

City of Davis
Utility Rate Advisory Commission
MINUTES

Veterans Memorial Center, 203 East 14th Street
January 12, 2017
7:00 p.m.

Committee Members: Gerry Braun, Jacques Franco, Lorenzo Kristov, Richard McCann, Elaine Roberts-Musser (Chair), Johannes Troost, one vacancy

Alternate: Jeffrey Ballantine

Assigned Staff: Stan Gryczko, Assistant Public Works Director

1. Call to Order and Roll Call

A. Member Jeffrey Ballantine absent

2. Approval of Agenda

Member Johannes Troost moved and Jacques Franco seconded. Motion passed unanimously.

3. Brief Announcements from Staff, Committee Members, and City Council Members

A. none

4. Public Comment

Chair Elaine Roberts-Musser will send staff to distribute the following articles on:

- Water shortages
- Flooding
- Permeable surfaces
- Op-eds about water rates

5. Consent Calendar

A. Member Lorenzo Kristov moved to approve minutes as amended. Member Jacques Franco seconded, motion passed unanimously.

- i. Committee did not formally act on this suggestion. Add that to the end of 7.A.
- ii. Add to 3.A. add “in prep for Feb meeting”
- iii. “waste water” not “water.” Change in 6.iii.

6. URAC Chair and Vice-Chair Election

A. Member Jacques Franco moved to nominate Gerry Braun as URAC chair. Member Johannes Troost seconded, motion passed unanimously.

B. Member Jacques Franco moved to nominate Johannes Troost as URAC vice chair. Member Gerry Braun seconded, motion passed unanimously.

7. Continue Discussion of Draft Wastewater Rate Study Report (*Gryczko*)

Consultant Greg Clumpner (NBS Consulting) continued presentation followed by discussion of the draft Wastewater Rate Study Report.

Greg Clumpner provided an explanation of the cost inflation percentages and reserve fund balances.

Question asked about the large CIPs on the graph for 2018, 2019, 2020. Staff responded that the majority of these costs are for lift stations, etc.

Member Jacques Franco asked about the element-object 52-02 “property tax” line item. Staff will clarify.

Greg Clumpner discussed fixed rate and variable rate percentage breakdowns.

Chair Elaine Roberts-Musser moved to retain the current rate design, ie rate alternative 2, with proposed adjustments that follow cost of service rate setting principles and reflect higher treatment costs & lower average winter water use. Member Johannes Troost seconded, motion passed unanimously.

Chair Elaine Roberts-Musser moved to accept and approve the first 5 years (thru FY 21/22) of the 20 year long range financial plan of appendix B table 1 of the 2017 Davis comprehensive sewer rate study report. Member Richard McCann seconded, motion passed unanimously.

Chair Elaine Roberts-Musser moved to recommend the reserve target criteria as described in the 2017 Davis comprehensive sewer rate study report and recommend council to direct staff to work with FBC to develop a formal reserve fund policy. Member Richard McCann seconded, motion passed unanimously.

Chair Elaine Roberts-Musser moved to recommend that city council direct staff to work with URAC and FBC to develop options for council consideration for best uses of funds in excess of the targeted reserve, projected to be approx. \$15 million in year 2020. Member Jacques Franco seconded, motion passed unanimously.

Chair Elaine Roberts-Musser moved to recommend that city council receive and accept the 2017 Davis comprehensive sewer rate study report. Member Gerry Braun seconded, motion passed unanimously.

8. Commission and Staff Communication

A. Long Range Calendar

i. February 2017: solid waste

- Davis Waste Removal agreement’s list of items
- Draft RFPs review
- Resolution for City Council to consider regarding County’s organics program

C. March 2017: storm water fund

D. Adding reserve fund balance with FBC (unscheduled)

9. Adjournment at 10:00pm by consensus.