



City of Davis

Utility Rate Advisory Commission Minutes

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

Wednesday, October 17, 2018

6:30 P.M.

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

Absent: Lorenzo Kristov

Staff Present: Stan Gryczko, Assistant Public Works Director

Additional Attending: Lucas Frerichs, Councilmember
Adrienne Heinig, Administrative Analyst

1. Call to Order and Roll Call

Meeting was called to order by Chairperson Braun at 6:30pm.

2. Approval of Agenda

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

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

Noes:

Absent: Kristov

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

- E Roberts-Musser presented a written update to the Commission from L Kristov on the work of the reserve policy subcommittee. This update also included five questions for staff from the subcommittee. R McCann reported on his work with income statements from fiscal years 2008-2015 and reported that at the end of fiscal year 2016/17 the enterprise fund balance across all four funds was about \$280 million. There was a request to include an agenda item for a further update at the next Commission meeting.
- G Braun requested that L Frerichs update the commission on how the appointments to the commissions were coming along, and L Frerichs reported that the next set of interviews would take place at the next City Council meeting. He also stated that the city's commissions had seen a lot of interest (not just the URAC) from the public to join, and the Council would be making appointments at the earliest in November. He added that of the four current commissioners on the URAC up for reappointment, all four have requested to continue.
- J Troost announced to the Commission that he would be making audio recordings (taping) all meetings moving forward.

4. Public Comment

None.

5. Consent Calendar

A. URAC Draft Meeting Minutes - September 19, 2018

G Braun moved to approve the consent calendar. The motion was seconded by E Roberts-Musser, and passed as follows:

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

Noes:

Absent: Kristov

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, continued from the previous Commission meeting in September. He outlined that the commission would have an opportunity to interact with the Council to ask questions. He added that one commission (the Recreation and Park Commission) had already had their joint meeting. He asked the Commissioners to discuss what questions they might be interested in asking, to ensure no overlap or stepping on toes. A Heinig outlined the requirement that the Commission present five slides or less, and S Gryczko suggested that the Commission watch the last 15 minutes of the joint discussion between Council and the Recreation and Park Commission - to view the proposed format and get an idea of the types of items up for discussion. The commission then watched 15 minutes of that Council meeting.

After viewing the video, the discussion returned to the slides drafted by the Chair and staff. R McCann asked if the URAC should take on the responsibility of making recommendations on the delivery of utility services, with the Natural Resources Commission (NRC) setting environmental boundaries. He asked about the overlap between the URAC and NRC on the yard material pile collection discussion, and asked whose responsibility it would be to recommend any modifications to the current program to the City Council. S Gryczko replied that in the view of staff, there would be multiple recommendations from different commissions, as the focus of the commissions are completely different. Each commission should focus on their area of expertise according to their defined mission (e.g. URAC - on rates, and NRC - on environmental impacts, etc.) R McCann responded that he felt it would be best to have a recommendation from only one commission - with feedback from other commissions as additional considerations. He made an analogy between the URAC and both the State's Public Utilities Commission (PUC) and State Water Resources Control Board (SWRCB). The PUC manages utilities in CA whereas the SWRCB sets environmental standards. He noted the PUC could be the model for the URAC moving forward, with utility management decisions under the purview of the URAC. G Braun expanded on the comparison, outlining that if the mission for the URAC isn't purely rate setting, they could do more work in executing mandates from the Council in regard to policy. R McCann added that in his opinion, the NRC is overburdened.

L Frerichs told the Commission that in his opinion, he saw an expanded role for the URAC. He noted the URAC did not exist when the organics program was introduced, as the Commission (formerly Committee) originally focused on rate setting but has evolved over the years. He stated that he saw positives in the expanded role for the URAC and supports the expansion effort.

E Roberts-Musser asked Councilmember Frerichs to what degree the URAC should consider politics when making recommendations for Council action, and specifically in regards to the current discussion on the yard material pile collection program, being a highly public program. L Frerichs replied that every body engages with politics, and it will enter the conversation. He stated that in his opinion, it's helpful to Council for each commission to try to limit or minimize recommendations that will not fly politically, as politics are part of the territory. There was discussion on the importance of presenting multiple recommendations, because limits on choice can be frustrating to the City Council which does not always find it helpful.

J Franco stated that, in his opinion, the URAC should have jurisdiction over sustainability and environmental performance over utilities, which needed to be included in the Commission's charter. O Bystrom added that the current focus of the commission only on rate setting prevents the commission from planning for the future, making analysis after the rate review too late. It is much easier to include it in the discussion from the beginning. During this discussion, the Commission considered the possibility of requesting a name change from the Utility Rate Advisory Commission to the Utilities Advisory Commission. J Troost expressed his opinion that the Commission is evolving, having moved on from just discussion of rates. It made sense to revise the name to comport with the expansion in scope.

G Braun observed that conflict between the Commission and staff tends to come when staff is supportive of Commission efforts, but based on staff's interpretation of the Commission's charter/mission statement and from City Council direction, which does not always match with the interpretation of Commission members. He asked that the joint meeting discussion include clarification of whether or not the City Council wants the Commission to focus on rates only, or have a broader purview. The City Council's response is important because the Commission is highly dependent on staff time for support.

