



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

**PUBLIC WORKS COMMISSION
REGULAR MEETING MINUTES**

August 11, 2016
8:00 a.m.

MEETING CALLED TO ORDER

Date/Time: August 11, 2016 / 08:02 am

PLEDGE OF ALLEGIANCE

ROLL CALL

Commissioners Present: Commissioners Pressman, Shalowitz, Vice Chair Wolfe,
Chair Aronberg
Commissioners Absent: Commissioner Felsenthal
Staff Present: Vincent Chee, Vince Damasse, Debby Figoni, Mark
Hobson, Aaron Kunz, Erick Lee, Chad Lynn, Logan
Phillippo, Trish Rhay, David Schirmer, Caitlin Sims, 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 the Minutes of the regular meeting of July 14, 2016.

Motion: MOVED by Commissioner Shalowitz, SECONDED by Vice
Chair Wolfe to approve the minutes as presented (5-0).
AYES: Commissioners, Pressman, Shalowitz, Vice Chair Wolfe,
Chair Aronberg
NOES: None

CARRIED

REPORTS FROM PRIORITY AGENCIES

Operations Reports from City Departments, Consultants and Outside Agencies

• Information Technology Department – Fiber to the Premise

Assistant Chief Information Officer Mark Hobson and Chief Information Officer David Schirmer of the Information Technology Department (IT) and Technology Committee Member A. J. Wilmer provided an update. The following were discussed: Overview; Fiber To The Premise; Business Drivers; Other Municipalities; History; Feasibility Study; Market Research Findings; Importance Of Capacity; Financial Analysis; Pro Forma Results; Cash Flow With Debt Service; Net Cash; Next Steps; and Finalizing The Design. The Public Works Commission (PWC) was asked to form an ad-hoc sub-committee to work with the Technology Committee on this matter.

The Commission discussed the following:

- Whether overhead transmission lines will be run. Staff noted underground is anticipated.
- Whether there will be new trenches on private property. Staff noted yes; the City will negotiate with owners, with work paid for by the City.
- What the system will be connected to in the home and at what cost. Staff noted it will be similar to a set top box, at additional cost.
- Fiber's effect on Mayor Krasne's desire to eliminate above-ground utility poles and customers with poles on their property. Staff noted there is an incremental cost to underground, which is anticipated. Customers with poles in their backyards would have to work with the City.
- Whether those currently using cable can be hooked up through the City's fiber. Staff noted this will not occur; residents will be able to hook up to the City's conduit.
- The estimated cost per residence, wireless or wired, to turn on the service and whether there will be installation fees. Staff noted pricing exists for different scenarios; there are no installation fees and no contracts besides the fifty dollar monthly service fee. The City is taking the fiber to the set top box; once in the home, it is the resident's responsibility to distribute it. The cost of the box is absorbed into the project and not passed on. Use of a Wi-Fi router is possible. The City would provide a list of routers; the resident would still need to have it installed.
- Whether the City would purchase content from providers and if it will consist of basic stations. Staff noted the City will become a small provider, inclusive of basic stations.
- With content providers in existence, how the City will afford paying for content. Staff noted the City would pay at the same rate current providers do. The City is not allowed to a make profit; the service will always be less than that of current providers.
- The heart of the project is fiber; whether the City will be a content provider. Staff noted the project does not fall on the City being a provider; the content piece will disappear to an extent over time.
- Whether a router will be needed for gigabit distribution. Whether residents will need to wire homes and if there is a cost. Staff noted a router will be needed. With the new Wi-Fi the system can run on a wireless digital video recorder. There will be a cost to wire a residence; staff can get estimates.
- The cost will be more than fifty dollars monthly, including set up costs. Staff noted the City looked into the cost of laying fiber in 2010; the estimated cost was \$30M. City Council is willing to capitalize the cost. The cost to lay fiber is lower than expected. In the short term the City is looking to incorporate internet, television and telephone service

to residents; long-term is connecting those outputs to the City. Connectivity is the primary goal.

