



CITY OF BEVERLY HILLS
455 N. Rexford Drive
Beverly Hills, CA 90210
4th Floor Conference Room A

The Beverly Hills City Council / Public Works Commission Liaison Committee

SPECIAL MEETING HIGHLIGHTS

Tuesday, October 23, 2018
9:30 AM

MEETING CALLED TO ORDER

Date / Time: October 23, 2018/ 9:32 AM

IN ATTENDANCE: Mayor Gold, M.D., Councilmember Wunderlich, City Manager Mahdi Aluzri, Director of Public Works Shana Epstein, Assistant Director of Public Works/Utilities Gil Borboa, City Engineer Daren Grilley, Budget and Revenue Officer Don Harrison, Senior Budget & Financial Analyst Brianne Gros, Senior Management Analyst Michael Hensley, Management Analyst Melissa Gomez, Public Works Commission Chair Jerry Felsenthal, Public Works Commissioner Jeff Wolfe, Executive Assistant II Ilene Knebel.

1) PUBLIC COMMENT

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

Speakers: David Gingold

2) WATER RELIABILITY CHARGE

Staff asked for direction on financing the water reliability charge using the general fund full contribution or a line of credit. The scenarios were reviewed. Upon approval, staff will prepare to present to the City Council for approval to begin the noticing process. The goal is to present to City Council on November 6, 2018, and begin the hearings in January 2019.

- In order to notice the rates, a rate must be selected and then those rates or anything monetarily less may be approved.
- The contribution from the water enterprise fund reserves is the same amount across all scenarios. It will go down to 25% operations reserves and then build back up to 50%.
- The General Fund subsidy is \$10 million for all scenarios except 3 where we want total General Fund contribution. Interest savings are identified in the General Fund subsidy.
- The major difference between scenarios 2a and 2b which are both lines of credit, are 2a has the General Fund getting paid back first and in 2b, the Water Enterprise Reserves get paid back first.
- Rate differences from inside city and outside city from the first year to 30th year were noted.
- The cost of that extra capacity to make the treatment plant allow for the central basin is included in the costs. Without the central basin, the plant does not run at full capacity.
- City Council has asked for a total spent to date from the time the Water Treatment Plant stopped to the present as well as the funding source.
- The deepest dip into the reserves will be to 25% of operating. We will be there for a year and then it will increase year by year. This dip will not affect our bond rating.
- The biggest change will be for multi-family which is approximately a bi-monthly \$10 per unit change over 4 years. Less of an impact with commercial and single family.

- The change from the current bill to the first proposed year, incorporates not just the reliability charge, it also includes the cost of service charges. The following years, you see the changes as it relates to the overall revenue increase.
- Trying to restructure the rates be as fair as possible; create a water reliability charge for insurance for the future, and create water revenue stabilization rates so we have a fair, equitable process when we have water shortages.
- Sub metering is a separate issue but it is possible that some costs can be mitigated with adding sub meters.
- The Public Works Commission came to a consensus that 2a met more of the goals suggested at previous liaison meetings.
- Staff also discussed a combination of 1a and 2a as another option as it is less strain on the General Fund, gives a smoothing option and is a lower interest payment.
- The use of reserve funds was discussed.
- The Mayor and Council member requested additional information from Public Works and Finance before a recommendation would be made.
- The City Council asked that scenario 1 and 2a be brought before the whole City Council with the request to move forward with the public noticing process.

3) MULTI-FAMILY RESIDENTIAL WATER SUB METER POLICY

Assistant Director Gil Borboa reviewed the current policy and the state requirement that all new multifamily construction will be required to have sub metering.

- Staff would advocate for more direct connections.
- Location for installation of individual meters was discussed.
- There might be individual requirements for landscape meters.

4) COUNCIL PRIORITIES UPDATE

Public Works Commission Chair Jerry Felsenthal advised Mayor Gold and Councilperson Wunderlich of the Commission's concern with the budget for the oil well plugging project, the potential cost of a future solid waste contract, and the La Cienega MS4 Stormwater Project.

5) ADJOURNMENT

Date / Time:

October 23, 2018/ 10:35 AM