1. Call to Order and Roll Call
Meeting was called to order by Chairperson Braun at 6:32pm.

2. Approval of Agenda
Prior to the approval of the agenda, the commission discussed whether or not the order of the items on the agenda should be moved in the interest of ensuring the focus on the Solid Waste rates. The Chair and staff reminded the commissioners that a Special Meeting was being proposed to focus solely on the Solid Waste Rate Study in the near future.

During the discussion, E Roberts-Musser moved, seconded by O Bystrom, to approve the agenda as written. J Franco presented a substitute motion to start with item 6C on the agenda, and follow with Items A and B (as time allows), seconded by R McCann. The motion failed by the following vote:

Ayes: Franco
Noes: Braun, Bystrom, Kristov, Roberts-Musser
Absent: Troost
Abstain: McCann

After the substitute motion did not pass, a vote was held on the original motion. The motion passed as follows:

Ayes: Braun, Bystrom, Franco, Kristov, McCann, Roberts-Musser
Noes:
Absent: Troost
3. Brief Announcements from Staff, Commission Members, and City Council Members
   - Councilmember Frerichs informed the Commission of the following:
     - The date of the joint meeting with City Council (October 30)
     - The subcommittee of the Council focused on commissions (L Frerichs and Mayer Lee) wanted to know if commissioners coming to the end of their terms would be interested in re-applying and encouraged them to do so, and will be looking at interviewing candidates for the vacant Alternate position.
     - He needed to leave the meeting early, at 7:00pm, as the Council was holding a Closed Session on labor negotiations.
   - O Bystron brought cookies.
   - E Roberts-Musser shared a story about Recology assisting with the purchase of back-to-school supplies and backpacks for low-income children, noting that Recology was stepping into the shoes of DWR in regard to community service.
   - R McCann stated that he had sent articles to be included in the packet, which had not been included. Staff will follow-up and ensure the articles are included in a future packet.

4. Public Comment
   Matt Williams (speaking as private citizen) - Wanted to relay the motion passed at Monday’s meeting of the Finance and Budget Commission (FBC) related to the Wells Fargo water loan. He indicated the Wells Fargo loan was a special item brought forward by staff at two meetings, and was time-sensitive, as there are planned changes in the Federal interest rates, which would impact the loan repayment. The current loan, for $30 million dollars, carries a balance of $25 million still owed. He stated that at first presentation, the commission determined that the information provided by staff was inadequate to make a formal recommendation (as no alternatives were presented). Brought back with alternatives, he indicated that the full commission did pass a recommendation to pursue a private placement loan opportunity with J.P. Morgan Chase, which would have better rates than a bond and would have no associated debt service reserve requirement. He indicated that if approved by Council at their next meeting, the action could save rate payers between $700,000 and $5.8 million, with $4 million of the debt being paid down. He stated the change will be necessary to include in the next round of water rate setting, in early 2019.

S Gryczko indicated that staff would distribute the report to Council on the Wells Fargo loan refinance when the packet was published.

5. Consent Calendar
   A. URAC Draft Meeting Minutes - August 15, 2018
   B. SB 606 and AB 1668 Water Use Efficiency Update
      O Bystron moved to approve the consent calendar. The motion was seconded by R McCann, and passed as follows:
      - Ayes: Braun, Bystron, Franco, Kristov, McCann, Roberts-Musser
      - Noes:
      - Absent: Troost

6. Regular Items
   A. Discussion of Topics and Plan for Joint Meeting with City Council.
      G Braun continued the discussion on the Joint Meeting with City Council, scheduled for October 30, by listing two items that had come up during the discussion at the meeting in...
August; a review of the charge of the commission (and whether or not adjustments are needed), and wanting a discussion of the integrated vision for the city of Davis utility services and if Council has interest in that vision and plan moving forward. He indicated that he would work with S Gryczko to develop a draft of discussion points for commission review and approval prior to the meeting.

G Braun opened general discussion on the item by asking the commission for any other thoughts they thought would merit discussion with the City Council.

The Commissioners discussed the following:

- The discussion should include suggested modifications for the vision/mission statement (language) of the Commission, should changes be requested.
- The Council should be updated on current commission subcommittees and their activities and progress.
- The discussion should include a brief overview of the Commission’s current workplan.
- The discussion should include the boundaries between the URAC and the Natural Resources Commission (NRC), and help define where the lines are, as the commissions often overlap on topics of interest.

Commissioners also requested clarification on the meeting structure as planned (the joint meeting is more of a discussion, held before a regular meeting of the Commission) and the estimated start time for the meeting.

