

MINUTES
 REGULAR MEETING OF THE BOARD OF WATER COMMISSIONERS
 LONG BEACH, CALIFORNIA
 MAY 2, 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 2, 2019.

The meeting was called to order at 9:00 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 Officer
Arthur Levine	Commissioner		
Robert Shannon	Commissioner	Greg Sorensen	Manager of Budget and Rates
Richard Anthony	Deputy City Attorney		
Christopher J. Garner	General Manager	Dean Wang	Manager Water Resources
Sandra L. Fox	Executive Assistant to the Board of Water Commissioners	Jennifer Rojas	Superintendent of Sewer Operations
B. Anatole Falagan	Assistant General Manager	Dynna Long	Office Administrator
		Patrizia Hall	Manager, Engineering
Lisa Squires	Executive Assistant to the General Manager	Jenyffer Vasquez	Asst. Administrative Analyst
		George Wong	Business Systems Specialist
Paul T. Fujita	Director of Finance	Daniel Gutierrez	Administrative Analyst I
Tai Tseng	Assistant General Manager – Operations	Ted Johnson	WRD
Sean Crumby	Deputy General Manager – Engineering		
Lourdes Vargas	Director of Water, Sewer & Field Operations		

ABSENT:

Jennifer Rojas	Superintendent Sewer Operations
Robert Katzenberger	Superintendent Water Services
Mike Salas	Superintendent of Water Construction
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
Chris Pincherli	Construction Services Officer

1. PLEDGE OF ALLEGIANCE

Jennifer Rojas 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. GROUNDWATER SUPPLY UPDATE

- **Ted Johnson, Chief Hydrogeologist, Water Replenishment District**

Mr. Falagan provided introductory remarks.

Mr. Ted Johnson, Chief Hydrogeologist for Water Replenishment District (WRD), provided an overview of the groundwater basin conditions for Central Basin, noting the sharp, positive response of the basin to the year's above average precipitation. He noted the basin appears to have peaked in its response, in a manner typical of the basin as it enters the summer months period of little precipitation.

President Cordero thanked Mr. Johnson for his report.

Commissioner Levine asked several questions regarding the report. Mr. Johnson responded.

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

4. APPROVAL OF MINUTES – FEBRUARY 7, 2019

President Cordero called for a motion to approve the minutes.

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

President Cordero called for any public comment. Hearing none she called for the vote.

The motion carried unanimously.

5. FINANCE STANDING COMMITTEE REPORT FROM APRIL 24, 2019 MEETING

- **Harry Saltzgaver, Chair, Finance Standing Committee**

Commissioner Saltzgaver, Chair of the Finance Standing Committee provided a summary report of the April 24, 2019 Finance Standing Committee meeting, which included a review of the 2nd quarter Fiscal Year results.

There was a brief discussion regarding the upcoming budget cycle. During this discussion Commissioner Saltzgaver noted that if the department did not raise rates this year there would be no reserves left by the end of FY 20.

President Cordero called for any public comment.

Juan Ovalle spoke.

Mr. Ronan spoke.

Mr. Garner responded to Mr. Ronan's question regarding an opt-out clause for AMI meter installations which he noted was consistent with SCE and Gas utility AMI installations.

President Cordero asked the City Attorney to respond to Mr. Ronan's question regarding the Measure M legislation.

The City Attorney advised this response would need to be discussed in closed session as it relates to ongoing litigation. He did advise that if Measure M is overturned the City Council would have to make the decision regarding lost revenue.

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

6. PRESIDENT'S REPORT

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

President Cordero commented on the April 26, 2019 Community Leaders briefing hosted by the Metropolitan Water District, which was held at the Aquarium of the Pacific. She noted this was a well-attended event and a success. She thanked the Commissioners and staff who attended.

Commissioner Levine spoke about the event.

President Cordero commented on the *LA Times* article that was in the news on May 2, 2019 regarding Governor Newsom's approach to water.

President Cordero announced that several Board members would be attending the upcoming ACWA Conference being held in Monterey, CA May 7 – May 10, 2019.

7. GENERAL MANAGER'S REPORT

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

President Cordero called on Mr. Garner for his report.

