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

PUBLIC WORKS COMMISSION
REGULAR MEETING MINUTES

May 12, 2016
8:00 a.m.

MEETING CALLED TO ORDER

Date/Time: May 12, 2016 / 08:03 am

PLEDGE OF ALLEGIANCE

ROLL CALL

Commissioners Present:	Commissioners Felsenthal, Pressman, Vice Chair Wolfe, Chair Aronberg
Commissioners Absent:	Commissioner Shalowitz
Staff Present:	Mark Cuneo, Vince Damasse, 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 April 18, 2016, Public Works Commission special meeting minutes.

Motion:	MOVED by Commissioner Pressman, SECONDED by Commissioner Felsenthal to approve the minutes as presented (4-0).
AYES:	Commissioners Felsenthal, Pressman, Vice Chair Wolfe, Chair Aronberg
NOES:	None
ABSENT:	Commissioner Shalowitz

CARRIED

REPORTS FROM PRIORITY AGENCIES

Operations Reports from City Departments, Consultants and Outside Agencies

- **Metropolitan Water District (MWD) Director** – Dr. Wunderlich provided an update. MWD lowered the water supply allocation classification for Beverly Hills from Stage 3 to 2. MWD will encourage wiser water use as a way of life. Penalties have been rescinded. MWD received 60% of allocation rights and anticipates putting water back into its reservoirs. The System Access Rate was made payable by property owners (via property tax), or by the City. Beverly Hills chose to make the payment and has done so since 1995. It is not a volumetric rate; the charge would not respond to yearly volume purchases. Agencies would be competing with MWD if they were to buy Table A water rights from others. It is not believed MWD would be willing to guarantee the City's request to expand Tier 1 availability to bolster water resources to serve new developments. The City's Tier 1 rate is based on the Purchase Order signed with MWD. MWD's mission is to ensure a reliable water supply to meet all demand. MWD is required to annually post salary ranges for all positions; this will be left with staff. MWD is moving forward with purchasing islands in the Delta area.

  The Commission discussed the following:
  - If the City charged for water based on access/infrastructure, whether this would violate the principle of making bills appropriate to the cost of delivery versus volume and cause inequitable distribution among users.
  - If the System Access Rate charge could be charged to the property tax bills of West Hollywood residents.
  - The Commission passed the first step of the Water Exaction Fee requiring developers to provide additional water to the City. Ways to work with MWD to bolster water resources to serve new developments, including buying Table A water rights. Whether the City could have guaranteed access to water from MWD at Tier 1 costs for new developments and if the City could have a guaranteed water supply from MWD.
  - The possibility of a conveyance fee built in to MWD's costs to supply large projects.

2. **Update on Energy Saving and Sustainability Projects**
   Assistant Directors of Public Works Services Chad Lynn and Trish Rhay and Contract Project Manager Zara Farimani provided an update on the Climatec project to implement energy efficiency projects in City facilities. The program began in October and includes energy and water conservation, increasing efficiency and upgrading facilities, incorporating Executive Order B-29-15. The following were presented: Program Goals; Project Scope of Work; Financial Highlights; Completion Schedule; and Environmental Benefits. A specific scope was set for this program. Among equipment installed is a monitoring system to detect leaks in City parks. Battery power storage will be installed in three City locations. Staff will bring street lighting information to the Commission in July. This project had to produce savings or be revenue neutral. Regarding maintenance and repairs, there will be no additional costs as existing systems are being upgraded; equipment is being replaced with more efficient fixtures. The 'No Fee' agreement refers to the 2013 agreement with Climatec to determine potential savings at no charge to the City. The second phase was a paid contract to complete the work. If the City does not see minimum savings to cover the work cost, Climatec will write a check to the City for the difference. Regarding expansion of solar panels, the City has no available physical location to place panels large enough. Storing energy in batteries when it is inexpensive is an alternative the City is using. The Information Technology Department (IT) will be programming irrigation timers.

