



Minutes

Lakewood City Council

Regular Meeting held
December 10, 2019

MEETING WAS CALLED TO ORDER at 7:40 p.m. by Mayor Rogers in the Council Chambers at the Civic Center, 5000 Clark Avenue, Lakewood, California.

INVOCATION was offered by Mr. Paul Kaho, Lakewood First United Methodist Church

PLEDGE OF ALLEGIANCE was led by Girl Scout Troop 2993

ROLL CALL: PRESENT: Mayor Todd Rogers
Vice Mayor Jeff Wood
Council Member Steve Croft
Council Member Diane DuBois
Council Member Ron Piazza

ANNOUNCEMENTS AND PRESENTATIONS:

Mayor Rogers commended City staff on the success of the recent Tree Lighting event. He also welcomed students in the audience from MacArthur Elementary School, who had participated in a basics course on local government provided by the City Manager and staff. He noted his and Vice Mayor Wood's involvement in a swearing in of the student council and a mock city council meeting held at the school.

The Mayor announced that the meeting would be adjourned in memory of Shelley Lander, wife of Dennis Lander, and acknowledged the Lander family in attendance. The meeting would also be adjourned in memory of long time Lakewood business owner, William (Curt) Erwin, who owned and managed Custom Aircraft Interiors.

Vice Mayor Wood expressed sympathy to the family and noted that it was Dennis Lander's birthday. He recognized the students of MacArthur School in attendance and expressed gratitude to Mrs. Arnold, whose idea it had been to provide the civics lessons to her students. Principal Yopez stated her gratitude for the learning opportunity and looked forward to future collaborations and the school's continued partnership with the City.

ROUTINE ITEMS:

COUNCIL MEMBER PIAZZA MOVED AND COUNCIL MEMBER DUBOIS SECONDED TO APPROVE ROUTINE ITEMS 1 THROUGH 5.

RI-1 Approval of Minutes of the Meetings held October 22, and November 12, 2019

ROUTINE ITEMS: - Continued

RI-2 Approval of Personnel Transactions

RI-3 Approval of Registers of Demands

RI-4 Report of City Council Committees' Activities

RI-5 Purchase of One 2020 Chevrolet Silverado C3500 with Dump Body

UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Croft, DuBois, Wood, Piazza and Rogers

NAYS: COUNCIL MEMBERS: None

1.1 • AWARD OF BID FOR PUBLIC WORKS PROJECT NO. 2020-1, DRILLING WELL 28

Mayor Rogers stated that the project being considered was for necessary infrastructure improvements to Lakewood's water system and would utilize the City's water fund, a locally controlled source of revenue that could not be directed elsewhere, unlike the City's general fund, which comprised a portion of the City's overall budget currently facing a \$10 million deficit due to State takeaways.

Lisa Rapp, Director of Public Works, made a presentation based on the report in the agenda and explained that Lakewood's water system depended on deep wells throughout the City for its water supply. She added that the City currently operated ten drinking water production wells, which were drilled between 1937 and 2006. Based on the 2017 Water System Master Plan, five of the ten wells were constructed before the 1960s and exceeded their designed life of service. It was proposed that Well 28 be constructed near the northeast corner of the Arbor Water Yard at 5812 Arbor Road and would be drilled to be about 1,000 feet deep with a target production capacity of 2,400 gallons per minute. She stated that seven bids were received and that staff had verified that the low bidder, Bakersfield Well & Pump, was properly licensed for this type of work. She concluded by stating that staff recommended that the City Council award a contract for PW Project, 2020-1, Drilling Well 28, in the amount of \$1,152,516.50 to Bakersfield Well & Pump Company of Bakersfield, CA and authorize the Mayor to sign the contract in a form approved by the City Attorney; appropriate \$1,302,516.50 in Water Fund Reserves for drilling and construction of Well 28; authorize staff to approve a cumulative total of contract change orders, as needed, not to exceed \$150,000; and adopt the plans, specifications and working details for the project.

Council Member Piazza concurred with Council Member Croft's comments that the Water Resources Committee had reviewed the well replacement as part of the City's Water Master Plan and that adequate funds were available in the water fund.

