

Beverly Hills Unified School District Minutes

Special Board Meeting
May 29, 2019, 10:00 AM
Administrative Office/Board Room
255 South Lasky Drive
Beverly Hills, CA 90212

Attendance Taken at 10:00 AM:

Present:

Isabel Hacker
Rachelle Marcus
Noah Margo
Mel Spitz
Tristen Walker Shuman

Absent:

Sean Toobi

I. OPEN SESSION-CALL TO ORDER-FLAG SALUTE-10:00 A.M.

Minutes:

Board President Noah Margo called the meeting to order at 10:25 a.m. and asked Don Blake to lead the audience in the Pledge of Allegiance.

II. APPROVAL OF THE AGENDA

Motion Passed: A motion was made to approve the Agenda. Passed with a motion by Isabel Hacker and a second by Rachelle Marcus.

Yes Isabel Hacker

Yes Rachelle Marcus

Yes Noah Margo

Yes Mel Spitz

Absent Tristen Walker Shuman

III. AGENDA HEARING PERIOD-PUBLIC COMMENT

Minutes:

Howard Goldstein did not wish to speak but wished to go on record:

President Margo, Vice President Hacker, and Honorable Board members:

I respectfully request that this email be placed into the public record under item III, Agenda Hearing Period-Public Comment at your May 29, 2019, Special Board Meeting.

You are being asked to approve Amendment No. 2 to the Agreement by and between The City of Beverly Hills (City) and the BHUSD with regard to abandoning and plugging oil wells on school property. Amendment No. 2 limits the City's maximum reimbursement on a sliding scale payment: \$9,000,000 if the total cost to abandon is \$22,000,000 or less; \$10,000,000 if \$22,000,001 - 23,000,000; \$10,500,000 if \$23,000,001 - 24,000,000; and \$11,000,000 if the cost to abandon is over \$24,000,000.

Amendment Number 2 contains a new provision that reads: "The obligations set forth in this paragraph shall include those costs set forth in Exhibit A, which predate this agreement, and will absolve any outstanding issues regarding cost sharing for EBI related costs and

geotechnical work at El Rodeo School, as well as for the Work, with the City's share to be capped based on the cost of the Work as outlined above."

By virtue of this additional provision the City now acknowledges its past obligations to pay for cost sharing for earlier monies advanced by the school district for seismic projects and security programs.

As way of history, in 2013, the developer of the One Beverly Hills project at 9900 Wilshire Boulevard encountered several presumed faults near the edge of their property that appeared to intersect the El Rodeo campus and continue through dozens of homes in northwest Beverly Hills. The developer chose to declare the faults "indeterminate but potentially active." Instead of completing their fault investigation, the developer chose to exercise a loophole under the Alquist-Priolo Earthquake Fault Zoning Act and took a 50-foot setback.

On May 19, 2014 the City accepted the 9900 Wilshire Fault Rupture Investigation Report. Ten days later, on May 29, 2014 the City forwarded a hard copy of the report to the District. BHUSD immediately requested that the City obtain the core samples from the developer. Instead of requiring the developer to maintain the core samples, and mandating them to undertake a supplemental fault rupture investigation, the City accepted the developer's report. The developer subsequently destroyed the core samples.

The City's acceptance of the 9900 Wilshire project seismic report triggered California Geological Survey's (CGS) scrutiny with regard to the El Rodeo School site construction. Due to City's acceptance of the 9900 Wilshire fault rupture investigation report, CGS forced BHUSD to undertake nearly \$2,000,000 in additional seismic trenching and studies to clear the presumed faults in northwest Beverly Hills and under El Rodeo School.

Fortunately, the district's study found no active faults in northwest Beverly Hills or under El Rodeo School. If not for the BHUSD seismic studies, active faults would still be presumed to run under dozens of multi-million dollar properties in northwest Beverly Hills resulting in the loss of billions of dollars in real estate value to those homeowners, a loss of tens of millions of dollars in annual property tax revenue to the City.

Over the past five years BHUSD has made numerous requests to the City for reimbursement of the approximately \$2,000,000 it expended to clear the presumed faults. To date, the City has never paid any amount of reimbursement to BHUSD for its northwest Beverly Hills seismic investigations.

On October 21, 2014 the City Council approved an appropriation of \$440,712 to the BHUSD to fund half of the District's costs related to Evidence-Based Inc. (EBI) and its campus security program for the 2014-2015 school year. [See, City Minutes of Regular Meeting of October 21, 2014]. For the past 5 years, the City has reneged on their commitment to reimburse BHUSD. Between the El Rodeo School seismic trenching and the EBI security program the City has reneged on paying the BHUSD approximately \$2,500,000.

On March 12, 2019, the District received from the City a proposed amendment (Amendment Number 1) to the cost sharing agreement entered with the City on December 5, 2017. The City agreed to share the costs to abandon oil and gas operations for the 19 wells at Beverly Hills High School with the District 50-50. At that time the anticipated estimates for abandonment of the 19 wells range well upwards of \$26,000,000. The proposed Amendment Number 1 from the City sought to limit its liability at \$8,000,000. I commend this Board for rightfully and unanimously rejecting the City's proposed Amendment Number 1.

The current anticipated cost of abandoning, plugging, and rehabilitating the oil wells at BHHS are projected to be approximately \$30,000,000 (thirty million dollars). If the Board accepts Amendment No. 2, with the additional write-off of the monies owed by the City for the geotechnical work at El Rodeo School and EBI related costs, BHUSD for all intents and purposes will receive only \$8,500,000 from the City, or 28% of the total cost associated with the oil well project.

