CITY OF BEVERLY HILLS
455 N. Rexford Drive
Beverly Hills, CA 90210
City Hall Council Chambers

PUBLIC WORKS COMMISSION SPECIAL MEETING MINUTES

June 2, 2016
8:00 a.m.

MEETING CALLED TO ORDER

Date/Time: June 2, 2016 / 08:02 am

PLEDGE OF ALLEGIANCE

ROLL CALL

Commissioners Present:	Commissioners Felsenthal, Pressman, Shalowitz, Vice Chair Wolfe, Chair Aronberg
Commissioners Absent:	None
Staff Present:	Mark Cuneo, Vince Damasse, Erick Lee, Chad Lynn, Logan Phillippo, 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 May 12, 2016, Public Works Commission regular meeting minutes.
   MOTION by Commissioner Pressman, SECONDED by Commissioner Felsenthal to approve as presented. Absent objection by the Commission, the Minutes are approved by order of the Chair. CARRIED 5/0

REPORTS FROM PRIORITY AGENCIES

Operations Reports from City Departments, Consultants and Outside Agencies

- **Metropolitan Water District (MWD) Director**
  Dr. Wunderlich and Water Resources Manager Vince Damasse provided an update. 'Table A' water is set aside for purchase by State Water Contractors, not municipalities. 'Table A' water refers to several agencies agreeing to pay for the State Water Project on a long-term basis; each contractor is given a certain amount theoretically available for distribution. The State sets a yearly 'Table A' entitlement. It would be difficult for individual developers to participate in such water projects; they would have to work through the City to do so. MWD's water bank provides water to the region, but could facilitate water banking through an exchange or other banks. Storage and banking are available to cities; MWD could assist the City in reviewing options.

  The Commission discussed the following:
  - If developers were to secure rights to other water, whether it could be put into MWD's system to the City's benefit. Dr. Wunderlich noted this would have to be arranged by the City and the City would arrange for the water to move through MWD.

CONTINUED BUSINESS

2. **Capital Assets – Water Capital Improvement Projects**
   Assistant Director of Public Works Services Trish Rhay and City Engineer Mr. Cuneo provided an update and PowerPoint presentation.

   a. **Water Treatment Plant** – The Plant is 90% complete and is scheduled to be finished by mid-June when it will be started then turned over to Operations staff. The City needs approval from the Department of Drinking Water (DDW) in order to use local water. Local water should be introduced into the City's system late July, at the end of the testing period. Staff will likely take the Notice of Completion to City Council in August.

   The Commission discussed the following:
   - Reporting the final cost accounting to the Commission. Staff to present when available.

   b. **Shallow Groundwater Wells** – Wells are near complete. Electrical work is being completed by the City. Water gathered during the testing phase will be used for City vehicle operations. Staff will return to City Council on June 21, 2016, to request funds for conveyance design. Hazen & Sawyer will be working on permitting and approval.

   The Commission discussed the following:
   - Whether more can be done with water pumped during this period. Staff noted the plan is to store water as there is no opportunity to use it for infiltration in the area. Water will not be pumped significantly, but only for testing.

   c. **Greystone Reservoir Rehabilitation** – Major concrete repairs on the west basin are complete; coating and valve work remain. Staff anticipates work will be completed in June, then the east basin will be drained for repair.

The Commission discussed the following:

- What will be done with water from the east basin while repairs are made. Staff noted water will be put into the distribution system when the tanks are switched. The exact use of water to be determined by Operations staff.

3. **Santa Monica Boulevard Update**

Mr. Cuneo provided an update and PowerPoint presentation. This project concerns the deteriorating roadway and is intended to reconstruct the roadway, widen the south side, replace curb, gutter and sidewalks, upgrade access ramps, relocate and upgrade traffic signals, install LED street lights, install bio-swales, construct landscaping and potholing for underground utilities. Bid opening will be on June 9, 2016, with the award of contracts set for July 19, 2016. Construction slated to begin September 2016 for 540 calendar days, weekdays from 8:00 a.m. through 6:00 p.m. Estimated cost is $25.5M.