1.1 • AWARD OF BID FOR PW NO. 2020-1, DRILLING WELL 28 - Continued

Mayor Rogers opened the public hearing at 8:00 p.m. and called for anyone in the audience wishing to address the City Council on this matter. There was no response.

COUNCIL MEMBER CROFT MOVED AND COUNCIL MEMBER DUBOIS SECONDED TO APPROVE STAFF'S RECOMMENDATIONS. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Croft, DuBois, Wood, Piazza and Rogers

NAYS: COUNCIL MEMBERS: None

2.1 • ORDINANCE NO. 2019-4; AN URGENCY ORDINANCE TO RETAIN PERMISSIBLE LOCAL CONTROLS RELATING TO ACCESSORY DWELLING UNITS

Steve Skolnik, Office of the City Attorney, reported that the State Legislature adopted several new housing laws that would become effective on January 1, 2020, and that provisions in the laws modified or eliminated several local controls on Accessory Dwelling Units (ADUs). He explained that the Community Development Department had been in the process of developing an ordinance in an attempt to maximize those local controls which were still available, for presentation to the Planning and Environment Commission and City Council. He stated that the purpose of this urgency ordinance was to proactively retain all local standards and design controls that were not otherwise overridden by State law and that it was necessary to preserve those portions of the Lakewood Municipal Code pertaining to Accessory Dwelling Units which would not be preempted by State law after January 1, 2020. It was staff's recommendation that the City Council adopt the proposed urgency ordinance to retain Local Controls regarding Accessory Dwelling Units. He noted that a letter had been received from an attorney for a housing advocacy organization questioning the methodology in complying with the new State law and that after explaining to him that this had been intended as a short-term interim solution, he indicated that he simply wanted to go on record regarding the item and that as long as he knew that a new comprehensive ordinance was being drafted, he had no objection with this moving forward.

In response to remarks from Mayor Rogers, Director of Community Development, Abel Avalos, explained that accessory dwelling units were residential units that were sometimes called granny flats or bachelor pads and that the proposed ordinance had been the result of staff's attempt to strike a balance between requirements to allow more ADU's as dictated by Sacramento legislators with the quality of life issues faced by cities, such as limited parking and overcrowding. He stated that under current State law, two additional units were allowed to be developed out of existing single family homes and cited garage conversions and junior accessory dwelling units as examples of such modifications.

Mayor Rogers commented that State law essentially allowed for the conversion of single family homes into multi-family parcels, which would dramatically change the character of neighborhoods and would leave cities with little or no control in terms of parking or setback requirements. He added that while the City was willing to do its part in dealing with the housing crisis, protecting Lakewood residents and neighborhoods was also important.

2.1 • O2019-4; AN URGENCY ORDINANCE TO RETAIN PERMISSIBLE LOCAL CONTROLS RELATING TO ACCESSORY DWELLING UNITS - Continued

ORDINANCE NO. 2019-4; AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKEWOOD, CALIFORNIA, TO RETAIN PERMISSIBLE LOCAL CONTROLS RELATING TO ACCESSORY DWELLING UNITS was read by title by the City Clerk.

COUNCIL MEMBER CROFT MOVED AND COUNCIL MEMBER DUBOIS SECONDED TO WAIVE FURTHER READING AND ADOPT ORDINANCE NO. 2019-4. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Croft, DuBois, Wood, Piazza and Rogers

NAYS: COUNCIL MEMBERS: None

3.1 • REVIEW OF COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR YEAR ENDED JUNE 30, 2019, AND PRESENTATION OF GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) AWARD

Jose Gomez, Director of Finance and Administrative Services made a presentation based on the report in the agenda and stated that the Comprehensive Annual Financial Report (CAFR) had been compiled by the Finance and Administrative Services Department staff and audited by the independent public accounting firm Pun Group LLP. He reported that as one of two major financial documents prepared by staff, the CAFR focused on the City's financial performance during the past fiscal year. He explained that in preparation for the City's annual audit and the development of the CAFR, the Audit Committee, comprised of two Council Members Piazza and Croft, had convened twice. The meetings, with staff and the Pun Group, took place prior to the start of the audit and after its completion when the financial statements were available in draft form. Staff recommended the City Council receive and file the City of Lakewood Comprehensive Annual Financial Report (CAFR) Year Ended June 30, 2019 and accept the GFOA Certificate of Achievement for Excellence in Financial Reporting award for the Fiscal Year ending June 30, 2018.

