



City of Davis
Utilities Commission Minutes
Remote Meeting
Wednesday, June 16, 2021
5:30 P.M.

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

Commissioner(s) Absent: Gerry Braun

Council Liaison(s) Present: Lucas Frerichs

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

Also in Attendance: Abigail Seaman and Doug Dove, Bartle Wells Associates

1. Call to Order and Roll Call

Chairperson Deos called meeting to order at 5:31pm.

2. Approval of Agenda

J Troost moved to approve the agenda, seconded by L Deos. Approved by the following votes:

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

Noes:

Absent: Braun

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

- J Troost mentioned that he had sent an update to the Commission on the upcoming workshops for the Climate Action Adaptation Plan:
 - Mobility & Energy/Buildings - Two Dates (Same Workshop)
 - July 14 at 5 p.m.
 - July 16 at 10 a.m.
 - Waste, Water & Environmental Resources (Two Dates - Same Workshop)
 - July 28 at 5 p.m.
 - July 30 at 10 a.m.
- E Roberts-Musser provided three articles for Commission review:
 - *FCC Launches Emergency Broadband Benefit Program* - Administration for Community Living
 - *Replacing the Newspaper*

- SB 99 Community Energy Resilience Act Fact Sheet

4. Public Comment

There was no public comment.

5. Consent Calendar

A. Utilities Commission Minutes – May 19, 2021

B. Potable Water Supplies and Conservation Measures Update *(Informational)*

C. Solid Waste Program Update, Senate Bill 1383 Implementation Planning and Other Current Solid Waste Topics *(Informational)*

D. Climate Action and Adaptation Plan Update, June 2021 *(Informational)*

Prior to the approval of the Consent Calendar, there was a brief discussion about the minutes of the May 19, 2021 meeting.

Item A (*Utilities Commission Minutes – May 19, 2021*): A Commissioner requested clarification of the use of the word ‘need’ in the following sentence in the minutes (underline added for emphasis): “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.” The clarification was requested on the origin of the need to factor out irrigation use, and if that was driven by regulation or policy determinations. Staff indicated that the factoring out of irrigation use is driven by State regulations, specifically Proposition 218, and the requirement that jurisdictions charge customers for a proportional fair share of the cost of the utility. S Gellen expanded on the question to ask if moving to a 100% fixed charge for wastewater would conflict with that regulation, and staff indicated it would not, as long as the amount charged to the customer factored out any irrigation use. A winter water use average would still be used to calculate the rates charged to customer classes as a whole to ensure that irrigation is factored out.

At the conclusion of the brief discussion, E Roberts-Musser moved, A Cullen seconded, to approve the Consent Calendar. Approved by following votes:

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

Noes:

Absent: Braun

6. Regular Items

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

The item was introduced by S Gryczko, outlining the item as a continuation from the previous month’s meeting, and introduced Abigail Seaman and Doug Dove, to present the Rate Setting and Scenarios discussion. The presentation was the same as provided in May, with some updates for clarity and new items for discussion.

Discussion also included the following:

- Clarification on the difference in rates for customers, specifically residential and church classifications. D Dove indicated the strength of influent is similar between the customer classes. However, the cost per hundred cubic foot (CCF) of water use is higher for a church because there is no per-unit charge as with residential charges.
- Clarification on how the cap for wastewater is set for customers. D Dove indicated the caps are often based on experience and judgement on average use per month.
- A question on why the City should subsidize users if they have water leaks during the winter months. D Dove clarified that wastewater rates need to capture the best estimate of flow sent to the wastewater treatment plant, and significantly high-water use is likely related to irrigation use, which needs to be factored out of the calculation. There are customers that do use a lot of water that goes into the sewer, but for the purposes of water conservation this is captured by the City's highly volumetric water rates.
- A question if high-water use customers should receive a separate irrigation meter. Staff indicated that for residential customers likely there would not be much of a benefit, and it would be a challenge. However, upcoming State water regulations and water use budgets will likely address some of the high-water use.
- If it would be a reasonable alternative to change the percentage of the wastewater charge from volumetric to fixed slowly over time. D Dove indicated that it was a commonly used method to adjust fixed/volumetric ratios so customers do not have spikes in bills.
- A request to see the actual impact on sample rates paid by customer classes at the next meeting, to show the specific changes in customers' utility bills in relation to fixed to volumetric percentages.
- A request to see a scenario where the fixed proportion of the rate moves up 5% each year for 5 years.
- A request to understand to what degree impacts of climate change might factor in to rate structures, and if it can be demonstrated that in times of drought or warmer weather or during times that would historically be "winter" use patterns, users are irrigating more? A Seaman indicated that as the climate changes, the more mindful the rate setting process needs to be to determine times when irrigation is not being used.
- A request to see if other communities are already exhibiting trends where climate change may have adjusted historical customer use patterns, and if anything can be learned from looking at those communities or if data can be reviewed by the Commission from those communities to see what changes might be in store for