The Commission discussed the following:

- Whether new irrigation controls will control or stop leaks at City parks.
- Whether maintenance costs will be less with new fixtures.
- Definition of a 'no fee agreement.'
- The City of Brea's system affords it a lower cost to produce water by using solar energy; whether Beverly Hills can do the same to reduce utility charges
- The City currently has a number of solar panels in use.
- Water Conservation Administrator Debby Figoni to be included in conversations with Climatec and IT.

CONTINUED BUSINESS

3. **Draft 2015 Urban Water Management Plan**

Water Resources Manager Vince Damasse and Consultant Psomas provided brief background information and took questions. Staff is going to City Council for the first reading on June 6, 2016. The sixty-day notice period is ongoing; advertising will occur next week. The Urban Water Management Plan (UWMP) will be adopted by June 30, 2016. It is required by law and provides a broad strategic view of water resources planning over the next twenty years. It is not intended to address localized water infrastructure impacts and operational issues; those are addressed via the City's Water Master Plan and Will Serve process development. The premise behind rebounding up to 225 gpd then coming back down, was to return close to 2010 levels; 237 gpd for the City. The assumption was made that at some point the drought would end and there would be a slight rebound from historical conservation levels. 1977 as the single driest year was used to show worst case scenario, since that is what MWD uses. With population assumptions, housing estimates in the City and W. Hollywood were looked into; assumptions were made using government standards' per capita ratios. The State reviews the UWMP for conservation efforts and due diligence compliance including the City's ability to meet SBX7-7. The reference to groundwater sustainability is a required component. The UWMP documents options discussed in the Water Enterprise Plan (WEP), it does not make recommendations. The "customer billing" component is required and refers to tiered water rates and the use of SMART meters and how these meters enable customers to view water consumption data from their bills, not necessarily better billing practices. The term 'conservation pricing' will be revisited. The section which reads, 'In the process of developing water waste prevention' will be reworded.

The Commission discussed the following:

- How much the UWMP will be used as a planning document; it seems regulatory in nature.
- Page 5 of the Executive Summary; the impact of setting numbers and putting them in the report. Whether there is a benefit to providing a greater level of refinement.
- Use of the single year model showing the single driest year since 1922 was 1977.
- The demand methodology; whether there is anything specific to the City.
- Building population assumptions into figures.
- How the report is viewed by the State; whether the report matters in planning.
- Reference to future actions; some completed. A repeated paragraph to be stricken. Reference to desalinated water opportunities; nothing lists something the City could join.
- The Plan is a regional water supply strategy; the West Basin would be most local.
- The use of the term 'conservation pricing' to be revisited.

4. **Capital Assets – Water Capital Improvement Projects**
City Engineer Mr. Cuneo and Mr. Damasse provided an update.
a. Water Treatment Plant – Inspection is 85% complete; work is progressing. Coating of the Plant floor has begun, some testing was completed and staff anticipates water production in July. To streamline, staff will look at ways to improve the schedule. Staff is amending the contract with Tetra Tech in June for conveyance work. The first water quality testing results have been received; now is an appropriate time to begin work on conveyance due to treatment; treatment determines conveyance. Consistency in water quality data is needed to move forward. Staff may look into brine in the future; now is not the right time. The focus is getting the Plant running in its current form then defining parameters.

The Commission discussed the following:
- The Commission was unaware of the request for an additional $200,000 for the project.
- Ill-fitting electrical panels were a mistake that extended project time and money.
- Cost per acre foot of water in 2014 with operating costs added was approximately $3471.00 per acre foot. The cost of delays is large.
- Suggests moving forward with conveyance.
- Concerning a reverse osmosis desalination system, if the City adds an additional bank of membranes, this could save a percentage of water use. Whether it is possible to look into the idea of adding another bank of membranes to the system.

b. Shallow Groundwater Wells – Both wells are complete and tested, yielding roughly 250 gallons per minute (gpm) each. The last step is to install temporary pumps then begin ongoing pump tests and water quality samples. Construction is slated for completion at months' end. The City is not allowed to comingle water; water from the two new wells will not initially be introduced into the Plant. Costs will go up as the City produces more water as it will be producing more expensive water; additional costs include chemical, power and operational aspects. Drilling new wells is not to lower costs but to increase reliability. The Hollywood Basin will hold water until the City uses it; as long as storage is not depleted, the City should use the water to expand reliability and decrease MWD use. Drawing less water but running the Plant 24/7 is the better way to operate; staff will review.