- The entity to contact if service goes out. Staff noted the City will subcontract repair services out; costs will be built in to the \$50 monthly fee.
- Whether the City's 2008 internet service to schools was fiber and if it was successful. Staff noted this offering will be better; initial speed was 10 Mbps, this will be 500.
- Whether the program will be offered to entertainment and commercial entities, the reason why the City waited eight years to move forward and what is the course of action if cost estimates are significantly off. Staff noted this year's goal is to capture more commercial entities. The eight year hesitancy was mainly due to cost. The project has been discussed with City Council.
- Whether the City of West Hollywood will be included. Staff noted City Council discussed including West Hollywood.
- Whether the City will be opening itself to legal issues concerning competing with the industry. Staff noted the City studied Federal Communications Commission regulations; fiber is a utility, same as water. The City Attorney's Office has been involved.
- A strength of the program is the ability to monitor data; whether this is a privacy issue and if there a concern from the community. Staff noted there will be privacy policies.
- This project, in theory, is great. At issue is how the City will achieve it; implementation and maintenance pose potential problems. The City should ensure time is spent on important issues and what it will mean to establish a well-staffed, efficient customer service division that will work with other Departments. The project will have an impact on the Public Works Department (PW) as it manages infrastructure in the City. Staff noted IT would like ongoing participation with two PWC Commissioners or PW staff.
- Customer service is a huge factor; whether PW will have a role. Staff noted customer service will be a stand-alone entity with possible integration of PW Customer Service.
- To involve another department in customer service is a hassle; resident input on the issue is needed. Staff noted the City brand on this project is very important and the customer service aspect has been looked into.
- A PWC ad-hoc sub-committee should be involved with IT. Communication will help or hinder this project.

CONTINUED BUSINESS

2. Community Choice Aggregation

Senior Management Analyst Caitlin Sims provided an update on efforts to develop a community choice aggregation in the City. The following were discussed: Background; Basic Program Features; Customer Impacts; Benefits; Sample Rate Comparison; Risks; Background; County of Los Angeles Community Choice Energy Business Plan; Estimated Rates; Administration; Timeline; Alternatives; Pursue Joining LA County JPA; Pursue Creation of Smaller JPA; Develop Single-City Community Choice Aggregation (CCA); Recommendation; and Next Steps. Staff continues to work with Los Angeles County (LAC) and is seeking Commission direction. The Commission would like staff to continue to work with LAC and South Bay's CCA and return with an update.

The Commission discussed the following:

- Whether the PWC must choose from among the four alternatives presented. Staff noted there are many available choices.

- The PWC and Department should continue looking into options one and two. Staff noted the South Bay CCA is very active and has been leading the charge in LAC.
- Whether Southern California Edison (SCE) would provide customer service if a CCA is formed and who would be contacted if electricity goes out. Staff noted SCE is responsible for transmission and would be called for service. Maintenance of infrastructure will be clarified. CCA's have a dynamic relationship with SCE; service and maintenance communication levels can be impacted.
- Whether staff has looked into response times for cities currently in a CCA. Staff can look into the matter.
- Concerning the potential of less profit for utilities as more cities join CCA's, whether a service level concern exists. Staff noted with increased pressure and solar energy, it may become more competitive. A benefit exists in the being able to affect programs.
- Whether SCE would not remain in the electricity business. Staff noted the California Public Utilities Commission (CPUC) is involved, overseeing relationships to make sure utilities exist.
- The goal is clean energy, not necessarily to reduce costs, which could rise. The reason SCE would not seek to purchase clean energy. Staff noted clean energy is the City's goal; the cost per kilowatt hour will be decreased. Sufficient pressure does not exist for SCE to seek clean energy.
- The additional costs and risks of joining a CCA. Staff can speak generally about risks; additional research would be necessary.
- The idea of lobbying the State to change laws if renewable energy is important. Staff noted the CCA provides such. All utilities are regulated by the CPUC. With a CCA, there is the ability to have a greater say as to what the City receives.
- Concerning service, whether availability would still be up to SCE. Staff noted the City can be smarter about where it gets energy. More local energy could be provided to customers; risks exist.
- With 33% renewable energy as a goal, what that level signifies and what kind of enforcement would there be. Staff noted 33% by 2020 is the goal. The City has no control; utilities are required to report their load.
- If the utilities are struggling to reach 33% by 2020; whether it would be easier for a CCA to do so. Staff noted utilities have not decided to do so; they are struggling due to push back. The City's main priority is to determine whether enough green energy exists.
- Whether the City has made a commitment to participate; City Council needs to discuss the issue. Staff noted the City has not made a commitment to participate; joining can help the City mold how it would like to see the CCA function.

