



City of Davis

Utility Rate Advisory Commission Minutes

Community Chambers Conference Room, 23 Russell Boulevard, Davis CA 95616

Thursday, June 8, 2017

7:00 P.M.

Commissioner Members Present: Gerry Braun (Chair), Olof Bystrom, Jacques Franco, Elaine Roberts-Musser, Johannes Troost

Absent: Lorenzo Kristov, Richard McCann

Staff Present: Stan Gryczko, Assistant Public Works Director

Additional Attending: Adrienne Heinig, Administrative Analyst

1. Call to Order and Roll Call

Meeting was called to order by Chairperson Braun at 7:00pm.

2. Approval of Agenda

E Roberts-Musser moved, seconded by J Troost to approve the agenda. The motion passed by the following votes:

Ayes: Braun, Bystrom, Franco, Roberts-Musser, Troost

Noes:

Absent: Kristov, McCann

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

- S Gryczko announced that the City Council appointed an alternate to the Commission at the meeting on June 6, 2017.
- J Franco updated the Commission on the Broadband Advisory Task Force. A kickoff meeting was held on June 1, 2017 with Finley Engineering, the Task Force and staff from the City. The project is making progress according to the schedule.
- In response to an inquiry about the City's SCADA system, S Gryczko discussed improvements to the SCADA system for all utilities. A master plan has been completed, and next will be an assessment of network needs, with accompanying improvements. J Franco asked about bandwidth issues with SCADA systems. S Gryczko replied that the set-ups are different. J Franco asked for an informational update with more detail on the SCADA system to be added to the Commission's long-range calendar.
- G Braun asked about the Beverage Straw Ordinance recently approved by the City Council, and mentioned an article in the LA Times about the collapse of the state of California's recycling program, and the closing of hundreds of recycling centers. He inquired about the implications for Davis, specifically the city's recycling goals and asked

that staff provide an informational item regarding implications of staff action/inaction on the issue, and the potential impact to the community, for Commission review.

- J. Franco voiced the need to provide transparency to the City and URAC about the revenue Davis Waste Removal generates from the sale recyclable materials and estimates of loss to theft. He stated that revenue loss from theft has to be made up by rates and the value of materials lost to theft has to be quantified in order to assess the cost/benefit of measures to reduce the theft. Franco requested this item be added to a future agenda for discussion and requested suggestions from staff on how to estimate the current loss and measures to reduce the theft.

4. Public Comment

None.

5. Consent Calendar

A. URAC Draft Minutes – April 18, 2017.

Following a discussion on necessary edits to the minutes of the meeting on April 18, 2017, J Troost moved, seconded by J Franco, to move the approval of the minutes to the next Commission meeting in July, in order to make edits and review any corrections. The motion passed by the following votes:

Ayes: Braun, Bystrom, Franco, Roberts-Musser, Troost

Noes:

Absent: Kristov, McCann

B. URAC Draft Minutes – May 4, 2017.

E Roberts-Musser moved to approve the May 4, 2017 minutes as amended, seconded by O Bystrom, with the following minor corrections.

- i. Add the word “price” before *proposer* in the middle of the second paragraph on Page 2, so the sentence will read “After price was included, Clements was the second lowest price proposer.”
- ii. The definition of “strategic,” in the fourth bullet on page 2, will read: “environmentally preferred methodology providing customer satisfaction.”
- iii. The last bullet on page 2 will read “Provider must provide accurate and up to date information on technology they are providing in regard to city requirements.”

The motion passed by the following votes:

Ayes: Braun, Bystrom, Franco, Roberts-Musser, Troost

Noes:

Absent: Kristov, McCann

6. Regular Items

A. Commission Procedural Guidelines and Workplan Review.

Procedural Guidelines

G Braun introduced the item, and asked commissioners to read through the guidelines previously reviewed and modified on April 13, 2017. The Commission provided a number of comments on the item, summarized below:

- J Troost asked that the word “consensus” on the bottom of page 1, item 7 be changed to “simple majority,” consistent with the rest of the document.
- J Troost questioned the last bullet on page 2, “The URAC may hold public workshops for the purpose of obtaining input on a particular issue,” as the possibility of holding public workshops is contingent on staff involvement, and there is not a clear process of how the Commission should go about requesting staff time. S Gryczko recommended the Commission remove the bullet from the guidelines until further direction and information could be provided.
- O Bystrom requested that the bullet points throughout the document be converted into numbered or lettered lists.