ANNUAL WOMEN'S S.T.E.A.M. CERTIFICATE OF RECOGNITION

Mr. Garner advised that several LBWD employees had recently participated in the annual Women's S.T.E.A.M. luncheon. He read the text of the Certificate of Appreciation and introduced the following employees who participated:

- Lourdes Vargas – Director of Water, Sewer & Field Operations
- Jennifer Rojas – Superintendent of Sewer Operations
- Jenyffer Vasquez – Assistant Administrative Analyst
- Carolina Avendano – Capital Projects Coordinator III
- Ana Flores – Laboratory Analyst I

The honorees were recognized with a round of applause.

WATERSMART INNOVATIONS CONFERENCE

Mr. Wang reported that the Water Resources team had recently submitted three abstracts for the WaterSmart Innovations Conference. He noted that all three abstracts were selected – two for presentations (DIME Program; and DIG Program), and one for a poster (Parkway Program). He thanked his team for all their hard work on these programs and thanked the Board for their support in allowing staff to pursue these types of innovative projects.

PUBLIC AFFAIRS UPATE

Ms. Weatherly played the video that was developed in partnership with CSULB and noted it would be used in the next local movie theater conservation campaign in time for the showing of summer blockbuster films. She advised this video would also play at the half-time events at the Walter Pyramid and at Blair Field. She advised it will also be played on social and digital channels. She advised that MWD also sponsored the video in conjunction with their 365 Conservation campaign.

Ms. Weatherly also provided a report on Earth Month community events the department participated in.

She also reminded the Board of other upcoming community events the department will be participating in:

- May 3, 2019 – CSULB Baseball game – LBWD sponsoring agency
- May 4, 2019 – WRD's Groundwater Festival (LBWD will have a booth)
- June 1, 2019 – LBWD Annual Lawn to Garden Tour & Festival

Commissioner Levine inquired about details for the upcoming LTG Festival. Ms. Weatherly advised as the final details become available, she would provide a report to the Board at a future meeting.

LBWD “TAKE YOUR KID TO WORK DAY”

Mr. Garner reported on the first “Take Your Kid to Work Day” event and noted this had been a great success. He advised this was an educational opportunity for the kids with lots of hands-on demonstrations and fun activities.

SINKHOLE ON PACIFIC COAST HIGHWAY

Mr. Garner reported that the sinkhole on Pacific Coast Highway had been repaired and had nothing to do with LBWD water or sewer pipelines.

President Cordero thanked Mr. Wang and his team for their work. She also thanked Ms. Weatherly for her work on behalf of the department.

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

8. UNFINISHED BUSINESS – ITEM CARRIED OVER FROM APRIL 18, 2019 BOARD MEETING

AUTHORIZE THE GENERAL MANAGER TO ENGAGE THE OPINION RESEARCH FIRM OF FAIRBANK, MASLIN, MAULIN, METZ & ASSOCIATES (FM3) TO CONDUCT A PROFESSIONAL SURVEY TO EXAMINE PUBLIC OPINIONS TOWARD CONSOLIDATING LONG BEACH’S WATER AND GAS UTILITIES AT AN AMOUNT NOT TO EXCEED \$50,000

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

President Cordero introduced agenda item 8. and called on Mr. Garner for a staff report.

Mr. Garner summarized the two requested actions made by the Board at the April 18, 2019 Board meeting regarding this held over agenda item. He advised one of the requested items had to do with a request regarding a legal opinion from the City Attorney on the potential use of public funds to conduct polling. He advised that Mr. Anthony had provided this opinion to the Board.

He advised the second request was for the General Manager to see if the Gas Utility would be willing to partner with LBWD on this type of expense. Mr. Garner advised he had spoken with the City Manager who noted his preference was that the Water Department take the lead on this matter.

Commissioner Shannon spoke at this point in the meeting regarding the three-part motion made on April 18, 2019. He advised he recalled that a vote on this item would take place after the Board had heard the responses to their requests.

The City Attorney responded to Commissioner Shannon's comments, and advised that was correct, but he had determined that if the Board wanted to, they would be able to vote on this item at today's meeting. He said this decision was up to the Board.

