

MINUTES  
SPECIAL MEETING OF THE BOARD OF WATER COMMISSIONERS  
LONG BEACH, CALIFORNIA  
JUNE 13, 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 June 13, 2019.

The meeting was called to order at 8:30 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
Gary Anderson	Deputy City Attorney		Rates
Christopher J. Garner	General Manager	Dean Wang	Manager, Water
Sandra L. Fox	Executive Assistant to		Resources
	the Board of Water	Mike Salas	Superintendent of
	Commissioners		Water Construction
B. Anatole Falagan	Assistant General	Dynna Long	Office Administrator
	Manager	Patrizia Hall	Manager, Engineering
Paul T. Fujita	Director of Finance	Daniel Gutierrez	Administrative Analyst I
Sean Crumby	Deputy General	George Wong	Business Systems
	Manager –		Specialist
	Engineering	Hannah Harper	Conservation Intern

**ABSENT:**

Richard Anthony	Deputy City Attorney
Lisa Squires	Executive Assistant to the General Manager
Tai Tseng	Assistant General Manager – Operations
Lourdes Vargas	Director of Water, Sewer & Field Operations
Jennifer Rojas	Superintendent Sewer Operations
Robert Katzenberger	Superintendent Water Services
Ken Bott	Manager, Administration
Liza Gutierrez	Manager, Support Services
Cynthia Andrews-Tate	Water Laboratory Manager
Monya Hawkins	Manager, Information Services
Doug McKee	Treatment Operations Superintendent

**1. PLEDGE OF ALLEGIANCE**

Robert Shannon led the Board and audience in the Pledge of Allegiance.

President Cordero announced that staff was listening to the meeting in the Board conference room to allow room for public participants to sit in the Board room.

**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 21, 2019 & APRIL 4, 2019**

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

President Cordero called for a motion to approve the minutes.

Commissioner Saltzgaver made a motion to approve the March 21, 2019 & April 4, 2019 Board meeting minutes. Commissioner Martinez seconded the motion.

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

**4. PRESIDENT'S REPORT**

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

No report.

**5. GENERAL MANAGER'S REPORT**

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

No report.

**6. REVIEW BOARD MEETING SCHEDULE FOR JULY 2019**

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

The Board agreed on the following July meeting schedule:

July 11, 2019 – Regular Board Meeting – 9:00 A.M.

July 25, 2019 – Regular Board Meeting – 9:00 A.M.

Commissioner Shannon advised he would need to be excused from the July 25, 2019 Board meeting. Commissioner Levine advised he might also be absent from that meeting.

**7. CONSENT CALENDAR:**

- a. Approval of Transfer of Funds by Journal Entry Dated June 13, 2019**

President Cordero called for any Commissioner comments regarding the consent calendar items.

President Cordero called for any public comment. Hearing none she called for a motion.

Commissioner Martinez made a motion to approve the Consent Calendar. Commissioner Saltzgaver seconded the motion.

Commissioner Shannon commented on item #144 – General Liability transfer. He requested that someone from the City come and provide a report to the Board on what standards they are using to calculate these transfers. Mr. Garner agreed to set up someone to provide the requested report at a future meeting.

President Cordero called for any other comments. Hearing none she called for the vote. The motion carried unanimously.

**7a. Approval of Transfer of Funds by Journal Entry Dated June 13, 2019**

A communication was presented to the Board from Paul Fujita, which is on file at the Long Beach Water Department.

**8. Adopt Resolution WD - 1413 a Resolution of the City of Long Beach Board of Water Commissioners Fixing Rates and Charges for Water and Sewer Services to All Customers, subject to the approval of the City Council by Ordinance, and subject to a public protest hearing as provided for in the California Constitution Article XIII**

- **B. Anatole Falagan, Assistant General Manager**

Mr. Garner provided introductory comments regarding the previous budget workshops held by the Board on April 18<sup>th</sup>, May 2<sup>nd</sup>, and May 30<sup>th</sup>. He noted to be sure the public was aware of these sessions the department had issued a press release advertising these budget workshops. He also advised that an information line had been included on all 90,000 customer utility bills for April, May and June 2019 regarding the workshops.

