



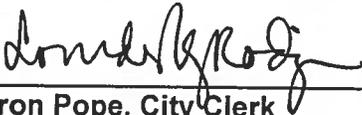
**Beverly Hills City Council Liaison / Public Works Commission Committee will conduct a Special Meeting, at the following time and place, and will address the agenda listed below:**

**CITY HALL  
455 North Rexford Drive  
4<sup>th</sup> Floor Conference Room A  
Beverly Hills, CA 90210**

**Tuesday, October 23, 2018  
9:30 AM**

**AGENDA**

- 1) Public Comment
  - a. Members of the public will be given the opportunity to directly address the Committee on any item listed on the agenda.
- 2) Water Reliability Charge
- 3) Multi-Family Residential Water Sub Meter Policy
- 4) Council Priorities Update
- 5) Adjournment

*for*   
Byron Pope, City Clerk

**Posted: October 19, 2018**

**A DETAILED LIAISON AGENDA PACKET IS AVAILABLE FOR REVIEW IN THE LIBRARY AND CITY CLERK'S OFFICE.**



In accordance with the Americans with Disabilities Act, Conference Room A is wheelchair accessible. If you need special assistance to attend this meeting, please call the City Manager's Office at (310) 285-1014 or TTY (310) 285-6881. Please notify the City Manager's Office at least twenty-four (24) hours prior to the meeting if you require captioning service so that reasonable arrangements can be made.

# Public Comment

Members of the public will be given the opportunity to directly address the Committee on any item listed on the agenda.

---



**CITY OF BEVERLY HILLS**  
**PUBLIC WORKS DEPARTMENT**

**MEMORANDUM**

**TO:** Mayor Julian A. Gold, M.D. and Councilmember Robert Wunderlich, Ph.D.

**FROM:** Shana Epstein, Director of Public Works

**DATE:** October 23, 2018

**SUBJECT:** Water Rates – Water Reliability Charge

**ATTACHMENTS:**

1. Public Works Commission Report from October 11, 2018
2. Public Works Commission Presentation from October 11, 2018

---

On October 11, 2018, staff presented to the Public Works Commission four rate options for a water reliability charge to fund development of the La Brea Subarea of the Central Basin. All four rate options were developed with direction from Council at the September 24, 2018 Council/Public Works Commission Liaison meeting. Each rate option looks to minimize the initial bill impact for water utility customers, have steady increases over time, and minimize the differential between the rate paid by inside and outside City customers. The four rate options presented to the Commission are detailed in attachments 1 and 2.

After discussion, the Commission voted to recommend rate option 2a, with the understanding that all four rate options would be presented to Council at the October 23, 2018, Council/Public Works Commission Liaison meeting.

---

# ATTACHMENT 1

---



**CITY OF BEVERLY HILLS**  
**PUBLIC WORKS DEPARTMENT**  
**MEMORANDUM**

**TO:** Public Works Commission

**FROM:** Shana Epstein, Director of Public Works  
Gil Borboa, Assistant Director of Public Works  
Michael Hensley, Senior Management Analyst

**DATE:** October 11, 2018

**SUBJECT:** Water Reliability Charges

**ATTACHMENT:** 1. Rate Options and Sample Bill Impacts for Proposed Water Reliability Charges

---

**RECOMMENDATION**

Staff requests Commissions input on four rate options for the water reliability charge. All four rate options will be presented to the City Council/Public Works Liaison Committee.

**INTRODUCTION**

Currently, all water used by the City is purchased from the Metropolitan Water District (MWD). When the Foothill Water Treatment Plant (WTP) is operational, the City can produce 1.5 Million Gallons per Day. In its pursuit of expanding production of local groundwater, the amount produced from the Hollywood Basin does not provide the level of water independence and reliability desired by the City. The 2015 Water Enterprise Plan identified additional opportunities to produce local groundwater out of the La Brea Subarea of the Central Groundwater Basin. A Preliminary Design Report (PDR), designed by Michael Baker International, provided a road map on developing the LA Brea Subarea for local ground water production including: three groundwater production wells, a raw water transmission main for conveyance of raw water from the three wells to the existing WTP, and upgrades to the WTP. At full capacity the development of the La Brea Basin will produce up to an additional 1.5 Million Gallons per Day. While this will not offer the City total water independence, it will further reduce reliance on imported water and increase water resiliency in the event access to imported water is inadequate to meet the City's needs. At full capacity the combined output from the Hollywood and La Brea Basins may provide up to 30% of the City's potable water.

Developing the La Brea Basin will cost approximately \$60 million. Funding options for the capital projects identified in the WEP include, use of water enterprise reserves, general fund contributions, revenue bonds, and establishing a specific water charge for the development of the La Brea basin.

---

**DISCUSSION**

At the September 13, 2018 Public Works Commission meeting, staff presented four rate options for the water reliability charge. All four options were designed to address cash flow issues stemming from front-loaded costs for the LA Brea basin development project. Two of the four rate options assumed loans from the General Fund and two did not. Following discussion, the

Commission recommended staff develop four rate options without a General Fund loan to present to the City Council/Public Works Commission Liaison on September 24, 2018.

At the September 24 Council/Public Works Commission Liaison meeting, staff initially presented four rate options for the proposed water reliability charge. The initial rate options presented included the General Fund loans as information to the Liaison, with notations to indicate the Public Works Commission was not in favor of utilizing General Fund Loans. Options 1 and 3 included 30-year loans from the General Fund to minimize the impact of front-loaded project costs. Options 2a and 2b did not include a loan from the General Fund but addressed cash flow issues by increasing rates in the early years of the La Brea basin development project. The water reliability charges tapered off towards the end of the 30-year project timeline in all four scenarios. Each option provided a subsidy to inside City customers derived from a \$10 million General Fund contribution earmarked by the City Council at the July 17, 2018 City Council Study Session. The \$10 million General Fund contribution will help cover capital expenses for development of the La Brea Basin. Using the \$10 million General Fund contribution, instead of financing, lowers total project costs. Inside City customers will be paid back for the General Fund contribution and avoided interest costs through a subsidy on the water reliability charge.

In advance of the discussion at the Council/Public Works Commission Liaison of September 24, Mayor Gold and Councilmember Wunderlich directed separately staff to develop options for the water reliability charge that minimized the initial impact on customers' bills, had minimal incremental increases/decreases over time, and, if possible, reduced the differential between inside and outside City customers.

Staff worked with HF&H to develop four rate options that accomplished this objective using a combination of the following assumptions: Revenue bonds with a 30-year payback period at 4% interest, a General Fund line of credit at 3%, a General Fund contribution of \$10 million, and Water Fund reserves that do not dip below 25%.

On October 1, 2018 staff met with the Water Rates Ad Hoc Committee to review four rate options that encompassed the directives from the Council. In all four rate options both inside and outside City customers would pay the same water reliability charge, however, inside City customers would receive a subsidy on the water reliability charge. The subsidy for inside City customers is based on a \$10 million General Fund contribution and interest saved as a result of paying cash versus financing that portion of the La Brea basin development project. In the four rate options the subsidy ranges from \$0.13 to \$0.37 per HCF. After review the Ad Hoc Committee determined that the four rate options met the three objectives, with option 2a being the most favorable. In addition, Commissioner Wolfe requested that staff look at a rate option without a \$10 million General Fund contribution. Staff and HF&H conducted the analysis and determined that without the \$10 million General Fund contribution, inside City customers would receive no subsidy.

Staff will present the four rate options discussed at the Water Rates Ad Hoc Committee meeting to the full Public Works Commission on October 11, 2018.

### **FISCAL IMPACT**

The proposed rate options and sample bill impacts for four rate options are detailed in the attached document. Debt coverage and industry standards for reserves, has been preserved. The reserves do dip below the City's debt policy standards, but will recover.

# ATTACHMENT 1

---

	1 - Bond		2a - GF Line of Credit		2b - GF Line of Credit		3 - GF Subsidy	
<b>Assumptions:</b>								
Bond (30yrs, 4.0%)	\$31.85M							\$20.0M
GF Line of Credit (3.0%)			\$24.3M		\$23.3M			
Total Interest	\$23.4M		\$12.5M		\$15.6M			\$14.7M
Debt Payoff Year	FY2048-49		FY2044-45		FY2048-49			FY2048-49
Reserve Recapture Year	FY2048-49		FY2048-49		FY2021-32			FY2048-49
GF Contribution Amt	\$10M		\$10M		\$10M			\$26.5M
Interest Savings from GF Cont	\$7.1M		\$4.8M		\$6.2M			\$15.7M
Inside City Subsidy (\$/hcf)	\$0.15		\$0.13		\$0.14			\$0.37
<b>Rates per HCF</b>								
Annual Rate Increase	1 cent		1 cent		1 cent		1 cent	
Fiscal Year	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside
FY 2018-19 (Year 1)	\$0.23	\$0.38	\$0.15	\$0.28	\$0.19	\$0.33	\$0.01	\$0.38
FY 2019-20	\$0.24	\$0.39	\$0.16	\$0.29	\$0.20	\$0.34	\$0.02	\$0.39
FY 2020-21	\$0.25	\$0.40	\$0.17	\$0.30	\$0.21	\$0.35	\$0.03	\$0.40
FY 2021-22	\$0.26	\$0.41	\$0.18	\$0.31	\$0.22	\$0.36	\$0.04	\$0.41
FY 2022-23	\$0.27	\$0.42	\$0.19	\$0.32	\$0.23	\$0.37	\$0.05	\$0.42
FY 2023-24	\$0.28	\$0.43	\$0.20	\$0.33	\$0.24	\$0.38	\$0.06	\$0.43
FY 2024-25	\$0.29	\$0.44	\$0.21	\$0.34	\$0.25	\$0.39	\$0.07	\$0.44
FY 2025-26	\$0.30	\$0.45	\$0.22	\$0.35	\$0.26	\$0.40	\$0.08	\$0.45
FY 2026-27	\$0.31	\$0.46	\$0.23	\$0.36	\$0.27	\$0.41	\$0.09	\$0.46
FY 2027-28	\$0.32	\$0.47	\$0.24	\$0.37	\$0.28	\$0.42	\$0.10	\$0.47
FY 2028-29	\$0.33	\$0.48	\$0.25	\$0.38	\$0.29	\$0.43	\$0.11	\$0.48
FY 2029-30	\$0.34	\$0.49	\$0.26	\$0.39	\$0.30	\$0.44	\$0.12	\$0.49
FY 2030-31	\$0.35	\$0.50	\$0.27	\$0.40	\$0.31	\$0.45	\$0.13	\$0.50
FY 2031-32	\$0.36	\$0.51	\$0.28	\$0.41	\$0.32	\$0.46	\$0.14	\$0.51
FY 2032-33	\$0.37	\$0.52	\$0.29	\$0.42	\$0.33	\$0.47	\$0.15	\$0.52
FY 2033-34	\$0.38	\$0.53	\$0.30	\$0.43	\$0.34	\$0.48	\$0.16	\$0.53
FY 2034-35	\$0.39	\$0.54	\$0.31	\$0.44	\$0.35	\$0.49	\$0.17	\$0.54
FY 2035-36	\$0.40	\$0.55	\$0.32	\$0.45	\$0.36	\$0.50	\$0.18	\$0.55
FY 2036-37	\$0.41	\$0.56	\$0.33	\$0.46	\$0.37	\$0.51	\$0.19	\$0.56
FY 2037-38	\$0.42	\$0.57	\$0.34	\$0.47	\$0.38	\$0.52	\$0.20	\$0.57
FY 2038-39	\$0.43	\$0.58	\$0.35	\$0.48	\$0.39	\$0.53	\$0.21	\$0.58
FY 2039-40	\$0.44	\$0.59	\$0.36	\$0.49	\$0.40	\$0.54	\$0.22	\$0.59
FY 2040-41	\$0.45	\$0.60	\$0.37	\$0.50	\$0.41	\$0.55	\$0.23	\$0.60
FY 2041-42	\$0.46	\$0.61	\$0.38	\$0.51	\$0.42	\$0.56	\$0.24	\$0.61
FY 2042-43	\$0.47	\$0.62	\$0.39	\$0.52	\$0.43	\$0.57	\$0.25	\$0.62
FY 2043-44	\$0.48	\$0.63	\$0.40	\$0.53	\$0.44	\$0.58	\$0.26	\$0.63
FY 2044-45	\$0.49	\$0.64	\$0.41	\$0.54	\$0.45	\$0.59	\$0.27	\$0.64
FY 2045-46	\$0.50	\$0.65	\$0.42	\$0.55	\$0.46	\$0.60	\$0.28	\$0.65
FY 2046-47	\$0.51	\$0.66	\$0.43	\$0.56	\$0.47	\$0.61	\$0.29	\$0.66
FY 2047-48	\$0.52	\$0.67	\$0.44	\$0.57	\$0.48	\$0.62	\$0.30	\$0.67
FY 2048-49 (Year 30)	\$0.53	\$0.68	\$0.45	\$0.58	\$0.49	\$0.63	\$0.31	\$0.68

