



City of Davis
Utilities Commission Minutes
Remote Meeting
Wednesday, May 19, 2021
5:30 P.M.

Commissioners Present: Gerry Braun, Andrew Cullen, Linda Deos (Chair), Steve Gellen, Lorenzo Kristov, Elaine Roberts-Musser, Johannes Troost

Commissioner(s) Absent: None

Council Liaison(s) Present: None

Staff Present: Stan Gryczko, Public Works Utilities & Operations Director
John Alexander, Wastewater Division Manager
Adrienne Heinig, PW Assistant to the Director

Also in Attendance: Abigail Seaman and Doug Dove, Bartle Wells Associates
Matt Williams
Kathy Grant

1. Call to Order and Roll Call

Chairperson Deos called meeting to order at 5:32pm.

2. Approval of Agenda

J Troost moved to approve the agenda, seconded by E Roberts-Musser. Approved by the following votes:

Ayes: Braun, Cullen, Deos, Gellen, Kristov, Roberts-Musser, Troost

Noes:

Absent:

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

- A Heinig provided an update:
 - The City's Urban Water Management Plan (which includes the Water Shortage Contingency Plan) was adopted and approved for submission to Department of Water Resources by the City Council at their meeting on May 18, 2021.
 - In response to a question from a Commissioner, staff indicated that the City would be looking to purchase and install leak detection equipment within the City's water system.
- A Cullen encouraged eligible households to apply for the Federal Communications Commission (FCC) Emergency Broadband Benefit program. Information on the program can be found here: <https://www.fcc.gov/broadbandbenefit>

- J Troost mentioned water use by surrounding agricultural fields that has been observed by members of the community on walks. While the area is not within the City's boundaries, J Troost asked if staff could check in to the issue and see if any follow-up with the farmers might be warranted.

4. Public Comment

Two members of the public provided comment.

- Matt Williams: Referred to letter from Kathy Grant to the Enterprise on large lot owners and concerns about inequity around lot size and stormwater rates. Issue suggests low impact rate adjustment modeled on LID adjustment be created and implemented. Would be consistent with resilient utility community discussion and with language that staff put forward.
- Kathy Grant: Thanked Matt in reaching out about low impact rate adjustment issue. Just moved to large property in Willowbank. Property is providing benefit to watershed, because house is small and down spouts are aimed toward the garden. Hope the stormwater rate increase goes through, sad that Willowbank has little voting power in stormwater fee. The rate increase is not a lot of money, but it is more the principle of the matter in regard to a push for a low impact rate adjustment.

5. Consent Calendar

- A. Memo from the City Attorney: Subcommittee and Joint Meetings** (*Informational*)
- B. Wastewater Capital Improvement Projects (CIP) List** (*Informational*)
- C. Water Supplies and Conservation Measures Update** (*Informational*)

Prior to the approval of the Consent Calendar, Items A and C were pulled for brief comment.

Item A (*Memo from the City Attorney: Subcommittee and Joint Meetings*): The Commission requested that staff return with clarification on the meeting rules for subcommittees. There was confusion around the language in the memo provided by the City's Attorney (page 6 and 7), specifically if there are two subcommittees of different commissions meeting with each other, and the substance of each subcommittee meeting is reported to their own respective Commissions rather than to Council, whether the two combined subcommittees are a Brown-Act body that requires City Council approval to meet.

Item C (*Water Supplies and Conservation Measures Update*): Comments on the memo provided by City staff included the following:

- While the community has been effective in meeting water reduction goals, over the last three years (having still maintained some reductions) water usage has crept up. The Commission may wish to review what can be done structurally to reduce water usage (not just during a drought). Commissioners offered examples of installing water-wise plumbing fixtures and replacing landscaping with drought-tolerant plants. It was suggested that messaging could go beyond water-wise landscaping and appliances. Staff indicated that State regulations on new building standards guide the installation of

water-wise plumbing fixtures and irrigation requirements. It was noted that the important group to reach with water conservation messaging are the members of the community renovating existing homes.

- Clarification on which of the City's commissions would be tasked with reviewing mechanisms for water conservation and savings. Staff indicated that water conservation is within the purview of the City's Natural Resources Commission (NRC), although the Utilities Commission is also involved in those discussions, and the City is continuing to push messaging on water use and reductions. Staff also reviews the utility infrastructure regularly for opportunities to reduce water loss, and are waiting on State guidelines to be finalized for water use reductions to provide additional guidance for the community over the next year or two.
- Staff also indicated that irrespective of drought conditions, messaging over the next six months will focus on maximizing the minimization of water use.

At the conclusion of the brief discussion, G Braun moved, L Kristov seconded, to approve the Consent Calendar. Approved by following votes:

Ayes: Braun, Cullen, Deos, Gellen, Kristov, Roberts-Musser, Troost

Noes:

Absent:

6. Regular Items

A. Wastewater Cost of Service Study – Rate Setting and Scenarios

The item was introduced by S Gryczko, who in turn introduced Abigail Seaman and Doug Dove, to present the Rate Setting and Scenarios discussion.

