



CITY OF BEVERLY HILLS
Room 280A
455 North Rexford Drive
Beverly Hills, CA 90210

**PUBLIC WORKS COMMISSION
REGULAR MEETING MINUTES**

February 9, 2017
8:00 a.m.

MEETING CALLED TO ORDER

Date/Time: February 9, 2017 / 8:04 am

PLEDGE OF ALLEGIANCE

ROLL CALL

Commissioners Present: Commissioners Aronberg, Shalowitz, Pressman, Vice Chair Felsenthal, Chair Wolfe

Commissioners Absent: None

Staff Present: Mark Cuneo, Vince Damasse, Debby Ficoni, Ilene Knebel, Erick Lee, Chad Lynn, Trish Rhay, Caitlin Sims, Michelle Tse

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 amended.

CONSENT CALENDAR

1. Consideration of the Minutes of the regular meeting of January 12, 2017.

Motion: MOVED by Commissioner Pressman, SECONDED by Commissioner Shalowitz to approve the minutes as presented (5-0).

AYES: Commissioners Aronberg, Shalowitz, Pressman, Vice Chair Felsenthal, Chair Wolfe

NOES: None

CARRIED

COMMUNICATIONS FROM STAFF (Taken out of Order)

Recently hired Management Analyst Teresa Revis and Senior Management Analyst Michael Hensley were introduced to the commission.

REPORTS FROM PRIORITY AGENCIES

Operations Reports from City Departments, Consultants and Outside Agencies

- Metropolitan Water District (MWD) Director
 - No report from Dr. Wunderlich. He will comment on items later in the meeting.
- LADWP Representative – BH Emergency Water Line Action Plan (Taken out of order)

Representatives from LADWP provided an overview of the LADWP Water System. Assistant Director Jeff Bray, Head Engineer Steve Cole, District Engineer for the Beverly Hills area, Jesus Gonzalez were in attendance. They are the team in charge of installation, repair and maintenance of all of the water mains, fire hydrants and services in the streets of Los Angeles – including Beverly Hills. They provided an update on the water related issues between our two cities and the past and future plans for coordination for our emergency response. It is important to inspect and evaluate the condition of our pipes and prioritize what needs to be replaced. Inspections will occur between February 27 and March 18. Findings will be shared with City of Beverly Hills staff and a report will be presented to the Commission at a later date.

Commissioner Felsenthal inquired about the prospect of procuring/leasing land to drill wells. LADWP Staff will coordinate update in April.

CONTINUED BUSINESS

2. Capital Improvement & Major Projects

City Engineer Mark Cuneo presented the remaining items.

a. Maple Wells

Bids were received in late January and will be presented to City Council in February. Construction, anticipated to begin in April, will include building the well, pumps and electrical supply. The range of bids received was from \$1.8 million to \$2.3 million. We are on track with being able to use the water based on the findings we have. DDW is on track with that. The conveyance is the driving factor. There is a timeline for each step - construction, commissioning and water into our distribution center.

The Commission discussed the following:

- The Commission is still concerned about the length of time the project will take to complete. Mr. Cuneo relayed the pumps need to be procured and electrical work needs to be done. We will be coordinating with Southern California Edison to bring in new power equipment and controls. A timeline/schedule will be receiving from the contractor before the project begins.
- Additionally the Commission was assured that sanding will not become an issue with this well. The best information at this time from the hydrogeologist is that it will not happen. Controls will be put in place so that if it does occur it can be handled. It is a dynamic system and information will continue to be gathered and addressed as we move forward.

b. Cabrillo Reservoir Project

According to the contractor, the lining for the project is complete. Operations staff is making pipe/pump connections. The water from the underground source is being put into the reservoir. The next phase of the project is working with Michael Baker International to determine how much water is there as well as a structural review of the reservoir. This information will guide the future design of the project/reservoir. Chair Wolfe indicated the lining is only part of the project and future updates will include the next project phase's information separated out.

Once the liner is done, operations will shift to use water for medians. Until such time as we have a conveyance to get it to any parks or other sites we want to use it in, we will be pumping and trucking it to use in our operations.