Average Bi-monthly Bill Impacts - INSIDE City Customers - Scenario 1 (Bond)						
	Meter Size	Water Use (HCF)	Current		Proposed	
			1/1/2019	1/1/2020	1/1/2021	1/1/2022
<b>Single Family</b>	1"	48				
Service Charge			\$44.66	\$50.44	\$51.95	\$53.51
Quantity Charge			\$241.60	\$236.96	\$244.07	\$251.39
Water Reliability Charge			\$0.00	\$11.52	\$12.00	\$12.48
Total Bill			\$286.26	\$298.92	\$308.02	\$317.38
\$ Change			\$3.81	\$8.85	\$9.10	\$9.36
<b>Multi Family (10 units)</b>	1"	90				
Service Charge			\$44.66	\$50.44	\$51.95	\$53.51
Quantity Charge			\$425.80	\$476.38	\$490.67	\$505.39
Water Reliability Charge			\$0.00	\$21.60	\$22.50	\$23.40
Total Bill			\$470.46	\$548.41	\$565.12	\$582.30
Per Dwelling Unit			\$47.05	\$54.84	\$56.51	\$58.23
\$ Change			\$6.17	\$1.62	\$1.67	\$1.72
<b>Commercial</b>	1.5"	126				
Service Charge			\$77.41	\$88.46	\$91.11	\$93.84
Quantity Charge			\$864.36	\$860.44	\$886.25	\$912.84
Water Reliability Charge			\$0.00	\$30.24	\$31.50	\$32.76
Total Bill			\$941.77	\$979.14	\$1,008.86	\$1,039.45
\$ Change			\$8.47	\$28.90	\$29.73	\$30.58

Average Bi-monthly Bill Impacts - OUTSIDE City Customers - Scenario 1 (Bond)						
	Meter Size	Water Use (HCF)	Current		Proposed	
			1/1/2019	1/1/2020	1/1/2021	1/1/2022
<b>Single Family</b>	1"	48				
Service Charge			\$55.83	\$50.44	\$51.95	\$53.51
Quantity Charge			\$302.04	\$277.50	\$285.83	\$294.40
Water Reliability Charge			\$0.00	\$18.24	\$19.20	\$19.68
Total Bill			\$357.87	\$346.66	\$356.98	\$367.59
\$ Change			(\$21.24)	\$10.03	\$10.32	\$10.61
<b>Multi Family (10 units)</b>	1"	90				
Service Charge			\$55.83	\$50.44	\$51.95	\$53.51
Quantity Charge			\$531.90	\$552.39	\$568.96	\$586.03
Water Reliability Charge			\$0.00	\$35.10	\$36.00	\$36.90
Total Bill			\$587.73	\$637.93	\$656.91	\$676.44
Per Dwelling Unit			\$58.77	\$63.79	\$65.69	\$67.64
\$ Change			\$3.17	\$1.85	\$1.90	\$1.95
<b>Commercial</b>	1.5"	126				
Service Charge			\$96.77	\$88.46	\$91.11	\$93.84
Quantity Charge			\$1,081.08	\$938.70	\$995.87	\$1,025.74
Water Reliability Charge			\$0.00	\$49.14	\$50.40	\$51.66
Total Bill			\$1,177.85	\$1,072.46	\$1,137.38	\$1,171.25
\$ Change			(\$105.39)	\$32.00	\$32.92	\$33.87

Average Bi-monthly Bill Impacts - INSIDE City Customers - Scenario 2a (GF Loan)						
	Meter Size	Water Use (HCF)	Current Bill	Proposed		
				1/1/2019	1/1/2020	1/1/2021
<b>Single Family</b>	1"	48				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$241.60	\$230.06	\$236.96	\$244.07
Water Reliability Charge			\$0.00	\$7.20	\$7.68	\$8.16
Total Bill			\$286.26	\$286.23	\$295.08	\$304.18
\$ Change				(\$0.03)	\$8.85	\$9.10
<b>Multi Family (10 units)</b>	1"	90				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$425.80	\$462.50	\$476.38	\$490.67
Water Reliability Charge			\$0.00	\$13.50	\$14.40	\$15.30
Total Bill			\$470.46	\$524.97	\$541.21	\$557.92
Per Dwelling Unit			\$47.05	\$52.50	\$54.12	\$55.79
\$ Change				\$5.45	\$1.62	\$1.67
<b>Commercial</b>	1.5"	126				
Service Charge			\$77.41	\$85.88	\$88.46	\$91.11
Quantity Charge			\$864.36	\$835.38	\$860.44	\$886.25
Water Reliability Charge			\$0.00	\$18.90	\$20.16	\$21.42
Total Bill			\$941.77	\$940.16	\$969.06	\$998.78
\$ Change				(\$1.61)	\$28.90	\$29.73

Average Bi-monthly Bill Impacts - OUTSIDE City Customers - Scenario 2a (GF Loan)						
	Meter Size	Water Use (HCF)	Current Bill	Proposed		
				1/1/2019	1/1/2020	1/1/2021
<b>Single Family</b>	1"	48				
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95
Quantity Charge			\$302.04	\$269.42	\$277.50	\$285.83
Water Reliability Charge			\$0.00	\$13.44	\$13.92	\$14.40
Total Bill			\$357.87	\$331.83	\$341.86	\$352.18
\$ Change				(\$26.04)	\$10.03	\$10.32
<b>Multi Family (10 units)</b>	1"	90				
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95
Quantity Charge			\$531.90	\$536.30	\$552.39	\$568.96
Water Reliability Charge			\$0.00	\$25.20	\$26.10	\$27.00
Total Bill			\$587.73	\$610.47	\$628.93	\$647.91
Per Dwelling Unit			\$58.77	\$61.05	\$62.89	\$64.79
\$ Change				\$2.27	\$1.85	\$1.90
<b>Commercial</b>	1.5"	126				
Service Charge			\$96.77	\$85.88	\$88.46	\$91.11
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$995.87
Water Reliability Charge			\$0.00	\$35.28	\$36.54	\$37.80
Total Bill			\$1,177.85	\$1,059.86	\$1,091.86	\$1,124.78
\$ Change				(\$117.99)	\$32.00	\$32.92

Average Bi-monthly Bill Impacts - INSIDE City Customers - Scenario 2b (GF Loan)						
	Meter Size	Water Use (HCF)	Current Bill	Proposed		
				1/1/2019	1/1/2020	1/1/2021
<b>Single Family</b>	1"	48				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$241.60	\$230.06	\$236.96	\$244.07
Water Reliability Charge			\$0.00	\$9.12	\$9.60	\$10.08
Total Bill			\$286.26	\$288.15	\$297.00	\$306.10
\$ Change				\$1.89	\$8.85	\$9.10
<b>Multi Family (10 units)</b>	1"	90				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$425.80	\$462.50	\$476.38	\$490.67
Water Reliability Charge			\$0.00	\$17.10	\$18.00	\$18.90
Total Bill			\$470.46	\$528.57	\$544.81	\$561.52
Per Dwelling Unit			\$47.05	\$52.86	\$54.48	\$56.15
\$ Change				\$5.81	\$1.62	\$1.67
<b>Commercial</b>	1.5"	126				
Service Charge			\$77.41	\$85.88	\$88.46	\$91.11
Quantity Charge			\$864.36	\$835.38	\$860.44	\$886.25
Water Reliability Charge			\$0.00	\$23.94	\$25.20	\$26.46
Total Bill			\$941.77	\$945.20	\$974.10	\$1,003.82
\$ Change				\$3.43	\$28.90	\$29.73

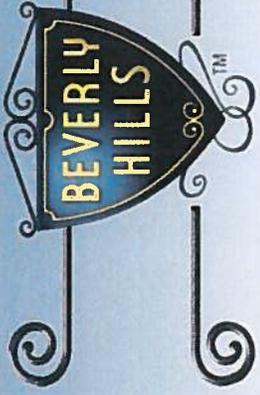
Average Bi-monthly Bill Impacts - OUTSIDE City Customers - Scenario 2b (GF Loan)						
	Meter Size	Water Use (HCF)	Current Bill	Proposed		
				1/1/2019	1/1/2020	1/1/2021
<b>Single Family</b>	1"	48				
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95
Quantity Charge			\$302.04	\$269.42	\$277.50	\$285.83
Water Reliability Charge			\$0.00	\$15.84	\$16.32	\$16.80
Total Bill			\$357.87	\$334.23	\$344.26	\$354.58
\$ Change				(\$23.64)	\$10.03	\$10.32
<b>Multi Family (10 units)</b>	1"	90				
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95
Quantity Charge			\$531.90	\$536.30	\$552.39	\$568.96
Water Reliability Charge			\$0.00	\$29.70	\$30.60	\$31.50
Total Bill			\$587.73	\$614.97	\$633.43	\$652.41
Per Dwelling Unit			\$58.77	\$61.50	\$63.34	\$65.24
\$ Change				\$2.72	\$1.85	\$1.90
<b>Commercial</b>	1.5"	126				
Service Charge			\$96.77	\$85.88	\$88.46	\$91.11
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$995.87
Water Reliability Charge			\$0.00	\$41.58	\$42.84	\$44.10
Total Bill			\$1,177.85	\$1,066.16	\$1,098.16	\$1,131.08
\$ Change				(\$111.69)	\$32.00	\$33.87

Average Bi-monthly Bill Impacts - INSIDE City Customers - Scenario 3 (GF Subsidy)						
	Meter Size	Water Use (HCF)	Current		Proposed	
			1/1/2019	1/1/2020	1/1/2021	1/1/2022
<b>Single Family</b>	1"	48				
Service Charge			\$44.66	\$50.44	\$51.95	\$53.51
Quantity Charge			\$241.60	\$236.96	\$244.07	\$251.39
Water Reliability Charge			\$0.00	\$0.96	\$1.44	\$1.92
Total Bill			\$286.26	\$288.36	\$297.46	\$306.82
\$ Change			(\$6.75)	\$8.85	\$9.10	\$9.36
<b>Multi Family (10 units)</b>	1"	90				
Service Charge			\$44.66	\$50.44	\$51.95	\$53.51
Quantity Charge			\$425.80	\$476.38	\$490.67	\$505.39
Water Reliability Charge			\$0.00	\$1.80	\$2.70	\$3.60
Total Bill			\$470.46	\$528.61	\$545.32	\$562.50
Per Dwelling Unit			\$47.05	\$52.86	\$54.53	\$56.25
\$ Change			\$4.19	\$1.62	\$1.67	\$1.72
<b>Commercial</b>	1.5"	126				
Service Charge			\$77.41	\$88.46	\$91.11	\$93.84
Quantity Charge			\$864.36	\$860.44	\$886.25	\$912.84
Water Reliability Charge			\$0.00	\$2.52	\$3.78	\$5.04
Total Bill			\$941.77	\$951.42	\$981.14	\$1,011.73
\$ Change			(\$19.25)	\$28.90	\$29.73	\$30.58

