

**CITY OF LONG BEACH
WATER COMMISSION
MINUTES**

**THURSDAY, APRIL 16, 2020
VIA TELECONFERENCE, 9:00 AM**

Harry Saltzgaver, President
Frank Martinez, Vice President
Arthur Levine, Secretary



Robert Shannon, Commissioner
Gloria Cordero, Commissioner

Christopher J. Garner, General Manager

Richard Anthony, Deputy City Attorney

FINISHED AGENDA & FINAL MINUTES

The Water Commission minutes are prepared and ordered to correspond to the Water Commission agenda. Agenda items can be taken out of order during the meeting.

The agenda items were considered in the order presented.

**BOARD OF WATER COMMISSION MEETING VIA TELECONFERENCE
PURSUANT TO EXECUTIVE ORDER N-25-29 ISSUED BY GOVERNOR GAVIN NEWSOM**

CALL TO ORDER

The Board of Water Commission meeting was called to order by President Saltzgaver at 9:00 A.M. This special meeting was held via teleconference pursuant to Executive Order N-25-29 issued by Governor Gavin Newsom.

ROLL CALL

Executive Assistant to the Board, Sandra Fox took the roll call and confirmed a quorum.

Also present: Christopher J. Garner, General Manager; B. Anatole Falagan, Assistant General Manager; Tai Tseng, Assistant General Manager - Operations; Sean Crumby, Deputy General Manager - Engineering; Sandra Fox, Executive Assistant to the Board.

Commissioners Harry Saltzgaver, Frank Martinez, Art Levine, Robert Shannon
Present: and Gloria Cordero

PUBLIC COMMENT

1. [20-056WA](#) APRIL 16, 2020 BOARD OF WATER COMMISSION MEETING
PUBLIC COMMENTS

President Saltzgaver called for any public comment. Hearing none, he asked if any written public comment had been received. Ms. Fox advised no written public comment had been received for this meeting.

2. [20-057WA](#) Review May 2020 Board Meeting Calendar

President Saltzgaver reviewed the May Board meeting schedule.

The Board agreed to the following schedule:

May 14, 2020 - Regular Meeting - 9:00 A.M.

May 28, 2020 - Regular Meeting - 9:00 A.M.

Ms. Fox advised she would check the calendar schedule with Commissioner Cordero once she had joined the meeting.

PRESIDENT'S REPORT

President Saltzgaver asked the Board to review the Budget Memo from the City Manager that had been emailed to the Board from Mr. Garner. He advised this memo contained information regarding the City's multi-year budget projections, and how the Covid crisis might affect revenue streams. He advised this information might be helpful to the Board as they begin the Water Department budget deliberations for FY 20/21.

President Saltzgaver reminded the Board that following the Board meeting a closed session would take place. He reviewed the dial-in procedures with them for this teleconference closed session.

GENERAL MANAGER'S REPORT

Mr. Garner commented on the City Manager's budget memo. He advised it was difficult to think that this memo was written from an optimistic viewpoint. He advised there were still quite a few issues that need to be considered that could affect the City's final budget.

Mr. Garner reported that the department had received a shipment of 250 bandannas, and advised these had been distributed to the employees to use for face coverings. He noted they had also received 50 cloth face coverings, and advised the department has orders in for additional face coverings. He noted that all Long Beach Water Department staff had been advised that if they are going to be within six feet of another person in the office, or someone from the public they must wear a face covering.

Mr. Garner reminded the Board to read the Federal Legislative update from Carpi & Clay that was e-mailed to them earlier.

Mr. Garner reminded the Board that Tom Modica had been appointed to be the City Manager. He said this was good for the Water Department as he is supportive of the department's programs.

REGULAR AGENDA

3. [20-058WA](#) Recommendation to approve December 20, 2019 Joint Meeting with Water Replenishment District meeting minutes.

Note: Commissioner Cordero joined the meeting at 9:10 A.M.

President Saltzgaver called for a motion to approve the December 19, 2019 Joint Meeting with the Water Replenishment District minutes.

President Saltzgaver called for a roll call vote. The motion carried unanimously.

