the water rate development schedule and the status of the financial and operational efficiency audit of the Water Utility. This operational audit is intended to ensure that the City's water utility is operating as efficiently as possible prior to moving forward with the re-development of the new water rates structure.

The City received proposals from five firms: Hazen and Sawyer, Matrix Consulting Group, Navigant, Raftelis Financial Consultants ("RFC"), and Willdan Financial Services. In April 2016, interviews with three of the firms were conducted by the Assistant Director of Public Works Services—Infrastructure and Field Operations, the Director of Administrative Services/Chief Financial Officer, Chair of the Public Works Commission, and Vice-Chair of the Public Works Commission. Matrix Consulting Group was selected based on their written proposal and performance on the interview.

At its May 3, 2016, the City Council authorized the City Manager to execute an agreement with Matrix Consulting Group and authorized the City Manager to approve a purchase order for a not-to-exceed amount of \$89,000. At this time, work on the operational audit is expected to begin the second week of May. It is anticipated that work will be completed within four months. Staff from Matrix Consulting Group will present on the project at the June 2, 2016, Public Works Commission meeting.

Staff is also continuing to move forward with a public outreach process to ensure that a variety of stakeholders are able to provide public input.

Staff will be available to answer any questions from the Commission at the meeting.