Average Bi-monthly Bill Impacts - OUTSIDE City Customers - Scenario 3 (GF Subsidy)						
	Meter Size	Water Use (HCF)	Current		Proposed	
			1/1/2019	1/1/2020	1/1/2021	1/1/2022
<b>Single Family</b>	1"	48				
Service Charge			\$55.83	\$50.44	\$51.95	\$53.51
Quantity Charge			\$302.04	\$277.50	\$285.83	\$294.40
Water Reliability Charge			\$0.00	\$18.72	\$19.20	\$19.68
Total Bill			\$357.87	\$346.66	\$356.98	\$367.59
\$ Change			(\$21.24)	\$10.03	\$10.32	\$10.61
<b>Multi Family (10 units)</b>	1"	90				
Service Charge			\$55.83	\$50.44	\$51.95	\$53.51
Quantity Charge			\$531.90	\$552.39	\$568.96	\$586.03
Water Reliability Charge			\$0.00	\$34.20	\$36.00	\$36.90
Total Bill			\$587.73	\$637.93	\$656.91	\$676.44
Per Dwelling Unit			\$58.77	\$63.79	\$65.69	\$67.64
\$ Change			\$3.17	\$1.85	\$1.90	\$1.95
<b>Commercial</b>	1.5"	126				
Service Charge			\$96.77	\$88.46	\$91.11	\$93.84
Quantity Charge			\$1,081.08	\$966.86	\$995.87	\$1,025.74
Water Reliability Charge			\$0.00	\$49.14	\$50.40	\$51.66
Total Bill			\$1,177.85	\$1,104.46	\$1,137.38	\$1,171.25
\$ Change			(\$105.39)	\$32.00	\$32.92	\$33.87

# ATTACHMENT 2

---



# Water Reliability Charge

Public Works Commission

October 11, 2018

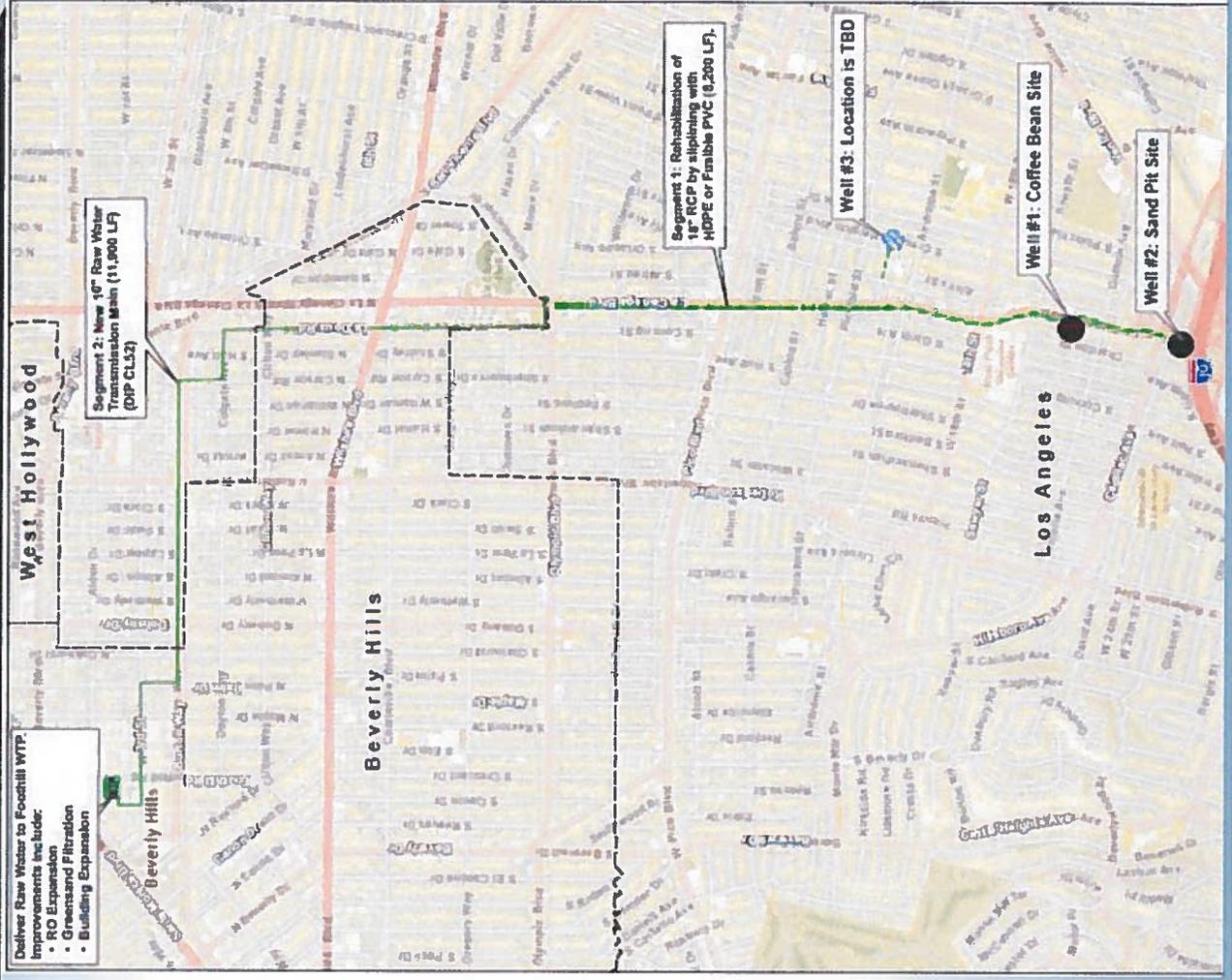


# Introduction

- Meeting objectives
  - Present updated Water Reliability Charge scenarios
  - Receive input and direction
- Next steps
  - Present to Liaison Committee
  - Present to City Council to approve notice
  - Prepare full cost-of-service study report
  - Conduct Proposition 218 rate adoption process



# Water Reliability Project



- Objective: Create long-term local water supply
  - Deliver raw water to City's Foothill Water Treatment Plant from 3 new wells
  - 1,700 Acre Feet per year (approx. 18% of current water demand)
  - Less reliant on MWD water
- Project costs until up and running (2017-2025)
  - \$55.8M in total capital costs
  - \$4.5M in total O&M costs
- Average annual O&M costs once up and running = \$4.6M (includes inflationary increases at 3% per year)



# Water Reliability Charge

<b>Recommendation</b>	<ul style="list-style-type: none"><li>- Add charge to all quantity charges (including Irrigation customers)</li><li>- Charge is uniform per HCF Charge derived as a flat amount based on the 30-year life cycle cost</li><li>- \$10 million general fund contribution will subsidize Inside City customer charges</li></ul>
<b>Rationale</b>	<ul style="list-style-type: none"><li>- Creating a separate charge for a major capital improvement highlights the cost of improving supplies</li></ul>
<b>Outcomes</b>	<ul style="list-style-type: none"><li>- Provides an additional funding source based on long-term cost recovery that is clearly identified</li></ul>



# Water Reliability Charge Scenarios

Assumptions:	1 - Bond		2a - GF Line of Credit		2b - GF Line of Credit		3 - GF Subsidy	
	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside
Bond (30yrs, 4.0%)	\$31.85M		--		--		\$20.0M	
General Fund Line of Credit (3.0%)	--		\$24.3M		\$23.3M		--	
Total Interest Incurred	\$23.4M		\$12.5M		\$15.6M		\$14.7M	
Year of Full Debt Payback	FY2048-49		FY2044-45		FY2048-49		FY2048-49	
Contribution from Reserves	\$12.5M		\$12.5M		\$12.5M		\$12.5M	
Year of Full Reserves Payback	FY2048-49		FY2048-49		FY2031-32		FY2048-49	
General Fund Subsidy Amount*	\$10M		\$10M		\$10M		\$26.5M	
Interest Savings from GF Subsidy	\$7.1M		\$4.8M		\$6.2M		\$15.7M	
Inside City Subsidy for 30 years (\$/hcf)	\$0.15		\$0.13		\$0.14		\$0.37	
<b>Rates per HCF</b>								
Annual Rate Increase	1 cent		1 cent		1 cent		1 cent	
<b>Fiscal Year</b>	<b>Inside</b>	<b>Outside</b>	<b>Inside</b>	<b>Outside</b>	<b>Inside</b>	<b>Outside</b>	<b>Inside</b>	<b>Outside</b>
FY 2018-19 (Year 1)	\$0.23	\$0.38	\$0.15	\$0.28	\$0.19	\$0.33	\$0.01	\$0.38
FY 2048-49 (Year 30)	\$0.53	\$0.68	\$0.45	\$0.58	\$0.49	\$0.63	\$0.31	\$0.68

Note: All scenarios reflect the \$9M land purchase by the General Fund in FY2017-18

\* Removing the General Fund subsidy from any scenario results in equal rates for both Inside City and Outside City customers, at the Outside City rates shown above.



# Water Reliability Charge Scenarios

Rates per HCF Annual Rate Increase	1 - Bond		2a - GF Line of Credit		2b - GF Line of Credit		3 - GF Subsidy	
	1 cent		1 cent		1 cent		1 cent	
	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside
Fiscal Year								
FY 2018-19 (Year 1)	\$0.23	\$0.38	\$0.15	\$0.28	\$0.19	\$0.33	\$0.01	\$0.38
FY 2019-20	\$0.24	\$0.39	\$0.16	\$0.29	\$0.20	\$0.34	\$0.02	\$0.39
FY 2020-21	\$0.25	\$0.40	\$0.17	\$0.30	\$0.21	\$0.35	\$0.03	\$0.40
FY 2021-22	\$0.26	\$0.41	\$0.18	\$0.31	\$0.22	\$0.36	\$0.04	\$0.41
FY 2022-23	\$0.27	\$0.42	\$0.19	\$0.32	\$0.23	\$0.37	\$0.05	\$0.42
FY 2023-24	\$0.28	\$0.43	\$0.20	\$0.33	\$0.24	\$0.38	\$0.06	\$0.43
FY 2024-25	\$0.29	\$0.44	\$0.21	\$0.34	\$0.25	\$0.39	\$0.07	\$0.44
FY 2025-26	\$0.30	\$0.45	\$0.22	\$0.35	\$0.26	\$0.40	\$0.08	\$0.45
FY 2026-27	\$0.31	\$0.46	\$0.23	\$0.36	\$0.27	\$0.41	\$0.09	\$0.46
FY 2027-28	\$0.32	\$0.47	\$0.24	\$0.37	\$0.28	\$0.42	\$0.10	\$0.47
FY 2028-29	\$0.33	\$0.48	\$0.25	\$0.38	\$0.29	\$0.43	\$0.11	\$0.48
FY 2029-30	\$0.34	\$0.49	\$0.26	\$0.39	\$0.30	\$0.44	\$0.12	\$0.49
FY 2030-31	\$0.35	\$0.50	\$0.27	\$0.40	\$0.31	\$0.45	\$0.13	\$0.50
FY 2031-32	\$0.36	\$0.51	\$0.28	\$0.41	\$0.32	\$0.46	\$0.14	\$0.51
FY 2032-33	\$0.37	\$0.52	\$0.29	\$0.42	\$0.33	\$0.47	\$0.15	\$0.52
FY 2033-34	\$0.38	\$0.53	\$0.30	\$0.43	\$0.34	\$0.48	\$0.16	\$0.53
FY 2034-35	\$0.39	\$0.54	\$0.31	\$0.44	\$0.35	\$0.49	\$0.17	\$0.54
FY 2035-36	\$0.40	\$0.55	\$0.32	\$0.45	\$0.36	\$0.50	\$0.18	\$0.55
FY 2036-37	\$0.41	\$0.56	\$0.33	\$0.46	\$0.37	\$0.51	\$0.19	\$0.56
FY 2037-38	\$0.42	\$0.57	\$0.34	\$0.47	\$0.38	\$0.52	\$0.20	\$0.57
FY 2038-39	\$0.43	\$0.58	\$0.35	\$0.48	\$0.39	\$0.53	\$0.21	\$0.58
FY 2039-40	\$0.44	\$0.59	\$0.36	\$0.49	\$0.40	\$0.54	\$0.22	\$0.59
FY 2040-41	\$0.45	\$0.60	\$0.37	\$0.50	\$0.41	\$0.55	\$0.23	\$0.60
FY 2041-42	\$0.46	\$0.61	\$0.38	\$0.51	\$0.42	\$0.56	\$0.24	\$0.61
FY 2042-43	\$0.47	\$0.62	\$0.39	\$0.52	\$0.43	\$0.57	\$0.25	\$0.62
FY 2043-44	\$0.48	\$0.63	\$0.40	\$0.53	\$0.44	\$0.58	\$0.26	\$0.63
FY 2044-45	\$0.49	\$0.64	\$0.41	\$0.54	\$0.45	\$0.59	\$0.27	\$0.64
FY 2045-46	\$0.50	\$0.65	\$0.42	\$0.55	\$0.46	\$0.60	\$0.28	\$0.65
FY 2046-47	\$0.51	\$0.66	\$0.43	\$0.56	\$0.47	\$0.61	\$0.29	\$0.66
FY 2047-48	\$0.52	\$0.67	\$0.44	\$0.57	\$0.48	\$0.62	\$0.30	\$0.67
FY 2048-49 (Year 30)	\$0.53	\$0.68	\$0.45	\$0.58	\$0.49	\$0.63	\$0.31	\$0.68