A motion was made by Commissioner Levine, seconded by Commissioner Martinez, to approve recommendation. The motion carried by the following vote:

Yes: 5 - Harry Saltzgaver, Frank Martinez, Art Levine, Robert Shannon and Gloria Cordero

4. [20-059WA](#)

Recommendation to adopt Resolution WD-1427, authorizing the issuance from time to time of Second Lien Water Revenue Obligations issued pursuant to the master subordinate indenture, a supplemental indenture and a credit agreement and related documents which provide for a Revolving Line of Credit with JPMorgan Chase Bank N.A. in an amount not to exceed \$60,000,000 outstanding at any time secured and solely payable from Water revenues, and authorizing the execution of all necessary documents

BUREAU: Administration - Finance

Mr. Falagan provided a staff report regarding the proposed Revolving Line of Credit (RLOC).

Commissioner Martinez inquired about the charge fee for the unused amount of the RLOC.

Mr. Falagan responded.

Commissioner Levine asked if the department had a previous relationship with J.P. Morgan for a LOC.

Mr. Nakamoto, City Treasurer responded no.

Commissioner Shannon asked Mr. Garner (former Gas General Manager) if the Gas Department had a LOC with J.P. Morgan.

Mr. Garner responded.

Commissioner Shannon inquired if the Finance group was comfortable with this RLOC.

Mr. Garner responded yes, and noted this was a good idea for the viability of the Water Department.

Commissioner Cordero asked Mr. Nakamoto if the City still used Union Bank for payroll services, etc.

Mr. Nakamoto responded yes, Union Bank is the City's primary bank. He noted that Union Bank had also submitted a proposal for the RLOC. But, advised J.P. Morgan had been chosen since they had more advantageous pricing.

President Saltzgaver inquired if there were restrictions on how this money could be spent.

Mr. Fujita responded that there is a restriction that these funds can be used for capital projects only, not operating expenses.

President Saltzgaver inquired how much the City's RLOC with J.P. Morgan was.

Mr. Garner responded the City's RLOC was for \$25 million for one year.

President Saltzgaver called for any public comment. Hearing none he called for a motion.

He then called for a roll call vote. The motion carried unanimously.

5. [20-060WA](#)

Recommendation to authorize the General Manager to sign and file all necessary documents associated with the WaterSMART: Drought Response Program Agreement R19AP00108 from the US Bureau of Reclamation for the West Coast Basin Well 1 Project.

BUREAU: Business - Water Resources

Mr. Wang provided the staff report for this item.

President Saltzgaver called for any public comment.

A roll call vote was taken. The motion carried unanimously.

A motion was made by Commissioner Shannon, seconded by Commissioner Martinez, to approve recommendation. The motion carried by the following vote:

Yes: 5 - Harry Saltzgaver, Frank Martinez, Art Levine, Robert Shannon and Gloria Cordero

6. [20-061WA](#) Recommendation to authorize the General Manager to execute an amendment to Agreement WD-3289 with Servicon Systems, Inc. to extend janitorial services through December 31, 2020, in an amount not to exceed \$400,000.

BUREAU: Operations

Mr. Tseng provided the staff report.

President Saltzgaver requested an update on the status of Covid-19 cases in the Long Beach Water Department.

Mr. Garner responded there were no cases in the department so far. He advised a few staff members were concerned they might have been exposed, but the department worked with the Health Department staff to rule out these cases.

Commissioner Levine asked if the requirement for an on-site visit by bidders could be waived, so the bidding process could proceed.

Mr. Tseng responded.

A roll call vote was taken. The motion carried unanimously.

A motion was made by Commissioner Cordero, seconded by Commissioner Shannon, to approve recommendation. The motion carried by the following vote:

Yes: 5 - Harry Saltzgaver, Frank Martinez, Art Levine, Robert Shannon and Gloria Cordero

7. [20-062WA](#) Recommendation to authorize the General Manager to enter into a contract with WaterSmart Software for a Water Efficiency Outreach and Customer Portal Solution in an amount not to exceed \$110,000 for a period of one year, and to exercise options to renew up to two additional one-year periods subject to a maximum price increase of 5% during each of the two renewal periods.

BUREAU: Business - Water Resources

Mr. Wang provided a staff report.

Commissioner Shannon made a motion with an adjustment to the recommended action as follows:

Authorize the General Manager to enter into a contract with WaterSmart Software for a Water Efficiency Outreach and Customer Portal Solution in an amount not to exceed \$110,000 for a period of one year. Staff will come back to the Board in one year before exercising options to renew up to two additional one-year periods subject to a maximum price increase of 5% during each of the two renewal periods.