Commissioner Shannon advised he had a problem with that decision since there was a possibility that members of the public had heard the decision made at the previous meeting and might be waiting for this item to be decided at the next meeting.

Mr. Anthony agreed this was a fair point, but requested that the Board hear what he had to say, and could then discuss their next actions. He did note that if the Board were to adopt the FM3 contract at today's Board meeting they might be doing this at some risk of a Brown Act challenge, so he advised the Board could choose to lay this item over for another two weeks.

President Cordero commented on the previous motion.

The City Attorney advised he was attempting to afford the Board with some flexibility.

Mr. Anthony reviewed his opinion that he had rendered at the request of the Board regarding the potential use of public funds to conduct polling. He advised that it would be legal if the Board were to choose to move forward with a contract with FM3. He did advise however that there were potential pitfalls that would need to be considered before moving forward. He advised that those pitfalls would have everything to do with how the public opinion polling would be conducted. He noted it would be important that either he would look at the questions, but he would also run the questions by the City Attorney's outside counsel, Jim Priest. He advised that Mr. Priest has helped the city in the past with various election-related questions. Mr. Anthony advised he had discussed this current issue with him as well. He noted that Mr. Priest had advised that there are other municipal and local agencies that do expend public funds in conducting public opinion polling. Mr. Anthony advised that when these agencies do so they must pay attention to the style and tenor of the questions; and the timing (between the polling and the actual vote) to when the questions are asked, and how the communications are made to the community. He advised that in this case there is a lot of time because there is currently no scheduled vote to consider the utility consolidation. He advised that is what has led him to his opinion. However, he noted if the style and tenor of the polling (consisted of push polling) - he provided examples of this type of question; it could be so tilted that it could give rise to a certain amount of liability on the part of the Water Department. Mr. Anthony advised he feels that is manageable. He advised he would not stop the Board in moving forward if they so desired.

Mr. Garner provided background regarding the reason for using polling in this matter. He noted it was beneficial to engage the customers to receive their feedback regarding the potential utility consolidation.

There was discussion regarding a ballot measure regarding the potential utility consolidation. Mr. Anthony advised the City Council would have the final decision on whether to place this item on a ballot.

Commissioner Shannon advised he supports the consolidation of the utilities. He spoke regarding the polling that took place regarding the three Charter amendment ballot measures, and the potential consolidation of the utilities. He advised he has no problem that polling took place. He advised the critical point is that no public dollars were used for that polling.

He further advised that he has a strong interest in the point of advocacy versus education due to his experience as the former City Attorney and cases he oversaw regarding this same kind of subject matter.

Commissioner Shannon advised he agreed with the City Attorney's memo dated April 25, 2019 (with the subject line Potential Use of Public Funds to Conduct Polling) as far as it goes. He noted that the tenor of the memo requires that the Board indicate a cautionary note. At this point in his comments Commissioner Shannon read excerpts from the City Attorney's opinion memo dated April 25, 2019.

He added that nowhere in the opinion is it stated that the Board has gone on the record as supporting consolidation. At this point in the meeting Commissioner Shannon asked Mr. Anthony several questions regarding his conversation with Mr. Priest.

Commissioner Shannon stated that if the Board goes on the record to support consolidation it would make sense that the company that the Board hires to conduct the polling might skew the poll towards what the Board had already gone on record supporting.

Commissioner Shannon then commented on the possibility if this same request had been submitted to several attorneys up and down the state that there was the possibility Mr. Anthony would have received a variety of opinions.

He requested the City Attorney to clarify what his actions would be regarding the polling questions, such as pre-approve the actual questions that are going to be asked. Mr. Anthony responded yes to this comment.

Commissioner Shannon then outlined possible scenarios with follow-up questions from the public in response to the initial questions they were asked by the pollster. He asked if perhaps the pollster might respond to the public's follow-up question. Mr. Anthony responded he had no idea regarding the mechanics behind this type of polling.

Commissioner Shannon added there are a lot more pitfalls available than the Board might realize.

Commissioner Saltzgaver spoke regarding the Board's original vote to support the proposed consolidation which he noted occurred more than a year ago. He noted that a lot had happened since that time and added that that vote is no longer valid. He explained his reason for support of the polling is to solicit public input and participation in the decision process. He advised he would hold further comments when the item comes back to the Board in two weeks.