3. Update of North Santa Monica Boulevard Reconstruction Project

Deputy Director of Transportation Aaron Kunz provided an update of the proposed schedule and timeline for the Santa Monica Boulevard Project. On July 19, 2016, City Council approved agreements to reconstruct North Santa Monica Boulevard (NSMB), construction management and public outreach. The plan is to hold a City Council ad-hoc meeting with construction managers in late August. A community meeting is planned for August 31, 2016, in the Municipal Gallery. Staff will then return to the Transportation & Parking Commission (TPC) and the PWC with planned schedules then return to City Council on September 20, 2016. City Council wanted to ensure time for public outreach. Construction is slated to begin in October. Scheduled dates will be provided to the Commission.

The Commission discussed the following:

- Whether four lanes will be maintained during the project. Staff noted, as much as possible, yes. Periodically, traffic will be reduced to two lanes; mitigation options will be sought. Maintaining four lanes is costly in terms of time and night work is subject to City Council approval. Staff will attempt to limit sound impact.
- After the last large earthquake, the City paid contractors bonuses to complete work faster; whether the City is looking into bonuses for this project as reducing traffic to two lanes will be a disaster. More night work should take place. Staff should seek ways to mitigate issues. Whether installing light and sound barriers is possible. Staff noted night work is likely a residential, not cost, issue. Providing bonuses is under Mark Cuneo's purview. Removing some parking to keep traffic moving is being analyzed.
- Whether a lane will be reopening soon near the Waldorf on Wilshire. Staff noted it is scheduled to open early September.
- Whether light paving work is planned for the 9900 Wilshire Block and if it will occur soon. Staff noted an existing contract includes upgrading work from Wilshire to Doheny.
- Whether the Waldorf is responsible for repairs near its construction. Staff noted it is and follow up will occur.

4. Capital Improvement & Major Projects

Project Manager Vincent Chee, Water Resources Manager Vince Damasse and Assistant Director of Public Works Trish Rhay provided an update. A Notice-to-Proceed was issued for the Cabrillo Reservoir liner installation and a preconstruction meeting with the contractor is pending. It is estimated to be a four month project. A mandatory pre-proposal meeting concerning the conveyance system was held and proposals are due August 23, 2016, with an award of contract for design slated for September.

a. Reverse Osmosis Water Treatment Plant Rehabilitation

Construction is 99% complete and Plant recommissioning will be in August. Functional testing continues. Membranes will be replaced once testing is complete. Once the Plant is running, the Department of Drinking Water (DDW) will re-visit. The City answers to outside agencies; despite best planning and practices things can go wrong. Ninety percent of Plant equipment has been dormant; staff will know possible mechanical issues once the Plant is running. With DDW requirements, the City must comply. DDW wants to be on-site and involved with testing; a fair amount of testing must take place. Staff will be more proactive with phasing, scheduling and relaying information to the Commission.

The Commission discussed the following:

- Whether samples will be sent to DDW after membranes are replaced. Staff noted samples will be sent when new membranes are in place.
- The estimated time for the Plant to be running. Staff noted DDW has necessary paperwork but wants to see testing, training, commissioning, integration and a confidence test period to witness key milestones. Water in the Plant is anticipated by January 2017. Operations should be up by the end of October pending DDW approval.
- The new cost of water once the Plant is up and running. Staff will do a cost analysis. The goal is a lower draw rate to have consistent flow 24/7; once established, staff will be able to calculate the cost per acre foot. The cost was previously \$2500 per acre foot; if the flow is the same, the cost will likely be similar until the next improvement.
- Whether water from Foothill will be taken to the Plant. Staff noted within a year, water from Foothill will bring costs down as fixed costs are spread over more water produced.