In order to use it as potable water, the same development that is being used on the Maple Yard Wells would need to occur. This includes well development, monitoring and testing. There are specific standards that would enable it to be potable.

c. La Brea Basin Development

The pilot well was completed at the Coffee Bean site and converted into a monitoring well. The next phase is the pipeline investigation. The permitting issues have been resolved and a CCTV investigation is being done in the pipes. The preliminary design report will be completed in April by Michael Baker International and will include what will be developed at the site. The preliminary design report will give a level of refinement to help determine the rates. For the rates process we need to base it on the best information we have available at the time. This does not mean it might not change in the future. We need to make the best decision/determination we can with the information we have. The process of purchasing this property is continuing.

d. Metro Subway Extension

There has been a major change to traffic between La Cienega Blvd. and San Vicente in advance for the La Brea station construction. The traffic has been shifted, barriers installed and the contractor is mobilizing equipment. A presentation will be made to the City Council on February 21, 2017. It will outline the terms and conditions of the Memorandum of Agreement between Metro and the City of Beverly Hills.

e. N. Santa Monica Boulevard Informational Update

Project is under construction and traffic patterns have been modified. Work is progressing although rain has slowed it slightly. Night time work for the storm drains has been scheduled.

Staff reported that 39 parking spaces were removed and new turn lanes added. An additional 41 parking spaces have been added to the lots on Santa Monica Boulevard and are being utilized. In addition, loading zones have been created on side streets to assist businesses.

The Commission discussed the following:

- o Commissioner Shalowitz suggested considering not putting the parking spaces back when the project is complete as the traffic is moving well.

- o The Commission suggested not paving the streets in proximity to N. Santa Monica Blvd. at this time. An update of street paving will be presented at the next Commission Meeting.

f. Water Treatment Plant

Water Resources Manager Vince Damasse provided an update. Troy Walker from Hazen and Sawyer was on the phone available for comment.

The Water Treatment Plant is going through the commissioning process. The unexpected occurrence of sanding is being addressed as well as the water quality and elevated levels of Manganese which is causing the membranes to shut down. The Manganese is precipitating out of the wells and the challenge is determining the form, exactly where it is coming from and how it is getting through. A sampling/analysis plan has been developed. The results will determine short and long term solutions. There will be a report of the findings at the next commission meeting

NEW BUSINESS

3. Association of California Water Agencies (ACWA) Membership

Planning and Research Analyst Michelle Tse provided an update on an item brought forward by Chair Wolfe. ACWA is comprised of 430 agencies around the state and has been in existence for over 100 years. Some benefits of membership are networking with other water agencies and participating in webinars exclusive to members. We are being offered a 50% discount on the membership fee for the first year. Thereafter membership would be \$22,000 per year. Staff intends on submitting the application for the first year of membership and then evaluate the benefits and assess whether they will continue membership thereafter. Dr. Wunderlich commented they are a respected voice in the water community. They help produce guidelines and solutions and maintain lobbying operations in Washington and Sacramento. Participating staff will be determined and assigned as necessary.

Motion: MOVED by Commissioner Pressman, SECONDED by Chair Wolfe to join ACWA at the reduced rate and agree to evaluate continued membership at the end of the first year (4-0).

AYES: Commissioners Aronberg, Shalowitz, Pressman, Chair Wolfe

NOES: Nons

ABSTAIN: Vice Chair Felsenthal

CARRIED

The Commission took a break at 9:37 a.m.

The Commission reconvened at 9:47 a.m.

4. Fixed and Variable Costs in Water Rates

The Commission expressed an interest in reviewing the amounts of revenue that the water rates generate from fixed and variable charges.

The question is should the fixed charges be increased to improve revenue stability and to align fixed revenues more closely with fixed costs?

Information was presented by Rick Simonson (Vice President), and John Farnkopf (Senior Vice President) from HF&H Consultants, LLC. to further define and narrow the issue and to aid in developing a policy recommendation

Chair Wolfe reminded the commission that the number/percentages presented at the meeting are samples meant to illustrate the concept (based on our current rate structure) of fixed vs variable costs in the revenue structure. It is not being suggested that this is where the rates will end up. The results of this discussion will be carried forward by staff and the subcommittee into the rate process.

The law does not require a fixed charge for water. The majority of water agencies do not have fixed costs. There are a wide range of practices and guidelines that help to do a cost of service analysis.

