

MINUTES
SPECIAL MEETING OF THE BOARD OF WATER COMMISSIONERS
LONG BEACH, CALIFORNIA
MAY 30, 2019

The Board of Water Commissioners of the City of Long Beach met in the Board Room at the Administration Building, 1800 E. Wardlow Road, Long Beach, California, on May 30, 2019.

The meeting was called to order at 8:31 a.m. by President Cordero.

PRESENT:

Gloria Cordero	Commissioner	Robert Verceles	Manager, Engineering
Harry Saltzgaver	Commissioner	Abelardo Rendon	Manager, Engineering
Frank Martinez	Commissioner	Kaylee Weatherly	Public Information
Arthur Levine	Commissioner		Officer
Robert Shannon	Commissioner	Greg Sorensen	Manager of Budget and
Richard Anthony	Deputy City Attorney		Rates
Christopher J. Garner	General Manager	Dynna Long	Executive Secretary
Sandra L. Fox	Executive Assistant to	Daniel Gutierrez	Administrative Analyst I
	the Board of Water	Dennis Santos	Senior Program
	Commissioners		Manager
B. Anatole Falagan	Assistant General	Jillian Croci	Assistant Administrative
	Manager		Analyst II
Lisa Squires	Executive Assistant to	James Morgutia	Assistant Administrative
	the General		Analyst
	Manager	Hannah Harper	Conservation Intern
Paul T. Fujita	Director of Finance	George Wong	Business Systems
Tai Tseng	Assistant General Manager –		Specialist
	Operations		
Sean Crumby	Deputy General		
	Manager –		
	Engineering		

ABSENT:

Lourdes Vargas	Director of Water, Sewer & Field
	Operations
Jennifer Rojas	Superintendent Sewer Operations
Robert Katzenberger	Superintendent Water Services
Mike Salas	Superintendent of Water Construction
Dean Wang	Manager, Water Resources
Ken Bott	Manager, Administration
Liza Gutierrez	Manager, Support Services
Patrizia Hall	Manager, Engineering
Chris Pincherli	Construction Services Officer
Cynthia Andrews-Tate	Water Laboratory Manager
Monya Hawkins	Manager, Information Services
Doug McKee	Treatment Operations Superintendent

1. PLEDGE OF ALLEGIANCE

Paul Fujita led the Board and audience in the Pledge of Allegiance.

2. PUBLIC COMMENT

President Cordero opened the public comment period.

As there was no public comment, the public comment period was closed.

3. APPROVAL OF MINUTES – MARCH 7, 2019

- **Gloria Cordero, President, Board of Water Commissioners**

President Cordero called for a motion to approve the minutes.

Commissioner Levine made a motion to approve the March 7, 2019 Board meeting minutes. Commissioner Shannon seconded the motion.

President Cordero called for the vote. The motion carried unanimously.

4. PRESIDENT'S REPORT

- **Gloria Cordero, President, Board of Water Commissioners**

President Cordero announced upcoming Lawn-to-Garden Tour and Festival that will be held on June 1st.

5. GENERAL MANAGER'S REPORT

- **Christopher J. Garner, General Manager**

President Cordero called on Mr. Garner for his report.

LAWN TO GARDEN TOUR & FESTIVAL

Mr. Garner called on Ms. Weatherly to provide opening remarks regarding the upcoming Lawn to Garden Tour and Festival. She provided background information regarding the marketing and outreach for the event.

The following Water Resources staff also provided comments:

- James Morgutia spoke regarding the tour and logistics.
- Jillian Croci provided a presentation regarding the water education festival.

Ms. Weatherly spoke about the recent strategic partnerships that LBWD had made with the Arts Council of Long Beach and local artists to create a participatory mural during the festival. She also noted new to the festival this year would be participation by the following neighborhood associations: United Cambodian Community Association; Centro CHA and the Eastyard Communities for Environmental Justice. She also noted participation by the Environmental Nature Center who would have their traveling naturalist visiting the festival.

Ms. Weatherly thanked Mr. Morgutia and Ms. Croci for their hard work on planning the tour and festival.

Commissioner Saltzgaver announced that the City's Climate Action Festival is being held at Marine Stadium on the same day as the Lawn to Garden Festival. Ms. Weatherly advised that staff strives to schedule the Tour and Festival on a weekend that is not in conflict with any other city events but noted the Climate Action Festival had not been scheduled when staff chose the date.

Commissioner Shannon inquired if the Mayor and any councilmembers were confirmed to attend the Tour and Festival. Ms. Weatherly advised that staff had not received any notice of their attendance. She did note that they all advertise the Tour and Festival on their social media accounts.

