



City of Davis

Utility Rate Advisory Commission Minutes

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

Wednesday, March 20, 2019

6:30 P.M.

Commissioner Members Present: Gerry Braun, Olof Bystrom, Linda Deos, Jacques Franco, Lorenzo Kristov, Jill Pascoe (Alternate), Elaine Roberts-Musser, Johannes Troost (Chair)

Absent: None

Staff Present: Stan Gryczko, Assistant Public Works Director

Additional Attending: Adrienne Heinig, Management Analyst
John Johnston, Jeff Mischkinsky

1. Call to Order and Roll Call

Meeting was called to order by Chairperson Troost at 6:29 p.m.

2. Approval of Agenda

L Deos moved to approve the agenda, seconded by O Bystrom. The motion passed as follows:

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

Noes:

Absent:

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

- S Gryczko updated the Commission on the status of the report of the Enterprise Fund Reserve Policy Subcommittee. The report was presented to the Finance and Budget Commission (FBC). However the Finance Director, who is the city staff liaison to the FBC, had questions, and wanted to discuss the development of the recommendations and the background. The Finance Director also indicated alternative criteria that might be recommended for use. S Gryczko indicated that staff would prepare a draft policy based on these recommendations, and compare the policy to the URAC report, and would bring the policy back to the URAC and the FBC for review. He indicated there might not be many changes, but depending on the timing the report might go back to the FBC first. L Kristov detailed some of the discussion at the FBC when the report was presented, and indicated that members of the commission raised concerns about revisiting the question of a “sinking fund” or long-term savings for large capital projects, and what kind of impact that would have on ratepayers.
- J Franco thanked staff for sending notifications to the Commission of upcoming Council meetings, but requested that staff indicate if there are items of interest or items relevant to the Commission’s work included in the discussion. A Heinig outlined the difficulty of determining what items could be considered relevant to the URAC, and the

Commission discussed the importance of reviewing the Council agendas. Staff can send notices of items they determine to be relevant, but need to review Council agendas for other items of interest.

- E Roberts-Musser indicated that she would send an article to the Commission called “Is This the End of Recycling” from the Atlantic.
- In response to a question from E Roberts-Musser, S Gryczko outlined a Request for Proposal (RFP) recently released by the City for an Aquifer Storage and Recovery Feasibility Study.
- G Braun discussed a documentary series he recently watched called “Smart Cities 2.0,” a number of 25 minute segments on “smart” Utilities. It was asked if the Commission would meet early for the next meeting and watch the videos, as the reports indicate best practices and it falls under the purview of the work. Staff would check with the Clerk to determine if the item would need to be on the agenda.

4. Public Comment

None.

5. Consent Calendar

Prior to the approval of the Consent Calendar, J Troost explained the inclusion of items 5B and C. He asked that a discussion of the Council’s Resolution Declaring a Climate Emergency be included in the agenda for the next meeting. He also thanked the subcommittee on developing a vision for integrating Davis utilities for their report, and asked for it to be put on the agenda for the next meeting. The minutes for January 16, 2019 were also included in the Consent Calendar. No amendments to the minutes were noted.

J Franco moved, seconded by L Deos, to approve the Consent Calendar. The motion passed as follows:

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

Noes:

Absent:

6. Regular Items

A. Review of Long Range Calendar and Workplan.

J Troost thanked the Commission for responding to the survey sent out on the preferred contents of the Commission Workplan and the Long Range Calendar. A Heinig outlined the report on the feedback for the Workplan and the Long Range Calendar. She also distributed a revised version of the Long Range Calendar, formatted with the feedback from the Commission in the survey.

During the item, the Commission discussed the following:

- Including the subcommittees and their planned work on the Workplan.
- With the Long Range Calendar, whether or not the Commission wished to include a full calendar year of meetings, or if the Commission wanted to see a “rolling year,” twelve months at one time.
- The difficulty in setting out a full year of activities based on the unpredictability of how long items take when under review by the Commission.

- The importance of including a discussion of the rate impacts of climate change on the Workplan, and with the inclusion of equity in the draft new mission statements for the Commission, how climate change might disproportionately impact low-income people.
- Further discussion about providing more background for the Commission on each Utility and, and the potential to establish subcommittees for each Utility during the cost of service review process.
- The Commission consensus to retain both the Long Range Calendar and the Workplan.
- The need to review the current Workplan and update it with the new Council goals.

B. Stormwater Cost of Service Study Consultant Selection Panel Representative.

S Gryczko reviewed the previous discussion of the Stormwater Cost of Service study from the February meeting, and briefly discussed the Wastewater Cost of Service study scope that was provided as a sample for comments. He also requested the Commission select a member to participate in the selection process for the consultant. L Deos volunteered to participate in the process.