Commissioner Martinez inquired if that was a motion.

The City Attorney advised that a motion was needed to hold this item over for two weeks.

Commissioner Saltzgaver made a motion to hold this agenda item over for two weeks per the direction made at the April 18, 2019 Board meeting. Commissioner Martinez seconded the motion.

Commissioner Martinez advised he agreed with Commissioner Saltzgaver's comments regarding the Board's original vote on support of the proposed consolidation and agreed this matter should come back to the Board later.

There was back and forth discussion between Commissioner Shannon and Mr. Anthony regarding Mr. Anthony's previous statement regarding the relevant point. Mr. Anthony explained how he made this decision regarding how a poll should be conducted and should not contain questions that could influence/convince the person participating in the poll. He further advised that for a reliable poll to take place questions within the poll should be asked off a script, and noted the pollster is supposed to attempt to stop conversation thereafter. He advised he can't guarantee that will occur but believes that is the idea of how the poll should be run.

Commissioner Shannon requested that the City Attorney analyze the significance of the fact that the Board has already formally gone on record in supporting the proposed consolidation.

Mr. Anthony advised he could do this.

President Cordero made comments regarding the proposed consolidation. She noted the Board was attempting to gather public opinion regarding the matter by using the polling process.

She advised she believes that the role of public input is crucial. She advised that the Board along with staff will be involved in formulating questions for a survey if the Board decides to pursue this path to ascertain public opinion.

Note: Commissioner Martinez left the meeting at 9:55 a.m.

President Cordero then mentioned the following items she had researched on the Community Toolbox website and advised the Board should think about these points:

- Why do you want to know what people think?
- What kind of information are you looking for?
- Whose opinion are you trying to measure, and what are you going to do with that information?
- How do you gather information on opinions?
- What are the obstacles that may occur, and how do you remedy those?

She advised that after the survey, you then schedule public meetings to gather more public information.

Note: Commissioner Martinez returned to the meeting at 9:57 a.m.

Commissioner Shannon requested clarification on the comment President Cordero previously made regarding the Board and staff formulating the content for a survey rather than the City Attorney taking lead on this matter. He cautioned the Board to not do this based on a previous lawsuit that the city was involved in and lost regarding this same subject matter because the City Attorney was not consulted. He advised the City Attorney needs to take the lead role in developing the survey questions.

President Cordero advised Commissioner Shannon had misinterpreted her previous comments. She advised it would be a partnership between the Board, staff and the City Attorney.

President Cordero called for any public comment.

Carlos Ovalle spoke.

Ian Patton spoke.

Mr. Ronan spoke.

President Cordero closed public comment and called for the vote on the motion on the floor. At this point in the meeting Commissioner Saltzgaver asked to add to his motion that the Board follow the direction made at the April 18, 2019 Board meeting.

Commissioner Shannon advised he would leave the Board with the question of why the City refused to participate in the funding of the proposed polling contract.

President Cordero called for the vote on the amended motion on the floor. The motion carried unanimously.

9. ADOPT SPECIFICATIONS WD-06-19 AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH SA RECYCLING FOR THE PURCHASE AND REMOVAL OF RECYCLABLE MATERIALS FROM LONG BEACH WATER DEPARTMENT, AND TO EXERCISE THE OPTIONS TO RENEW FOR TWO ADDITIONAL ONE-YEAR PERIODS

- **Tai Tseng, Assistant General Manager - Operations**

Note: Mr. Garner left the meeting at 10:13 a.m.

Note: Mr. Anthony left the meeting at 10:14 a.m.

Note: Mr. Garner returned to the meeting at 10:15 a.m.

President Cordero introduced agenda 9. and called on Mr. Tseng for a staff report.

Mr. Tseng provided background information regarding agenda item 9.

Commissioner Saltzgaver noted that SA Recycling will not pay for the wooden pallets or the cardboard but asked for clarification on if they will haul those items away.

Mr. Tseng advised they will provide bins for collection of those items and then dispose of those items at no cost to the department.