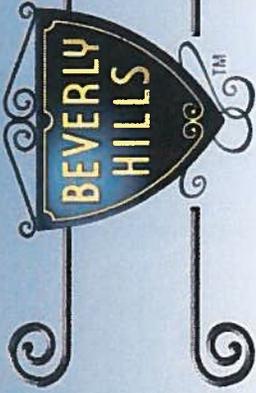


# Bill Impacts: Scenario #1, Inside City

Average Bi-monthly Bill Impacts - INSIDE City Customers - Scenario 1 (Bond)						
	Meter Size	Water Use (HCF)	Current		Proposed	
			Bill	1/1/2019	1/1/2020	1/1/2021
<b>Single Family</b>	1"	48				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$241.60	\$230.06	\$236.96	\$244.07
Water Reliability Charge			\$0.00	\$11.04	\$11.52	\$12.00
Total Bill			\$286.26	\$290.07	\$298.92	\$308.02
\$ Change				\$3.81	\$8.85	\$9.10
						\$53.51
						\$251.39
						\$12.48
						\$317.38
						\$9.36
<b>Multi Family (10 units)</b>	1"	90				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$425.80	\$462.50	\$476.38	\$490.67
Water Reliability Charge			\$0.00	\$20.70	\$21.60	\$22.50
Total Bill			\$470.46	\$532.17	\$548.41	\$565.12
Per Dwelling Unit			\$47.05	\$53.22	\$54.84	\$56.51
\$ Change				\$6.17	\$1.62	\$1.67
						\$53.51
						\$505.39
						\$23.40
						\$582.30
						\$58.23
						\$1.72
<b>Commercial</b>	1.5"	126				
Service Charge			\$77.41	\$85.88	\$88.46	\$91.11
Quantity Charge			\$864.36	\$835.38	\$860.44	\$886.25
Water Reliability Charge			\$0.00	\$28.98	\$30.24	\$31.50
Total Bill			\$941.77	\$950.24	\$979.14	\$1,008.86
\$ Change				\$8.47	\$28.90	\$29.73
						\$93.84
						\$912.84
						\$32.76
						\$1,039.45
						\$30.58

## Scenario #1

- \$31.85M bond
- \$10M General Fund subsidy
- Bond and reserves paid back in FY 2048-49

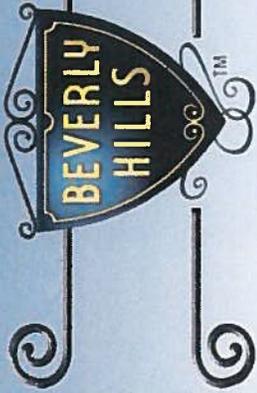


# Bill Impacts: Scenario #2a, Inside City

Average Bi-monthly Bill Impacts - INSIDE City Customers - Scenario 2a (GF Line of Credit)						
	Meter Size	Water Use (HCF)	Current		Proposed	
			Bill	1/1/2019	1/1/2020	1/1/2021
<b>Single Family</b>	1"	48				
Service Charge			\$44.66	\$48.97	\$50.44	\$53.51
Quantity Charge			\$241.60	\$230.06	\$236.96	\$251.39
Water Reliability Charge			<u>\$0.00</u>	<u>\$7.20</u>	<u>\$7.68</u>	<u>\$8.64</u>
Total Bill			\$286.26	\$286.23	\$295.08	\$313.54
\$ Change				(\$0.03)	\$8.85	\$9.36
<b>Multi Family (10 units)</b>	1"	90				
Service Charge			\$44.66	\$48.97	\$50.44	\$53.51
Quantity Charge			\$425.80	\$462.50	\$476.38	\$505.39
Water Reliability Charge			<u>\$0.00</u>	<u>\$13.50</u>	<u>\$14.40</u>	<u>\$16.20</u>
Total Bill			\$470.46	\$524.97	\$541.21	\$575.10
Per Dwelling Unit			\$47.05	\$52.50	\$54.12	\$57.51
\$ Change				\$5.45	\$1.62	\$1.72
<b>Commercial</b>	1.5"	126				
Service Charge			\$77.41	\$85.88	\$88.46	\$93.84
Quantity Charge			\$864.36	\$835.38	\$860.44	\$912.84
Water Reliability Charge			<u>\$0.00</u>	<u>\$18.90</u>	<u>\$20.16</u>	<u>\$22.68</u>
Total Bill			\$941.77	\$940.16	\$969.06	\$1,029.37
\$ Change				(\$1.61)	\$28.90	\$30.58

## Scenario #2a

- \$24.3M General Fund Line of Credit @3.0%
- Line of Credit paid back **BEFORE** reserves



# Bill Impacts: Scenario #2b, Inside City

Average Bi-monthly Bill Impacts - INSIDE City Customers - Scenario 2b (GF Line of Credit)						
	Meter Size	Water Use (HCF)	Current		Proposed	
			Bill	1/1/2019	1/1/2020	1/1/2021
<b>Single Family</b>	1"	48				
Service Charge			\$44.66	\$48.97	\$50.44	\$53.51
Quantity Charge			\$241.60	\$230.06	\$236.96	\$251.39
Water Reliability Charge			<u>\$0.00</u>	<u>\$9.12</u>	<u>\$9.60</u>	<u>\$10.56</u>
Total Bill			\$286.26	\$288.15	\$297.00	\$315.46
\$ Change				\$1.89	\$8.85	\$9.10
<b>Multi Family (10 units)</b>	1"	90				
Service Charge			\$44.66	\$48.97	\$50.44	\$53.51
Quantity Charge			\$425.80	\$462.50	\$476.38	\$505.39
Water Reliability Charge			<u>\$0.00</u>	<u>\$17.10</u>	<u>\$18.00</u>	<u>\$19.80</u>
Total Bill			\$470.46	\$528.57	\$544.81	\$578.70
Per Dwelling Unit			\$47.05	\$52.86	\$54.48	\$57.87
\$ Change				\$5.81	\$1.62	\$1.72
<b>Commercial</b>	1.5"	126				
Service Charge			\$77.41	\$85.88	\$88.46	\$93.84
Quantity Charge			\$864.36	\$835.38	\$860.44	\$912.84
Water Reliability Charge			<u>\$0.00</u>	<u>\$23.94</u>	<u>\$25.20</u>	<u>\$27.72</u>
Total Bill			\$941.77	\$945.20	\$974.10	\$1,034.41
\$ Change				\$3.43	\$28.90	\$30.58

## Scenario #2b

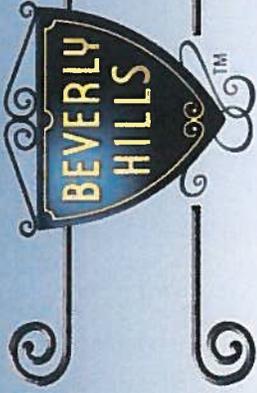
- \$23.3M General Fund Line of Credit @3.0%
- Line of Credit paid back **AFTER** reserves



# Bill Impacts: Scenario #3, Inside City

Average Bi-monthly Bill Impacts - INSIDE City Customers - Scenario 3 (GF Subsidy)						
	Meter Size	Water Use (HCF)	Current		Proposed	
			Bill	1/1/2019	1/1/2020	1/1/2021
<b>Single Family</b>	1"	48				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$241.60	\$230.06	\$236.96	\$244.07
Water Reliability Charge			<u>\$0.00</u>	<u>\$0.48</u>	<u>\$0.96</u>	<u>\$1.44</u>
Total Bill			\$286.26	\$279.51	\$288.36	\$297.46
\$ Change				(\$6.75)	\$8.85	\$9.10
						\$9.36
						\$53.51
						\$251.39
						<u>\$1.92</u>
						\$306.82
						\$9.36
<b>Multi Family (10 units)</b>	1"	90				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$425.80	\$462.50	\$476.38	\$490.67
Water Reliability Charge			<u>\$0.00</u>	<u>\$0.90</u>	<u>\$1.80</u>	<u>\$2.70</u>
Total Bill			\$470.46	\$512.37	\$528.61	\$545.32
Per Dwelling Unit			\$47.05	\$51.24	\$52.86	\$54.53
\$ Change				\$4.19	\$1.62	\$1.67
						\$562.50
						\$56.25
						\$1.72
						\$53.51
						\$505.39
						<u>\$3.60</u>
						\$562.50
						\$56.25
						\$1.72
<b>Commercial</b>	1.5"	126				
Service Charge			\$77.41	\$85.88	\$88.46	\$91.11
Quantity Charge			\$864.36	\$835.38	\$860.44	\$886.25
Water Reliability Charge			<u>\$0.00</u>	<u>\$1.26</u>	<u>\$2.52</u>	<u>\$3.78</u>
Total Bill			\$941.77	\$922.52	\$951.42	\$981.14
\$ Change				(\$19.25)	\$28.90	\$29.73
						\$29.73
						\$93.84
						\$912.84
						<u>\$5.04</u>
						\$1,011.73
						\$30.58

- Scenario #3
- \$26.5M General Fund subsidy
- \$20.0M Bond
- Bond and reserves paid back in FY 2048-49

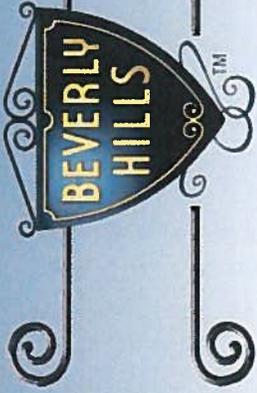


# Bill Impacts: Scenario #1, Outside City

Average Bi-monthly Bill Impacts - OUTSIDE City Customers - Scenario 1 (Bond)						
	Meter Size	Water Use (HCF)	Current Bill	Proposed		
				1/1/2019	1/1/2020	1/1/2021
<b>Single Family</b>	1"	48				
Service Charge			\$55.83	\$48.97	\$50.44	\$53.51
Quantity Charge			\$302.04	\$269.42	\$277.50	\$294.40
Water Reliability Charge			<u>\$0.00</u>	<u>\$18.24</u>	<u>\$18.72</u>	<u>\$19.68</u>
Total Bill			\$357.87	\$336.63	\$346.66	\$367.59
\$ Change				(\$21.24)	\$10.03	\$10.61
<b>Multi Family (10 units)</b>	1"	90				
Service Charge			\$55.83	\$48.97	\$50.44	\$53.51
Quantity Charge			\$531.90	\$536.30	\$552.39	\$586.03
Water Reliability Charge			<u>\$0.00</u>	<u>\$34.20</u>	<u>\$35.10</u>	<u>\$36.90</u>
Total Bill			\$587.73	\$619.47	\$637.93	\$676.44
Per Dwelling Unit			\$58.77	\$61.95	\$63.79	\$67.64
\$ Change				\$3.17	\$1.85	\$1.95
<b>Commercial</b>	1.5"	126				
Service Charge			\$96.77	\$85.88	\$88.46	\$93.84
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$1,025.74
Water Reliability Charge			<u>\$0.00</u>	<u>\$47.88</u>	<u>\$49.14</u>	<u>\$51.66</u>
Total Bill			\$1,177.85	\$1,072.46	\$1,104.46	\$1,171.25
\$ Change				(\$105.39)	\$32.00	\$33.87