Discussion also included the following:

- Clarification on the range of strength of the waste in the wastewater sent from single-family customers to the Wastewater Treatment Plant, and if the highest strength user broadly differs from the lowest strength customers within a specific class. A Seaman indicated that variance between single-family residential classes would be minimal. D Dove indicated that the strengths shown are averages across customer class, as strength does vary within customer class, and individual customers are not metered for strength of wastewater.
- Whether the City is looking to be too precise in charging by different elements of wastewater, and if the City should instead look at a flat fee across customer classes.
- Consideration of the American Rescue Plan dollars, and if the funding allocated for the City of Davis could be used for planned capital improvement projects (CIPs) that would in turn reduce needs for rate increases. Staff indicated that the City Council has established a subcommittee to review the guidance on how the City is able to spend those funds, and offered the observation that it would be unlikely that the utilities would be a high priority for the funds, given that the

Utility enterprise funds account for long-term capital improvement planning. Commission response included specific utilities were called out in the funding guidance, and the question of the biggest benefit for the community should be considered. Staff indicated that the Council would be considering guidance for the review of those funds at their next meeting on May 25. The guidance document was requested to be distributed to the Commission.

- Clarification that the Council can always choose to set rates lower than the approved Proposition 218 schedule, if changes in expenditures or other funding sources impact actual program costs.
- Clarification on how the volumetric portion of the wastewater rates are calculated. Staff indicated that currently, the City calculates the volumetric portion of the rates through an average winter water use (the average water use in utility bills received in December through March, reflecting actual water used in November through February).
- Clarification that the City's existing water rates capture the variability of water use by City customers, so customers are incentivized to reduce water use independent of wastewater charges. Conservation messaging around wastewater is largely connected to the calculation of winter water use averages, with minimal water use meaning a lower wastewater bill for the year.
- A question on outreach to renters on wastewater use and calculations. Staff indicated that while the City ultimately deals with property owners as they are the entity responsible for the bill, the City provides outreach and education to all residents on wastewater.
- A clarification that if the City were to change the calculation of the City's single-family wastewater charges, specifically the fixed charges, if commercial customers would see impacts. D Dove indicated that the commercial customers would see no change. Staff further clarified that the fixed versus variable discussion would be calculated within each class, not across customer classes, as customer class is based on strength factors.
- D Dove discussed the challenges with determining fixed charges for commercial customers, and the need to have a portion of the wastewater charge related to use. However overall the recommendation is that wastewater users pay a higher-percentage fixed rate than current rates.
- A question on why the City does not charge for wastewater by monthly water use, and D Dove indicated that the charge needs to factor out irrigation use, because it is not the water use that is returning to the Wastewater Treatment Plant.
- Whether the City saw impacts to wastewater rate revenue in the most recent drought. Staff indicated that the City did not see as great an impact on the wastewater rate revenues with the drought as the City saw on the water rate revenue.
- A request that the Commission consider the development of a new customer class to reflect units that charge by the bed.

- A request that the City provide the Bartle Wells presentation for Commissioners to review.
- The importance of looking at the fixed versus variable calculations carefully, and the recommendations that any changes be done slowly.
- The request to identify how suggested wastewater rates will impact lowest 20% of ratepayers and highest 20% of rate payers to see range of impact.
- The recommendation that the City consider removing November from the calculation of the winter water use average, and a request to receive precipitation data over the last 10 years.
- The request that the City provide a timeline for the rate adjustment process with the next meeting packet.
- Requested clarification on the cap on commercial wastewater rates, which is meant to offset irrigation demand.

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

- Matt Williams: There is a flow meter at the Plant, and it would be helpful to show the inflow month-by-month to the Plant. Commissioners have asked great questions; the most important question was about water usage of single-family customers. From the data that's already been provided, the difference is 24x the water use between the top and lowest users. The calculation of winter water rates might work best if used in Chicago. The reality is that wastewater is created by people, and the best proxy is per-bed/per-person/per-dwelling, so it is important to calculate where load is in the system. It is increasing with more people in the same number of units.

No formal action was taken on this item.

B. Community Resilience Discussion.

The item was introduced by L Deos and L Kristov, who provided a presentation to the Commission on community resiliency. L Kristov indicated that he prepared a discussion around the bigger picture view of resilience, as the term is a hot-button topic in local and state politics, and means different things to different people. He added that he would also like to focus the discussion on what is specifically of interest to the Commission.

Discussion included the following:

- The question of what three things could the City do here in Davis, right now, that would have a positive effect for us here?
- That preparation is key, it's important to prepare for emergencies at the local level to ensure that you can build the resilience where you need it, close to home.
- The question of whether or not the City has memorandums of understanding (MOUs) with the school district if there are situations that go beyond the use of the City's Senior Center and Veterans Memorial Center facilities for emergencies. Staff indicated that there are guidelines around what types of facilities can be

considered as shelter in emergencies. The City has assistance from the Governor's Office of Emergency Services (CalOES), through our local Yolo County Office of Emergency Services (Yolo OES), to respond to significant emergency events.