The Commission discussed the following:
- If the plant is unable to operate 24/7, is inefficient and costs were higher before the two new wells, how can the cost of water increase after the new wells.
- Water coming into the City through the Plant versus the cost for MWD water.
- Running the Plant 24/7 may deplete groundwater and increase costs; whether it is best to purchase MWD water.

c. Greystone Reservoir Rehabilitation – Concrete repairs will be done this month. Joint sealant will be replaced, the basin disinfected and refilled then work on the other side will begin. Work to be completed by winter. The additional Coldwater spring located by Staff has an estimated flow of 1/2 million gallons yearly; time permitting, Engineering staff can look into capture of the water. The water source is 1125 Maytor Place; billed consumption for that property is 200 gpm, indicating the homeowner utilizes the spring water for irrigation purposes. If the City procures permission from the property owner, staff may be able to analyze flow. The visible water is overflow from the owner's containment system. The City would need to design a diversion structure and conveyance in the public right-of-way to use

the overflow. If the Commission is interested, this would be a new project among other priorities. Staff is at capacity; something would need to come off the current work list to make room. Determining water quality requires a feasibility study to determine property rights and treatment.

The Commission discussed the following:
- Additional Coldwater spring; would like staff to investigate how much linear feet of pipe is needed to capture water and bring it to Reservoir 8.
- Whether staff can determine water quality from the spring by creating a collection facility in the public right-of-way to collect overflow water.

5. **Update on Water Conservation Efforts and Penalty Surcharge Appeals Process**
Water Conservation Administrator Debby Figoni and Research & Planning Analyst Michelle Tse provided an update on water conservation efforts over the last month and the Conservation Subcommittee's discussion about the penalty surcharge appeals process. In April 2016, water use was reduced 23.4% over the same period in 2013. The following were discussed: Present Conservation Programs; Success of Water Leak Program; Water Efficiency; Water Use Efficiency; Water Audits; Water Leak Program; Multifamily Program; Single Family Program; Business Program; and Upcoming Workshop Schedule. Staff conducted a presentation to W. Hollywood, was a guest speaker at MWD's Spring Expo Event and is working with Beverly Hills Unified School District on a water conservation contest. The focus of the Governor's new Executive Order B-37-16 is water use efficiency. Project Managers will next begin working on non-revenue water issues. Concerning non-revenue water, staff will bring on a company for evaluation and to implement corrective action. The City is now at 6% non-revenue water use. The Conservation Subcommittee is evaluating policy and programs to develop a sustainable program.

The Commission discussed the following:
- The estimated 5-7% water loss via system leaks and non-revenue water. An update from Takadu.
- Removing the words 'eight minutes per station,' from City conservation documents.
- Staff to find ways to deliver conservation message; possibly distribute with water bills.
- The surcharge penalty in light of the Governor's Executive Order.

The Commission took a recess at 10:06 am
The Commission reconvened at 10:15 am

NEW BUSINESS
None.

PROJECT UPDATES & STATUS REPORTS

6. **Update on Community Choice Aggregation**
Staff was available to answer any questions on the Report.

(Out of Order)

9. **General Information and Department Updates**
Mr. Damasse, Ms. Rhay and Mr. Lynn provided an update on lead pipes. Less than 1% of