The item was opened for public comment, and one comment was received:

- Matt Williams - encouraged the Council to continue to improve and increase communication to ratepayers. He indicated that staff presented a draft insert for an upcoming utility bill on transportation infrastructure costs. He suggested the URAC ask Council if it makes sense for utilities to have an insert that explains the status of the enterprise fund for each utility. He remarked that such an effort was not in the current game plan, but it would be, in his recommendation, a wise move, which would increase trust in the community and accountability.

B. Davis Downtown Plan Process Commission Participation.

G Braun began discussion on the item by outlining the request from the City Manager’s Office regarding the Downtown Plan, and asking what kind of input on the plan should come from the URAC. He reminded the commission of the long-range calendar item to review the status of off-campus housing projects and their impacts on the utility services and their costs. S Gryczko indicated that, although a review of housing is in the works, the Downtown Plan focus is on a review of the downtown globally. R McCann indicated the plan was looking at zoning, not looking at specific projects. S Gryczko also outlined the two questions included in the City Manager’s request, to focus feedback on (specifically):

i. Do you generally support the planning concepts being presented at this stage of the planning process?

ii. Do you have concerns, see any fatal flaws, or feel that significant changes in course direction are needed?
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O Bystrom indicated that he wasn’t sure if the Commission would have a contribution to the Downtown Plan, as the Commission focus is on utility rates. E Roberts-Musser countered that the Commission could provide generally stated support for environmentally friendly options that could impact ratepayers with savings or reduce impact on utilities.

S Gryczko indicated that the item would be on the agenda for the next meeting, and staff and the Chair could put information together for the discussion.

The item was opened for public comment, and one comment was received:
- Matt Williams - discussed his understanding that the Downtown Plan Advisory Committee (DPAC) and Planning Commission want help in dealing with the fiscal issues associated with the Plan. He stated that one-time fees need to be looked at carefully, as they are a barrier to entry in the city’s development market. He indicated that the plan might start with pretty pictures on paper, but it will not be able to get from the current status to implementing the plan. He also outlined a possible item on the agenda for next month, hopefully with the DPAC and the FBC, to review whether or not it makes sense to connect one-time revenue to on-going revenue, which would easily deal with construction taxes and impact fees, with the exception of those around utilities. He indicated his belief that the URAC was empowered by Council to be involved.

E Roberts Musser described Attachment 2 to the item as her attempt to come up with a vision, as the item did not have a heading and she wanted to clarify the provenance. G Braun thanked her for the work and for helping to move the ball forward. He asked if additional commissioners were interested in working on the item. By consensus, a subcommittee was formed, consisting of O Bystrom, L Kristov and E Roberts-Musser, to work on the vision statement for integrating the utilities.

C. Solid Waste Rate Cost of Service Study Review.
S Gryczko began the item by outlining the shift in focus presented by staff in the report on the item. He outlined the reasons for shifting focus away from the Loose in the Street (LITS) yard material collection program updates: it had become clear the Commission was not close to coming to a recommendation; and the solid waste fund is facing financial challenges, necessitating a one-time $3 million dollar loan from the wastewater fund. Rather than continuing to operate in deficit spending while working towards a resolution for the LITS service, staff asked the commission to consider adopting the rate increases necessary to get the fund back into financial heath, and continue the discussion about LITS service (looking to change, reduce, increase etc.) with community input in the coming months.

G Braun asked the Commission to hold questions until after the report from staff and the city’s consultant, R3 Consulting, and requested the Commissioners ask high priority questions, with additional, less important questions submitted to staff after the meeting in writing. S Gryczko stated that all of the questions received would be answered in writing at the special meeting on the solid waste rates.

Garth Schultz, representing R3 Consulting presented the report on the Solid Waste Rates, including the rate recommendations. During the presentation, he also mentioned that the County staff are looking at providing 5-year rate plans, and that the tipping fees at the county
landfill will probably be increased on the order of $2-$3 per ton per year over the next few years. He outlined some unpredictable elements of the rates, including but not limited to natural disasters, decreased revenues, increases in expenses (increase in tipping fees at landfill; economic recession, migration to smaller size cart), as well as the possibility of a request for a detailed rate review from Recology Davis, and the reasoning behind not including an estimate for the rate review in the financial plan. R Tsai reminded the Commission that the majority of the costs allowable for rate reviews are still tied to the Refuse Rate Index (RRI), providing additional protections for the city ratepayers. Discussion also focused on the inclusion of funds to look at mitigation of the old landfill site, bike path sweeping, the speculative future investment included in year 6 of the 10-year plan, and the components of the costs associated with the repayment of the wastewater fund loan, and the building of the reserve fund over 10 years. G Schultz also outlined the intention behind the rate increases themselves, attempting as much as possible to smooth the increases, while keeping the ending fund balance for the utility positive each of the years covered by the recommendations and accumulating a 15% of operating expenses reserve fund at the end of 10 years. Additional discussion included:

- How the city determines that the quotes provided by Recology are reasonable (specifically that the city can choose to request a review of Recology’s finances to ensure the costs reported are the costs associated with the services).
- The capital reinvestment needed in the vehicles utilized for the LITS pickup if the LITS program should be continued, and the legal questions associated with those costs.