Following the discussion, J Troost made a motion to adopt the Procedural Guidelines with the minor modifications to item #7, in addition to withholding the last bullet in item #7. This motion was seconded by E Roberts Musser and passed by the following votes:

Ayes: Braun, Bystrom, Franco, Roberts-Musser, Troost

Noes:

Absent: Kristov, McCann

Workplan Review

S Gryczko presented the discussion on the item by reminding the Commission the workplan is meant as a living document, and the items listed within the workplan can be modified as necessary by the Commission. The Commission provided a number of comments on the item, summarized below:

- E Roberts Musser asked that within the first row of the chart, on the second section under “Work Plan/Actions,” the wording “and Recommend” be removed. After some discussion within the Commission, the last sentence within the same section was modified, by ending the first sentence with a period after the word “reviewed” and have a sentence after that which reads: “The Commission will make recommendations on Utility Rates.”
- J Franco discussed whether or not the workplan should directly address the Community Choice Energy JPA, as well as the Broadband Advisory Task Force. After some discussion, it was decided the CCE information should be added at a later date when the CCE program is actually up and running rather than just in the planning stages.
- In the last row on the first page of the workplan under Action, E Roberts Musser suggested the removal of the phrase “other critical” from the middle section.
- S Gryczko stated the workplan would be updated by staff to show progress on any items in the workplan, including their timelines/status.
- There was discussion around the first row on the second page of the workplan – related to the Community Choice Energy (CCE) effort. Based on comments provided by G Braun, the narrative description of the item was changed to read “Review Community Choice Energy *rate impacts on Davis ratepayers and rate categories.*”
- There was discussion about the fifth row on first page, under timeline/status. The second sentence should read: “Water Cost of Service Update - In process, expected to have draft in July”, substituting the month of July for June. A third sentence is to be added as follows: “Work with FBC to develop a formal policy for reserve funds.”

- There was discussion around the interconnection between utility and service rate charges and impacts to the local economy. G Braun mentioned a number of studies done by jurisdictions to better understand local services/resource development, specifically, what is the cumulative effect of raising and lowering rates on the community? The assumption is that change would affect different members of the community in different ways. G Braun suggested that an overall review of rates, rather than looking at one rate at a time, might be a better approach.
- In the last row on the second page of the workplan, O Bystrom suggested removing the word “Update” and replacing it with “Review and recommend,” so the sentence would read “Review and recommend Integrated Waste Management Plan to meet Council Goal #3.”
- G Braun asked that the last section the same row be revised to read “Stakeholder input March through July 2018, including *joint* meetings *between* NRC and URAC.”
- Under the URAC Purpose section, all bullets will be changed to numbers.

Following the discussion, J Troost made a motion to modify the workplan as directed by the Commission, but bring it back to the next meeting with changes for final review and approval. This motion was seconded by J Franco and passed by the following votes:

Ayes: Braun, Bystrom, Franco, Roberts-Musser, Troost

Noes:

Absent: Kristov, McCann

B. Update on Wastewater Fund Cost Allocation Adjustments – Proposition 218 Process.

S Gryczko presented the item, which included the initial staff report sent to the City Council and approved in April 2017 to begin the Proposition 218 process for the wastewater rate cost allocation adjustments. The item will return to Council on June 20, 2017 for the first reading of the changes to the ordinance to implement the cost allocation adjustments. He stated that the city had received 12 formal protests against the cost allocation adjustments as of the Commission meeting date. Should the Council approve the changes to the ordinance, the rates will go into effect on October 1, 2017.

J Franco asked about the status of the joint meeting between the Finance and Budget Commission (FBC) and URAC. He addressed the reserve balance in the wastewater fund and whether or not there was a plan in place for the use of any excess funds on top of the existing reserve. S Gryczko replied that the City Council had approved the staff recommendation to work with FBC and URAC to develop options for Council consideration for best uses of the funds in excess of the targeted reserve in Summer of 2019, after an ongoing assessment of the current wastewater rates and assurance that the assumptions presented in the wastewater rate study are accurate. There was also discussion around the lending policies between Enterprise funds.

The Commissioners asked what sort of comments had been received by staff about the cost allocation adjustments, and S Gryczko replied the majority of the comments came from multifamily housing providers requesting assistance with the calculation of their rates.

7. Commission and Staff Communication

A. Long Range Calendar.

The following items were added by the Commission to future meetings:

- Informational update on scavenging of recycled goods (scheduled for July), e.g. how many police calls, what was the police action, problem of ID theft, cost/benefit analysis of additional enforcement.
- An informational discussion of the Davis Waste Removal contract, specifically in regards to revenue DWR receives for recyclables (scheduled for August)
- An update on the city-wide SCADA upgrades (scheduled for August)
- Scheduled joint meeting with Finance and Budget Commission (scheduled for October)
- Community Choice Energy Rate Setting (Unscheduled)
- Concerns with California Recycling Centers (Unscheduled)

8. Adjourn

G Braun moved to adjourn the meeting, seconded by J Troost. The motion was passed by all present and the meeting was adjourned at 8:47pm.

Respectively Submitted by,

Adrienne Heinig
Administrative Analyst I