For the past forty years the City has received 50% of the royalties. Why is this Board allowing the City to pay only 28% of the cost to remediate the oil wells? It was the City that legislated the cessation of oil extraction in Beverly Hills. Why should the District pay the majority of the costs when the City has also reaped benefits for decades?

By approving Amendment Number 2, the District will be voluntarily waiving approximately \$6,500,000 reimbursement from the City. The City can readily allocate funds from its TOT (transient occupancy taxes), whereas the BHUSD must borrow its monies directly from Beverly Hills property owners via its construction bonds. If you approve Amendment Number 2, you will be placing an additional tax burden on the homeowners and commercial business owners of Beverly Hills.

Respectfully,
Hon. Howard A. Goldstein, Esq., former BHUSD Board Member

IV. CONSENT CALENDAR

Motion Passed: A motion was made to approve the Consent Calendar. Passed with a motion by Mel Spitz and a second by Rachelle Marcus.

Yes Isabel Hacker

Yes Rachelle Marcus

Yes Noah Margo

Yes Mel Spitz

Absent Tristen Walker Shuman

IV.A. Approval Board Meeting Minutes

IV.A.1. Regular Board Meeting-5-14-2019

IV.A.2. Special Board Meeting-5-16-2019

IV.B. Personnel Reports

IV.B.1. Certificated Personnel Report

IV.C. Approval Amendment to Professional Services Agreement - Justin Brezhnev

IV.D. Approval Amendment to Professional Services Agreement - William Ferenc

V. REPORTS

V.A. Superintendent's Report

Minutes:

Dr. Bregy introduced Josh Stern as the new Assistant Principal at Beverly Vista School.

VI. BUSINESS AND FINANCE

VI.A. Approval of Loss Control Services Agreement with Keenan & Associates

Motion Passed: A motion was made for Approval of Loss Control Services Agreement with Keenan & Associates Passed with a motion by Isabel Hacker and a second by Mel Spitz.

Yes Isabel Hacker

Yes Rachelle Marcus

Yes Noah Margo

Yes Mel Spitz

Absent Tristen Walker Shuman

VLB. APPROVAL OF AMENDMENT NO. 2 TO THE AGREEMENT BY AND BETWEEN THE CITY OF BEVERLY HILLS AND BEVERLY HILLS UNIFIED SCHOOL DISTRICT CONCERNING ABANDONING AND PLUGGING OIL WELLS ON SCHOOL DISTRICT PROPERTY

Motion Passed: A motion was made for APPROVAL OF AMENDMENT NO. 2 TO

THE AGREEMENT BY AND BETWEEN THE CITY OF BEVERLY HILLS AND BEVERLY HILLS UNIFIED SCHOOL DISTRICT CONCERNING ABANDONING AND PLUGGING OIL WELLS ON SCHOOL DISTRICT PROPERTY. Passed with a motion by Rachelle Marcus and a second by Mel Spitz.

Yes Isabel Hacker
Yes Rachelle Marcus
Yes Noah Margo
Yes Mel Spitz
Absent Tristen Walker Shuman

VII. PLANNING AND FACILITIES

VII.A. Award of Bid No. 700-18/19--Hawthorne School CCTV Security Cameras/WAP/VOIP/PA/BELL Project

Motion Passed: A motion was made to approve the Award of Bid No. 700-18/19--Hawthorne School CCTV Security Cameras/WAP/VOIP/PA/BELL Project. Passed with a motion by Rachelle Marcus and a second by Mel Spitz.

Yes Isabel Hacker
Yes Rachelle Marcus
Yes Noah Margo
Yes Mel Spitz
Absent Tristen Walker Shuman

VIII. BOARD POLICIES

VIII.A. First Reading-AR 5131 Students Possession Of Cellular Phones And Other Personal Electronic Signaling

Motion Passed: A motion was made to approve the First Reading-AR 5131 Students Possession Of Cellular Phones And Other Personal Electronic Signaling. This item will be brought back with changes. The Board suggested that all of the Principals review the policy to make sure it is enforceable. Passed with a motion by Mel Spitz and a second by Noah Margo.

Yes Isabel Hacker
Yes Rachelle Marcus
Yes Noah Margo
Yes Mel Spitz
Yes Tristen Walker Shuman

VIII.B. First Reading-Board Policy 4112.8/4212.8/4312.8 Employment of Relatives

Motion Passed: A motion was made to approve the First Reading-Board Policy 4112.8/4212.8/4312.8 Employment of Relatives. It was suggested that the word 'cousins and in-laws' be added to the policy. Passed with a motion by Mel Spitz and a second by Isabel Hacker.

Yes Isabel Hacker
Yes Rachelle Marcus

Yes Noah Margo
Yes Mel Spitz
Yes Tristen Walker Shuman

IX. PROFESSIONAL AND OFFICIAL BUSINESS

IX.A. Discussion-Traffic Mitigation

Minutes:

The Board continued their discussion on traffic mitigation, staggered drop off and start times for all schools. Elementary K-5 Schools will begin at 8:30 a.m. and Middle School will begin at 8:00 a.m. with staggered drop off times.

X. CLOSED SESSION

Minutes:

Mr. Margo adjourned the meeting to Closed Session at 12:01 p.m.

X.A. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) & (d)(2) of Section 54956.9:
(1 Case)

X.B. CONFERENCE WITH LABOR NEGOTIATORS: Agency Representative: Luke Pavone Employee Organizations: CSEA, BHEA-Certificated, BHEA-IA, BHEA-OTBS Unrepresented Employees

X.C. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE (Gov. Code 54957)

XI. ADJOURNMENT