The Commission discussed the following:

- Whether there is sufficient area left to plant bio-swales.
- Concerning the Pavement Master Plan Subcommittee, when time can be made for the Subcommittee to meet. At what point an analysis will occur regarding completing other work when streets are opened, such as piping, fiber, etc. Staff has not been ready to have such conversations previously but is now opening bids for roadway construction. Why the Commission was not involved in discussions; decisions were made without Commission input, which is a big concern. Whether staff looked into all aspects and considered all alternatives.
- Whether there is a water main at the location, if it was considered and when it was last repaired. Staff noted there is no main under/along the street but there are some that cross the street; staff will look into when the last repairs/replacements were made. There is an active, ongoing program to replace water mains within the City's system.
- As the street is being widened, whether a decision was made about striping for and making dedicated bike lanes; a shared lane for bikes and vehicles makes no sense. A dedicated space on the right side for bikes makes sense; this message should be taken to City Council. Staff noted there are no plans to stripe for bike lines but to widen a shared lane to 15.5' for use by all.
- Whether parking meters on Little Santa Monica will be removed to make the thoroughfare wider during construction or if no parking will be instituted during construction. Staff noted this will be discussed with City Council on June 21, 2016.
- Regarding tree removal on Parcels 12 and 13, whether a differentiation was made between City and private property and what soil remediation plans are. Staff noted the area two feet from the curb back is public and City soil and proximal areas were tested, the two foot buffer will remain, with no plans for landscaping.
- With large projects impending, whether staff looked into communicating with those most affected concerning mitigating the time necessary to complete the work by working on weekends or one hour later than the currently scheduled time.
- The status of Parcels 12 and 13 and the ongoing investigations; whether work will proceed as planned and if the area will be used for staging.
- The possibility of looking into sound barriers to protect residential and commercial interests.
- Whether the City has any plans concerning autonomous vehicles, when the Commission will be engaged in such discussions and what is Public Works Services' ("PWS") role in construction and future maintenance. Staff is looking into the matter and trying to plan for the future. PWS will be the owner and operator of the roadway after construction. Staff

should have engaged the Commission previously; moving forward with the Engineering Division now a part of PWS, the Commission will be involved in discussions.
- The extent of involvement by the Transportation and Parking ("TPC") and Public Works Commissions ("PWC") with outreach on this large project. Staff noted some aspects of this project and others more heavily concern the TPC.
- As the Metro Project is to begin in six months, whether the topic will come before the Commission beginning in July since to date it has not; it would be helpful to understand interactions concerning closures.

(Out of Order)

6. **Update on Cabrillo Reservoir Project**
Mr. Cuneo provided an update and PowerPoint presentation. The contract for reservoir lining was awarded by City Council on May 17, 2016. Construction to begin at the end of July/beginning of August with an estimated four month work period. The project is to provide water for irrigation for parks, schools and areas of landscape. The next phase will be a conveyance system to deliver water; the tentative award date is August.

The Commission discussed the following:
- Whether non-potable water can be offered to mobile detailing companies. Staff can look into the requirements for distribution to private parties. The reason behind why the lining is being upgraded for potable water but staff is looking at non-potable uses. Staff can look into permitting for potable uses. Concerning payment for the project, including conveyance, $3M was provided by City Council from the General Fund Budget Surplus.

(Return to Order)

4. **Update on Water Conservation Policies and Programs**
Water Conservation Administrator Debby Figoni and Planning & Research Analyst Michelle Tse provided an update and PowerPoint presentation. On May 18, 2016, the State Water Resources Control Board ("Board") released its adopted regulations, extending the emergency water conservation regulations through the end of January 2017. The Board adopted a statewide water conservation approach that replaces the prior percentage reduction-based standard with a locally determined target to be established by the City to be based on three year drought conditions. The City's Self-Certification Target is due to MWD on June 22, 2016; if not submitted the City defaults to the existing 32%. The Conservation Subcommittee recommends the Penalty Surcharge be suspended in lieu of a long-term, sustainable fine program.

The Commission discussed the following:
- The expected response date once the City submits its Self Certification Target. Staff noted a response date has not been clearly stated yet. The method the City will use to come up with its Self Certification Target and whether current data will be used. Staff noted the City had to supply its water demand to MWD for the next three years assuming conditions continue; MWD will complete its analysis and provide the City its allocation which will lead to the City's Target.
- The nature of the relationship between the City as a water retailer and MWD as the

wholesaler. Staff noted the Board has laid out in its regulations specific criteria, assuming conditions remain the same over the next three years, requesting the City denote its ability to deliver water. The City's ability to deliver water is dependent upon MWD. A team effort must occur to pinpoint the Target number.