Four changes were suggested to modify the slides presented to Council:

1. Add language to read: Focus on rates *and utility services*
2. Add language to read: Collaborate with staff on scope of studies performed *or to be performed*
3. Add language on: Collaboration with other commissions
4. Add "service delivery options" to first sentence on slide #5 asking if "Role to review utility *service delivery options* and cost of service studies and recommend commensurate rate adjustments"
5. Change the name of the commission to: Utilities Advisory Commission to reflect expanded scope

There was consensus among the commissioners that any suggested updates to the charter language would not be completed during the current meeting discussion. E Roberts-Musser stated that the slides would be the outline for the discussion with Council, to start the

conversation. Then the Commission would form a subcommittee to come up with specific wording changes for the charter after the direction of Council is given (if favorable to the change.)

Further discussion around updating the charter took place. Commissioners Franco and McCann requested that environmental sustainability and resource planning be added to the URAC purview, respectively.

G Braun asked each commissioner to outline what they would include as their final comments with Council during the discussion. R McCann stated that he would discuss the sale of Davis Waste Removal (DWR) to Recology. J Troost said he would bring up the sale as well, focusing on what worked, what didn't work, and an evaluation of the lessons learned. J Troost also mentioned the importance of input from other Commissions, and the need to build something that integrates commissions to help each take on broad tasks. The commission discussed liaisons, the removal of official liaisons by the Council, and previous and sometimes complicated interactions between the URAC and the NRC.

At the close of the discussion, J Franco motioned to appoint Chair Braun as the spokesperson for the Utility Rate Advisory Commission on October 30 for the joint meeting with City Council. This motion was seconded by J Troost, and passed by the following votes:

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

Noes:

Absent: Kristov

B. Davis Downtown Plan Process Commission Participation.

S Gryczko began the discussion by reminding the Commission that the Downtown Plan Advisory Task Force was looking for feedback from City Commissions on the current discussions of the Downtown Plan. He outlined the previous discussion of the Commission during the meeting in September and the perspective taken at that meeting – that the Commission would provide broad statements rather than dive into specific areas. Previous discussion included the recommendation that the plan was acceptable “as long as the plan would take into effect the impact on rates, and include sustainable features moving forward...”

J Troost stated that the plan needed a statement about how it fits in with the rest of the city. The plan is about developing the downtown, and is a precursor to the General Plan update coming soon. R McCann reminded the Commission that the plan is a zoning study, not an economic development plan (which will need to follow). He added that he was working with a task force to fill out the sustainability themes included in the Downtown Plan.

R McCann moved, seconded by J Troost, formal feedback on the plan as follows: “The URAC generally supports the planning concepts being presented at this stage of the planning process for the Downtown Davis Plan. The commission requests that Council should reiterate that the Downtown Plan will be one step in a larger process with the General Plan. The Commission further moves that the plan should include intentional, integrated infrastructure planning for utility infrastructure for the whole of the downtown.” This motion includes friendly amendments from G Braun and J Troost to include a preamble of

support from the commission, and to encourage the Council to include reference to the General Plan, respectively. The motion passed by the following votes:

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

Noes:

Absent: Kristov

C. Assignment of URAC Representative to the Broadband Advisory Task Force.

Following a brief discussion, J Franco moved, seconded by O Bystrom, to appoint Lorenzo Kristov as the URAC representative to the Broadband Advisory Task Force, beginning with the next agenda meeting. This motion passed by the following votes:

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

Noes:

Absent: Kristov

D. Solid Waste Rate Environmental Mitigation Assessment Fee.

J Franco requested the solid waste rate environmental mitigation assessment fee be added to the Commission agenda, in order to discuss the reason or rationale in the staff recommendation to include the increased environmental mitigation assessment fee in the rate study. He pointed out that in Section 2 of the contract signed in 2015 that the fee was what the hauler agreed to pay the city for the damage done by the hauler's trucks to city streets, so was not a pass-through cost, asking why it would be included with the rate study discussion. He also asked how the fee was accounted for within the city's budget. S. Gryczko replied that the cost was an allowable pass-through expense, and that the current \$100,000 is paid into the general fund and contributed to the yearly work undertaken by the city on the roads. He further stated that the city spends well over \$100,000 on this work each year, and added that the city would clean up the book-keeping procedures for the fee. J Franco suggested that the fee should be in a dedicated line item in the solid waste enterprise fund, rather than placing it in the city's general fund.

7. Commission and Staff Communication

A. Long Range Calendar.

No specific changes to the Long-Range calendar were discussed during this item. However, the commissioners spoke about the difficulties of building on old landfill sites, as there was limited technology to address the emission issues. Discussion also included the discussion between the County and the City on organics disposal.

8. Adjourn

J Troost made a motion to adjourn the meeting, seconded by R McCann. The motion passed by the following votes and adjourned at 8:32pm:

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

Noes:

Absent: Kristov