

UTILITY ADVISORY COMMITTEE



Meeting Highlights -- Tuesday, February 10, 2009

Committee members Present: Susan Abbott; Art Reker; Sharon Schilling; Laura Whitehouse; Deena Monteiro; Sarah Valasquez; Allan Schroeder; and John McCubbin (on the phone).

1. Welcome

Sharon Schilling, UAC Chair opened the meeting, welcomed everyone and asked each group member to introduce themselves to the new member Susan Abbott. Ms. Schilling then asked Ms. Abbott to introduce herself.

Sarah Rubin, the Center for Collaborative Policy (CCP) facilitator, walked the group through the meeting agenda.

Ms. Schilling asked the group if they had received their form 700 from the City; Robert Andersen, City of Fresno, clarified that each member should fill out a form 700.

Ms. Schilling shared two newspaper articles regarding water conservation with the group.

2. Review January 13, 2009 Meeting Highlights

Ms. Schilling asked the group to review the January 13th meeting highlights. The group did not have any comments on the meeting highlights.

Ms. Rubin informed the group that the final version of the UAC charter was including in their packets for their reference.

Ms. Rubin explained that the topic of drought water rates had been added to the work plan for March, and since the meeting dates had be finalized, CCP removed the word "proposed" from the work plan.

Ann Kloose, City of Fresno, announced that the tours the City had previously scheduled needed to be rescheduled. Ms. Kloose asked the group to provide preferred dates. The group agreed that Tuesday and Thursday morning would be the best time to conduct the tours.

3. Recap of Action Items

Christal Love, CCP, walked the group through the status of the action items.

4. UAC Member Recruitment

Ms. Rubin communicated to the group the steps she had taken since the last meeting to help recruit members to fill the vacant UAC seats.

Jackie Grazier, Jeffrey Scott Advertising (JSA), presented an update on the public service announcements (PSAs) that were run on local radio stations. She explained that 83 PSAs have been run at no charge to the City. Ms. Grazier presented a handout that outlined when the PSAs were run and where and explained the history of the PSA process. The group agreed that it would be a good idea to continue to run the PSAs. In addition to the PSAs, the group agreed that press releases should be sent to local elected officials. CCP suggested following up with phone calls and a half sheet informational flyer as well.

5. Process with Metered Rates

Mr. Andersen announced that a water meter consultant would be making a presentation at the March meeting and would be available to answer any questions that the City could not.

Mr. Andersen presented a general overview of the water meter process; saying that the City of Fresno was under a Federal Mandate to be fully metered by 2013. He explained that the City is in the process of putting out contracts, and have short listed 4 meter vendors. The City tried to stay revenue neutral while setting meter rates.

Ms. Kloose remarked that the reason it is so hard to estimate the metered rate is due to the fact that the City is trying to project use quantities. There was a discussion about whether it is possible to extrapolate the use amount from the City's total water usage. Mr. Andersen said it was not because the total amount includes the industrial rates. Mr. Andersen stressed that City of Fresno residents are not used to thinking about water use in terms of rates.

The group discussed how the senior discount would or would not be present in the proposed water meter rates. Mr. Andersen clarified that the senior discount would be applied to the three-tiered rate.

Ms. Schilling asked if the City would have to go through a Proposition 218 process to set new rates. Mr. Andersen explained that the Proposition 218 process currently being done is to get the water meters in place. The next Proposition 218 will be on the next five year rate plan.

Mr. Andersen explained that the CUWC recommends 70 percent of each household's water bill should be solely from usage. The City is currently at 53 percent, and would need to work up to 70 percent.

Deena Monteiro asked if there was any way residents could be warned of their water usage before the metered rates went into effect. Mr. Andersen replied that this is where the volunteer program comes into play. He said that residents would be able to find a household that is similar to theirs among the volunteer households and estimate their water usage that way. Ms. Kloose stated that it might be possible to have the first water bill after the meters are installed disclose how much the bill would be if the metered rate was applied.

Ms. Schilling asked if there would be additional charges if a person's house caught on fire. Henry McLaughlin, City of Fresno, replied that the Water District already has a fire protection charge built into it.

Laura Whitehouse asked if the City had a strategic marketing plan for the public outreach, and wondered how extensive it was going to be. Ms. Kloose described the City's public outreach plan, and stated that JSA would be working closely with the City to implement the plan. Ms. Whitehouse said she was glad, and stressed the importance of public outreach. Ms. Rubin also noted that CCP had time budgeted in their contract to work with the City and JSA on public outreach.

John McCubbin requested more discussion on the 30-70 conservation percentage split.

Break

The group took a ten minute break.

6. Process with Metered Rates Continued

Ms. Kloose explained that the City will be working with JSA on a water conservation campaign. Ms. Kloose gave a brief overview of the drought status, and committed to sending all drought new releases to the UAC members as they are released. Ms. Rubin mentioned that CCP will include information from the City in the March read-ahead email. Ms. Kloose remarked that in order to increase water use efficiency the City would need to hire additional enforcement officers.

Ms. Rubin asked if the group was ready to vote on the metered rate process, Allan Schroeder requested the group wait until after the consultant presentation at the next meeting.

Mr. McCubbin stated that he felt chapter 9 in the Urban Water Management Plan was deficient and needed greater detail regarding water conservation. Mr.

Andersen suggested that the UAC include recommended improvements to charter 9 in their report.

7. Consumer/Utility Price Index/Next Proposition 218

John Watkins, City of Fresno, led the group through the CPI/UPI discussion. He explained that for a smaller utility, indexing could make sense, but that it would not be best management for a large utility. Ms. Monteiro asked that the group include a discussion of why pricing index was recommended in the previous UAC report. There was full consensus amongst group members not to recommend a price index.

8. Unfinished and New Business

The group continued to discuss metered rates. Mr. Watkins explained the overview of residential water rate structure options table; outlining the differences between the various options. He confirmed the desirable attribute for the chosen option would consist of the following:

- Equitable and cost based
- Encourage conservation
- Provide revenue stability from month to month and year
- Easy to understand, from the customer's perspective
- Easy for the utility to administer

The group discussed the effect tiered pricing would have on residents who depend on lifeline pricing. Ms. Grazier suggested doing a specific outreach campaign targeted at lower income residents.

9. Public Comments

None

Adjourn

Additional Attendees:

Jackie Grazier, Jeffrey Scott Advertising
Erica Franco-Cabrera, Cynthia Sterling Office
Ann Kloose, City of Fresno
John Watkins, City of Fresno
Robert Andersen, City of Fresno
Sara Gerster, City of Fresno
Henry McLaughlin, City of Fresno
Sarah Rubin, CSUS, Center for Collaborative Policy
Christal Love, CSUS, Center for Collaborative Policy