Commissioner Saltzgaver made a motion to adopt Specifications WD-06-19 and authorize the General Manager to execute an Agreement with SA Recycling for the purchase and removal of recyclable materials from Long Beach Water Department, and to exercise the options to renew for two additional one-year periods. Commissioner Martinez seconded the motion.

President Cordero called for any other Commission comments. She then called for any public comment. Hearing none she called for the vote. The motion carried unanimously.

10. AUTHORIZE THE GENERAL MANAGER TO ENTER INTO A CONTRACT WITH HDR ENGINEERING, INC. TO PROVIDE CONSULTING SERVICES TO UPDATE THE LONG BEACH WATER DEPARTMENT'S SEWER SYSTEM MANAGEMENT PLAN IN AN AMOUNT NOT TO EXCEED \$74,641 FOR A PERIOD OF ONE YEAR, OR UNTIL PROJECT COMPLETION

- **Tai Tseng, Assistant General Manager - Operations**

Note: Commissioner Saltzgaver left the meeting at 10:16 a.m.

Note: Mr. Garner left the meeting at 10:16 A.M.

Note: Mr. Anthony returned to the meeting at 10:17 A.M.

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

Mr. Tseng provided a summary report regarding agenda item 10.

Commissioner Martinez made a motion to authorize the General Manager to enter into a contract with HDR Engineering, Inc. to provide consulting services to update the Long Beach Water Department's Sewer System Management Plan in an amount not to exceed \$74,641 for a period of one year, or until project completion. Commissioner Levine seconded the motion.

President Cordero called for any Commission comments. She then called for any public comment. Hearing none she called for the vote. The motion carried with a 4 yes, 1 absent (Saltzgaver) vote.

- 11. AUTHORIZE THE GENERAL MANAGER TO ISSUE A PURCHASE ORDER WITH ALLIANCE PRINTING ASSOCIATES FOR AN AMOUNT NOT TO EXCEED \$20,000, FOR PRINTING SERVICES FOR ONE YEAR WITH THE OPTION TO RENEW TWO ADDITIONAL ONE (1) YEAR PERIODS AT THE SAME ANNUAL RATE**
- **Kaylee Weatherly, Public Information Officer**

Note: Mr. Garner returned to the meeting at 10:18 a.m.

Note: Commissioner Saltzgaver returned to the meeting at 10:19 a.m.

Note: Commissioner Shannon left the meeting at 10:19 a.m.

Note: Commissioner Shannon returned to the meeting at 10:20 a.m.

President Cordero advised that Ms. Weatherly would make one presentation for agenda items 11 – 14.

Ms. Weatherly provided a staff report and presentation outlining the department's various needs for print jobs which included the following:

- Current Printing Process
- RFQ Printing Services Process
- Printing Vendors
 - Expertise
 - Purchase Order Amount
- Contract Management
 - Department annual printing expenses - \$55,000
 - Bureaus will be able to utilize Purchase Orders for their bureau needs
 - Contract management housed in Government & Public Affairs

President Cordero asked the City Attorney if the Board could take one vote for items 11-14. The City Attorney advised if no one objected to this approach that would be fine.

Commissioner Cordero asked if these were on-call contracts.

Mr. Garner responded yes.

Commissioner Levine made a motion to approve the following purchase orders:

- Authorize the General Manager to issue a Purchase Order with Alliance Printing Associates for an amount not to exceed \$20,000, for printing services for one year with the option to renew two additional one (1) year periods at the same annual rate
- Authorize the General Manager to issue a Purchase Order with iColor for an amount not to exceed \$10,000, for printing services for one year with the option to renew two additional one (1) year periods at the same annual rate
- Authorize the General Manager to issue a Purchase Order with Sepko Industries, Inc. for an amount not to exceed \$10,000, for printing services for one year with the option to renew two additional one (1) year periods at the same annual rate

- Authorize the General Manager to issue a Purchase Order with Speed Pro for an amount not to exceed \$20,000, for printing services for one year with the option to renew two additional one (1) year periods at the same annual rate.

Commissioner Shannon seconded the motion.

