



**City of Davis**

**Utility Rate Advisory Commission Minutes**

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

**Thursday, December 14, 2017**

**7:30 P.M.**

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

Absent: Mariyam Azam, Olof Bystrom, Lorenzo Kristov, Richard McCann,

Staff Present: Stan Gryczko, Assistant Public Works Director

Additional Attending: Adrienne Heinig, Administrative Analyst  
Richard Tsai, Environmental Resources Manager  
Eileen Samitz, Susan Rainier, Nancy Price, Zhigiang Xin

**1. Call to Order and Roll Call**

Meeting was called to order by Chairperson Braun at 7:40pm.

**2. Approval of Agenda**

E Roberts-Musser moved, seconded by J Franco, to approve the agenda. The motion passed as follows:

Ayes: Braun, Franco, Roberts-Musser, Troost

Noes:

Absent: Azam, Bystrom, Kristov, McCann

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

- J Franco provided an update on work of the Broadband Advisory Task Force (BATF), and stated the next meeting will be on the 20<sup>th</sup> of December.
- J Troost briefly touched on the recent FCC decision to repeal “net neutrality” rules and the response from the City of Davis. Council asked the BATF to provide comment on the repeal and wrote a letter to the FCC.
- E Roberts-Musser discussed three articles of interest:
  - Big California dam's new spillway already has cracks in it - November 28, 2017
  - Recycling Chaos in U.S. As China Bans 'Foreign Waste' - December 9, 2017
  - Restoring California’s ability to recharge groundwater a more cost effective drought strategy - October 29, 2017

**4. Public Comment**

Eileen Samitz - voiced concerns around the university provision of housing for students on campus, and how the lack of housing provided on campus serves to push the students into housing off-campus. She also voiced concerns about privately developed “mega-dorms,”

housing projects that contain 4 or 5 bedroom units with individual bathrooms for each bedroom. These types of projects, in her opinion, have an impact on infrastructure and do not incentivize water conservation, as the tenants pay a flat fee for water usage, rather than a rate commensurate with their actual use. She advised that the tenants of these kinds of apartment complexes should be required be charged by usage, similar to single family housing.

Susan Rainier - Requested transparency in the process of developing water and sewer rates - and stated that any expansion of the city's utility services required by new developments should be paid for by the developer, not by the ratepayers. She asked if studies have been completed to show the impact of the "mega-dorms" on the city's utility infrastructure, and if the surge of students anticipated by the university has also been anticipated by the city of Davis, as she voiced concerns about the city's rental rates going up as well. She stated that in her opinion the housing provided by the "mega-dorms" does not serve non-student households, and reiterated the comments on the need to incentivize conservation with the large new developments.

Nancy Price - Reiterated the points presented by prior public comment, stated that the bathroom per bedroom issue is one of individual responsibility, providing incentives to conserve resources (i.e. billing by actual use) is better than a flat fee. She stated that current climate issues require conservation, and the commission should recommend individual water metering.

At the close of public comment, G Braun stated that the URAC is charged with advising the city on rates, and would discuss the items presented in public comment during the discussion of the long-range calendar. He advised the commenters submit comments in writing, and provide contact information to receive updates on the discussion.

## **5. Consent Calendar**

### **A. URAC Draft Minutes – October 12, 2017.**

J Franco moved, seconded by J Troost, to approve the URAC minutes of October 12, 2017. The motion passed as follows:

Ayes: Braun, Franco, Roberts-Musser, Troost

Noes:

Absent: Azam, Bystrom, Kristov, McCann

## **6. Regular Items**

### **A. Solid Waste Rate Study Draft - First Presentation.**

S Gryczko introduced the item, and discussed the process of bringing portions of the Solid Waste Rate study for the commission to review and provide input, rather than the completed draft all at once. He introduced Richard Tsai to present the draft study summary of the collection service options review. R Tsai outlined the feedback received from the community on the Organics program, specifically on the "loose in the street" (LITS) program, and how that feedback lead to the consultant review of the collection service options and associated rate impacts. He asked the commission to review the options presented, and assist in determining which of the options would be most the most likely to benefit from a closer look by the consultant. All options presented to the Commission are included in the study, however not all of the options will work for the Davis community. He stated that the review of current options for the LITS program is also subject to pending state regulations. The discussion moved to the data around the current