Ken Pun, managing partner of the Pun Group, displayed slides and highlighted the elements of the annual financial report including the financial statement and audit results. He presented the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.

Mayor Rogers expressed gratitude to the Committee for working hand in hand with staff to develop the report and keeping a close eye on the City's finances and to the entire City Council for fiscal prudence and ensuring that Lakewood remained financially viable no matter the circumstances.

Council Member Piazza commended staff of the Finance and Administrative Services Department for their efforts in preparing the CAFR under difficult financial circumstances. He highlighted the City's having maintained \$149 million worth of assets with \$1.5 million as shown in the CAFR and that continued maintenance of the large number of aging facilities could not be sustained under the current trend.

3.1 • REVIEW OF CAFR AND PRESENTATION OF GFOA AWARD - Continued

Council Member Croft reiterated the differences between the CAFR, which was a tool to look at past financial performance, and the budget, where limits were set and necessary adjustments were made. He pointed out the City's efforts at being fiscally responsible and living within its means citing as an example the Bolivar Water Capture Project, which had been paid for entirely by Caltrans and had been identified as an asset.

Thaddeus McCormack, City Manager, added that while the CAFR provided a backward view in demonstrating the City living within its means, it did not look forward at what had been forecast in terms of projected expenditure estimates and diminished resources, which were components of the structural deficit.

COUNCIL MEMBER DUBOIS MOVED AND COUNCIL MEMBER CROFT SECONDED TO RECEIVE AND FILE THE COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2019 AND ACCEPT THE GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING AWARD FOR THE FISCAL YEAR ENDING JUNE 30, 2018. THERE BEING NO OBJECTION, IT WAS SO ORDERED.

3.2 • APPROVAL OF AGREEMENTS FOR WATER BILLING AND DATA MANAGEMENT SERVICES

City Manager Thaddeus McCormack made a presentation based on the report in the agenda and explained that in November 2019, the City had been informed that its current water billing services vendor, Global Water Management, Inc. (Fathom), would no longer be providing service to its clients and would cease operations on November 30, 2019. On November 12, Fathom offered a solution that involved contracting with an alternate service provider, Vertex Data Utility Services, LLC (Vertex), which proposed to acquire the rights to utilize Fathom's software and billing platform to provide uninterrupted billing services to the City and its customers for a period of time until the migration to Vertex's platform. This solution was contingent upon Vertex receiving contract commitments from a minimum number of utilities. On November 24, the City was notified by Vertex that the necessary level of commitment from other utilities was not secured, effectively rendering Fathom's proposed solution unviable. In the meantime, a new entity emerged who made a proposal to buy Fathom outright. At a Special Meeting held on November 26, the City Council received an update on the status of the Fathom situation and outlined what were the only two viable options available to the City at the time that would provide for some semblance of continuity and the least disruption for customers, a scenario whereby the new entity purchased Fathom; and, the other scenario whereby the City would contract with the various Fathom subcontractors and take on the "back office" functions that Fathom had heretofore been performing (Conglomerate Solution). On December 5, the City was informed that the entity attempting to buy Fathom was unsuccessful in its efforts, thus eliminating the first scenario as an option. Fathom used a combination of proprietary software and subcontractor technology to provide several components of its billing services to the City.

3.2 • WATER BILLING AND DATA MANAGEMENT SERVICES - Continued

Mr. McCormack stated that the billing software component that Fathom used was a proprietary product owned by Advanced Utility Systems (AUS), who offered a solution that met the City's short-term and long-term objectives of seamless transition for customers. The short-term solution included interim managed services to ensure uninterrupted billing and support services to the City consistent with the level of service currently provided by Fathom and involved the transfer of the City's customer and billing data from Fathom to AUS to the same software that Fathom currently used, which would ensure immediate continuity by eliminating the need to design, change, and test a new billing system. AUS would also provide the necessary personnel to generate bills, make any customer data changes and apply customer payments until City staff was fully trained to use the AUS technology. As mentioned, there were a multitude of vendors that worked under the Fathom umbrella with AUS and WaterSmart being the two biggest and most critical components. He concluded by stating that it was recommended that the City Council authorize the Mayor and the City Manager to approve and execute on behalf of the City all agreements necessary to implement the "Conglomerate" solution, including necessary modifications and/or additions to such agreements in their present forms, subject to approval of the City Attorney as to the final forms of such agreements.