Mr. Garner advised that staff provides the Councilmembers a list of any of the homes that are highlighted on the tour that are in their council districts.

President Cordero commented on the maintenance component for the Lawn to Garden projects.

Mr. Falagan made closing remarks regarding the Lawn to Garden Tour and Festival.

6. AUTHORIZATION TO SPONSOR THE ANNUAL URBAN WATER INSTITUTE WATER CONFERENCE ON AUGUST 14 - AUGUST 16, 2019, AT THE HILTON MISSION BAY SAN DIEGO

- **Christopher J. Garner, General Manager**

Mr. Garner provided a staff report regarding the sponsorship request.

Commissioner Levine made comments regarding the conference.

Commissioner Levine made a motion for a sponsorship in the amount of \$1,500 for the Continental Breakfast. Commissioner Martinez seconded the motion.

Commissioner Shannon suggested that the Board provide a sponsorship at the \$1,000 level for Poster Signs for the Conference Sponsor.

There was a general discussion regarding the previous Board sponsorship of the UWI Spring conference. There was also a general discussion regarding other sponsorship items for the August conference to consider.

Commissioner Saltzgaver expressed his support for the UWI conferences. He also noted for the record that Commissioner Levine serves as a UWI board member.

Commissioner Martinez suggested that the Board consider the Program Printing sponsorship at the \$1,500 level since this sponsorship has a higher level of visibility with the conference attendees.

President Cordero inquired if other agencies participate in the sponsorships. Commissioner Levine advised that other agencies also sponsor this conference.

Commissioner Saltzgaver inquired if Commissioner Martinez's second included an amendment to Commissioner Levine's original motion to recommend the Program Printing sponsorship instead of the breakfast.

Mr. Anthony requested clarification regarding the motion.

There was additional discussion regarding the level of sponsorship that was being included in the motion.

Commissioner Levine advised he would change his motion to leave the final decision regarding a \$1,500 level sponsorship up to the President of the Water Commission.

President Cordero confirmed the language of the motion to be: A \$1,500 sponsorship for the August 2019 UWI Conference from the Long Beach Water Department. Commissioner Martinez agreed with his second to this amended motion.

President Cordero called for any public comment. Hearing none she called for the vote. The motion carried unanimously.

7. REVIEW OF WATER DEPARTMENT PROPOSED BUDGET AND RATES FOR FISCAL YEAR 2019-2020

- **Greg Sorensen, Manager of Budget and Rates**

Mr. Garner made introductory remarks regarding the budget and rates.

Mr. Sorensen made a presentation regarding the budget overview which included the following components:

- Review of updated Water Fund FY 20 expenditures and revenues
- Water Fund Rate Scenarios
- Updated Sewer Fund FY 20 expenditures and revenues
- Rate recommendations
- Rate comparisons

- Next steps in the budget process
 - June – Budget and rate resolutions for Board adoption
 - July – Mail out Prop 218 notice and budget briefings scheduled with the Mayor and City Council
 - August 29 – Prop 218 Public Hearing
 - September – City Council review/adoption
 - October – budget and rates effective October 1, 2019

Note: Mr. Garner left the meeting at 9:08 A.M.

Note: Mr. Garner returned to the meeting at 9:10 A.M.

Commissioner Shannon inquired about the indirect charges. Mr. Sorensen provided an explanation regarding these charges.

Commissioner Levine asked how vacancies within the organization are handled during the budget process. Mr. Sorensen provided a response regarding salary savings. Mr. Falagan also commented on how vacancies are accounted for during the budget process.

Commissioner Saltzgaver inquired about CIP deferments. Mr. Sorensen responded to this inquiry.

Note: Mr. Anthony left the meeting at 9:28 A.M.

Note: Mr. Anthony returned to the meeting at 9:33 A.M.

Note: Mr. Martinez left the meeting at 9:41 A.M.

Note: Mr. Martinez returned to the meeting at 9:48 A.M.

Mr. Sorensen reviewed rate scenarios to balance the structural deficit and maintain the authorized reserve levels set by the Board.

There was general discussion by the Board regarding this portion of the presentation; and comments were made regarding credit rating agencies and the department reserve levels.

There was a brief discussion regarding the ability for the Board to raise rates during an emergency, and the need for a Prop 218 Public Hearing. Mr. Anthony advised he would research this item and report back to the Board.

Mr. Sorensen advised the Board that staff recommends a 12% increase in water rates in order to maintain the water fund balance; to bring the fund balance back to minimum levels and return to historical rate increases.

