



City of Davis

Utility Rate Advisory Commission Minutes

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

Wednesday, May 15, 2019

6:30 P.M.

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

Absent: Linda Deos, Johannes Troost (Chair)

Staff Present: Stan Gryczko, Assistant Public Works Director

Additional Attending: Adrienne Heinig, Management Analyst

1. Call to Order and Roll Call

Meeting was called to order by Vice Chairperson Bystrom at 6:32pm.

2. Approval of Agenda

Prior to the approval of the agenda, O Bystrom requested Item 7A be heard by the Commission concurrently with Item 6A, as the items are related. E Roberts-Musser moved to approve the amended agenda, seconded by J Franco. The motion passed as follows:

Ayes: Braun, Bystrom, Franco, Kristov, Pascoe, Roberts-Musser

Noes:

Absent: Deos, Troost

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

- S Gryczko announced that the introduction to the City budget for Fiscal Years 2019-2020 and 2020-2021 will be held at the City Council meeting on May 21.
- E Roberts-Musser provided two articles, one from the Davis Enterprise, titled “Fines Pushing Utility Rates to Absurd Levels” and the second, from PublicCEO, titled “FCC’s 5G Deployment Push Usurps Local Control.”
- G Braun spoke about the Sonoma County Water Agency’s Carbon Free Water project, <https://www.sonomawater.org/carbon-free-water>. He described some background on the project, including that electricity is used for all pumping, resulting in the achievement of 99% zero carbon. He suggested that the URAC and Natural Resources Commission (NRC) might want to review it. With some rough statistics, one-third of power usage is to move water, and one third of water is used to produce power, but these statistics used are heavily weighted towards Southern California. Northern California water pumping electricity is 3% of the total electricity used in the State.
- L Kristov spoke about the Climate Action Adaptation Plan (CAAP) update. Implementation would determine what specific actions the City would take to meet the goals in the plan. However there is some question about the future of the Sustainability

program. S Gryczko indicated that there was incorrect information circulating regarding the program.

4. Public Comment

None.

5. Consent Calendar

Prior to action being taken on the consent calendar, Item 6B was pulled for discussion by G Braun.

A. URAC Draft Meeting Minutes – April 17, 2019

A. Stormwater Cost of Service Study Request for Proposals Final Draft

While not pulled for modification, there was a request for clarification on the Stormwater RFP previously presented to the Commission in April. There was a brief discussion on cost as a factor in study consultant selection.

Following the brief discussion, G Braun moved to approve the consent calendar, seconded by L Kristov. The motion passed as follows:

Ayes: Braun, Bystrom, Franco, Kristov, Pascoe, Roberts-Musser

Noes:

Absent: Deos, Troost

6. Regular Items

A. Update Commission Workplan.

O Bystrom began the item by discussing the multiple versions of workplans that had been drafted and presented, and the confusion around which document to use. He outlined the difference between the workplan, which is submitted to Council at least once a year, and covers the general scope of work for the Commission, and the Long Range Calendar, which is used each meeting to determine work specific items for placing on agendas, and was also revised based on Commission feedback. The new Long Range Calendar resembles a Gantt chart, and shows both the scheduled and unscheduled items.

E Roberts-Musser listed four unscheduled items to add to the Long Range:

- Examine Building City Bio Digester vs. Use of County Bio Digester
- Determine Viability of LITS Program
- Examine County Landfill Tipping Fees for Waste
- Develop New Mission Statement

G Braun suggested a wording change to the Workplan item at the bottom of the first page, focusing on Community Choice Energy (CCE). He suggested the Commission no longer include a direct reference to CCE, rather, that they include “*review energy rate impacts and trends including energy rate options that may be applicable to the City provided services.*” The Commission discussed the inclusion of the direct reference to CCE in the workplan, as well as an overall discussion of including items as “placeholders” when the topic does not currently require attention, in case future discussions arise. The Commission also discussed:

- The consideration of a look at the energy cost components of existing City utilities, and that the costs for energy use by the utilities are included in the annual fund updates and rate studies for each utility

- The potential difference in energy costs to the community and the city if energy is required to come from 100% renewable sources
- The consideration of a review of the ways that VCE and the City could collaborate
- The inclusion of: “*review energy costs and energy choices as they affect City provided utilities*” in the Workplan to capture the energy discussion

B. Water Cost of Service Study Scoping.

Introduced by S Gryczko, the Water cost of service study information included for the packet was the scope of the consultant selected for the 2013 study. The scope represented more detail than needed in the Request for Proposals (as the proposals are open-ended to allow consultants the ability to be creative), but reflects some of the topics that would need to be included in the RFP. Specific feedback from the Commission included:

- Including the prior water studies done in 2013, 2014 and 2017 as background and reference, to ensure the consultant is not starting from scratch.
- Asking the consultant to provide usage forecasts consistent with experience and trends, as forecasting use is an important part of analyzing the cost of the water utility. It was outlined by staff that forecasting is a key component of the City’s Urban Water Management Plan (UWMP), which will be updated in the coming year.
- The importance of including a discussion of the Urban Water Management Plan in the introduction of the utility, as well as a discussion of state restrictions and regulatory updates.
- The need to include a sensitivity analysis related to volume and/or challenges to the water supply.
- The need to revisit the discussion of water budgets (specifically for interior and possibly for landscape water use) as state regulations will be changing to require them.

