



**CITY OF BEVERLY HILLS**

455 N. Rexford Drive  
Beverly Hills, CA 90210  
Municipal Gallery

In-Person/Telephonic/Video Conference Meeting

**Beverly Hills City Council Liaison / Public Works Commission**

**SPECIAL MEETING HIGHLIGHTS**

Tuesday, September 13, 2022  
1:00 PM

**MEETING CALLED TO ORDER**

Date / Time: September 13, 2022 / 1:00 PM

**IN ATTENDANCE:** Vice Mayor Julian Gold MD, Councilmember Sharona Nazarian PYSD, Chairperson John Milan, Vice Chairperson Wendy Nystrom, Public Works Director Shana Epstein, Utilities Director Robert Welch, City Manager George Chavez, Assistant City Manager Nancy Hunt-Coffey, Senior Management Analyst Melissa Gomez, Finance Director Jeff Muir, Executive Assistant Ilene Knebel, Assistant Finance Director Tatiana Szerwinski, John Farnkopf (HF & H Consultants LLC), Rick Simonson (HF & H Consultants LLC)

**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: None

**2. RESOLUTION TO AUTHORIZE PUBLIC MEETINGS TO BE HELD VIA TELECONFERENCING PURSUANT TO GOVERNMENT CODE SECTION 54953(E)**

Recent legislation was adopted allowing the Beverly Hills City Council Liaison / Public Works Commission Committee to continue virtual meetings during the COVID-19 declared emergency subject to certain conditions and the proposed resolution implements the necessary requirements.

**3. STATUS UPDATE FOR THE WATER AND WASTEWATER COST OF SERVICE STUDY**

Shana Epstein, Director of Public Works, introduced Rick Simonson of HF&H Consultants LLC, who presented a status update on the water and wastewater cost of service study.

Rick Simonson led the presentation and discussed the following components of the wastewater cost of service study:

- Wastewater revenue requirements
- Wastewater reserves
- Cost of service allocations towards the different customer classes
- Sewer Return Factors
- Introducing a new flow-based single and multi-family quantity rate

- Expanding commercial classes from two to three
- Service Charges and Quantity Charges
- Bill impacts and comparison with other agencies
- Phase-in single family rate adjustments with the use of reserves

Public Works Commission Chair Milan summarized the rate information that was brought forward to the Public Works Commission and explained the assumptions the Commission agreed upon. Public Works Commission Vice Chair Nystrom added that single-family homes use more water than multi-family units which is demonstrated in the restructuring of wastewater rates. She also added that the City does not have wastewater meters and rates should be reviewed in the future. There was a discussion involving the wastewater reserve policy and concerns with using reserves to phase in rates. Vice Mayor Gold also questioned stormwater rates. Chair Milan expressed the goal of the restructuring rates is to equalize the responsibility of costs for customers in proportion to their cost of service. He also expressed that overall; the Wastewater Enterprise is not increasing the revenue requirement. Vice Mayor Gold requested that staff return with additional information regarding all water rates (potable, sewage, irrigation, etc.). Director Epstein noted that stormwater rates have not been evaluated since 1996 and need voter approval prior to any changes. Councilmember Nazarian asked for clarification on the classification of commercial usage. Director Epstein answered that commercial usage levels are classified by the volume and constituents in the water that have to be treated and removed before water returns to the ocean. She went on to clarify why a hotel is considered a medium strength category.

Time only allowed for the wastewater rate discussion. Staff plans to return to the Liaison in the future to continue the discussion on the wastewater cost-of-service study and introduce the water cost-of-service study.

Director Epstein reiterated the items that need to return to the Liaison for continued discussion which include:

- Wastewater Reserves
- Phased-in approach without using reserves
- All water rates (potable, sewage, irrigation, etc.)
- Fixed vs. variable charges

Vice Mayor Gold said he would like to discuss alternatives to the proposed plan and asked about paying for a (water) recycling project. The Liaison continued the reserves discussion and possible projects the reserves may pay for.

## **ADJOURNMENT**

Date / Time:

September 13, 2022 / 2:03 PM