- Concerning new developments coming online, whether the City has allowed for future growth in the process. Staff noted this is discussed regularly.
- Whether the City's recommendation is to drop the surcharge and if doing so is premature since it is unknown what the City's Target will be; with the surcharge in place the City was conserving 23%. Whether this is the right time to make a decision or if the City should wait until more facts are on hand. One reason for dropping the penalty surcharge is to replace it with another long-term solution to encourage water use efficiency. It was known that a 32% across the board conservation reduction was unfair but the City had to comply due to the drought situation and potential fines. Circumstances and facts have changed; most risk costs no longer exist. As it currently stands, the administration of the program is difficult to manage. The Conservation Subcommittee wants to put a system in place that is fair, permanent, correct as to current conditions and will allow the City to continue conservation in a sustainable manner. Staff noted the City is waiting for information from the State; while an exact number is unknown at this point, it will be lower than 32%.
- The Conservation Subcommittee is attempting to beef up water efficiency and the conservation program to work with residents and follow up on leaks. The State's 20% water use reduction by 20/20 target must still be met and is not against the 2013 usage baseline. A concern is the gap when the penalty surcharge ends and there is nothing in place to replace it; summer is coming and water use will likely rise. Use relative to 2013 will likely rise. Looking at surcharge appeals, baselines are rising due to the impending summer season. Short term pressure to conserve will be relieved to an extent but that is only one negative among many reasons for ending the penalty surcharge. The Subcommittee is working on a fine system instead of a penalty surcharge, one that is fair and realistic. Since the Governor's Declaration, it seems unfair to continue penalty surcharges. The Subcommittee is working on a baseline for fines. The City of Los Angeles has instituted such a fine. Policy is being defined with a reasonable approach in mind. A bill currently in legislature may require utilities to do this.
- Possible consequences of recommending the Self Certification Target in lieu of the 32% reduction to avoid the gap that the suspending of penalty surcharges may bring. Due to the unfairness of an across the board percentage applicable to all, using the Target does not seem a fair approach.
- Leak detection is a major area for conservation. Staff is now able to do multiple tasks using information available to contact users; the proactive work is good. Concerning the Governor's Order still denying watering of medians, whether non-potable water can be used.

Motion:	MOVED by Vice Chair Wolfe, SECONDED by Commissioner Pressman that the Commission recommends that City Council suspend the penalty surcharge currently in place and within three months develop another fine/fee program to replace the penalty surcharge as a long-term water use efficiency enforcement process and to meet the City's Self Certification Target.
AYES:	Commissioners Felsenthal, Pressman, Shalowitz, Vice Chair Wolfe, Chair Aronberg

NOES: None

CARRIED

5. **Update on the Water Supply Service Charge**
Ms. Rhay and Mr. Damasse provided an update. Feedback from the Public Works Commission Liaison Committee indicates the Committee would be supportive of the fee but would like additional background and foundation information on assumptions that were used to know that the basis is on firm ground. Options were vetted in the Water Enterprise Plan (WEP); the fee was chosen as an option as it could be implemented in the short term with the ability to adjust if assumptions change. The use of 75/25 as a goal is the current foundation; staff now has a better understanding of the Commission's interests and will address concerns.

The Commission discussed the following:

- The use of '75/25' as the water independence goal; the Commission did not request a goal of reaching 25% independence and development of the WEP as a way to meet that goal. The WEP was developed to determine opportunities; through that process, estimates came to roughly 75/25. There are no issues with the fee; the justification needs to be done in a manner to not rely on a predetermined goal of reaching and maintaining 25% independence.
- Concerning the timeline and next steps, justification of additional developer costs and understanding what the City can legally charge and how to value water supply if a developer places pressure on the system. Whether an additional well is the best water source as the basis of protection for local supply or are there other sources. Staff will be looking into water banking and will need to know costs in order to come up with options to define costs of the fee and how to allocate them. The WEP contains a sense of costs, and options were looked into, but no recommendation was made due to the high cost.
- The City completed a specific analysis of drilling another well at an estimated $6M; the issue is not trying to figure out how to come up with something fair to protect the City. If a developer is to use all water from the well, that developer should pay 100% of the costs. More analysis and consultants are unnecessary as the WEP has been approved.
- 75/25 water independence is not the goal; the City should continue to acquire water from MWD. The issue is policy; one recommendation is if a developer needs 100% additional water, they should pay for the 100%. Policy outlining this concept needs to be put in place. The Commission never established 25% independence, but backed into it. The component of this fee that requires water other than that from MWD, for that portion the well costs will be used as the additional cost of water.
- Any new water for a project where it is assumed that the City has to find and drill for, 100% of the cost goes to the developer. As long as it is legal, it can be justified. Well water should be used as the cost basis, not other sources, to determine the dollar amount.