The item was opened for public comment, and two comments were received:

- Claire Black Slotton - representing Village Homes - she told the Commission that the urban forest in Village Homes is extensive, and requested the city keep the LITS yard material collection in place. She stated that the leaf-season collection is a small part of the overall budget and a small part of the increase in rates, and asked that the Commission consider carefully the impacts of eliminating it, as it would be a huge hardship to the residents of Village Homes.
- John Johnston - reported that the Natural Resource Commission (NRC, of which he is chair) felt left out of the conversation on the LITS yard material pickup, and stated he felt it important that the commission bring the discussion of policy and economics more in line with each other rather than concentrating on just policy or just economics.

Returning to the Commission after public comment, the following items were discussed:

- Process questions around the possibility of a joint meeting with the NRC, as well as addressing why a previously scheduled joint meeting with the NRC did not take place.
- The process moving forward with the Proposition 218 rate notice and public hearings at Council after the Commission makes a recommendation on rates.
- Further discussion on capital investment in the LITS vehicles, and whether or not the Commission could review rates after the Proposition 218 process was completed.
- An outline of the city’s plan to revisit each utility through yearly updates of the financial models with actual expenditure data.
• Questions regarding the allocation of the environmental mitigation funds paid to the City by the hauler, and if there is a dedicated fund for those dollars that goes solely to street maintenance.
• The inclusion of the Artist-in-Residence program in the baseline costs for ratepayers.
• The hesitation to support staff recommendations and bless business as usual when the commission could take a long time in its discussion of the LITS program, utilized by a small percentage of households, but costing the city $1 million per year that could potentially be reduced (along with other environmental impacts).
• The motivation of wanting to address the Solid Waste program sooner rather than later due to the large increases in rates.
• That the rates are set to be maximum rates, with Council able to revisit each year and assess whether or not the full increase needs to be enacted
• The importance of including a specific and detailed timeline to show how staff plan to follow-up over the next 6 months on the LITS program.
• How to manage the public dialog over the program.
• The need to include the Bicycling Transportation and Street Safety Commission (BTSSC) and the Tree Commission in the conversation about yard material piles.
• What the impact of the increase in Solid Waste rates will be on the entire city utility bill, rather than just the solid waste bill.
• Revenue allocation between commercial and residential, wanting to see who is paying for the increases; consideration of cost allocation between customer classes.
• Calculating the impacts if rates for can sizes are held as a fixed dollar value between each size each year, rather than a percentage difference each year, and if that is achievable for residential accounts.

G Braun held an informal poll with the commission to gauge whether or not commissioners were comfortable with the direction staff was headed in, moving forward with rates without a firm direction for the LITS program. Commission consensus showed support for moving forward with the solid waste rate study without consideration of the LITS program, with a clear indication from staff of the plan for the next six months to further discuss and resolve what is to be done about the LITS program.

D. Schedule Special Meeting Related to Solid Waste Rate Study.
S Gryczko introduced the item, requesting the commission schedule a special meeting to review the formal recommendation from staff to address the Solid Waste Rates. The commission discussed the possibility of waiting until the next regular meeting of the URAC in October, or cancelling the regular meeting and holding just a special meeting, however it was determined that there were a number of items, including the joint meeting with Council on 10/30, that required two meetings. After the discussion, the Commissioners determined there would be a regular meeting and that October 4, 2018 would be the date of the special meeting, with a time and location to be determined based on the availability of meeting rooms.

E. Upcoming Chair/Vice Chair Elections.
G Braun introduced the item by asking which commissioners will be applying for reappointment at the end of the calendar year. He asked to be notified by any commissioner
who is not interested in being reappointed, and requested that the alternate position be filled to ensure a full commission to tackle upcoming projects.

7. Commission and Staff Communication
   A. Long Range Calendar.
      No specific changes to the Long-Range calendar were discussed during this item, other than regular updates, and a correction from staff to include the October 30 joint meeting with the City Council on the calendar.

8. Adjourn
   O Bystrom made a motion to adjourn the meeting, seconded by R McCann. The motion passed by the following votes and adjourned at 8:53pm:
      Ayes: Braun, Bystrom, Franco, Kristov, McCann, Roberts-Musser
      Noes:
      Absent: Troost