After the discussion of the cost of service study components, O Bystrom recommended to the Commission that the special meeting for the introduction to the Water utility should be held during the regular meeting scheduled for July, on July 17. He outlined that the meeting should include a general update on the utility, the RFP draft for the scope of the Cost of Service study, and a discussion of the UWMP.

C. Establishment of Subcommittees on Unscheduled Commission Discussion Topics.

O Bystrom introduced the item with review of the unscheduled items on the Commission workplan. He asked that the Commission consider specific topics related to those items, which could be worked on in the next year. Two specific items highlighted by O Bystrom included the Relocation of the Materials Recovery Facility (MRF), and the Scavenging of Recyclables. On the Scavenging item, he mentioned that it had fallen off the Long Range calendar, and it would be a good exercise to either set up a subcommittee to explore the item, or remove it from the list. G Braun stated that the recycling market feels like it is in flux or transition, given trends in California and globally, and that scavenging is a local issue (rather than a state-wide trend). He indicated his interest in a better understanding of the outlook for recycling long-term, as it will impact our waste collection service and rates. He suggested a broader topic for the subcommittee might be warranted. Additional discussion from the Commission on the topic of subcommittees included:

- A subcommittee that could be formed on Senate Bill 1383.
- The need for further understanding of the expectations of the look to relocate the MRF, and a request for staff to provide information on the goals of the discussion at the next meeting in June.

D. Review and Feedback on Vision for Integration of Davis Utilities.

E Roberts-Musser began the discussion, by detailing some of the background work that the Subcommittee on the Vision for Integration of Davis Utilities engaged in, including research on other cities and their visions, and incorporating the VCE vision that had previously been presented to the Commission, to present the current version included in the packet for review. She asked the Commissioners to provide feedback and any recommended revisions. The Commission discussion included the following:

- The merits of having a specific vision for each utility, or if all utilities should be included in one overall vision, or if there is a specific benefit to separation. Conversely, it was suggested that the overlapping items be cut, and just include the unique differences between each utility.
- The suggestion of too much emphasis being placed on only meeting regulatory requirements, and the question of what Davis might do to go beyond the regulatory requirements, including the outline of a different reach for each service (such as capturing energy from the Wastewater Treatment Plant), utilizing technologies that are in use outside of the United States but not yet practiced in California. The City should consider setting higher standards than are currently required.
- Adding a long-term vision to explore creative strategies that go beyond current regulations.
- That fiscal resilience is not the only goal within resilience to achieve, and the suggestion to broaden the language on resilience as a goal.
- The need to fully describe opportunities for utility integration within the document.

After the discussion of the feedback from the Commission, it was decided that the Vision document would be revised by O Bystrom, E Roberts-Musser and L. Kristov, and returned for review and approval at the meeting in June.

E. Davis Municipal Broadband Status.

L Kristov introduced the item, and indicated that the Broadband Advisory Task Force (BATF), or “BAT Force,” was due to submit their final report to the City Council. He stated that the Chair was drafting a report based on the discussion in April, and that the agenda should be released on Friday. The draft report should include the recommendation to conduct further feasibility studies, and refining the proposal brought by the BATF as a response to the Astound/WAVE contract Council item in March. He indicated that the BATF was in favor of a city-owned fiber-optic network, built in stages. He also indicated that the exploration of alternative ways to finance the network (as estimated in the 2018 study) would narrow the scope of the city network, and could demonstrate a network ready to succeed as a business, with municipal broadband addressing equity among customers and the “digital divide.” He outlined a suggested motion that would support activity with staff and expert citizens to examine ideas laid out in the March recommendations from the BATF, to establish a city asset that provides leasing access and generates revenue. He voiced his

hope that the full BATF would support the motion and send the recommendations to the Council.

O Bystrom requested that the packet for the BATF meeting, once posted, be distributed to the Commission.

7. Commission and Staff Communication

A. Long Range Calendar

This item was discussed during Item 6A.

8. Adjourn

The meeting was adjourned by consensus at 8:34 p.m.