Commissioner Shannon inquired whether the budget item should be considered first. Mr. Garner explained that the proposed budget is actually based on the adopted rates. Commissioner Saltzgaver noted this same question usually comes up each year. It was decided to consider the rate item before the budget discussion as agendaized.

Mr. Sorensen, Manager of Budget and rates provided a presentation regarding the proposed 2019/2020 rates.

Commissioner Levine asked a question regarding the purchase of Metropolitan Water District (MWD) water. Mr. Sorensen advised the reason for the department having to purchase increased amounts of MWD water had been the due to the problem with pumps causing the inability to pump groundwater.

President Cordero asked what had happened since FY 17/18. Mr. Sorensen explained the process of well attrition rates, and how this had affected groundwater pumping.

Commissioner Saltzgaver requested further explanation of the chart (page 3. of the presentation) – Cost of Water History. Mr. Sorensen provided this explanation.

Mr. Sorensen noted the following rate setting goals for the department:

- Keep the fund balances from dropping too low
- Bring the fund balances back to the minimum targets in a reasonable amount of time
- Return to the historical 4-6% increases or less.

He reviewed a chart for the Water Fund projected ending fund balances noting a proposed 12% FY 20 water rate increase (with a debt financing well program) and no rate increase for sewer and proposed 4-6% increases in FY 20; FY 21; FY 22 and FY 23.

Mr. Sorensen reviewed a chart that indicated data on bill comparison to cities throughout the state, noting that Long Beach has the lowest rates.

Mr. Sorensen then reviewed the language for Resolution WD-1413 – Adoption of Rates.

He paused his presentation at this point and called for any questions or comments.

President Cordero reminded the Board that separate Roll Call votes would be held on the two resolutions.

Commissioner Saltzgaver requested an explanation of the chart (page 14. of the presentation – Rate Impact on Typical Monthly Bill) and how the rates had changed since 2017. Mr. Sorensen provided this explanation.

At this point in the meeting President Cordero called for any public comment regarding the proposed rate increase.

The following members of the public spoke:

Corliss Lee; Kerry Sharp; Tom Stout; Ian Patton; Diana Lejins; Juan Ovale; Anne Cantrell; Glenis Dolce; Carlos Ovale.

The following Board of Water Commissioners provided comments regarding the proposed rate increase:

Commissioner Saltzgaver; Commissioner Robert Shannon; Commissioner Frank Martinez; Commissioner Art Levine and President Cordero.

Commissioner Saltzgaver made a motion to Adopt Resolution WD - 1413 a Resolution of the City of Long Beach Board of Water Commissioners Fixing Rates and Charges for Water and Sewer Services to All Customers, subject to the approval of the City Council by Ordinance, and subject to a public protest hearing as provided for in the California Constitution Article XIII. Commissioner Shannon seconded the motion.

A Roll Call vote was taken as follows:

AYES:	COMMISSIONERS:	<u>HARRY SALTZGAVER;</u>
		<u>FRANK MARTINEZ; ART LEVINE</u>
		<u>ROBERT SHANNON;</u>
		<u>GLORIA CORDERO</u>
NOES:	COMMISSIONERS:	<u>NONE</u>
ABSENT:	COMMISSIONERS:	<u>NONE</u>
ABSTAIN:	COMMISSIONERS:	<u>NONE</u>

The motion carried unanimously.

9. **ADOPT RESOLUTION WD - 1414 A RESOLUTION OF THE CITY OF LONG BEACH BOARD OF WATER COMMISSIONERS ADOPTING THE ANNUAL BUDGET FOR LONG BEACH WATER DEPARTMENT FOR THE FISCAL YEAR 2019-2020, AND AUTHORIZE STAFF TO TRANSMIT THE RESOLUTION AND THE BUDGET TO THE CITY MANAGER, MAYOR AND CITY COUNCIL**
- **B. Anatole Falagan, Assistant General Manager**

President Cordero introduced agenda item 9. and called on Mr. Sorensen for a presentation.

Mr. Sorensen noted the adoption of the budget included the following components:

- Reserve Balance
- Revenues
- Expenditures
- He advised these components covered both the Water and Sewer funds.