Davis. D Dove indicated that the consultant team could look to different communities such as Australia to see what they have done with sewer billing.

- Clarification that the calculation of winter water use for residential customers is based on the prior year winter water average, and is updated annually, which would capture more quickly impacts or changes related to climate change. The assumption of the winter water use average is that it is the period of time with lowest irrigation use, however irrigation can still be used. Suggestion that the calculation could be based on three months with the lowest water consumption, rather than having a set series of months each time. Could select the months with lowest water use, or highest rainfall. D Dove indicated that Pacifica uses that model, and the City could look at that option.
- The importance of considering the “optics” of different billing practices, and creating a rate structure that makes sense to the typical user. Staff indicated that having fixed months for billing is easier for customers to understand, and varying the charge to months that are not set could be a good thing or could be challenging. Staff would also need to check in with Finance staff to determine if there is significant difficulty for the proposed type of billing shift.
- A request to understand if the wastewater treatment plant has been impacted from COVID-19. Staff indicated that there have been no substantial revenue impacts, at the plant itself. The ammonia load (a major cost factor) and excess flow from having students from UC Davis in the community did not occur because most of the students were not on campus during COVID-19.
- Staff will also check with Finance to see if commercial customers with irrigation meters could be charged for actual winter water usage, whereas commercial customers without irrigation meters would still be charged the standard fixed monthly rate (calculated with the winter water use average). Staff indicated the state is moving towards requiring separate irrigation meters for high water users.
- A question of how the City could determine the number of beds in a per-bed unit. Staff clarified that during construction of multifamily housing the developers provide the number of beds.
- If there is the ability for the City to capture renovations to single-family homes that increase capacity to a by-the-bed style dwelling. It was noted the city is moving away from allowing too many beds in single-family home renovations.
- A request to understand the value of collapsing customer classes. A Seaman indicated that it would simplify the structure, and allow some flexibility within the classes. As a disadvantage, some customers might pay higher rates.
- A request to see the impact of the proposed multifamily by-the-bed calculation on existing multi-family property wastewater rates.
- An appreciation from staff on the discussion of the item, and a clarification that the proposed rates wouldn't include actual numbers until the questions of the Commission were better understood. With those clarifications, and the issues

raised at the meeting, staff and the consultant will come back with numbers and work with the Commission for recommendations.

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

B. Long Range Calendar Review.

The item was introduced by A Heinig, who outlined the two planning documents of the Commission, the Long Range Calendar (Item 7A in the packet) and the annual Workplan. With the recent update of the Workplan in March, the Commission was asked to review the Long Range calendar to see if there are items to remove, revise, or reprioritize for an upcoming meeting.