## Scenario #1

- \$31.85M bond
- \$10M General Fund subsidy
- Bond and reserves paid back in FY 2048-49

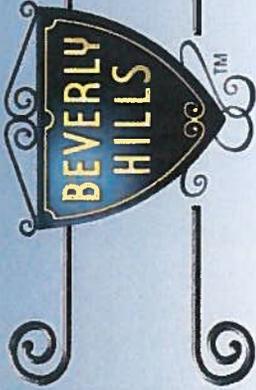


# Bill Impacts: Scenario #2a, Outside City

Average Bi-monthly Bill Impacts - OUTSIDE City Customers - Scenario 2a (GF Line of Credit)						
	Meter Size	Water Use (HCF)	Current		Proposed	
			Bill	1/1/2019	1/1/2020	1/1/2021
<b>Single Family</b>	1"	48				
Service Charge			\$55.83	\$48.97	\$50.44	\$53.51
Quantity Charge			\$302.04	\$269.42	\$277.50	\$294.40
Water Reliability Charge			<u>\$0.00</u>	<u>\$13.44</u>	<u>\$13.92</u>	<u>\$14.88</u>
Total Bill			\$357.87	\$331.83	\$341.86	\$362.79
\$ Change				<b>(\$26.04)</b>	\$10.03	\$10.61
<b>Multi Family (10 units)</b>	1"	90				
Service Charge			\$55.83	\$48.97	\$50.44	\$53.51
Quantity Charge			\$531.90	\$536.30	\$552.39	\$586.03
Water Reliability Charge			<u>\$0.00</u>	<u>\$25.20</u>	<u>\$26.10</u>	<u>\$27.90</u>
Total Bill			\$587.73	\$610.47	\$628.93	\$667.44
Per Dwelling Unit			\$58.77	\$61.05	\$62.89	\$66.74
\$ Change				\$2.27	\$1.85	\$1.95
<b>Commercial</b>	1.5"	126				
Service Charge			\$96.77	\$85.88	\$88.46	\$93.84
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$1,025.74
Water Reliability Charge			<u>\$0.00</u>	<u>\$35.28</u>	<u>\$36.54</u>	<u>\$37.80</u>
Total Bill			\$1,177.85	\$1,059.86	\$1,091.86	\$1,158.65
\$ Change				<b>(\$117.99)</b>	\$32.00	\$33.87

## Scenario #2a

- \$24.3M General Fund Line of Credit @3.0%
- Line of Credit paid back **BEFORE** reserves

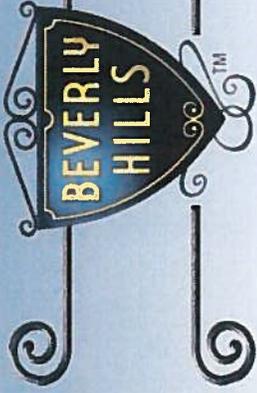


# Bill Impacts: Scenario #2b, Outside City

Average Bi-monthly Bill Impacts - OUTSIDE City Customers - Scenario 2b (GF Line of Credit)						
	Meter Size	Water Use (HCF)	Current		Proposed	
			Bill	1/1/2019	1/1/2020	1/1/2021
<b>Single Family</b>	1"	48				
Service Charge			\$55.83	\$48.97	\$50.44	\$53.51
Quantity Charge			\$302.04	\$269.42	\$277.50	\$294.40
Water Reliability Charge			\$0.00	\$15.84	\$16.32	\$17.28
Total Bill			\$357.87	\$334.23	\$344.26	\$365.19
\$ Change				(\$23.64)	\$10.03	\$10.61
<b>Multi Family (10 units)</b>	1"	90				
Service Charge			\$55.83	\$48.97	\$50.44	\$53.51
Quantity Charge			\$531.90	\$536.30	\$552.39	\$586.03
Water Reliability Charge			\$0.00	\$29.70	\$30.60	\$32.40
Total Bill			\$587.73	\$614.97	\$633.43	\$671.94
Per Dwelling Unit			\$58.77	\$61.50	\$63.34	\$67.19
\$ Change				\$2.72	\$1.85	\$1.95
<b>Commercial</b>	1.5"	126				
Service Charge			\$96.77	\$85.88	\$88.46	\$93.84
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$1,025.74
Water Reliability Charge			\$0.00	\$41.58	\$42.84	\$45.36
Total Bill			\$1,177.85	\$1,066.16	\$1,098.16	\$1,164.95
\$ Change				(\$111.69)	\$32.00	\$33.87

## Scenario #2b

- \$23.3M General Fund Line of Credit @3.0%
- Line of Credit paid back **AFTER** reserves



# Bill Impacts: Scenario #3, Outside City

Average Bi-monthly Bill Impacts - OUTSIDE City Customers - Scenario 3 (GF Subsidy)						
	Meter Size	Water Use (HCF)	Current		Proposed	
			Bill	1/1/2019	1/1/2020	1/1/2021
<b>Single Family</b>	1"	48				
Service Charge			\$55.83	\$48.97	\$50.44	\$53.51
Quantity Charge			\$302.04	\$269.42	\$277.50	\$294.40
Water Reliability Charge			<u>\$0.00</u>	<u>\$18.24</u>	<u>\$18.72</u>	<u>\$19.68</u>
Total Bill			\$357.87	\$336.63	\$346.66	\$367.59
\$ Change				<b>(\$21.24)</b>	\$10.03	\$10.61
<b>Multi Family (10 units)</b>	1"	90				
Service Charge			\$55.83	\$48.97	\$50.44	\$53.51
Quantity Charge			\$531.90	\$536.30	\$552.39	\$586.03
Water Reliability Charge			<u>\$0.00</u>	<u>\$34.20</u>	<u>\$35.10</u>	<u>\$36.90</u>
Total Bill			\$587.73	\$619.47	\$637.93	\$676.44
Per Dwelling Unit			\$58.77	\$61.95	\$63.79	\$67.64
\$ Change				\$3.17	\$1.85	\$1.95
<b>Commercial</b>	1.5"	126				
Service Charge			\$96.77	\$85.88	\$88.46	\$93.84
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$1,025.74
Water Reliability Charge			<u>\$0.00</u>	<u>\$47.88</u>	<u>\$49.14</u>	<u>\$51.66</u>
Total Bill			\$1,177.85	\$1,072.46	\$1,104.46	\$1,171.25
\$ Change				<b>(\$105.39)</b>	\$32.00	\$33.87

## Scenario #3

- \$26.5M General Fund subsidy
- \$20.0M Bond
- Bond and reserves paid back in FY 2048-49



**END OF PRESENTATION**



**CITY OF BEVERLY HILLS**  
**PUBLIC WORKS DEPARTMENT**

**MEMORANDUM**

**TO:** Mayor Julian A. Gold, M.D. and Councilmember Robert Wunderlich, Ph.D.

**FROM:** Gil Borboa, Assistant Director of Public Works

**DATE:** October 23, 2018

**SUBJECT:** Multi-Family Residential Water Sub-Meter Policy

**ATTACHMENTS:** 1. October 11, 2018, Public Works Commission Report

---

On October 11, 2018, the Public Works Commission supported the following proposed policy statement for a sub-meter policy for newly constructed multi-family residential (MFR) projects:

1. New MFR projects with six (6) units or less will be required to install dedicated meters for each unit.
  - a. Projects will also be required to install a separate water meter for building common area use and a separate water meter for irrigation use.
  - b. Individual water meters will be installed by the City on the public right-of-way that would be read, billed, and maintained by the City.
  - c. Each meter will include the following fees: water connection, capacity, and supply.
  - d. As an individual residential unit served by its own meter, the service will be billed at the single family residential rate
2. New MFR projects with seven (7) units or more will be required to install a sub-metering system.
  - a. One master water meter to be installed by the City on the public right-of-way that would be read, billed and maintained by City.
  - b. One charge for the following fees: water connection, capacity and supply.
  - c. Building owner required to install an on-site sub-metering system for each individual unit. Building owner to be responsible for the ongoing maintenance, reading and billing of the sub-meters.

The six (6) MFR unit threshold is based on space limitations in the frontage area and/or behind alleys where water meters are typically installed. This requirement is exclusive of additional

individual meters which may be required to conform with existing code requirements in Title 9, Chapter 4, Water Regulations, Article 4, Water Efficient Landscaping. Accordingly, a requirement to install up to 6 individual meters in a new MFR project may ultimately include up to eight individual meters if a separate landscape meter and/or common area meter is required by current code. Given that State law requires new MFR properties be constructed with individual meters (via sub-meters), it is noted that the sub-metering policy being presented is more stringent than State law.

# ATTACHMENT 1

---



**CITY OF BEVERLY HILLS**  
**PUBLIC WORKS DEPARTMENT**  
**MEMORANDUM**

**TO:** Public Works Commission

**FROM:** Gil Borboa, Assistant Director of Public Works, Utilities  
Melissa Gomez, Management Analyst  
Michelle Tse, Planning and Research Analyst

**DATE:** October 11, 2018

**SUBJECT:** Update - Sub-metering Policy and Residential Irrigation Meters

---

**RECOMMENDATION**

Staff recommends the Public Works Commission support the proposed policy recommendation for submetering developed by the Ad Hoc committee on Excessive Water Use Policy/Building Code & Legislative Update.

This report also transmits an update on the development of a residential irrigation meter policy and procedures.

**SUB-METERING ORDINANCE UPDATE**

At the September 13, 2018 Works Commission (Commission) meeting, staff requested to work with the Ad-Hoc Subcommittee on Excessive Water Use Policy/Building Code and Legislative Update (Subcommittee members Wolfe and Aronberg) and develop a sub-metering ordinance for new multi-family (MFR) residential projects. The purpose of the sub-metering ordinance is to formalize the City's program and also to address legislation SB7 (Wolk), which requires a sub-metering system for newly constructed apartments and multi-family units after January 1, 2018.

Sub-meters are individual meters behind the master water meter. These meters are installed on each water line servicing the individual units, allowing the monitoring of water consumption for each unit. Whereas the master meter is City-owned and maintained, sub-meters are owned, operated, and maintained by the landlord, property management firm, condominium association or homeowners association.

For reference, the Commission had some initial discussions about sub-metering and landscape metering at its July 15, 2015 meeting as it relates to monitoring water use. Staff explored alternatives for tracking water use in MFR buildings. Two alternatives were presented to the City Council at the September 10, 2015 Study Session, i.e. require new MFR buildings to install individual water meters, or require new MFR buildings to install sub-meters for each unit. The City Council supported the concept of monitoring water use of MFR units, but sought a Commission recommendation on the best approach. The Commission reviewed the alternatives at its July 14, 2016 meeting and voted to recommend that MFR buildings have a separate water for each unit. A Council liaison meeting was held on August 2, 2016 in which the Public Works Liaisons Committee (Krasne and Gold) recommended moving forward with meters to be installed by City staff. This was around the same time when SB-7 (Wolk), which called for

mandatory sub-metering of new MFR projects, was going through the legislative process and was eventually approved in September 2016. No further progress was made on sub-meters, as there were a myriad of water and conservation-related programs that were being developed and evaluated during that same time. Staff is resuming work with the Ad-Hoc Committee to complete the development of the sub-meter policy and work towards formalizing it.