Presentation included current fixed & variable revenue and costs, samples of revenue stability during conservation and revenue stabilization factors, customer bill impacts, advantages & disadvantages of fixed revenue and examples of other cities with a fixed charge.

Commissioner comments:

This presentation was an informational process for the commission so when the Commission discusses rates they will have been previously involved and informed prior to the decision making. Also it is important to get direction whether or not the commission feels strongly about adjusting it one direction or another.

The Commission is supportive of moving to a higher fixed percentage rate and will look at ways to mitigate the impact on low water users. In addition, as part of the rate analysis, exploring the additional revenue stabilization item with regard to Proposition 218 is of interest.

PROJECT UPDATES & STATUS ITEMS

5. Update on Sustainable Groundwater Management Act (SGMA) Compliance for the Santa Monica Basin

Water Resources Manager Vince Damasse updated the Commission. Meetings with stakeholders have taken place. Santa Monica has taken the lead in formulating an MOU to delineate roles and responsibilities in the Groundwater Sustainability Agency. Although we do not pump out of the Santa Monica Well, it is adjacent to wells we do pump out of. Beverly Hills would be a participant agency once the MOU is ratified. Once more information is available on our role, an update will be provided to the Commission.

6. Ad Hoc Subcommittee Assignments for 2017

Chair Wolfe advised of the subcommittee assignments moving forward. A question was posed about the Public Works Commission and their involvement in a Development Committee. Staff will update the Commission on this possibility of participation.

7. Update on Water Conservation

Water Conservation Administrator Debby Figoni presented an update on water conservation. In 2016, Beverly Hills reduced 22% - a significant increase in conservation over a 14% reduction in 2015. In January 2017, a reduction of 42% is noted due to the positive compliance of residents and businesses turning off their irrigation.

Reservoir and snow pack levels are currently up but the ground water aquifers are still low. Because we do not know what the future holds, we still need to conserve. We have employed a social media campaign to keep the irrigation controls off and we have had a great response from residents and businesses.

Toilets are the number one issue with leaks. There is a very easy test to see if this is the case. It is also recommended to sign up for water tracker because you can't always see or hear leaks or continuous flow issues.

We have large landscape water audits available. Water savings can be up to 50%. This is for a customer who uses 80 units or more per billing cycle.

Commissioner comments:

We are currently at Stage D. We are looking at rewriting our emergency drought conservation policy as well as looking into a new excessive water use policy.

We are moving towards a new policy and will adjust the stage as necessary. Steps will be taken to advise the public that this adjustment might be made in the future.

Kudos to Debby and her team for their communication about the drought and conservation efforts.

Commissioner Pressman left the meeting at 11:22 a.m.

8. Specific Information and Department Updates

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

Commissioner Felsenthal commented he would be in favor of recharging the aquifer and asked what is involved with being able to do this project in the future.

COMMUNICATIONS FROM THE COMMISSION

- **Chair's Report**

Chair Wolfe attended a meeting regarding the Community Choice Aggregation. He recommended keeping our resources at a minimum at this time but staying engaged in the process. There are some important decisions being made that might affect us at a later date.

- **Mayor's Cabinet Meeting**

Chair Wolfe attended the meeting of February 6, 2017; minutes are available online.

- **Comments from the Commissioners**
The Commissioners discussed the following:
 - The West Hollywood property has been turned over and revenue will start being collected.
 - Staff will look at offering excess water to another city for cleaning needs.
 - No significant events have occurred with the recent storms and no reimbursement has been submitted with the State.
 - The March Agenda will include an item on the Burton Way and Sunset Boulevard Medians.
- **Ad Hoc Subcommittee Updates**
Responses to the Request for Proposal are due next month for the Solid Waste Franchise and a subcommittee meeting will be scheduled to review.

COMMUNICATIONS FROM STAFF

- **Report from Director, Assistant Directors and Deputy Director**
Interviews will be conducted for the Engineering Staff needed for the Metro Purple Line project. Public Works and Traffic & Parking Commissioners are being sought to sit on the panel.
- **Meeting Dates**
Meeting dates will be discussed further at the March meeting due to a July scheduling conflict.
- **Upcoming Events**
Event list available in packet.

ADJOURNMENT

Date / Time: February 09, 2017 / 11:28 a.m.

PASSED AND APPROVED THIS 9TH DAY of MARCH, 2017



Jeff Wolfe, Chair