



**City of Davis**  
**Utilities Commission Minutes**  
**Community Chambers Conference Room, 23 Russell Blvd., Davis CA 95616**  
**Wednesday, June 21, 2023**  
**5:30 P.M.**

Commissioners Present: Steve Gellen (Chair), Julie Knudsen (Vice Chair), Gerry Braun, Lorenzo Kristov, Elaine Roberts Musser, Johannes Troost

Commissioner(s) Absent:

Council Liaison(s) Present: Bapu Vaitla

Staff Present: Stan Gryczko, Director - Public Works Utilities & Operations  
Adrienne Heinig, Assistant to the Director

Also in Attendance: Stan Gryczko, Director - Public Works Utilities & Operations  
Adrienne Heinig, Assistant to the Director

---

**1. Call to Order and Roll Call**

The meeting was called to order by Chairperson Gellen at 5:30pm.

**2. Approval of Agenda**

G Braun moved to approve the agenda, seconded by J Knudsen. Approved by the following votes:

Ayes: Gellen, Knudsen, Braun, Kristov, Roberts Musser, Troost

Noes:

Absent:

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

- S Gryczko provided updates on Council action the previous evening, including commission appointments. However there were no appointments to the Utilities Commission. He indicated that the City Clerk's Office would be reaching out to Commissioners at the end of their terms to request they extend their term to allow for additional recruitment. He said that J Troost was leaving for the Planning Commission, and the approval of the City budget is on the

agenda for June 27. Staff indicated they would send the budget out to the Commission once approved.

- E Roberts Musser provided one article for Commission review.

#### 4. Public Comment

No public comment was received.

#### 5. Consent Calendar

A. **Utilities Commission Minutes** (Meeting: April 19, 2023)

B. **Utilities Commission Minutes** (Meeting: May 17, 2023)

G Braun made a motion to move the Consent Calendar, seconded by J Knudsen, with J Troost noting an abstention for the minutes for May. Approved by following votes:

Ayes: Gellen, Knudsen, Braun, Kristov, Roberts Musser, Troost

Noes:

Absent:

Abstain: Troost (May minutes)

#### 6. Regular Items

##### A. Establishment of Subcommittee on Energy Generation/Storage Priorities for the Climate Action and Adaptation Plan (CAAP)

The item was opened by Councilmember Vaitla, who provided a brief overview of the request to have the Commission form a subcommittee on energy, specifically to look at energy generation and storage priorities. He indicated Council would like to understand what kind of public educational materials would be needed, along with what type of process would be recommended. He added that it would be helpful to understand how energy generation and storage could interact with grants and priorities that came out of the Climate Action and Adaptation Plan. Councilmember Vaitla wanted the Commission subcommittee to look at two main issues: 1) What is the quickest way to get the most out of storage demand met through clean sources; 2) What viable short term pilot project could be implementable on a scale that is palatable for the neighborhood.

Discussion of the Commission included:

- How the work of the subcommittee could be related to the work of an existing subcommittee on resiliency. After some discussion it was determined that two separate subcommittees would be preferable.
- Clarification that the objective of reviewing energy generation and storage would be to ensure off-peak energy demands could be from clean resources as much as possible, building resiliency in any project.
- A request to understand what would comprise a viable short-term pilot, with a palatable scale (both physically and financially), something that could be scaled up in the future.

- Staff indicated that there were studies underway to look at utility distributed energy resources, and that these projects that could be used to demonstrate some of the technologies.
- Interest from Commissioners on the vision of the City's overall energy approach, including how the city might engage regularly/meaningfully in collaborating with Valley Clean Energy (VCE), with a priority on spending money within the community to benefit the community.
- The desire for Commissions to help in piecing together the implementation steps for projects within the CAAP to move forward.
- The comment that a number of cities around the State are looking at how to participate in the state-wide movement for local energy assets.