Mr. Sorensen reviewed sewer fund information with the Board. He noted that staff did not recommend an increase in sewer rates at this time but did note that an increase in the 2-4% range might be necessary in the future to address the structural deficit.

Mr. Sorensen reviewed rate increase impacts on a typical monthly utility bill.

Commissioner Saltzgaver made comments regarding rate increases/decreases as shown on the rate impact chart in the presentation.

Mr. Garner noted that LBWD had in the meantime absorbed rate increases from the Metropolitan Water District and the Water Replenishment District without passing those increases to the customers.

Mr. Sorensen reviewed bill comparisons with other large California cities that have similar water supplies (groundwater and imported water) for water and sewer charges.

Commissioner Shannon inquired why Long Beach rates are so much lower than the other cities noted on the chart.

Mr. Falagan responded. He suggested that staff would bring back a follow-up report regarding rates and outstanding debt for all the cities included in the rate comparison chart.

Mr. Sorensen also responded to this inquiry noting that Long Beach Water receives revenue from leased properties in the city which helps to reduce rates; plus, revenue from WRD for recycled water. He noted some of the other cities on the chart might not have this type of revenue to assist in their rate setting.

Mr. Garner noted a lot of these cities may have substantial debt which could affect their rate setting. He noted that the Long Beach Water Department has had a prudent practice in place to replace aging infrastructure throughout the city.

The Board noted they looked forward to this follow-up report.

Commissioner Martinez inquired about the debt for the AMI project. Mr. Fujita advised this debt was on a 15-year repay schedule.

Commissioner Saltzgaver inquired regarding a staff recommendation regarding a rate increase.

Mr. Sorensen responded that absent any additional direction, staff would be coming back to the Board on June 13th with the resolutions that would include the budget and rates with a 12% proposed rate increase for the water fund.

President Cordero called for any public comment.

Mr. Juan Ovalle spoke regarding the presentation; and requested clarification regarding what would take place at the June 13th Board meeting.

President Cordero reported that the Board would consider the budget and rate increase at their next Board meeting on June 13th, 2019.

Mr. Juan Ovalle continued his public comments.

President Cordero called for any other public comments. Hearing none she moved on in the agenda.

8. STATUS UPDATE ON WEST BASIN WELL

- **Sean Crumby, P.E. – Deputy General Manager of Engineering**

Note: Mr. Anthony left the meeting at 10:05 A.M.

Note: Mr. Anthony returned to the meeting 10:06 A.M.

Note: Commissioner Shannon and Commissioner Saltzgaver left the meeting at 10:06 A.M.

Note: Commissioner Shannon returned to the meeting at 10:07 A.M.

Note: Commissioner Saltzgaver returned to the meeting at 10:08 A.M.

Mr. Crumby provided a presentation regarding the West Coast basin well that included the following components:

- Reviewed map of both West and Central water basins and location of LBWD well.
- He reviewed water facts for both the West Coast Basin and the Central Basin
- He reviewed the information regarding the drilling of the West Coast Basin Well 1
- He reviewed the current progress on the West Coast Basin Well 1, noting that staff is currently testing well water for treatment design (current phase)
- He reviewed a map which included locations of the LBWD collection system
- He reviewed a water rate table that included costs for MWD water; West Coast Basin well water and pumped water costs

Commissioner Saltzgaver inquired about the cost of getting the water to the Westside for distribution.

Mr. Crumby responded.

Commissioner Shannon inquired what would cause groundwater prices to increase beyond MWD pricing.

Mr. Falagan responded.

Commissioner Martinez inquired when the West Coast basin well would be online.

Mr. Crumby noted it could be 1 – 2 years before the well is operational.

President Cordero inquired why the department chose to drill a well in the West Basin.

Mr. Crumby responded.

President Cordero called for any additional Board comments. Hearing none she called for any public comment.

There was no public comment.

9. Consider Standing Committee Referrals

- **Gloria Cordero, President, Board of Water Commissioners**

President Cordero called for any Standing Committee referrals.

There were none.

10. NEW BUSINESS

President Cordero called for any new business. There was none.

President Cordero closed the meeting with the following statistics on daily water usage:

- 80 – 100 gallons – Americans
- 50 gallons – Europeans
- 2-5 gallons – sub-Sahara Africa

11. ADJOURNMENT

There being no further business to come before the Board, President Cordero adjourned the special meeting at 10:21 a.m. to the next special meeting for the Water Commission to be held June 13, 2019 at 8:30 a.m., in the Board Room of the Administration Building, 1800 E. Wardlow Road, in Long Beach, California.

Frank Martinez, Secretary

Attest:

Gloria Cordero, President