President Saltzgaver called for a second to the revised recommended action motion. Commissioner Cordero seconded the motion.

Commissioner Levine inquired how the customer is receiving their individual usage information.

Mr. Wang responded.

President Saltzgaver called for public comment. Hearing none he called for a roll call vote.

The motion carried unanimously.

A motion was made by Commissioner Shannon, seconded by Commissioner Cordero, to approve recommendation. The motion carried by the following vote:

Yes: 5 - Harry Saltzgaver, Frank Martinez, Art Levine, Robert Shannon and Gloria Cordero

8. [20-063WA](#)

Recommendation to authorize the General Manager to amend Agreement WD-2848, "2009 Amended and Restated Operating Agreement for the Leo J. Vander Lans Water Treatment Facility," and to execute any additional documents necessary for the transition of operational responsibilities between the Long Beach Water Department and the Water Replenishment District.

BUREAU: Business - Water Resources

Mr. Falagan provided the staff report.

Commissioner Levine inquired if the Long Beach Water Department would lose any revenue with this transfer.

Mr. Falagan responded.

President Saltzgaver inquired how the Leo Vander Lans LBWD employees will be absorbed into Treatment Plant positions.

Mr. Tseng responded.

President Saltzgaver called for any public comment. Hearing none he called for a motion.

He then called for a roll all vote. The motion carried unanimously.

A motion was made by Commissioner Shannon, seconded by Commissioner Martinez, to approve recommendation. The motion carried by the following vote:

Yes: 5 - Harry Saltzgaver, Frank Martinez, Art Levine, Robert Shannon and Gloria Cordero

9. [20-064WA](#)

Recommendation to adopt Resolution No. WD-1426 authorizing the General Manager to enter into a Contract with Justice Energy Partners, current Contractor for the Direct Installation for Multi-family Efficiency (DIME) Pilot Program, to perform additional water-efficient device installation services for the DIME Pilot Program in an amount not to exceed \$150,000, amount to be fully reimbursed by funding from the Metropolitan Water District of Southern California.

BUREAU: Business - Water Resources

Mr. Wang provided the staff report.

Commissioner Cordero thanked staff for their efforts regarding this program, and thanked the Metropolitan Water District for funding this program.

President Saltzgaver called for any public comment. Hearing none, he called for a roll call vote. The motion carried unanimously.

A motion was made by Commissioner Levine, seconded by Commissioner Cordero, to approve recommendation. The motion carried by the following vote:

Yes: 5 - Harry Saltzgaver, Frank Martinez, Art Levine, Robert Shannon and Gloria Cordero

10. [20-065WA](#)

Recommendation to authorize the General Manager to execute the Letter of Intent to collaborate with the Metropolitan Water District of Southern California on future agreements for the purchase and delivery of advanced treated recycled water.

BUREAU: Business - Water Resources

Mr. Wang provided the staff report.

President Saltzgaver inquired regarding the timeline for the recycled water plant to come online.

Mr. Wang responded.

President Saltzgaver called for any public comment. Hearing none he called for a roll call vote. The motion carried unanimously.

A motion was made by Commissioner Cordero, seconded by Commissioner Shannon, to approve recommendation. The motion carried by the following vote:

Yes: 5 - Harry Saltzgaver, Frank Martinez, Art Levine, Robert Shannon and Gloria Cordero

11. [20-066WA](#)

Authorize the General Manager to execute the Second Amendment to Agreement WD-3418 with Tribus Services, Inc. for Meter Replacement and Retrofit Services to extend the deadline to complete all work.

BUREAU: Business - Water Resources

Mr. Wang provided the staff report.

Commissioner Levine inquired about the financial implications for the department in extending this agreement deadline.

Mr. Wang responded.

Commissioner Martinez inquired if staff had explored the possible use of FEMA monies to offset the extra costs related to this extension due to the Covid-19 health crisis.

Mr. Wang responded.

Commissioner Martinez advised these monies may be available under the CARES Act for essential utilities and first responders affected by the Covid health crisis.

Mr. Falagan advised that staff is tracking the CARES Act legislation with the assistance of Carpi & Clay. He advised staff is also reviewing any state legislation that may benefit LBWD during this health crisis.