Council Member Croft explained that the Water Resources Committee had made sure that staff had researched taking over management of the water billing process and noted that staff had conducted an onsite visit with the City of Huntington Beach, who had been operating in a similar manner to what was being considered with the vendors and software, in order to gain an understanding of the requirements. He added that since the same companies were currently providing the software through Fathom, existing residents' data would not require being moved and there would be no need to change any sign-ups or automatic payments. He further stated that the proposed option was the best one to move forward with and that progress would be monitored so that if any issues arose, the matter would be brought back for City Council consideration. He asserted that residents should not notice any significant differences except with the logos appearing on the screen.

Council Member Piazza stated that although the preferred resolution would be to continue with Fathom, he felt confident that staff was capable of taking on the required tasks while keeping vigilant and reporting any concerns.

Vice Mayor Wood inquired about the public relations aspect in providing information to residents.

Mr. McCormack responded that upon City Council approval, notifications would be sent out to educate the public. He stated that with taking back the customer service aspects of the call center, staff could troubleshoot issues and work through concerns with tolerance and leniency.

Mr. Skolnik pointed out that at the Water Resources Committee meeting held earlier in the day, authorization was given for immediate outreach via the Council Recap to go out the following day on the action being taken.

3.2 • WATER BILLING AND DATA MANAGEMENT SERVICES - Continued

Responding to Vice Mayor Wood's questions, Mr. Skolnik clarified that the Mayor and City Manager were authorized to make minor changes as a sort of check and balance. He added that the approval to authorize execution of the agreement by the Mayor and City Manager was to accommodate their respective schedules and allow for signing when the documents were ready. He stated that the intention was that modifications were to be approved by them collaboratively, but giving either one of them signature authority.

COUNCIL MEMBER DUBOIS MOVED AND COUNCIL MEMBER CROFT SECONDED TO APPROVE STAFF'S RECOMMENDATIONS. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Croft, DuBois, Wood, Piazza and Rogers

NAYS: COUNCIL MEMBERS: None

3.3 • PLANT 27 FILTER UNDERDRAIN REPLACEMENT PROJECT

Jason Wen, Director of Water Resources, made a presentation based on the report in the agenda and stated that Well 27 was drilled in 2006 but had not been placed into operation due to chemicals found in the well. In 2009, Plant 27, including three pressure filter vessels and the associated control facilities, had been constructed to treat the water quality issues from Well 27. Since 2010, Well 27 and its treatment system had been in operation without encountering any major issues. In the 2017 routine reservoir inspection, staff noticed small amounts of black sediments at the bottom of the reservoir where Well 27 discharges into. Staff contacted the treatment system designer and manufacturer, Pureflow Filtration Division of California Environmental Control, Inc. (Pureflow) for a follow up inspection, where they concluded that the PVC underdrains in the filter vessels had likely cracked and were allowing media to leak through. Pureflow recommended that the broken PVC underdrains be replaced. In addition to the urgent nature of the project, there were other concerns should a different vendor be selected through the standard bidding process. Plant 27 treatment system was highly specialized and specifically designed for the Well 27 production and water quality. As the original designer and equipment provider, Pureflow had the best understanding of the performance and operating requirements of the treatment system. After consideration by the Council Water Resources Committee at its meeting held on November 5, 2019, it was their recommended that the City Council award the proposed emergency repair work on a sole source basis to Pureflow. Mr. Wen stated it was staff's recommendation that the City Council appropriate \$359,750 in Water Fund Reserves for the Plant 27 Filter Underdrain Replacement Project; award a contract to Pureflow for Plant 27 underdrains replacement in the amount of \$275,500 and replacement of the three valves in the amount of \$51,250; authorize staff to approve a cumulative total of contract change orders, as needed, not to exceed \$33,000; and authorize the Mayor to sign the contract in a form approved by the City Attorney.