**Motion:** To form an Energy Subcommittee comprised of Lorenzo Kristov, Julie Knudsen and Gerry Braun.

Moved by S Gellen, seconded by J Knudsen. The motion passed by the following votes:

Ayes: Gellen, Knudsen, Braun, Kristov, Roberts Musser, Troost

Noes:

Absent:

*No public comment was received on this item.*

At the close of the discussion on Item 6A, J Knudsen moved, seconded by J Troost, to hear Item 7 next. The motion passed by the following votes:

Ayes: Gellen, Knudsen, Braun, Kristov, Roberts Musser, Troost

Noes:

Absent:

## **7. Subcommittee and Liaison Assignment Updates**

The Utility User Tax subcommittee members provided an update, outlining the tremendous amount of research undertaken, and that they have an understanding of the background of the UUTs, and potential cost to implement. A challenge in reviewing programs is the infrequency of new UUTs, as most have been first established since the 1990s, based on then current property tax changes. Newer actions on UUTs have consisted of renewals or updates rather than first time implementation. The subcommittee will prepare a report for an upcoming meeting, and will have areas highlighted to get feedback from the commission.

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

**B. Stormwater Utility Financial Update & Rate Adjustment Recommendation  
Establishment of Subcommittee on Utility User Tax.**

The item was opened by A Heinig, who along with S Gryczko provided a presentation on the financial status of the City's Stormwater Utility for fiscal year 2022-2023, the first financial update for this particular utility presented to the Commission. The presentation also included the request for the Commission recommend to Council to adjust stormwater rates by an increase of 3% in August, as an annual adjustment is built in to the approved rate structure.

Discussion of the Commission included:

- A request to receive the adopted budget document with the capital improvement project (CIP) worksheets for stormwater projects.
- Further detail was provided on the delineation between fund types within each Enterprise fund (operations funding from the 541 Fund, capital from the 542 Fund and development impact fees in the 543 Fund).
- The challenges associated with the first year of assessment of the fund, and the future development of firmer estimates related to budget, revenue and capital improvement project costs.
- Whether or not the capital improvements would reduce the amount of labor necessary for program operations. Staff indicated that while efficiencies may be achieved in the short-term, it's unlikely that the savings would be significant as any redundant staff time could be reallocated to other high priority efforts.
- Regulatory requirements around stormwater discharge, and the associated costs for infrastructure improvements related to regulatory obligations.
- Clarification that wildlife using the stormwater drainage pipes for travel generally does not cause issues related to flooding, whereas wildlife in storm channels or detention basins can cause challenges with water flow.
- Clarification that the request to adjust rates by an increase of 3% for the year is not related to a cash flow problem, rather the expectation built into the original study that the concentration of capital projects in the early years of the revised revenue term would require regular adjustments. Staff indicated that expenditures will continue to outpace revenue receipts as the large projects get underway.
- The current working capital within the stormwater fund is the result of a loan from the water fund for the benefit of getting a jump start on planning for the capital improvement projects, especially with respect to opportunities to obtain grant funding once designs are in place.

**Motion:** Recommend to the City Council that the annual rate adjustment for the Stormwater Utility be implemented at an increase of 3% for the year, with the adjustment occurring on August 1, 2023.

Moved by E Roberts Musser, seconded by J Troost. The motion passed by the following votes:

Ayes: Braun, Gellen, Knudsen, Kristov, Roberts Musser, Troost

Noes:

Absent:

*No public comment was received on this item.*

**C. Integrated Water Resources Study Draft Review Commission Liaison Appointment Request.**

The item was opened by S Gryczko, who outlined the work underway to update the City's 2013 Integrated Water Resources Study (IWRS), and present the draft findings to the Natural Resources Commission for review and feedback. As elements of the IWRS will include recommendations for capital expenditures, it is likely that there will be impacts on the cost of the water utility, so a representative of the Commission would be an important contribution to the discussion. After a brief back and forth regarding the timing and expectations of the role, it was determined that more time was necessary for Commissioners to consider the request, and as the timing of the IWRS discussion at the NRC was not finalized, Item 6C was tabled to the next available meeting.

**8. Commission and Staff Communication**

**A. Long Range Calendar**

The item was introduced by S Gryczko. Discussion included the addition of both the report out from the UUT Subcommittee, and the liaison to the NRC for the Integrated Water Resources Study item to the next agenda.

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

**8. Adjourn**

The meeting was adjourned by consensus at 7:06 p.m.