He reported that some City charges will not become available until after Board adoption of the budget. He noted this includes:

- Salary, Skill Pay and Fringe benefit rates
- City support service charges

He reviewed the Administrative amendment language that is included in the Resolution as follows:

- Language in Resolution to grant General Manager authority to adjust budget
- Adjustment not to exceed 5% of total salary, skill pay, fringe and City charges
- Adjustment beyond 5% would require Board approval

Mr. Sorensen then provided the staff recommendation language in Resolution WD-1414.

President Cordero called for any Commissioner comments or questions. Hearing none she called for any public comment.

There was no public comment regarding this agenda item.

Commissioner Saltzgaver made a motion to adopt Resolution WD - 1414 a Resolution of the City of Long Beach Board of Water Commissioners Adopting the Annual Budget for Long Beach Water Department for the Fiscal Year 2019-2020 and authorize staff to transmit the Resolution and the Budget to the City Manager, Mayor and City Council. Commissioner Martinez seconded the motion.

A Roll Call vote was taken as follows:

AYES:	COMMISSIONERS:	<u>HARRY SALTZGAVER;</u>
		<u>FRANK MARTINEZ; ART LEVINE</u>
		<u>ROBERT SHANNON;</u>
		<u>GLORIA CORDERO</u>
NOES:	COMMISSIONERS:	<u>NONE</u>
ABSENT:	COMMISSIONERS:	<u>NONE</u>
ABSTAIN:	COMMISSIONERS:	<u>NONE</u>

The motion carried unanimously.

Mr. Sorensen then reviewed the next steps in the budget/rate process:

- July – August
  - Mail out Prop 218 notice
  - Budget briefings to be held with Mayor and City Council
  - Prop 218 Public Hearing (August 29<sup>th</sup>)
- September
  - City Council adoption
- October
  - Budget and rates effective October 1, 2019

10. **AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT TO LEASE 2,500 ACRE-FEET OF ALLOWABLE PUMPING ALLOCATION TO THE CITY OF LAKEWOOD FOR THE PERIOD OF JULY 1, 2018 THROUGH JUNE 30, 2019 AND TO EXECUTE AN AGREEMENT TO LEASE 2,500 ACRE-FEET OF ALLOWABLE PUMPING ALLOCATION FROM THE CITY OF LAKEWOOD FOR THE PERIOD OF JULY 1, 2019 THROUGH JUNE 30, 2020**
- **Dean Wang, Water Resources Manager**

President Cordero introduced agenda item 10. and called on Mr. Wang for a staff report.

Note: Commissioner Saltzgaver left the meeting at 9:41 a.m.

Note: Commissioner Saltzgaver returned to the meeting at 9:43 a.m.

Mr. Wang provided background information regarding this agreement.

President Cordero called for any public comment.

Anne Cantrell, a member of the public spoke regarding this agenda item.

President Cordero called for any Commissioner comments. Hearing none she called for a motion.

Commissioner Saltzgaver made a motion to Authorize the General Manager to execute an Agreement to lease 2,500 acre-feet of Allowable Pumping Allocation to the City of Lakewood for the period of July 1, 2018 through June 30, 2019 and to execute an Agreement to lease 2,500 acre-feet of Allowable Pumping Allocation from the City of Lakewood for the period of July 1, 2019 through June 30, 2020. Commissioner Shannon seconded the motion.

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

11. **AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH JUSTICE ENERGY PARTNERS TO PERFORM WATER-EFFICIENT DEVICE INSTALLATION SERVICES FOR THE DIRECT INSTALLATION FOR MULTIFAMILY EFFICIENCY PILOT PROGRAM IN AN AMOUNT NOT TO EXCEED \$470,000**
- **Dean Wang, Water Resources Manager**

Mr. Wang provided introductory comments regarding the pilot program.

Mr. Marjan Abubo provided a presentation regarding the details of the program.

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

President Cordero advised that Metropolitan Water District has also been emphasizing working with Disadvantaged Communities regarding conservation as they had previously been unrepresented.

Mr. Falagan complimented the Water Resources staff in working with disadvantaged communities and seeking funding for other programs such as this pilot program.

Mr. Garner also spoke about the increased funding in the Water Resources Bureau which has allowed creation of this type of program.

Commissioner Martinez made a motion to Authorize the General Manager to execute an agreement with Justice Energy Partners to perform water-efficient device installation services for the Direct Installation for Multifamily Efficiency Pilot Program in an amount not to exceed \$470,000. Commissioner Shannon second the motion.