O Bystrom moved, seconded by J Franco, to appoint Linda Deos as the member of the URAC to serve on the selection panel for the consultant to conduct the city's Stormwater Cost of Service study. The motion passed by the following votes:

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

Noes:

Absent:

During the item, the Commission discussed the following:

- If staff had an estimate of cost of the Stormwater Cost of Service study (S Gryczko stated he would follow-up with the estimated cost).
- If the financial plan portion of the study could look out 20 years, rather than the standard 10 years.
- If the scope of the RFP should be revised in response to the Council's recent resolution on the Climate Emergency, and whether or not the impacts of climate change should be built into future studies.
- Whether or not the draft scope of the RFP should be reviewed by other city commissions when there are overlaps in subject areas.
- The importance of including all planned CIPs and the need to include previous reports and studies in the background documentation for the consultant.
- L Deos asked the Commission to think about their thoughts on the consultant selection and to share that information.

C. Commissioner Orientation and Continuing Education.

The revised orientation packet was assembled and included with the Commission packet items. L Deos moved to accept the packet and use it in future orientation meetings, which was seconded by L Kristov. The motion passed by the following votes:

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

Noes:

Absent:

D. Update on URAC/NRC Chair and Council Subcommittee on Commission Discussions on URAC Charter and Inter-Commission Communication.

J Troost introduced the item, telling the Commission that he attended the February NRC meeting, and intended to attend these meetings regularly. S Gryczko indicated that he would follow-up with the schedule for the next meeting with the Chairs and Vice Chairs of the NRC and URAC as well as the Council Subcommittee on Commissions. S Gryczko also outlined the desired outcome of the discussions of that group – specifically how the commissions successfully communicate, and how the communication flow is intended to work. After the determination on communication expectations, the Commission would take up the work to finalize the charter updates and recommend that City Council accept the updates.

L Kristov offered that the bottom right hand side of the flow chart created by E Roberts-Musser as a draft communication system, needed further clarification on what would happen when the Commission had an item which returned to the Commission without consensus on a recommendation. S Gryczko responded that it depended on the topic, but if consensus between or within commissions is not reached, staff would take the information to Council, providing the concerns and input from the commission(s) and then ask Council to make its determination. The option of holding a joint meeting between commissions was also discussed.

E. Davis Municipal Broadband Status.

L Kristov discussed the Broadband Task Force Meeting held on March 27. He reiterated some of the discussion from that meeting on the city's proposed contract with Astound to build a city fiber optic network. The city's contract with Comcast expired, and the city is considering a contract to install fiber optic network in city conduits. He outlined the concerns of the BATF about the proposed contract with Astound, especially the exclusive use clause. Rather than move forward with the contract, a subcommittee of the BATF is asking the City to slow the process down and perform an assessment, including a fiscal analysis of the contract, the viability and feasibility of complete city owned municipal broadband, and any alternatives that are under consideration.

Discussion of the item included:

- Possibilities of alternatives for installing the broadband infrastructure.
- The subcommittee's recommendation to encourage Council defer action on the Astound contract, and direct staff to continue the analysis.
- The costs associated with municipal broadband, and if the cost is outweighed by the social benefit.
- Questions about the amount of conduit the City currently has, recent requests for that information, and whether the city should charge for the use of that conduit.
- The possibility of broadband being treated as a utility, and whether or not it would be a self-supporting fund, or funded through the General Fund.

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

- Jeff Mischkinisky – Explained that the contract with Astound gives exclusive access to all of the conduit to Astound for the next five years. He indicated that a different approach to the installation could mitigate some of the costs associated with the

project and that the city needed to do its due diligence to determine the best course of action.

Additional discussion items included:

- The concern over the perceived control that Astound would have with the contract.
- The similarities between the process with the sale of Recology and the Astound contract.
- The suggestion that the Commission should support the work of the subcommittee of the BATF, and if that support would be best formed in a motion. There was back and forth discussion on the applicability of the BATF work with the existing URAC charge, and if a motion would be premature.

During this discussion, E Roberts-Musser moved that the URAC believes that the City Council should pause and do its further due diligence in reference to the contract with Astound for fiber optic network. After additional discussion about the timing of the feedback, and if the activities of the BATF are within the URAC scope/mission, the motion passed by the following vote:

Ayes: Braun, Deos, Franco, Kristov, Roberts-Musser, Troost

Noes: Bystrom

Absent:

7. Commission and Staff Communication

None.

8. Adjourn

The meeting was adjourned by consensus at 8:27 p.m.