- Concerning the cost of water going through the Plant compared to what it was previously, it will always be higher as it costs the City more to produce water.
- The prior rehabilitation estimate was \$2M, whether this has increased. Staff noted the contract with RSH Construction (RSH) was \$2.3M, change orders totaled \$400k; the overall cost is roughly \$2.75M. The original RSH contract had a contingency of \$200k which was insufficient at less than 10%. An additional \$200k was approved in April.
- Whether there can be penalties to contractors for delays. Staff noted penalties are generally \$1k daily for delays; the contractor requested additional days for change order contract extension.
- Whether wells have recharged over the last 18 months. Staff noted they have; the City will better manage draw down rates; lower flow rates are being analyzed in order to run the Plant 24/7.
- Whether water will be introduced into the distribution system by January 1, 2017. Staff noted with DDW approval, it will.
- Unexpected things happen; staff has the experience and knows what is to be expected and should plan accordingly. Commission frustration stems from incomplete information and planning; realistic planning and reporting need to take place.

b. Shallow Groundwater Wells

A kick-off meeting was held with Tetra Tech (water conveyance system and wellhead facility design) and Hazen & Sawyer (DDW permitting and Plant integration); a water sampling plan is being developed. The City is using roughly 11k gallons daily of non-potable water pumped from the wells in operations.

The Commission discussed the following:

- The amount of water from Coldwater used for non-potable purposes. Staff noted less than 6k gallons is used; the City has one tank in that area. Tanks were moved to make way for relining Cabrillo. The Cabrillo relining contract has been awarded.
- Whether the City will run conveyance from Cabrillo. Staff noted the City will run a conveyance system from Cabrillo. The RFP to design a non-potable distribution system to parks and Sunset and Santa Monica Boulevard medians has been prepared.
- When drinkable water will be present. Staff noted DDW approval will dictate.

c. Greystone Reservoir Rehabilitation

Repairs to the west basin were completed in July and it is back in service; work on the East Basin is in progress. Staff anticipates completion in September with a back-in-service date in October.

The Commission discussed the following:

- Whether both basins will contain water when complete. Staff noted the Reservoir is managed by cycling water on both sides.
- Whether a Dam inspector is needed concerning water pressure. Staff noted this issue was initially evaluated; the Reservoir is structurally sound.
- The status of the upgraded mixer (solarbee) as it pertains to the old coliform issue. Staff noted the solarbee will be put back into service. Staff will look into whether the solarbee comes through the Skidata system. Staff is able to conduct visual inspections; water quality data comes through the Skidata system
- Once the Reservoir is relined and filled with non-potable spring water, where the water will be dispersed. Staff noted water can be used locally. The distribution system is

being designed to irrigate parks. The Reservoir will not be completely filled until the City is ready to use the water supply.

- Where water will be conveyed once relining is complete. Staff noted it will be taken to either Sunset or Santa Monica Boulevard; the City is now in a study phase to determine. Proposals are due on August 23rd, with a tentative award in September.
- Whether water can be used on medians now; initial testing indicated water is very good quality. Staff noted design will include median use.
- Whether this project can be fast tracked. Staff noted the RFP for design is being fast-tracked; further discussion can be held with the Engineering Division on this matter. To consider is at what expense would fast-tracking take place; the Department is working on multiple projects with limited resources.
- Whether outsourcing is possible. Staff noted all work on this project is outsourced.
- The reason the RFP process was not undertaken sooner. Staff noted the Department has done more work in water over the last year than in the last ten years and can realistically only do so many projects at any given time; the issue is priority.
- The City has been using Cabrillo water for operations and is now lining that reservoir to use water for irrigation; whether the same amount of water will be yielded. If the City receives permission for irrigation, conveyance would need to be built; whether the water can be used only for operations. Staff noted it can be used for both purposes.
- Why water cannot be used for medians now. Staff noted this requires equipment, staff and water would have to be distributed underground as broadcasting is not allowed at this time.