President Saltzgaver called for any public comment. Hearing none he called for a roll call vote. The motion carried unanimously.

A motion was made by Commissioner Martinez, seconded by Commissioner Levine, to approve recommendation. The motion carried by the following vote:

Yes: 5 - Harry Saltzgaver, Frank Martinez, Art Levine, Robert Shannon and Gloria Cordero

WATER SUPPLY UPDATE

Mr. Wang provided a Water Supply Update.

President Saltzgaver called for any Commission comments. Hearing none he moved on in the agenda.

12. [20-067WA](#) Verbal Presentation - Report of the Metropolitan Water District (MWD) Board Meeting on April 14, 2020

Gloria Cordero, Metropolitan Water District Director

Director. Cordero reported that the WMD Board of Director had voted for a rate increase as follows:
3% - 2021; 4% - 2022.

She noted the original rate increase for these years had been proposed to be 5% for each year, but the Board had reduced the rate increase due to the Covid health crisis.

She advised they had then approved a 5% increase for 2024 and 2025. But, staff had been advised to return to the Board in August 2020 to provide a status report regarding Covid-19 affect on budgetary items.

She advised the MWD Board approved an authorization for their General Counsel to file litigation against the California Department of Fish and Wildlife (CDFW) and Department of Water Resources (DWR) challenging the new California Endangered Species Act (CESA) permit and Final Environmental Impact Report (EIR), and potentially alleging additional causes of action against DWR, if it is in Metropolitan's interest to do so. (Agenda item 8-3).

She advised this item did pass (53% of the vote); noting 4 cities voted no; and 5 cities abstained (Ms. Cordero reported she had abstained).

Commissioner Shannon inquired which agencies had voted no.

Director Cordero advised that two Los Angeles Directors voted no; one director from Santa Monica and one Director from San Fernando.

President Saltzgaver spoke.

Director Cordero made closing remarks regarding this issue.

CONSIDER STANDING COMMITTEE REFERRALS

Commissioner Shannon asked Ms. Fox if the Board members who are not on the Finance Standing Committee are receiving notification of any scheduled meetings for this Committee.

Ms. Fox responded yes, the entire Board would receive notification of any scheduled Standing Committee meetings, but that none are currently scheduled.

Commissioner Shannon advised that with the current dire finance condition that it might be prudent for the entire Board to meet as a Committee of the Whole for the Finance Standing Committees for the time being.

Commissioner Levine advised he supported this suggestion.

Commissioner Martinez, Chair of the Finance Standing Committee advised he would be in support of this suggestion as well.

President Saltzgaver advised he supported this as well and called for a Committee of the Whole for the Finance Standing Committee be scheduled for 8:00 A.M. on April 30, 2020 prior to the Board meeting scheduled for that same date.

Commissioner Shannon requested that the written backup information and presentations be very extensive, especially since the Board will probably be meeting via teleconference.

Mr. Garner agreed that his proposal made sense. He cautioned the Board that depending on how long the Covid-19 health crisis continues, and how it affects revenues, staff will probably present several scenarios and projections based on the current information available.

President Saltzgaver asked if Commissioner Levine also wanted to have a Infrastructure Standing Committee.

Commissioner Levine advised he would wait to see what adjusted finance information is revealed at the scheduled Finance Standing Committee on April 30th.

NEW BUSINESS

Commissioner Cordero brought up the topic regarding the possibility of unused water systems throughout the city having an issue with water quality due to the Covid-19 crisis shutdowns.

Mr. Tseng responded and advised that staff was working on a message to distribute to commercial customers to flush their pipes when they reopen their businesses to refresh their systems with fresh water.

Mr. Garner noted that since former Mayor Foster had just been assigned to the City's Task Force to work with businesses during the Covid crisis, that this is a topic he should be made aware of.

ADJOURNMENT

President Saltzgaver read the closed session item into the record and called for any public comment.

Hearing none, he adjourned the Board to the closed session teleconference meeting at 10:25

A.M.

President Saltzgaver called the Board meeting back into session at 10:44 A.M. and advised he had nothing to report.

He adjourned the Board meeting to the Finance Committee of the Whole on April 30, 2020 at 8:00 A.M.

Note:

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