The following is the recommendation by the Ad-Hoc Committee for the sub-metering policy and program parameters for newly constructed multi-family residential (MFR) projects:

1. New MFR projects with six (6) units or less will be required to install dedicated meters for each unit.
  - a. Projects will also be required to install a separate water meter for building common area use and a separate water meter for irrigation use.
  - b. Individual water meters will be installed by the City on the public right-of-way that would be read, billed and maintained by the City.
  - c. Each meter to include the following fees: water connection, capacity and supply.
  - d. As an individual residential unit served by its own meter, the service will be billed at the single family residential rate
2. New MFR projects with seven (7) units or more will be required to install a sub-metering system.
  - a. One master water meter to be installed by the City on the public right-of-way that would be read, billed and maintained by City.
  - b. One charge for the following fees: water connection, capacity and supply.
  - c. Building owner required to install an on-site sub-metering system for each individual unit. Building owner to be responsible for the ongoing maintenance, reading and billing of the sub-meters.

The six (6) MFR unit threshold is based on space limitations in the frontage area and/or behind alleys where water meters are typically installed. Furthermore, this requirement is exclusive of additional individual meters which may be required to conform with existing code requirements in Title 9, Chapter 4, Water Regulations, Article 4, Water Efficient Landscaping. Accordingly, a requirement to install up to 6 individual meters in a new MFR project may ultimately include up to eight (8) individual meters if a separate landscape meter and/or common area meter is required by current code. Given that State law requires new MFR properties be constructed with individual meters (via sub-meters), it is noted that the sub-metering policy being presented to the Commission is more stringent than State law. At this time, staff recommends Commission support for the submeter policy statement. Ordinance language development and appropriate placement in the Beverly Hills Municipal Code will be brought back to Commission at a later date. This will include coordination with the City's Community Development Department and Utility Billing Division in Finance.

---

## **RESIDENTIAL IRRIGATION METERS**

Following the September 13, 2018 Commission review and discussion of residential irrigation meters, staff met with the Ad-Hoc Subcommittee and had initial discussions to define the goal and objectives for the irrigation meter policy, amongst discussion of other items.

At this time, staff is compiling information that will help define the policy objectives, including reaching out to HF&H Consultants to evaluate the feasibility and practicality for establishing a separate irrigation rate structure and whether the framework should be based on water volume used, or the number of dedicated landscape irrigation meters. Once this information is available,

staff will continue working with the Ad-Hoc Subcommittee with the intent of developing a policy recommendation for the Commission's consideration.

**NEXT STEPS**

If the Commission supports the sub-metering policy recommendation, the policy will be presented at an upcoming Public Works Liaison meeting for discussion. Following this, the formal ordinance will be developed and presented to the City Council for consideration for inclusion in the City's municipal code.



**CITY OF BEVERLY HILLS**  
**PUBLIC WORKS DEPARTMENT**

**MEMORANDUM**

**TO:** Mayor Julian A. Gold, M.D. and Councilmember Robert Wunderlich, Ph.D.

**FROM:** Shana Epstein, Director of Public Works

**DATE:** October 23, 2018

**SUBJECT:** City Council Priorities

**ATTACHMENTS:** 1. Fiscal Year 2018/19 City Council Priorities

---

Included in this memo are updates on the following City Council Priorities. All priorities are detailed in attachment 1.

- City Council priority 34- Water Enterprise Plan
- City Council priority 37- L.E.D. Streetlight Program
- City Council priority 38- Reservoir Reconstruction and Water Storage Capacity
- City Council priority 39- Coldwater/Cabrillo Reservoirs
- City Council Priority 41- Reforestation of Public Right of Way
- City Council priority 44- Separate Landscape Metering
- Council Priority 46- Oil Well Plugging Project
- City Council Priority 47- Third Street Tour Bus Stop Improvements

**Water Enterprise Plan (34)**

The City contracted with Michael Baker International to complete the Preliminary Design Report for development of the La Brea basin. The report summarizes the preferred well project, ultimate treatment location, pipeline alignments, and potential future well sites. The first well site has been acquired at the former Coffee Bean & Tea Leaf headquarters. Drilling of a pilot borehole and installation of a monitoring well is completed at this site.

Staff has completed environmental site assessments for the Sand Pit site (city-owned property) and is working with a hydrogeologist (Richard Slade & Associates) to drill a pilot borehole and install a monitoring well at this site to determine its viability as a future well site.

---

Planning and design will begin in November 2018 with construction starting in January 2019. California Environmental Quality Act (CEQA) compliance planning has been initiated for the potential La Brea area future well site(s). Staff continues to investigate well site properties in the La Brea subarea. CEQA compliance can be completed once all well sites have been located and the planning area delineated.

Other than the activities above, the project is on hold until additional funding becomes available following approval of Phase 2 of the water rates adjustment

**L.E.D. Streetlight Program (37)**

The agreement between the City of Beverly Hills and Express Energy Services, Inc. to replace City street light fixtures with LED fixtures City-wide was approved on August 21, 2018. The contractor was issued the Notice to Proceed on October 15 with actual work scheduled so start later this month. City-wide notices were mailed on October 5. The project was advertised in the October/November Issue of the Public Works Backbone newsletter and in the Beverly Hills Courier on October 5, 2018. Hand delivery of notices will be by block within a week of the contractor changing out fixtures. The first area changed out will be the business triangle. The duration of this project is 6 months. The anticipated completion of this project is April 2019.

**Reservoir Reconstruction and Water Storage Capacity (38) and Coldwater/Cabrillo Reservoirs (39)**

Fiscal Year 2018/19 deliverables for the Reservoir and Water Storage Capacity and Coldwater/Cabrillo Reservoir priorities will be addressed by the Integrated Water Resource Master Plan. The Integrated Water Resource Master Plan will update and coordinate the City's multiple master plans involving water, recycled water, sewer, and stormwater.

The City of Beverly Hills Department of Public Works has developed previous individual master plans for the City's water (2002), sewer (2010), and storm drain (1999) systems. These planning tools are due for updating. As plans are updated they will be consolidated to provide improved methodology for developing greater diversity in the City's water resources portfolio. The Integrated Water Resources Master Plan is a comprehensive planning document and tool catered to the specific needs of the City which will include evaluation and assessment of best-management practices for the use of available water, recycled water, sewer, and storm water resources and provides infrastructure rehabilitation schedules. This plan recommends a cost-effective integrated water management approach that focuses future expenditures of time and effort on areas that will enhance the City's overall water self-reliance by reducing potable water demand and effectively utilizing alternative sources of supply. After a request for proposal process, staff will be recommending an agreement with Hazen and Sawyer to the City Council on November 6, 2018, to complete the Integrated Water Resource Master Plan.

**Civic Center Right of Way Reforestation(41)**

The City's environmental consultant is preparing a soil management plan for Department of Toxic Substances Control approval. The plan is expected to be complete by the end of November 2018. Surveying and installation of construction fence will begin the week of October 22, 2018. Following Department of Toxic Substances Control work plan approval, staff will negotiate with a contractor to begin work. An independent arborist will finalize tree selection based on species availability.

**Separate Landscape Metering (44)**

Staff is compiling information which will help define policy objectives for establishing a separate irrigation program that improves the penetration of second meters at properties with landscaping. The evaluation includes an assessment of an excessive use policy and an evaluation of whether the development of a separate irrigation class should be based on water volume used, and/or the number of dedicated landscape irrigation meters. Staff is currently working with the Public Works Ad Hoc committee to develop a policy recommendation for the Commission's consideration, after which the information will be presented to City Council liaison prior to full Council consideration.

**Oil Well Plugging Project (46)**

The second of 18 wells to be plugged, "HS-1A" is expected to be complete on October 26, 2018. The environmental consultant, WZI, Inc. has prepared an updated cost analysis for completing the project based on the work completed so far, including the difficulties experienced on the first well, "BH-15". The estimated costs may range from two to three times more than the original estimate of \$8 million. City and Beverly Hills Unified School District staff are working with the consultant and contractors to identify ways to shorten the duration and reduce the costs, with the understanding that public safety is paramount. The City Council Ad Hoc will be meeting in November to review this report.

**Third Street Tour Bus Stop Improvements (47)**

Contractors mobilized on October 8, 2018 and began demolition and utility relocation for construction of the new restroom on Third Street. Construction for the tour bus staging area will begin in mid to late November 2018. The tentative project completion date is late January to early February 2019 .

# ATTACHMENT 1

---



## FY 2018-19 CITY COUNCIL PRIORITIES

ITEM #	TITLE/DESCRIPTION	LEAD DEPARTMENT	FISCAL YEAR 2018/2019 DELIVERABLES
<b>CITY CLERK</b>			
1	<b>Anti-Voter Fraud Initiative.</b> Examine what the City can do to provide education and outreach to create a collaborative community 'watch dog' approach to prevent voter fraud.	CA, CC, P&M	<ul style="list-style-type: none"> <li>• Monitor all future municipal elections in coordination with the Secretary of State's Office, the Los Angeles County Registrar-Recorder's Office and the District Attorney's Office.</li> </ul>
<b>COMMUNITY DEVELOPMENT</b>			
2	<b>R-1 Hillside Development Standards.</b> Evaluate existing R-1 Hillside development standards and explore opportunities to modify code to address design, view and site modifications.	CD	<ul style="list-style-type: none"> <li>• Implement ordinance on expansion of design review to hillside area. To be completed in FY 2018-19.</li> </ul>
3	<b>Complete Streets Plan.</b> Prepare a City Mobility Plan beginning with an update of the Bicycle Master Plan. (Former Bicycle Master Plan/Mobility Plan included in FY 2016/2017 Priorities)	CD	<ul style="list-style-type: none"> <li>• Continental crosswalks to be completed by October 2018, complete streets plan will include citywide policies for crosswalks.</li> <li>• Finalize Complete Streets Plan.</li> <li>• Implement action plan after completion of Complete Streets Plan.</li> <li>• Provide support to other City Departments implementation.</li> <li>• Explore adding vision zero to the Complete Streets Plan.</li> </ul>
4	<b>Little Santa Monica.</b> The sidewalk configuration and vehicular traffic characteristics of the south roadway of Santa Monica Boulevard are not pedestrian and bicycle friendly and do not emphasize the local-serving aspects of the street. This study would develop potential solutions to create a more "complete street."	CD, P&M	<ul style="list-style-type: none"> <li>• Determine scope and process for re-configuring South Santa Monica Boulevard for a more village-like atmosphere.</li> <li>• Add three scramble crosswalks (Bedford, Camden, and Rodeo)</li> </ul>

## FY 2018-19 CITY COUNCIL PRIORITIES

ITEM #	TITLE/DESCRIPTION	LEAD DEPARTMENT	FISCAL YEAR 2018/2019 DELIVERABLES
5	<b>Southeast Task Force.</b> Complete short term recommendations of task force and incorporate long term objectives into CIP and work plans. Include evaluation of Arts & Theater synergy. Develop a long-range Urban Design plan.	CD, P&M, PW	<ul style="list-style-type: none"> <li>• Complete Community Plan.</li> <li>• Implement action plan after completion of Community Plan.</li> <li>• PW will provide support to other departments as necessary.</li> </ul>
6	<b>Evaluate the City's Rent Stabilization Policy.</b> Utilize feedback from the Tenant-Landlord Forum to determine possible recommended modifications.	CD, CS	<ul style="list-style-type: none"> <li>• Implement the rental registration process.</li> <li>• Present economic study to Council for consideration.</li> <li>• Continue community outreach activities and educational sessions.</li> <li>• Initiate and complete a fee study (registration fees, appeal and hearing fees).</li> <li>• PW will design and manage the construction of the office remodel for Rent Stabilization Staff on the 2nd floor of City Hall (Suite 200 partially occupied by community services).</li> </ul>
7	<b>Seismic Retrofit Program.</b> Implement a seismic retrofit program.	CD	<ul style="list-style-type: none"> <li>• Establish standards and guidelines for voluntary or mandatory compliance.</li> <li>• Provide a report to City Council for consideration of what should be required by City ordinance.</li> </ul>
8	<b>Preservation Incentives.</b> Further development of a package of incentives, including fee waivers and fast track approvals.	CD	<ul style="list-style-type: none"> <li>• Complete recognition program and adopt ordinance modifying historic preservation standards if directed by Council.</li> </ul>
9	<b>Automated Parking.</b> Hire consultant to inform Code amendment to allow with specific performance standards. Provide further explanation of scope to Council before initiating contract.	CD	<ul style="list-style-type: none"> <li>• Priority is not funded, no deliverables are anticipated.</li> <li>• Should a developer wish to explore this, City would work with developer on the analysis and development of ordinance language.</li> </ul>