Council Member Croft explained that these types of projects were specifically timed for the winter when there was low demand. He further stated that the option of replacing the PVC with stainless steel, although slightly more expensive, would provide a much longer lifespan and noted that there were adequate funds in the Water Capital Fund for the project.

3.3 • PLANT 27 FILTER UNDERDRAIN REPLACEMENT PROJECT - Continued

Mr. Skolnik stated that based on the emergency nature of the proposed project, it required the City Council to make the findings that the urgency described in the staff report constituted an emergency requiring immediate action and that due to the proprietary nature of the treatment system as described, the project met the criteria for a sole source contract.

COUNCIL MEMBER CROFT MOVED AND VICE MAYOR WOOD SECONDED TO APPROVE STAFF'S RECOMMENDATIONS AND BASED ON THE EMERGENCY NATURE OF THE PROJECT, THE CITY COUNCIL FINDS THAT THE URGENCY DESCRIBED IN THE STAFF REPORT CONSTITUTES AN EMERGENCY REQUIRING IMMEDIATE ACTION AND THAT DUE TO THE PROPRIETARY NATURE OF THE TREATMENT SYSTEM AS DESCRIBED, THE PROJECT MEETS THE CRITERIA FOR A SOLE SOURCE CONTRACT. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: CROFT, DUBOIS, WOOD, PIAZZA AND ROGERS

NAYS: COUNCIL MEMBERS: NONE

Mayor Rogers and Council Member DuBois recognized in the audience Planning and Environment Commissioner Linda Manis and her cousin, Vicky, who was visiting from Barstow and assisted with the Christmas Cards for Veterans project.

SUCCESSOR AGENCY ACTIONS

1. Approval of Recognized Obligation Payment Schedule for July 1, 2020 Through June 30, 2021 - ROPS 20-21

The Finance and Administrative Services Director made a presentation based on the report in the agenda and briefly summarized that since the State's dissolution of redevelopment agencies in February of 2012, Lakewood's Successor Agency had been providing the State with still remaining redevelopment financial obligations for review and repayment per State law. The State has developed the Recognized Obligations Payment Schedule, otherwise known as the ROPs that had specific protocols for the repayments to be made. The ROPs under consideration was for the period July 1, 2020, through June 30, 2021, and included the repayment of housing fund loans, unfunded liabilities and loans previously made by the City to the Redevelopment Agency. Upon approval the ROPs would be presented to the Los Angeles County Oversight Board in January for their consideration and subsequent submittal to the State. Mr. Gomez stated it was recommended that the City Council approve the Recognized Obligations Payment Schedule for July 1, 2020 Through June 30, 2021 – ROPS 20-21.

COUNCIL MEMBER CROFT MOVED AND COUNCIL MEMBER DUBOIS SECONDED TO APPROVE THE RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE FOR JULY 1, 2020 THROUGH JUNE 30, 2021. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Croft, DuBois, Wood, Piazza and Rogers

NAYS: COUNCIL MEMBERS: None

SUCCESSOR HOUSING ACTIONS

1. Approval of Registers of Demands

COUNCIL MEMBER DUBOIS MOVED AND VICE MAYOR WOOD SECONDED TO APPROVE THE REGISTER OF DEMANDS. UPON ROLL CALL VOTE, THE MOTION WAS APPROVED:

AYES: COUNCIL MEMBERS: Croft, DuBois, Wood, Piazza and Rogers

NAYS: COUNCIL MEMBERS: None

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ORAL COMMUNICATIONS:

Vanessa Horton, Lakewood, addressed the City Council regarding nuisance abatement issues in the neighborhood.

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ADJOURNMENT

There being no further business to be brought before the City Council, Mayor Rogers adjourned the meeting at 8:55 p.m. A moment of silence was observed in memory of Shelley Lander and William (Curt) Erwin.

Respectfully submitted,

Jo Mayberry, CMC
City Clerk