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## Meeting Highlights -- Tuesday, January 13, 2009

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Committee members present: Sharon Schilling; Chair; Arthur Reker; Sarah Velasquez; Deena Monteiro; Allan Schroeder. Committee members absent: John McCubbin

### 1. Welcome

Sharon Schilling opened the meeting, welcomed everyone and asked each group member to introduce themselves to the new member Laura Whitehouse. Ms. Schilling then asked Ms. Whitehouse to introduce herself.

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

### 2. Review December 9, 2008 Meeting Highlights

Ms. Schilling asked the group to review the December 9th meeting highlights. The group did not have any comments on the meeting highlights. Ms. Rubin explained that the November meeting highlights have been revised and asked the group to replace the old version in their binder with the newer one. A question was raised about how much of the past meeting materials need to be saved; the group agreed that it would be up to each person. Ms. Rubin said that CCP would provide new members with the materials from the November and December meetings.

### 3. Recap of Action Items

Sharon Schilling, UAC Chair, walked the group through the status of the action items. In regards to item 7 "Review past City Council minutes to asses response on last years UAC Report. Robert Andersen, Assistant Director, Department of Public Utilities (DPU), clarified the reason behind the seeming lack of response from the City Council. He explained that last years report went to the City Council as part of a tray memo. He suggested that the UAC get on the City Council agenda and make a presentation of their recommendations this spring. The group agreed. Mr. Andersen offered to bring the idea up to the City Managers Office.

#### Four Stages of Drought Preview

Brock Bucke, DPU, presented the water storage contingency plan to the group. According to Mr. Bucke, the plan allows the City to quickly react to an emergency water shortage. There are four stages of water supply shortage. Prior to 2004, all of the city's water supply need was met with groundwater. The city's water production plant began operating in June 2004. The water production plant supplies 13% of the total water consumed.

Mr. Bucke explained that the four stages begin at stage 1 (lowest drought risk) to stage 4 (highest drought risk). The city is currently about to move from stage 1 to stage 2. Mr. Bucke indicated that there are a number of issues that can cause a water shortage. Ms. Schilling asked who declares the level of drought; Mr. Bucke replied that the City Council has that responsibility and would do so in a resolution.

Ms. Schilling asked a question about the way water rates are structured during the various stages of drought. Mr. Bucke informed the group that the way the Urban Water Management Plan is structured, the City would use the reserves to offset the lost revenue during a drought first, but that there would be an increase in the rates as the drought increased through the stages. This is necessary because the more severe the drought and necessary water conservation, the greater the loss revenue. The UAC discussed options the City could undertake to save money during a drought, and the importance of conveying that information to the public. The group agreed to review the four stages of drought and water shortage contingency plan handouts and be prepared to discuss at the next meeting.

#### **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.

#### **5. UAC Charter Renewal**

Ms. Rubin asked members to pull out the "UAC Mission and Guidelines" document which is sometimes referred to as the group's charter. She explained that there were two different version of the charter. The version in track changes illustrates all the changes made since the original version. Ms. Rubin indicted that the items in blue were pieces that the group had general consensus on; the text in green was open for discussion. Ms. Rubin mentioned that the group had reordered the priorities and announced that the group would need to decide on the meeting date. Arthur Reker suggested changing "directors" to "committee members". The following group members promoted the Tuesday meeting day: Ms. Schilling, Mr. Reker, Mr. Schroeder, Ms. Velasquez and Ms. Whitehouse. Ms. Monteiro agreed to Tuesday, but asked that the group be flexible for potential changes if necessary. Mr. Reker suggested that the additional meetings could be on a day other than Tuesday. The group voted with 100% consensus on the adoption of the charter.

#### **6. Public Service Announcement Update**

Jackie Grazier, JAS, presented revised UAC Public Service Announcements (PSAs) to the group, and passed out the most recent Service Line insert. Ms. Grazier remarked that she had gotten a URL alias to post information about the UAC geared to the public. She mentioned that people could now download an application to be part of the UAC. Ms. Grazier announced that Ms. Schilling would be recording the PSA the next day. Ms. Grazier explained that the reason for the three different PSAs was because different radio stations prefer to run the PSAs at different lengths. There was consensus support for the text of the PSAs.

**Break**

The group took a ten minute break.

## **7. Public Outreach / PIO / Water Meter Project**

Mr. Andersen reported that the public outreach meeting for the volunteer program that was held the previous Wednesday had a good turnout. He stated that approximately 70 families had water meters installed at their homes. He stated that there was going to be another meeting on January 29th for the non-volunteer group of water meter boxes.

He outlined the next steps the City will be undertaking in regards to seeking a vendor for the city's water meter boxes:

- A pre-proposal to water meter vendors in February 2009 (the proposal deadline is January 22nd 2009).
- The demonstrated project will take place in February 2009; there would be approximately 10 locations for each meter vendor. The City will make 10 boxes available to each of them.
- The City would be testing half of the boxes with water, dirt, and a galvanized lid to simulate a garbage can.
- After the demonstration project, the City is planning to shortlist those who qualify and accept bids for both mobile and direct or fixed systems.

In regards to future utility bills for water, Mr. Andersen explained that residents with metered rates would not necessarily incur higher water bills. He informed that group that he had taken the City of Clovis's meter rates as an example and applied those rates to City of Fresno water usage. The anticipated cost with the metered rates would range from 9 dollars to around 30 dollars.

## **8. Consumer/Utility Price Index**

John Watkins, DPU, presented a price index handout to the group. He explained that when using a price index, you are not calculating what the rates should be; you are taking an index of a variety of prices and in essence putting your rates on cruise control. Mr. Watkins explained that this way of setting rates works best if there are not any unexpected events.

Mr. Watkins informed that group that very few utilities use a CPI index. The research has shown that if a utility wanted to use an index, the UPI would be better than the CPI. However, using a five year rate structure may be more accurate. Ms. Rubin suggested discussing the CPI and UPI at the next meeting after the group had additional time to review the handout materials.

## **9. Next Proposition 218**

Mr. Andersen informed the group that they would be sent the Metered Rate Structure Report before the next meeting. He stated that the UAC had until May/June to make their decision on the recommendations. Ms. Rubin suggested CCP add the drought rate structure to the next version of the work plan.

## **10. Process with Metered Rates**

See above

## **11. Unfinished and New Business**

Ms. Rubin confirmed the following changes to the work plan:

- Confirm the Tuesday nights (remove proposed).
- Add drought fees in March 10 (meeting five).

## **12. Public Comments**

Fred Phifer asked the UAC where the 70 million needed to install the water meters would be coming from. Mr. Andersen replied that the needed funds were built into the current rate increase and a bond with a 20 year life span.

## **Adjourn**

### **Additional Attendees:**

Robert Andersen, City of Fresno

John Watkins, City of Fresno

Ann Kloose, City of Fresno

Jackie Grazier, Jeffrey Scott Advertising

Nora Laikam, City of Fresno, Department of Public Utilities, Water Meter Outreach

Fred Phifer, general public

Sarah Rubin, CSUS, Center for Collaborative Policy

Christal Love, CSUS, Center for Collaborative Policy