## FY 2018-19 CITY COUNCIL PRIORITIES

ITEM #	TITLE/DESCRIPTION	LEAD DEPARTMENT	FISCAL YEAR 2018/2019 DELIVERABLES
10	<b>Inclusionary Housing.</b> Conduct a housing nexus and in-lieu fee study to document relationship between development and demand for affordable housing. Draft an ordinance to amend municipal code to establish inclusionary housing program. Amend Code to require provision of affordable housing.	CD	<ul style="list-style-type: none"> <li>• Council directed item to be brought back to Study Session for discussion with possibly engaging a consultant to help develop inclusionary housing ordinance with in lieu fees.</li> </ul>
11	<b>Consolidation of Permit Parking Zones.</b> Develop plan to consolidate permit parking zones into larger districts with more consistent parking regulations.	CD, PD	<ul style="list-style-type: none"> <li>• Implement the first multiple family zone by August 2018.</li> <li>• Complete first pilot zone on the 100 blocks south of Wilshire Boulevard between Spalding and El Camino Drive.</li> </ul>
<b>COMMUNITY SERVICES</b>			
12	<b>Support Beverly Gardens Park Restoration Project.</b> Private fundraising effort will require support from City for coordination and inclusion of City's planned capital projects. Future phases will be accomplished over multiple years pending fund raising outcomes.	CS, PW	<ul style="list-style-type: none"> <li>• Complete Phase 3.</li> <li>• Complete landscape and hardscape work on the remaining blocks from Doheny Dr. to Cañon Dr.</li> <li>• Design replicas of Doheny and Gargoyle fountains.</li> </ul>
13	<b>Master Plan City Needs at La Cienega Park &amp; Tennis Center Site.</b> Coordinate regional water retention, parking and community center needs in a master plan for the site.	CS, PW	<ul style="list-style-type: none"> <li>• Develop and present Public Outreach Plan to Council along with a timeline and implementation plan.</li> <li>• Complete master plan construction documents and bidding process</li> </ul>
14	<b>Open Space.</b> Explore options to increase the City's green space, including pocket parks.	CS, PW	<ul style="list-style-type: none"> <li>• CS will continue to look for opportunities.</li> <li>• PW will provide support to other departments as necessary.</li> </ul>
15	<b>Promote Arts &amp; Culture.</b> Examine ways to promote arts & culture in Beverly Hills in conjunction with the community and school district. Consider creating an Arts & Culture District.	CS, CD	<ul style="list-style-type: none"> <li>• Based on City Council direction, Community Services will reconfigure the Fine Arts Commission to include a subcommittee that will focus on expanding cultural arts within the City.</li> <li>• Explore establishing festivals or events to create vibrancy.</li> </ul>

## FY 2018-19 CITY COUNCIL PRIORITIES

ITEM #	TITLE/DESCRIPTION	LEAD DEPARTMENT	FISCAL YEAR 2018/2019 DELIVERABLES
<b>FINANCE</b>			
16	<b>Comprehensive Financial Review of Public Works.</b> Conduct review of expenses and revenues of the Public Works Services budget for cost effectiveness. Combine this effort with water fund analysis.	<b>FIN, PW</b>	<ul style="list-style-type: none"> <li>• PW will implement asset management system to provide measurement tools for assessing water operations.</li> <li>• Continue to evaluate water fund personnel necessity and purpose as vacancies arise.</li> <li>• Examine water rate charges for West Hollywood.</li> </ul>
<b>HUMAN RESOURCES</b>			
17	<b>Independent Internal Auditor.</b> Evaluate developing the position of an internal auditor	<b>HR, FIN, P&amp;M</b>	<ul style="list-style-type: none"> <li>• Support the Ad Hoc Committee and City Council with the selection process for identifying the new City Auditor.</li> <li>• Provide support and assistance to the new Independent Auditor on establishing the Office of the Independent Auditor, including recruitment and onboarding of approved staff.</li> <li>• PW will design and manage the construction of office remodel for future Auditor's office at 2nd floor City Hall (currently occupied by community services).</li> </ul>
18	<b>Advertise Employment Opportunities Locally.</b> Create better local advertisement of job opening within City to stimulate interest of residents to apply for City positions.	<b>HR</b>	<ul style="list-style-type: none"> <li>• Research additional initiatives including news story to local press and outreach via City's cable channel.</li> <li>• Continue outreach efforts in print publications, e-newsletters and at City events.</li> <li>• Go-live with outreach via City's cable channel.</li> <li>• Work on implementing staff presence at Farmer's Market to promote job opportunities.</li> </ul>

## FY 2018-19 CITY COUNCIL PRIORITIES

ITEM #	TITLE/DESCRIPTION	LEAD DEPARTMENT	FISCAL YEAR 2018/2019 DELIVERABLES
<b>INFORMATION TECHNOLOGY</b>			
19	<p><b>Technology.</b> Expand the use of technology to improve efficiency in all initiatives. Work plan items include completion of next phase of E-Gov, expansion of wired and wireless networks and initiation of Fiber to the Premise (FTTP) projects. Continue research and begin implementation on commercialization of City technologies and the feasibility of offering technology services to the public.</p>	IT	<p><b>Fiber to the Premise</b></p> <ul style="list-style-type: none"> <li>• Offer triple play service to new service areas per roll out plan.</li> <li>• Beta roll out in the summer.</li> <li>• Timeline to be completed Summer 2018.</li> <li>• Continue build-out of FTTP infrastructure per the completed Fiber Network and Services Strategic Plan, and bring new cabinet areas online.</li> </ul> <p><b>eGov</b></p> <ul style="list-style-type: none"> <li>• Complete web user-interface experience including single sign-on web portal, new parking permits, expanded online services, and revised website.</li> <li>• Redesign website and site-wide navigation.</li> <li>• Expand responsive mobile web interface.</li> <li>• Add new transactions to customer-focused website.</li> </ul>
20	<p><b>Autonomous Vehicles.</b> Implement a vehicle program that includes long-term goals of addressing ‘first and last mile’ issues and increasing mobility within the City. As envisioned, the program would involve a fleet of City-operated autonomous vehicles that would provide on-demand, point-to-point mobility to members of the public.</p>	IT, CD, P&M	<ul style="list-style-type: none"> <li>• P&amp;M to provide support to IT as necessary.</li> <li>• Advocate for legislation that supports AV.</li> <li>• Present AV plan to Council and begin implementation.</li> <li>• Implement AV integration with existing transportation services with CD.</li> <li>• Host an AV event at Greystone Mansion.</li> <li>• CD to evaluate traffic/curbside policies.</li> </ul>
21	<p><b>Community Video Security.</b> Expand the City’s existing Closed Circuit Television Camera (CCTV) program and Automated License Plate Recognition (ALPR) into residential areas.</p>	IT, PD, PW	<ul style="list-style-type: none"> <li>• PW will provide support to other departments as necessary.</li> <li>• Deploy BHUSD cameras per agreed upon plan e/ District.</li> <li>• Expand residential cameras and accelerate schedule to complete deployment by the end of the Fiscal Year.</li> <li>• Expand parking facility cameras.</li> </ul>

## FY 2018-19 CITY COUNCIL PRIORITIES

ITEM #	TITLE/DESCRIPTION	LEAD DEPARTMENT	FISCAL YEAR 2018/2019 DELIVERABLES
			<ul style="list-style-type: none"> <li>Expand intersections cameras.</li> <li>Coverage to be whole City.</li> <li>Complete NSMB/Beverly Gardens park camera deployment.</li> <li>PW will provide support to other departments, as necessary.</li> </ul>
<b>POLICY &amp; MANAGEMENT</b>			
22	<b>Property Acquisition.</b> Work with the Ad Hoc Committee to identify and acquire properties for parking, open space and other civic uses. Focus on the Southeast as a priority.	P&M, PW	<ul style="list-style-type: none"> <li>P&amp;M will continue to explore opportunities to purchase land.</li> <li>PW will continue to provide support to other departments as necessary.</li> </ul>
23	<b>Small Business Task Force.</b> Attract a balance of high-end, unique and community serving small businesses, and contract with the Chamber of Commerce to initiate development of small business support programs.	P&M	<ul style="list-style-type: none"> <li>Continue to support Chamber of Commerce efforts to attract high-end, unique and community that serve small businesses.</li> <li>Support 'My Beverly Hills' Program.</li> <li>Explore a Business Attraction Mission to San Francisco.</li> <li>Explore a Small Business Development Partnership program.</li> <li>Work item added to the Chamber's FY 18/19 Work Plan</li> </ul>
24	<b>Update City's 5-Year Economic Sustainability Plan.</b> The City's existing 5-year Economic Sustainability Plan has come to term. This initiative provides staffing and funding to develop a new 5-year plan with input from key stakeholders and strategies to address the impacts of long-term construction projects and regional competition to ensure Beverly Hills stays competitive as a visitor and business destination.	P&M	<ul style="list-style-type: none"> <li>Follow up on Council direction provided at March Study Session.</li> <li>Complete the development of a Destination Master Plan in conjunction with the Conference &amp; Visitor's Bureau.</li> <li>Coordinate an update of the current Economic Sustainability Plan.</li> </ul>
25	<b>Strengthening and Expanding Smoking Regulations.</b> Continue to strengthen and expand current smoking regulations. Provide education and outreach to the public.	P&M, CD, CS, PD	<ul style="list-style-type: none"> <li>Monitor Smoke-Free Multi-Unit Housing Ordinance implementation and enforcement.</li> <li>Implement smoking cessation program.</li> <li>Develop and implement restrictions on the sale of flavored tobacco products.</li> </ul>

## FY 2018-19 CITY COUNCIL PRIORITIES

ITEM #	TITLE/DESCRIPTION	LEAD DEPARTMENT	FISCAL YEAR 2018/2019 DELIVERABLES
26	<b>Improve City's "3-1-1" System.</b> Create bidirectional communication with citizens.	P&M, IT	<ul style="list-style-type: none"> <li>• Expand use of customer service system.</li> <li>• Develop roadmap for improved voice-based customer service.</li> <li>• Study the way the City communicates and examine how to improve it.</li> <li>• Explore creation of a phone number as well as improving the texting feature and responses to text messages received.</li> </ul>
27	<b>Create Evening Activities in Business Triangle.</b> Develop programs that encourage Beverly Hills businesses to stay open later.	P&M, CD, CS, Fire, PD, PW	<ul style="list-style-type: none"> <li>• Implement BOLD Summer programming on Thursdays, Fridays and Saturdays nights in the business district to encourage visitors to shop, dine and stay in Beverly Hills (subject to available funding).</li> </ul>
28	<b>Disabled placard legislative reform.</b> Pursue State legislation that regulates the use of disabled parking placards.	P&M, PD	<ul style="list-style-type: none"> <li>• Continue to support legislative reforms that prevent misuse of disabled placards.</li> </ul>
29	<b>Strategic Planning Committee -</b> establish a Strategic Planning Committee in order to create a common vision and a strategic goals for the future of the commercial areas in Beverly Hills.	P&M, CD, CS, PW	<ul style="list-style-type: none"> <li>• Develop a citywide common vision and strategic goals.</li> <li>• Create a priority list of the commercial areas for "envisioning" the future.</li> <li>• Provide support to citywide Strategic Planning Efforts.</li> </ul>
30	<b>Sunshine Taskforce.</b> Purpose is to advance greater transparency and public involvement in local government operations.	P&M, CC	<ul style="list-style-type: none"> <li>• Continue hosting meetings</li> </ul>
31	<b>Legislative Efforts.</b>	P&M	<ul style="list-style-type: none"> <li>• Work towards retaining local control and developing regional approaches for solutions to issues.</li> <li>• Work cohesively with other local jurisdictions and regional organizations to ensure City's voice is heard on important legislative matters.</li> <li>• Work with City Attorney's on an initiative to protect local control.</li> </ul>