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

- 12. AUTHORIZE THE GENERAL MANAGER TO ISSUE A PURCHASE ORDER WITH ICOLOR FOR AN AMOUNT NOT TO EXCEED \$10,000, FOR PRINTING SERVICES FOR ONE YEAR WITH THE OPTION TO RENEW TWO ADDITIONAL ONE (1) YEAR PERIODS AT THE SAME ANNUAL RATE**
- **Kaylee Weatherly, Public Information Officer**

See agenda item 11. for vote.

- 13. AUTHORIZE THE GENERAL MANAGER TO ISSUE A PURCHASE ORDER WITH SEPKO INDUSTRIES, INC. FOR AN AMOUNT NOT TO EXCEED \$10,000, FOR PRINTING SERVICES FOR ONE YEAR WITH THE OPTION TO RENEW TWO ADDITIONAL ONE (1) YEAR PERIODS AT THE SAME ANNUAL RATE**
- **Kaylee Weatherly, Public Information Officer**

See agenda item 11. for vote.

- 14. AUTHORIZE THE GENERAL MANAGER TO ISSUE A PURCHASE ORDER WITH SPEED PRO FOR AN AMOUNT NOT TO EXCEED \$20,000, FOR PRINTING SERVICES FOR ONE YEAR WITH THE OPTION TO RENEW TWO ADDITIONAL ONE (1) YEAR PERIODS AT THE SAME ANNUAL RATE**
- **Kaylee Weatherly, Public Information Officer**

See agenda item 11. for vote.

- 15. REVIEW OF CAPITAL IMPROVEMENT PROGRAM BUDGET**
- **Sean Crumby, Deputy General Manager - Engineering**

Mr. Crumby provided a briefing and reviewed a presentation for the Capital Improvement Program budget for FY 19-20.

Mr. Crumby thanked the following staff members (and their staff) for their assistance in developing the CIP program budget: Robert Verceles, Ab Rendon, Patrizia Hall; Anatole Falagan; Paul Fujita and Greg Sorensen.

He reviewed some of the projects included in the CIP as follows:

- Pipeline system improvements
- Reservoir/Treatment Plant Improvements
- Water Facility Improvements
- Sewer pipeline improvements
- Sewer lift station rehabilitations

Mr. Garner thanked Mr. Crumby and his team on working to prioritize needed projects with limited available dollars.

Commissioner Saltzgaver inquired if the land had been secured for the wells the department was working on for this year.

Mr. Crumby advised that Mr. Rendon's team had been working on a well siting study regarding potential well sites throughout the city. He advised that staff is currently negotiating for several potential well sites.

Commissioner Martinez thanked Mr. Crumby for his presentation and inquired about the possibility of deferring some CIP projects during this budget session as previously discussed.

Mr. Garner advised that topic would be covered in the full budget review scheduled in the next agenda item.

Commissioner Levine requested clarification about the pipeline replacement improvements total program needs dollar amounts.

Mr. Crumby and Mr. Garner responded.

Note: Commissioner Saltzgaver left the meeting at 10:43 a.m.

President Cordero made general comments.

She then called for any public comment. Hearing none she moved on in the agenda.

16. REVIEW OF WATER DEPARTMENT PROPOSED BUDGET FOR FISCAL YEAR 2019-2020

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

Note: Mr. Garner left the meeting at 10:47 a.m.

Note: Mr. Garner returned to the meeting at 10:48 a.m.

Note: Commissioner Martinez left the meeting at 10:52 a.m.

Note: Mr. Anthony left meeting at 11:00 A.M.

Note: Mr. Anthony returned to the meeting at 11:17 am.

Note: Commissioner Martinez returned to the meeting at 11:19 a.m.

Note: President Cordero left the meeting at 11:22 a.m.

Note: President Cordero returned to the meeting at 11:26 a.m.

Note: Mr. Anthony left the meeting at 11:35 a.m. and advised he would not return to the meeting.

Mr. Sorensen noted this was the second budget workshop he would be reviewing the FY 19-20 budget with the Board.