- The need to focus on renters, as the proportion of renters is not well represented in discussions at the City level. The development of resilience in this case would include this unique population. There is a need to focus on how to get the population incentivized and empowered. There are mental health impacts related to emergencies. We need to think of ways to gain more jobs, and lower GHG emissions.
- Questions related to assets that are not available to the full community (such as privately-owned solar arrays) and how those assets could be made available to more people. Discussion also included the problems of feeding electricity from these assets into the grid. There is a trend towards massive increase in these private assets (largely driven by the electric vehicle asset). Things are changing, risks are increasing, opportunities are increasing. Consideration should be taken to inventory available assets and how they could be made available on a broader basis.
- With regard to emergency preparedness, being prepared is the essence, but it's also important to know how you should prepare. Davis is not in a high fire threat zone and is a lot safer than other communities. However wildfire could affect us if dislocated people migrate to Davis needing shelter.
- In response to a public comment, it was mentioned that City resident Larry Fisher has worked several decades to repurpose materials going to the dump, working with people with things that can be reused. A lot of the economy works on throwing stuff away - the City could create a center where people could bring materials.

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

- Kathy Grant: She indicated that it's important to focus on watershed preparedness, and she doesn't see programs that offer ways for people to think about collecting rainwater. Santa Cruz and Marin County have programs to help people redirect laundry to landscape, but there is no education from Davis on this. There should be messaging that soil health matters, watershed resiliency is needed, as we go through drought. It is important to sustain our ground water. She indicated she's new to Davis, with a house in Willowbank. She's shocked at how much driving is necessary to go to Lowes or Home Depot. Need to consider ways to get out of the car and shop locally in town; need to think preparedness so these larger stores are available. The big box stores also bring in tax dollars.

No formal action was taken on this item.

C. Update on Utility Usage and Costs for City Assets.

The item was introduced by S Gryczko, who provided a brief overview of the memo received by the Commission, which included the history of the discussion on utility power use and the transition to 100% renewable energy.

Discussion included the following:

- Questions around power procurement from the Western Area Power Administration (WAPA) as included in the memo. Staff indicated that the power generation costs for WAPA are roughly 30% lower than what the City might pay currently. However, the power distribution also has a cost. Woodland-Davis Clean Water Agency (WDCWA) does utilize WAPA power, and will return to the Commission with more information on the actual cost of power. In a response to the question of whether Council is focused on VCE at this point for the City's power needs, staff indicated it is a Joint Powers Authority (JPA) that the City is a part of. Council might not be opposed to looking at other sources of power. Staff also noted that because a large portion of the WAPA power source is hydropower, drought conditions will likely impact costs of power in the coming year(s).
- That VCE should be looking at WAPA power as one of their options for procurement. Staff indicated that they would check in with VCE to see if that has been done.
- If there is an allowance for residential properties with solar power to sell power directly to other customers. It was stated that the law is very restrictive, but VCE does have customers with excess solar power that goes into the grid, so it would be a question for VCE to consider. It was stated that the laws are currently utility-centric.
- Staff indicated that the Commission will be updated as the process moves back to Council.

No formal action was taken on this item, and no public comment was received.

D. Climate Action and Adaptation Plan Subcommittee Discussion.

The item was introduced by A Heinig, who indicated the item was a continuation of discussions from previous Commission meetings.

Discussion included the following:

- The process of establishing a subcommittee, including the establishment of an approved charter and check-ins for Commission review.
- An observation that climate plans often focus primarily on decarbonization. The adaptation piece often hasn't been interpreted or responded to in existing plans. Another way of characterizing it would be *resilience*. Should the Commission determine that a subcommittee is warranted, the subcommittee could offer input to the planning effort that would bolster what may be fairly general treatment of the adaptation piece, and offer actions related to resilience.

- An announcement that there will be a Climate Action and Adaptation Plan meeting on May 27 focusing on community resilience and equity. The Commission requested that members attending the meeting provide a report at the next Utilities Commission meeting.
- The emphasis that the City should show in documents what has been incorporated based on public feedback, and identify what comes from the community or from commissions.
- A question on why the Technical Advisory Committee established for the CAAP effort does not have public meetings.

No formal action was taken on this item, and no public comment was received.

7. Commission and Staff Communication

A. Long Range Calendar

The item was introduced by A Heinig, who outlined the updates to the long range based on the Commission discussion.

Discussion included the following:

- Recology providing a presentation in June or July, and the request that staff collect comments that Commissioners might have for Recology when they are able to present. Staff indicated that the schedule has not been determined, but staff are working to find a date with Recology.
- Added items to the Long Range including: the discussion of a possible stormwater rate credit (for properties that contain and treat stormwater on site) for single-family customers.
- Staff will work with the Commission Chair and Vice Chair to determine the best time for the community resilience discussion to return to the Commission.
- The Commission indicated by consensus that staff should plan for a recess in August.

8. Adjourn

Motion: To adjourn the Utilities Commission meeting at 8:21pm.

Moved by E Roberts-Musser, seconded by G Braun. The motion passed by the following votes:

Ayes: Braun, Cullen, Deos, Gellen, Kristov, Roberts-Musser, Troost

Noes:

Absent