## FY 2018-19 CITY COUNCIL PRIORITIES

ITEM #	TITLE/DESCRIPTION	LEAD DEPARTMENT	FISCAL YEAR 2018/2019 DELIVERABLES
<b>PUBLIC SAFETY</b>			
32	<p><b>Public Safety.</b> Continue to strengthen the ability of Police, Fire and Emergency Management to prevent and respond to incidents and emergencies. Work plans to include: Police facility upgrades, Implement a data driven policing model; and continue to implement the strategic plan; expand mobile workforce to fire inspectors and engine companies to streamline inspections and data collection; partner with the BH-CPR and Cedars-Sinai Medical Hospital in the development and implementation of the Stop-the-Bleed Program; update City's Emergency Operations Plan, Create MOU's for care and shelter of residents; and stockpiling of resources.</p>	<p>PD/FD/ P&amp;M/PW</p>	<ul style="list-style-type: none"> <li>• Implement Adopt-A-School-Area Program.</li> <li>• PD and PW will continue developing a plan to address the issues identified in the Needs Assessment and Master Plan, with the goal of implementing a comprehensive remodel/new construction project that resolves most or all of the identified issues.</li> <li>• Provide data on Crime Impact Team effectiveness.</li> <li>• PD will provide Succession Plan to City Council.</li> <li>• PD will provide an assessment and recommendations to City council on Body Camera Program.</li> <li>• PD will provide Council with regular updates on Strategic Plan.</li> <li>• PD will conduct a study of current jail staffing services.</li> <li>• PD will implement strategic plan.</li> <li>• PD to work on updating the crime statistics provided to public.</li> <li>• Establish the Fire Department's new organizational chart.</li> <li>• Take delivery of a fire engine and fire truck in the Fall of 2018.</li> <li>• Institute the Fire Department's Drone Program</li> <li>• Execute the Fire Department's Strategic Plan</li> <li>• Commence the Fire Department's Accreditation Program</li> <li>• Continue to explore the feasibility of the Nurse Practitioner</li> </ul>
			<ul style="list-style-type: none"> <li>• Research the Nurse Educator Program</li> <li>• Perform fire modeling for Trousdale Estates and the areas north of Sunset.</li> <li>• Fire will work with City Arborist reference tree maintenance to decrease fire risk.</li> <li>• Conduct monthly emergency management training, drills, and exercises.</li> </ul>

## FY 2018-19 CITY COUNCIL PRIORITIES

ITEM #	TITLE/DESCRIPTION	LEAD DEPARTMENT	FISCAL YEAR 2018/2019 DELIVERABLES
			<ul style="list-style-type: none"> <li>• Stockpile resources.</li> <li>• Update the City's Emergency Operations Plan.</li> <li>• Explore various emergency management technologies to enhance response and recovery abilities.</li> <li>• Develop MOUs with community stakeholders to provide for resident care and shelter in times of disaster.</li> <li>• Enhance and standardize emergency management and security plans for Special Events.</li> <li>• Finalize update of Flood Inundation Map.</li> <li>• Continue to explore communication strategies to implement during a disaster.</li> </ul>
<b>PUBLIC WORKS</b>			
33	<p><b>La Cienega Regional Treatment Facility.</b> Work with the cities of Los Angeles and West Hollywood to develop and build a regional stormwater facility for the 3 cities, as identified in the Enhanced Watershed Management Plan (EWMP).</p>	PW	<ul style="list-style-type: none"> <li>• Meet with Regulators (Regional Water Quality Control Board and State Water Resources Control Board) for guidance on design concept approach.</li> <li>• Initiate and draft MOU with Los Angeles and West Hollywood on agreed design concept and corresponding project contribution.</li> <li>• Complete preliminary design report and cost-benefit analysis.</li> </ul>
34	<p><b>Water Enterprise Plan.</b> Implement the plan, which includes short, mid and long-range plans for the City's water system which will need to be implemented to ensure continued system reliability.</p>	PW, FIN, P&M	<ul style="list-style-type: none"> <li>• Prepare environmental impact report (EIR).</li> <li>• Acquire one or two additional properties for well development.</li> <li>• Analysis of water rates.</li> <li>• Design and construction of water treatment plant upgrade.</li> </ul>
35	<p><b>Advance Capital Investment in the City.</b> Continue to transfer funds to the Capital Improvement Program budget to ensure ongoing infrastructure maintenance and investment in opportunity projects for the future.</p>	PW	<ul style="list-style-type: none"> <li>• Propose funding amounts for CIP Budget.</li> </ul>

## FY 2018-19 CITY COUNCIL PRIORITIES

ITEM #	TITLE/DESCRIPTION	LEAD DEPARTMENT	FISCAL YEAR 2018/2019 DELIVERABLES
36	<p><b>Subway Coordination.</b> Oversee Metro construction activity and coordinate outreach, marketing and overall planning efforts for area surrounding future station.</p>	<p>PW, CD, P&amp;M, ALL</p>	<ul style="list-style-type: none"> <li>• Complete negotiation of Section 2 MOA and approval by City Council.</li> <li>• CD will provide support until completion of construction project in 2025.</li> <li>• Complete design of the Cañon Drive closure.</li> <li>• Work with Metro on implementation.</li> <li>• CD will develop a streetscape plan for areas around the stations.</li> <li>• PD will provide recommendations on a policing model for the stations.</li> <li>• PW will support construction work of Section 1 – Station Excavation and Section 2 – Utility Relocation, Demolition, Piling and Decking.</li> <li>• PW will complete negotiation of the MOA for Design Build of the Rodeo Station.</li> <li>• PW will manage and implement the Public Information Graphics Program in Section 1 and Section 2.</li> <li>• PW will work with Metro to follow the permit conditions set forth in the MOA(s).</li> <li>• PW and CD will finalize the design of the closure at North Gale Drive and implement if approved.</li> <li>• PW, PD, CD, PM will attend meetings to coordinate.</li> <li>• PW will implement traffic mitigation (prevent cut through traffic, address parking issues, etc.).</li> <li>• PW will implement construction mitigation for Section 2 to keep construction zones vital.</li> <li>• PW will keep Residents and Businesses informed of upcoming work.</li> </ul>
			<ul style="list-style-type: none"> <li>• Deploy additional cameras in support of construction and safety around Rodeo station.</li> </ul>
37	<p><b>L.E.D. Streetlight Program.</b> Expand L.E.D-pilot program to other areas of the City.</p>	<p>PW</p>	<ul style="list-style-type: none"> <li>• Implement Plan.</li> </ul>

## FY 2018-19 CITY COUNCIL PRIORITIES

ITEM #	TITLE/DESCRIPTION	LEAD DEPARTMENT	FISCAL YEAR 2018/2019 DELIVERABLES
38	<b>Reservoir Reconstruction &amp; Water Storage Capacity.</b> Evaluate current emergency storage and identify projects to increase water storage capacity.	PW	<ul style="list-style-type: none"> <li>• Complete Integrated Water Resource Plan-Potable Water Portion.</li> <li>• Examine creating a larger storage capacity for emergencies.</li> </ul>
39	<b>Coldwater/Cabrillo Reservoirs.</b> Redevelop decommissioned reservoir site for storage of Potable and Non-Potable water and evaluate purple pipe distribution system.	PW	<ul style="list-style-type: none"> <li>• Evaluate options with master planning.</li> </ul>
40	<b>Public Works Matrix Audit.</b> Implement Matrix audit recommendations.	FIN, IT, PW	<ul style="list-style-type: none"> <li>• Continue implementing Phase I of the plan and accomplish the following milestones: 3, 6, 10, 11, 12, 13, 28, 29, 30, 34, 39, 40, 41, 42, 43, 44, 48, 51, 55, 56, 57, 58, 59, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 79, 80, 81, 85, 86, 87, 88, 91, 92, 101, 106, 105, 112, 113, 114, 115, 123, 127, 128, and 133.</li> <li>• Work on Matrix #125 (FIN in supporting role) with The Water Supply and Distribution Program to develop a written operational plan for the system-wide replacement of the meter transmission units.</li> <li>• Create an interface within Matrix #123 (FIN in supporting role) as part of the Infor implementation to automatically transfer work orders already prepared in Munis into Infor.</li> </ul>
41	<b>Reforestation of Public Right of Way.</b> Develop a short term and long term plan for reforestation and maintenance of the 83 Eucalyptus trees on the City's right of way along Civic Center Drive, adjacent to Parcel 13.	PW	<ul style="list-style-type: none"> <li>• Complete reforestation.</li> </ul>
42	<b>Gateways.</b> The final remaining gateway at Santa Monica/Doheny has been designed. Project to continue if property becomes available.	CS, PW	<ul style="list-style-type: none"> <li>• Continue project at Santa Monica/Doheny if property becomes available.</li> <li>• Include La Cienega gateway design in La Cienega Park Master Plan.</li> </ul>

## FY 2018-19 CITY COUNCIL PRIORITIES

ITEM #	TITLE/DESCRIPTION	LEAD DEPARTMENT	FISCAL YEAR 2018/2019 DELIVERABLES
43	<b>Water Conservation Program.</b> Continue to implement the City's water conservation program.	PW	<ul style="list-style-type: none"> <li>• Amend Article 2 regarding daily water use.</li> <li>• Address excessive water use as part of the new water rates process.</li> </ul>
44	<b>Separate Landscape Metering.</b> Require and finance the installation of a separate landscape meter for all existing properties.	PW	<ul style="list-style-type: none"> <li>• Develop a program to incentivize irrigation meters to promote water use efficiency.</li> </ul>
45	<b>Public Works Space Assessment.</b> Assess current and future operational needs of the Public Works Department.	PW	<ul style="list-style-type: none"> <li>• Finalize space needs assessment.</li> <li>• Develop action plan based on needs assessment.</li> </ul>
46	<b>Oil Well Plugging Project-</b> The City of Beverly Hills is working with the Beverly Hills Unified School District to plug 19 oil wells located on the Beverly Hills High School property.	PW, P&M, FIN, CAO, CS	<ul style="list-style-type: none"> <li>• Complete plugging of oil wells.</li> <li>• Return work site to Beverly Hills Unified School District.</li> </ul>
47	<b>Third Street Tour Bus Stop Improvements</b> - Improve 3 <sup>rd</sup> street Tour Bus Staging Area with new bus shelter, landscaping, seating areas, information Kiosk, and a public restroom facility.	PW	<ul style="list-style-type: none"> <li>• Award construction contract.</li> <li>• Complete construction.</li> </ul>
48	<b>Rodeo Permanent Bistro Seating.</b> Replace existing temporary k-rails and site furnishing into permanent seating elements, improve pedestrian safety along Rodeo Drive, promote sensible seating opportunities, while increasing community interaction and aiding in the support of local businesses.	PW	<ul style="list-style-type: none"> <li>• Prepare schematic design, design development and construction documents.</li> <li>• Complete bidding process.</li> <li>• Start construction.</li> </ul>
49	<b>Tree Master Plan</b>	PW	<ul style="list-style-type: none"> <li>• Update the Tree Master Plan.</li> </ul>