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

- 12. AUTHORIZATION TO SPONSOR 8<sup>TH</sup> ANNUAL UPTOWN JAZZ FESTIVAL, SATURDAY, JULY 6, 2019**
- **Christopher J. Garner, General Manager**

Mr. Garner provided details regarding the requested sponsorship.

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

Commissioner Levine expressed his concern about a water-related nexus for this event.

Commissioner Levine made a motion to sponsor the 8<sup>th</sup> Annual Uptown Jazz Festival, Saturday, July 6, 2019 in the amount of \$1,000. Commissioner Saltzgaver seconded the motion but added an amendment to request that LBWD have permission to have a staffed booth at the event at no additional charge.

Commissioner Levine agreed to this amendment.

Mr. Garner clarified that a booth will be available at no charge.

Commissioner Martinez inquired if there were other options that might not be listed in the sponsorship flyer that don't involve wristbands.

President Cordero made comments regarding the wristbands and advised they could be also shared with the staff who will be working the booth or give to other staff to show support for the event.

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

**13. RECEIVE AND FILE THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2018**

- **B. Anatole Falagan, Assistant General Manager**

Mr. Falagan provided background details regarding the Comprehensive Annual Financial Report.

President Cordero called for any public comment. There was not public comment.

Commissioner Shannon inquired how much money is spent on the audit.

Mr. Fujita responded that the audit of the Long Beach Water Department (LBWD) is part of the overall City audit. He advised that KPMG performs the audit, and the department is charged \$65,000 for their portion of the audit through the City contract.

Commissioner Shannon asked if LBWD has any part in choosing the firm that performs the City audit. Mr. Fujita advised that he sits on the selection committee who chooses the auditor.

President Cordero inquired if LBWD could choose their own auditor.

Mr. Fujita advised no; the Water Department had to use the City's auditor's choice per the Charter.

Mr. Falagan spoke about the long process which takes place over several months that is part of this audit. He recognized the efforts of Yumina Eggleston and Sokhalay Hong for their assistance and efforts regarding the audit and compilation.

Mr. Fujita added that the next selection process for the City's auditing firm would take place later in the year.

Commissioner Saltzgaver made a motion to Receive and File the Comprehensive Annual Financial Report for the Period Ended September 30, 2018. Commissioner Shannon seconded the motion.

The motion carried unanimously.

**14. REPORT OF THE METROPOLITAN WATER DISTRICT (MWD) BOARD MEETING ON JUNE 11, 2019**

- **Gloria Cordero, Metropolitan Water District Director**

President Cordero distributed a summary report of the June 11, 2019 MWD Board meeting to the Commissioners.

**15. Consider Standing Committee Referrals**

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

President Cordero called for any Standing Committee referrals.

Commissioner Saltzgaver advised he would like to have a Finance Meeting to consider the estimates to close before the Prop 218 hearing takes place. He advised the meeting date could be set at the next Board meeting.

Commissioner Shannon requested that a Closed Session be scheduled regarding existing litigation. He requested that this session take place before the Prop 218 hearing.

**16. NEW BUSINESS**

President Cordero called for any new business.

Commissioner Levine announced to the Board and meeting guests that this week's Straight Talk Show would feature Mr. Garner and President Cordero.

Commissioner Saltzgaver called for a report to be agendaized in the next month or so regarding the Lifeline Program (exemption from Utility Users Tax) available to seniors and disabled utility customers.

President Cordero asked if the department works with the Long Beach Senior Center.

Mr. Falagan responded.

Commissioner Martinez advised that during the May ACWA conference there had been a break-out session which mentioned the possibility of the Governor's office making funds available for these types of programs. He urged staff to investigate this.

Commissioner Shannon inquired regarding the status of the Policy Handbook revisions.

Ms. Fox advised she was still working on compiling these changes, and mentioned she hoped this project would be wrapped up soon.

## **22. ADJOURNMENT**

There being no further business to come before the Board, President Cordero adjourned the special meeting at 10:08 a.m. to the next regular meeting for the Water Commission to be held June 27, 2019 at 9:00 a.m., in the Board Room of the Administration Building, 1800 E. Wardlow Road, in Long Beach, California.

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Art Levine, Secretary

Attest:

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Harry Saltzgaver, President