Discussion included the following:

- **To Remove:**
 - BrightNight Lease
 - *Discussion:* The lease has been approved, however the item is not yet completed, as the lease option is for 5 years. The developer has 5 years to exercise the option. Consensus to remove from the calendar unless or until there is a decision by the developer to move forward.
 - Alternative Uses for Overland Flow and Pond Areas Located at the City's Wastewater Treatment Plant
 - *Discussion:* Requested to understand if still ongoing. Staff indicated that there is not a lot occurring right now, except for two ponds anticipated to receive recycled water – the property could be used for BrightNight developer if they put forth a project for consideration. Consensus to remove.
 - Examine Building City Bio Digester vs. Use of County Biodigester
 - *Discussion:* In response to a question on the status of this item, staff indicated that the City has not looked at building an additional digester, and has no plans to do so based on current Council priorities. Rather, staff is working with the County to best utilize digester assets. Consensus to remove.
 - Organics Processing Facility Feasibility Analysis
 - *Discussion:* In response to a question on the status of this item, staff indicated that while the item is not completed, the City is waiting on UC Davis to complete their review. Staff indicated that there is no known timeline for next steps. Consensus to remove.
 - Best Practices for Utilities Contracting
 - *Discussion:* In response to a question on the movement of the topic, staff indicated that the item was waiting for Commission action. While an important topic to consider, the topic is not within the

Commission's identified priorities at this time, and could be brought back for discussion in the future. Consensus to remove.

- o Fiscal Year 2020-2021 Budget
 - *No discussion.* Consensus to remove.
- **To Retain:**
 - o Sewer Capacity Fee
 - *Discussion:* In response to a question of whether or not the effort had been completed, staff clarified the item is not yet complete.
 - o Electrify Yolo
 - *Discussion:* Installation of EV Charging stations within Davis. Staff are in the process of working with a consultant to develop construction drawings for the installation of charging stations. Likely will return to the UC for discussions around what fees to charge for the use of the chargers.
 - o On-street Yard Material Collection Program
 - *Discussion:* Returning to UC if the City Council would like to recommend changes to the collection schedule, otherwise would return to the Commission as an informational item.
 - o Long Term Strategy of Utility Services
 - *Discussion:* Could be revisited periodically as needed.
- **To Reprioritize:**
 - o Community Resilience Strategies
 - *Discussion:* Shown to be a priority to the Commission, with a need to develop specific objectives for the balance of the year to accomplish more than good conversation. Would like to get specific about activities and the time to devote to the topic. Suggested that the formation of a subcommittee to undertake work on the Commission's specific interest on community resilience would be of benefit.
- **To Add:**
 - o Senate Bill 1383
 - *Discussion:* Coming to commissions in July and August. Staff is working on draft implementation plan for SB 1383 for the Commission to review in September.
- In addition to the removals, reprioritizations and additions, staff was also directed to reformat list of items to track and rename 'Commission Activities' to 'Special Projects.'
- The 'Tracking and Periodic Check-in' section was also highlighted, and the inclusion of a review of that section each meeting was requested.

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

C. Climate Action and Adaptation Plan Community Resilience & Equity Workshop Debrief.

The item was introduced by A Cullen, who provided a brief overview on the background of the Climate Action and Adaptation Plan (CAAP) effort, and information about the community meeting on Resilience and Equity held on May 27, 2021.

Discussion included the following:

- Calculated greenhouse gas inventory in Davis is broken down in the following areas: Utilities (4% water, 3% solid waste, 1% wastewater) remaining 18% in building energy and 74% in transportation.
- Identified themes in the workshop raised by residents – transportation, housing (especially rental housing) and a focus on systemic benefits rather than individual benefits. Presence of youth leaders.
- Workshops coming up that are relevant to utilities – two in July focused on environment, with updates to be provided after those workshops.
- Community equity & inclusion: observed that the previous policies have not been focused on reaching out to marginalized communities that have been proportionately impacted.
- The need to reach out to community members that are not actively engaged with the City or City policies, to understand more fully who the City is contacting for responses to city surveys.
- Focus should be on local job generation, and making remote work as feasible as possible.

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 S Gryczko, who outlined the next few months for the Long Range calendar, and stated that until told otherwise by the City Manager, remote Commission meetings will continue.

Discussion included the following:

- A request to establish a subcommittee for the Community Resilience discussion in July, rather than wait until September for the item to be discussed again. Staff indicated that based on the expressed priority of the Commission, the Wastewater Cost of Service Study could be shifted to September, to have time in the July meeting for the Community Resilience discussion.

- J Troost expressed that topics to be shared with multiple Commissions, including the UC, should be highlighted for Commissioners when the meeting packets are released.

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