Mr. Sorensen reviewed the following components of the FY 19-20 budget during his presentation:

- Water Fund FY 20 expenditures and revenues
 - Structural deficit
- Water fund expenditure reductions and rate scenarios
- Sewer fund FY 20 expenditures and revenues
- AMI Capital Project Budget
- Rate comparisons with comparable cities
- New Well Program budget
- Next Steps
 - Input from Board for May 30 budget workshop
 - May 30, 2019 Budget workshop
 - June 13, 2019 – Budget and rate resolutions for Board adoption
 - Mail out Prop 218 notice
 - July – budget briefings with Mayor and City Council
 - August 29, 2019 – Prop 218 Public Hearing
 - September 2019 – City Council adoption of budget and rates
 - Budget and rates effective October 1, 2019

Mr. Garner commented on the use of debt financing for the well program.

President Cordero called for any Commissioner comments.

Commissioner Levine commented on the rate comparison chart in the presentation.

Mr. Garner announced that Black and Veatch had just come out with their annual rate study for the top 50 cities in the United States and noted that Long Beach was rated the 8th lowest out of the fifty cities in the report.

Commissioner Saltzgaver asked staff what type of direction they were expecting from the Board in preparation for the May 30, 2019 budget workshop.

Mr. Sorensen advised he could come back to the Board on May 30th with a summarized version of the presentation made at today's meeting, that would include recommendations for the Board to review and consider.

Commissioner Saltzgaver suggested that staff provide rate scenarios that would include the middle/moderate rate increases and the consequences of these types of rate increase be presented to the Board on May 30th.

President Cordero commented how the budget workshops differed from last year. Mr. Sorensen outlined how the budget workshops had been scheduled for this year.

Commissioner Saltzgaver noted that the presentation that Mr. Sorensen had just reviewed was on the department's website for the public to review. Mr. Sorensen reviewed where on the website this information is available.

President Cordero thanked Mr. Sorensen for the comprehensive presentation.

She then called for any public comment.

Mr. Ronan spoke regarding the budget presentation.

Mr. Sorensen explained the criteria for including the California cities in the rate comparison chart.

Mr. Ronan continued his comments regarding the budget presentation.

Mr. Garner responded to Mr. Ronan's inquiry regarding sewer rates.

17. UPDATE REGARDING THE TRANSFER OF PORT WATER FACILITIES

- **Dean Wang, Manager Water Resources**

Mr. Wang provided a report regarding the potential transfer of Port water facilities to the Water Department that included the following topics:

- Overview of Port of Long Beach water system transfer
- Reviewed historical timeline of efforts to previously consider the transfer
- Reviewed key points of Memorandum of Understanding
- Assessment
 - Develop short-term and long-term operating plan.
 - Identify system improvements necessary
 - Cost of assessment will be shared between the Port and Long Beach Water Department
- Reviewed points to be completed before operational transfer could take place
- Reviewed water system improvements as a result of Assessment
- Spoke about liability issues
- Reviewed next steps
 - Receive input from Board
 - Execute MOU
 - Develop RFP for Consultant to perform Assessment

Mr. Garner provided additional comments regarding this agenda item.

There was general discussion regarding this potential transfer.

Commissioner Shannon requested that staff keep the Board updated on this matter.

Commissioner Saltzgaver inquired about the Port's sewer system. Mr. Wang advised that during the early discussions with the Port that they had made it clear that they did not want LBWD to take over their sewer system.

President Cordero advised that at some point (she noted that Mr. Anthony had left the meeting) she wanted to know the City Attorney's opinion on the legality of President Cordero taking part in discussions regarding this matter considering her relationship with the Port Executive Director.

Commissioner Levine inquired about the impact of LBWD not taking over the Port sewer system.

Mr. Tseng provided a response to this inquiry.

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

18. Consider Standing Committee Referrals

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

President Cordero called for any Standing Committee referrals.

Commissioner Shannon advised the Board that the Board Policy Committee hoped to bring amended policies back to the Board possibly at a June meeting.

19. NEW BUSINESS

President Cordero called for any new business.

Commissioner Levine reminded everyone he would be absent from the May 16, 2019 Board meeting.

President Cordero closed the Board meeting with the following thought:

Water shortages first appear in historical records in the 1800's.

20. ADJOURNMENT

There being no further business to come before the Board, President Cordero adjourned the regular meeting at 12:06 p.m. to the next regular meeting for the Water Commission to be held May 16, 2019 at 9:00 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