City pipes are unidentified due to record keeping and information availability; this does not mean pipes contain lead. There is no lead in the City's system and virtually no risk that a high level of lead exists in the City's distribution system. The City is bound to comply with the 2001 Lead and Copper Rule; the City is in full compliance. Certain water quality standards must be maintained; they are monitored daily. Residents have the option to have water entering their residences sampled by Truesdail Labs. Samples are taken by the consumer at the tap; most lead issues occur on the customer side. The City's Water Utility does not have control over what happens downstream of its system. The Lab's information is on the City's website. The City has a hydrant flushing program; there is no issue with discoloration. Mr. Damasse is assigned to the Los Angeles Department of Water and Power (LADWP) project; the team is looking at properties the City of Los Angeles (LA) owns that may fit the City's needs; staff is waiting to hear back from LA. A consultant with lease knowledge is onboard to assist in negotiations. Concerning the 12 year old Melrose/Santa Monica Will Serve letter, the City is utilizing best management practices. A one-year expiration will be placed in the City's new policy. While policy is developed, the current status is to practice that if a Will Serve letter is more than 12 months old, a new application must be made. The 12 year old Will Serve letter is deemed null and void. Staff is working with developers regarding conditions and has spoken with the City Attorney's Office; the City would not be doing its duty if it did not hold developers to requirements. The City is within its rights to set new conditions. Staff is working with Community Development to complete the policy, will present it to the Public Works Commission Liaison Committee and adopt formal policy in June. The City is also working with W. Hollywood. Concerning developer estimates, a safety factor, controllable through engineering, will be built in. Staff will discuss legal conditions with the City Attorney's Office.

The Commission discussed the following:

- A resident contacted Commissioners Felsenthal and Shalowitz stating lead information is contradictory; whether 3% of the distribution system does or does not contain lead pipe.
- Whether staff is reasonably certain that if a problem exists, it is on the resident side.
- Staff to explain the statement that the, 'City is in full compliance.'
- How the City samples its distribution system. Requests staff guarantee water quality and disseminate the information, possibly via the Courier and the Beverly Hills Weekly.
- Discolored water in Los Angeles schools and improperly purged pipes.
- Whether there is a staff member that can negotiate leases for the City.
- Placing the one-year expiration of granted Will Serve letters in the City's policy.
- Whether the 12 year old Will Serve letter is null and void, conditions can still be met. Staff to send letter to developer stating the letter is null. Circumstances have dramatically changed since the letter was granted 12 years ago; grandfathering could be argued.
- Concerning water exaction, how will staff know developer's estimates are accurate.

(Return to Order)

7. **Public Works Commission Ad-Hoc Subcommittees**

Ms. Rhay suggested adding a Solid Waste subcommittee and postponing the Water Rates subcommittee until the audit is completed.

The Commission discussed the following:

- Pavement master plan; the assigned Commissioners need to reconnect with Staff. Mr. Cuneo to provide information at the next Commission meeting.
- Suggested a Water Enterprise Master Plan and a Solid Waste ad-hoc subcommittee.

8. **Update on Water Rate Development**
Ms. Rhay stated staff was directed by City Council to complete an operational and financial audit of the Water Enterprise Plan; it will be a four month process. Consultant Matrix began interviews; it was proposed they meet with the Commission in June. Council also requested staff complete public outreach; a framework is being developed.

The Commission discussed the following:
- Chair Aronberg and Vice-Chair Wolfe provided Consultant Matrix a precise and detailed explanation of expectations.

COMMUNICATIONS FROM THE COMMISSION

- Chair's Report – *None*

- Mayors Cabinet Meeting – Chair Aronberg attended the meeting of May 2, 2016; minutes are online.

- Comments from Commissioners

Commissioner Felsenthal raised the following:
- The absence of a full time Director of Public Works Services; would like an update.
- Agendizing a report on the new spring to capture and use water.
- The Commission should be notified when funds are sought from City Council for projects.
- The Commission discussed and decided relevant Department information will be placed in the packet under *General Information and Department Updates*.
- Regarding timeliness, the Commission would like to hear about items in advance.

Chair Aronberg noted Public Works Services Day is May 15, 2016, 9:00 a.m. - 1:00 p.m.

COMMUNICATIONS FROM STAFF

- Director's Report – *None*

- Upcoming Events – Public Works Services Day

- Mr. Lynn stated the City issued an RFP to recruit for the next Public Works Services Director. Bids were received and set to be awarded at the June 5, 2016, City Council Meeting. The process to hire has not been decided but is being discussed at City Council level. There are generally multiple interview panels in the process.

ADJOURNMENT

Date / Time: May 12, 2016 / 11:09 a.m.

PASSED AND APPROVED THIS 2ND DAY of JUNE, 2016

Sandra Aronberg, Chair