*The Commission took a recess at 9:52 am
The Commission reconvened at 10:03 am*

(Out of Order)

8. Residential Light-Emitting Diode (LED) Street Lighting Pilot Program

Management Analyst Logan Phillippo, Consultants Frank Mann and Randy Huttenberger of Climatec and Dane Sanders of Clanton & Associates provided an introduction to the LED street light pilot program. The following were discussed: LED Street Light Pilot; Street Lighting Assessment; Project Discussion; Schedule; Lighting Characteristics; Review Survey; Luminaire Selection; Luminaires; Determine Test Areas; Overall Map; and Existing Beverly Hills Street Light. The purpose of the pilot is to determine the feasibility of changing out street lights. An audit began in 2013 with the goal of saving energy and reducing the environmental footprint. In 2015 City Council approved the project. LED lighting reduces energy use by 50% and provides clean, direct, efficient light. The City is looking to change light fixtures, not poles; decorative units would likely expand the scope to include poles. The City is looking at like for like, not dramatically changing fixture heads. There are 6,000 units in the City; 90% are in residential areas and most are cobraheads. The focus is LED lighting, not aesthetics. Staff recommends establishing an ad-hoc sub-committee on this matter. Single family residences were polled; the intent for this portion of the pilot was to focus on single-family residences, as recommended by Clanton & Associates. Two test areas will be selected. Luminaires would cost \$300-400 per fixture; decoratives would cost around \$1,000. Part of the plan is to test dimming lights to 50% then re-survey. More energy savings will be seen with increased dimming.

The Commission discussed the following:

- It is not likely commercial lamps will be best for residential areas.
- Adding one southeast test area.
- Cost if the pilot is successful. Staff noted exact costs are unknown at this point. The City is sinking funds annually into the project.
- LED has been around some time; whether federal funds exist to cover costs. Staff noted the pilot acts to set the program in motion; more information forthcoming.
- Whether the Commission is interested in forming an ad-hoc sub-committee on this project or continue to receive regular updates from staff. Whether more information should be garnered prior to forming an ad-hoc sub-committee. Staff noted the Commission requested it be engaged in new projects early on; this is staff's intent.
- Whether differences in test areas exist as it pertains to fixtures and color temperatures. Consultants noted the color temperature will be kept consistent; the evaluation will be about 3,000 Kelvin. Light distribution can be affected by headlamp shape.
- The pilot should include light distribution; commercializing residential areas is not a good idea.
- Whether staff made the decision to use 3,000 Kelvin without a prior test. Staff noted the American Medical Association recommends 3,000 Kelvin.
- Cedars-Sinai has a shocking area of lighting which is not desired; lower Kelvin makes sense.
- Staff is not reinventing the wheel; this has been done elsewhere. Many variables exist; the idea is to find a way to illuminate in a less costly, more efficient, less maintenance manner with energy savings. Consultants noted the lights are guaranteed for 10 years and maintenance costs would be significantly reduced.
- Whether the Commission would like to view more attractive fixtures.

(Return to Order)

5. Management Study of the Water Supply and Distribution Program

Ms. Rhay provided an update. Staff has been working with Consultant Matrix on Water Enterprise operations and a financial audit. More time is necessary to work out issues and provide the Commission sufficient time for review. Matrix will be out of the Country until September 16, 2016. Staff is requesting the Commission discuss its preference to either move the September meeting to a date after the 16th, hold a Special Meeting or schedule the presentation for the October meeting. Matrix's study will feed into the rate process.

The Commission discussed the following:

- Delaying the discussion until October.
- Whether a delay will cause problems. Staff noted a two week delay is not a fatal flaw.