use of the LITS program, and whether or not the city was intending to create a survey for the community on the current program, and potential changes (including their associated rate impacts) to get a better feel of how customers would respond to different options. R Tsai indicated that there were plans in place to conduct a survey; however, one has not yet been conducted. He added that tonnage reports provided by the DWR drivers collecting the LITS material can show trends between the cart use and the LITS material being left in the street. Drivers keep tallies of piles out on the street as well, and indicate participation rates, and currently the average participation in the program is 12% of households. G Braun asked how long it takes a program to stabilize, and for customers to get used to the new process, before an accurate assessment can be made of whether or not the program is successful. R Tsai stated that it takes a full year to adjust to new programs, and the Organics program is in the second leaf drop season, last year was brand new, and included disaster recovery after the significant rain events in January and February. The first year of the program is focused on education and information. The city has posted information online, sent out messages in an “e-blast,” and included the 2018 Yard Material Pile Collection Schedule in the January 2018 city utility bills. Further discussion of the item by the Commission included:

- The consideration of the elimination of the LITS program, discussed on page 5 of the Review report.
- The flat fee system of the LITS program creating a scenario where smaller lot size owners, who could potentially fit their yard waste into the organics bins, subsidize the LITS program for the larger lot size owners, who do not have enough space in their bins for yard waste.
- A suggestion from a Commissioner about the possibility of assessing the use of the LITS program by neighborhood, with heavier use to be expected in neighborhoods with larger, more established tree canopies.
- A discussion on Nextdoor about the LITS program, and outreach provided by Commissioners to members of the public on how to participate in the process and provide input on the program through the URAC and NRC reviews of the Solid Waste Rate Study.
- The decrease in LITS tonnage based on DWR data from last year to this year (653 tons in LITS piles in October 2017, versus 988 tons in LITS piles in October 2016).
- The need for another full season of leaf drop to analyze, more accurately, program use. (The data on the second leaf drop season for the LITS program should be available in February 2018).
- The status of the Organics Processing Facility Feasibility study, which will be presented to the Natural Resource Commission (NRC) in January and brought to URAC in February of next year.
- The possibility of a survey for URAC members to rank their priority choices of the options presented in the Collections Service Options draft report, which would include a ranking of the options and justifications as to why.
- The financial concerns of the Solid Waste program, and the timing estimated by staff needed for the 218 process to update rates (tentatively bring the Proposition 218 request to Council in May.)

**B. Process Update on Potential Davis Waste Removal (DWR) Sale.**

S Gryczko updated the Commission on the process of reviewing the City’s Right of First Refusal relating to the potential sale of DWR. Since the prior update on the process, the Council deemed

the offer on the table for DWR as not appropriate and instructed staff to continue to meet with DWR to discuss what details the city will require to make the process run more smoothly next time. S Gryczko suggested that with the additional time for consideration of the possibility of the sale of DWR, the previous work provided by a few of the URAC members and presented to the Council via letter could use a more in-depth analysis. Council expressed interest in hearing more about the idea that the current Material Recovery Facility (MRF) on Second Street not being suitable for long-term use. S Gryczko stated that the goal of the city is to find a win-win scenario, where each party understands the other's goals, and they can work together to achieve them. There was discussion around the necessity for confidentiality of the process, and interest in understanding the broad issues related to the sale, to create a framework for moving forward.

There was discussion about the long-term plan for waste management for the community of Davis, and the possibility of inviting representatives from DWR to speak to the Commission about their long-term plan, and possible rate impacts of city population growth. S Gryczko stated the conversation would be continued with the Natural Resource Commission (NRC) and the URAC. S Gryczko reiterated the request by staff for the Commission to provide a more in-depth analysis of the information previously presented to the Council, to be presented in closed session. Chair Braun asked for commission consensus on providing the analysis. E Roberts-Musser moved, seconded by J Troost, to form a task force to perform a more in-depth analysis of the points in the letter that the Commission sent to the City Council on the DWR potential sale, formed of J Franco, and R McCann. The motion passed by the following vote:

Ayes: Braun, Franco, Roberts-Musser, Troost

Noes:

Absent: Azam, Bystrom, Kristov, McCann

### **C. Workplan Discussion - Utility Operations Associated with Cost of Service.**

S Gryczko introduced the item as a way of presenting a regular focus on the various factors of the cost of service studies, to aid the commission to better understand the components of service delivery. Each study involves a great deal of budget line items, and each line item can be focused on in greater detail. G Braun discussed two aspects, the first providing an opportunity to give members an orientation on how services work, the need to understand costs, and filling up the monthly meetings with a regular meeting item. The other aspect of reviewing costs associated with service is the forecast for the demand for various utility services. Understanding the costs of infrastructure can also help inform questions related to investments and reserve funds. S Gryczko suggested starting the cost of service study process earlier, and talking through each step of the process. There was also discussion about the long range calendar, and the items that have been there for some time. E Roberts-Musser reminded the commission that the reserve policy discussion would be coming up soon, as would the Organics Processing Facility Feasibility Analysis, and spoke to the fluid nature of the commission long range calendar. During the discussion of the item, the Commission also discussed the following:

- The recommendations sent to the City Council from the URAC, and the importance of the reviews conducted by the Commission to the Council.
- The difficulty in creating a process that works for the citizens and the city, and how best to work together to achieve goals.
- The frustration of a newly created commission finding its footing on how best to approach issues, and the process of finding new ways to approach rates moving forward.
- The need for clarity on the process of developing the agenda. During the discussion, S Gryczko indicated that the members of the URAC could place items on the agenda, as

they would like, with one caveat. Staff will not support items outside of the URAC purview (as determined by the URAC Function and staff), and any necessary accompanying documentation for the packet for that item must be provided by the commissioners themselves.

- The differences of the interpretation of the goals of URAC between the commission members and staff.
- The importance of scheduling regular meetings between the staff liaison and the chair of the commission to work together. On this point, it was agreed by the chair and staff that each will commit to regular, in-person meetings to set the agenda, and discuss commission business before the regularly scheduled monthly meeting. Once the regular meeting date has been determined, staff and the chair will work together to establish a meeting time amenable to both parties.

#### **D. Meeting Schedule Conflict Discussion.**

There was a brief discussion related to the prospect of rescheduling the regular commission meetings, as a conflict has now been presented with the board meetings of the Valley Clean Energy Alliance (VCEA). As a number of the commissioners were not present at the meeting, the Commissioners present did not wish to make a formal decision on the meeting schedule without full commission input. It was suggested that staff create a survey to send out to the members to ascertain days and times for a possible new regular meeting date. The poll times were restricted to 5:30-7:00p.m. start by consensus. The discussion moved to meeting time effectiveness, and G Braun suggested the meetings could benefit from facilitation. E Roberts-Musser suggested the chair could request a motion should the meeting go over the scheduled time, to ensure the commissioners were all on board with committing extra time for that meeting. G Braun stated that although the speakers at public comment may not have been speaking to URAC's policy, he wanted to follow-up on the request for information on the long-term plans for student housing. J Franco moved, seconded by J Troost, to request that staff provide a briefing on forecasting and planning for off campus student housing to address the concern of the public commenters who spoke at this meeting. Prior to a vote on the motion, it was pulled by J Franco.

There was discussion on the role of planning staff, and the Community Development Department, in housing. E Roberts-Musser suggested that the commenters were looking to review a large issue, and the URAC could narrow the focus. E Roberts-Musser asked how staff determines utility impacts of developments. S Gryczko replied that every development is required to provide information on impacts within their purview, and assessment of any additional costs that would be the responsibility of the developer to pay. J Troost asked if the staff liaisons for each commission work together to discuss each commissions involvement in development projects, and S Gryczko replied that depending on the nature of the project, yes, staff work together. J Troost asked if chairs and vice chairs of commissions could also provide input on the process.

Returning to the public comment presented at the meeting, the commissioners discussed which parts of the concerns brought up could be addressed by the URAC. J Troost stated that the URAC should be able to answer the questions brought forth - if the city has capacity to provide the utility connections to the new developments or not, the cost, and show the impact on rates. He added that he would like to see how much capacity the city has to provide water. J Troost moved, seconded by G Braun, for staff to bring someone (staff to identify) back to the

commission to talk about the multiple mega dorms being proposed, and impacts on capacity and rates. The motion received the following votes:

Ayes: Braun, Troost

Noes:

Absent: Azam, Bystrom, Kristov, McCann

Abstain: Franco, Roberts-Musser

**E. Update from the Enterprise Fund Reserve Policy Subcommittee.**

A brief update was provided by E Roberts-Musser. A portion of the data requested from the Subcommittee was provided at the meeting, and more will be provided as it is collected by the city.

**7. Adjourn**

The meeting adjourned by consensus at 10:37p.m.

Respectively Submitted by,

Adrienne Heinig  
Administrative Analyst I