NEW BUSINESS

7. **Introduction of Water Department Organizational and Operational Study**
Consultant Gary Goelitz from Matrix provided an update on City Council's request that staff perform an audit prior to returning with a new water rate proposal. Matrix is a firm of

analysts able to assess an organization's efficiency and effectiveness and understands the mechanics and data in managing a water utility. Matrix will use benchmarking in its study and return with information in 60-90 days. If the Commission is interested in a one on one meeting with Mr. Goelitz, it can be arranged.

The Commission discussed the following:

- As Matrix will be looking at the finances of the Water Enterprise and how it interacts with the City, whether the extent to which the City collects fees for projects will be included. Whether the analysis will include a study of the appropriate allocation of funds collected by the City to Public Works Services and the Water Enterprise along with an explanation.
- Currently, fees collected by the City go into the City's General Fund. A part of Matrix's analysis will be the Water Enterprise Fund. When special needs arise, PWS/the Commission go to City Council to ask for General Fund allocations. Whether Matrix will analyze to what extent PWS is responsible for amounts that go into the General Fund.
- Concerning staffing and whether PWS is on the plus or minus side, whether Matrix will suggest outsourcing if skill level for tasks is not present within City staff.
- Whether Matrix has completed a similar report for PWS. Mr. Goelitz noted a study was completed in 2007 for Public Works & Transportation; Matrix will look at what was recommended then as it pertains to the water utility and assess what implementation has occurred.
- The Commission requests a copy of Matrix's 2007 Report.

PROJECT UPDATES & STATUS REPORTS

8. **Solar Projects at City Facilities**
   Management Analyst Logan Phillippo and Deputy Director of Public Works Services Erick Lee provided an update and PowerPoint presentation covering the City's Solar Energy portal. http://datareadings.com/client/moduleSystem/Kiosk/site/bin/kiosk.cfm?k=L7TMUuVa. A variety of information can be found including power consumption and the ability to translate production into environmental benefits. There are large areas of solar panels installed at the Civic Center, Police Department, Civic Center Parking Garage and the Library. The first year case study shows a savings of $126k in the first year, $135k in 2012 with an average of $120k yearly. The intent is to be revenue neutral over the project's lifespan. Southern California Edison has the ability to view electric usage.

   The Commission discussed the following:

   - The possibility of rolling out the website to individual homes; if homeowners can get the data and whether this can this be done residentially. Staff noted there are third parties that may do this for homes. The City can provide information on providers.
   - As panels were installed in 2011, whether there have been any upgrades. Staff noted the current program is still in its lifecycle.
   - Whether there are additional components to the program and if it is as efficient as when it began.
   - Whether the Beverly Hills Municipal Code has energy requirements for new building developments. Staff can return with information.

9. **Specific Information and Department Updates**
   The Commission had no questions or comments on Updates provided.

COMMUNICATIONS FROM THE COMMISSION

- Chair's Report – June 2nd is Women Against Gun Violence Day.

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

- Comments from Commissioners

  - Commissioner Felsenthal raised the following:
    Upon reviewing the Department's Capital Improvements Program, he noticed close to $10M is paid to the Hyperion Plant and questioned why so much is being paid as he believed the cost to be roughly $1.5M yearly. He noted his idea of creating desalination in lieu of shipping to the Hyperion Plant and requested the Commission be informed of funds being spent so that it can be involved and make informed decisions.

  - Commissioner Pressman raised the following:
    Elevators at Canon have been down a long time and there is no signage concerning the current status; signage is needed.

COMMUNICATIONS FROM STAFF

- Director's Report – *None*

- Upcoming Events – *None*

Mr. Lynn commented that he spoke with Mr. Chavez concerning the Director of Public Works Services position. A company has been retained to recruit for the Assistant Director of Community Development and Director of Public Works Services positions. It is expected the recruiter will contact the Public Works Commission for information as to what type of candidate, skills or qualifications the Commission is looking for. City Council has not yet provided direction as to policy related to the hiring of City Department Heads.

Mr. Lee noted National Night Out will take place the first week of August with the Fire and Police Departments. Staff will provide information as it becomes available.

ADJOURNMENT

Date / Time: June 2, 2016 / 10:38 a.m.

PASSED AND APPROVED THIS 14TH DAY of JULY, 2016

Sandra Aronberg, Chair