6. Water Conservation Efforts, Penalty Surcharge Appeals Process and Long-Term Water Use Efficiency Programs

Water Conservation Administrator Debby Figoni provided an update. The following were discussed: Water Conservation Efforts; Public Education; Future Outreach; Water Reduction; Penalty Surcharge; Long-Term Water Use Efficiency Policy; Water Allowance Formula; Outdoor Water Allowance (Maximum Applied Water Allowance/MAWA); Water vs. Plant Needs; Exceedance Percentage; Recommendations; and Next Steps. Staff is no longer receiving Level 1 appeals. Level 2 appeals are only accepted if received within 15 days of the customer's Level 1 appeal decision. Staff and the Water Conservation & Education Sub-Committee are creating an

excessive water use policy to establish water use exceedance levels, promote efficient water use and define unreasonable water use with a corresponding fine.

The Commission discussed the following:

- The purpose of establishing an excessive water use policy is to avoid across-the-board reduction percentages and set ongoing reasonable use and exceedance standards.
- Whether the 1.0 MAWA factor is performed at least once in 12 months, rather than looking at the twelve months over a year. Clarification is needed.
- The policy concept needs to be discussed further; a customer might be over one month and under the next. The evaluation and cycle periods need to be defined.
- The City would want to be on top of this issue; after one cycle without a fine and a second instance occurs, a fine should be imposed. Time should be allotted for education and issue repair. Users should be given their MAWA so they know their goal; this should be a function available in Water Tracker (WT).
- The purpose of the policy is not to generate violations but to have something in the Code for residents to adhere to with an inspector following up after an initial violation. It will be an analytically justified mechanism for water efficiency.
- Suggests the Sub-committee continue developing the policy.
- If residents wish to know their allocation, they can use WT, enter the required information and get their MAWA.

NEW BUSINESS

9. FY 2017/18 Budget Introduction

Deputy Director of Public Works Erick Lee provided an overview of the 2017-18 budget process. Kick off will be early December, ending December 31st. Staff will present proposed budgets to the City Manager for review who will then, along with the Chief Financial Officer, make recommendations to City Council. In May, City Council begins holding budget study sessions to review operating and capital budgets. In early June, City Council adopts proposed budgets. Staff intends to begin the process in September to develop work plans, define resource gaps and return to the Commission in November with updates, budget requests and to seek the Commission's input and requests with follow-up at the December PWC meeting.

The Commission discussed the following:

- Staff to ensure the PWC has the opportunity to view the proposed budget prior to finalization.

PROJECT UPDATES & STATUS ITEMS

Chair Aronberg noted Items 10 and 11 are provided for informational purposes; staff will respond to any questions.

10. Grants Program Update

Information was provided on the City's current efforts to apply for grant funding for eligible water projects and additional potential grant opportunities.

11. Specific Information and Department Updates

The report provided responses to questions that were posed at prior Commission meetings; a synopsis of the Department's items for the most recently completed and upcoming City Council meetings as well as an update on the status of the Department's master plans.

COMMUNICATIONS FROM THE COMMISSION

- Chair's Report – Chair Aronberg noted the Commission was contacted concerning Metro decisions. What, if anything, the Commission is in charge of. Staff noted Mrs. Mottice-Muller will be responsible for a portion of the Metro planning. The former Capital Assets Department - Engineering, Project Administration and Tenant Relations - is now under PW. PW will have a Metro Team overseeing the project. The City will have engagement related to design and function and ensuring work is being performed as agreed.

The Commission suggests staff ask the PW Liaison Committee if and where the Commission should fit into the process. Chair Aronberg noted the topic will be discussed at a later date.

- Mayor's Cabinet Meeting – Chair Aronberg attended the meeting of July 11, 2016; minutes are available online.
- Comments from Commissioners

COMMUNICATIONS FROM STAFF

- Report from Director, Assistant Directors and Deputy Director – *None*
- Upcoming Events – *None*

ADJOURNMENT

Date / Time: August 11, 2016 / 11:55 a.m.

PASSED AND APPROVED THIS 8TH DAY of SEPTEMBER, 2016

Sandra Aronberg, Chair