

UTILITY ADVISORY COMMITTEE



Meeting Highlights -- Tuesday, April 14, 2009

Committee members Present: Sharon Schilling, Sarah Velasquez, Laura Whitehouse, Deena Monteiro, Art Reker, Allan Schroeder, John McCubbin and Nick Webber.

1. Welcome

Sharon Schilling, UAC Chair, opened the meeting and welcomed the newest UAC member Nick Webber. She explained that Mr. Webber would be observing for the remainder of this UAC term, and will begin full participation in the fall.

2. Review of March 10 and March 24 2009 Meeting Highlights

Ms. Schilling asked the group to review the draft March 10th and March 24th meeting highlights. The group pointed out a typo in the March 24th meeting highlights.

3. Recap of Action Items

Christal Love, Center for Collaborative Policy (CCP) reviewed the action item list. The group discussed sending the meeting highlights to City Council Members and the Mayor; ultimately deciding that CCP should send the meeting summaries to City Council Members on behalf of the UAC.

4. Metered Rates Recommendation

Sarah Rubin, CCP, asked the group to review the metered rates recommendation text from the March 24 meeting.

The group discussed the difference between the text proposed by CCP and the text proposed by John McCubbin. Ms. Rubin explained the steps she took to develop the 3 options; adding that she attempted to be true to what the group had come up with March 24.

Robert Andersen, City of Fresno, reiterated that the City was legislatively required to go to a metered rate. The City of Fresno receives water from the [federal] Central Valley Project; therefore, all meters must be installed by January 2013 or the city could lose their CVP water allocations and risk their future water rights. Beginning in January 2010, every household with a water meter will need to be charged a volumetric rate. Mr. Andersen reiterated that regardless of which structure is chosen, the City will need to do a prop 218.

Ms. Rubin asked the group to vote on which option they preferred:

- Option 2: Ms. Schilling, Art Reker, Allen Schroeder, and Deena Monteiro
- Option 3: Laura Whitehouse and Sarah Velasquez
- Decline to Vote: Mr. McCubbin declined to vote and explained that he felt that option 1 and 2 did not say anything, and lacked a reference point.

Consensus: Ms. Rubin congratulated the group as At a high level there was general consensus on the following position:

- Recommend implementing a [volumetric] uniform rate structure 1/1/2010

Drought Surcharges

Picking up where the group left the conversation March 24, 2009, Ms. Rubin began by asking a point of clarification; did the group want to include commercial in the interim drought surcharge recommendation? The group discussed this concept at length, and decided to use the wording “all DPU customers” when referring to who should share the drought surcharge.

After further in-depth discussion the group coalesced around the following language:

In the event that the City Council determines there is estimated to be reduced water supply available so as to constitute a drought:

From January 1, 2010 through January 1, 2013 all DPU customers should share the drought surcharge.

Drought surcharges, which are revenue neutral, will continue until the City Council determines there is an end to the reduced available supply and/ or drought conditions.

The UAC recommends the City move toward a conservation oriented drought surcharge after January 1, 2013 to incentivize reduced water usage appropriate to the given drought conditions.

Consensus Vote:

All UAC members voted yes on the language above, with the exception of Mr. McCubbin who stated that he preferred to go with the staff recommendation.

5. Solid Waste Impact Fees

Bill O’Brian, City of Fresno introduced the topic of solid waste impact fees.

Ms. Schilling explained that the City has frozen developer impact fees until January 2011. (For more on this topic see City of Fresno press release 12/29/08.) She stated

that the UAC needed to consider recommending these fees in the 2009 report to the City Council, so that when the Council is open to considering them the UAC recommendation will be in place.

Mr. Reker clarified that they would be calling for an enactment not reinstatement of the fees (as there are not currently and have never been any solid waste impact fees).

The group came up with the following recommendation text for consensus:

At the earliest opportunity developers will be required to pay solid waste impact fees sufficient to cover the cost of new services in addition to their existing impact fees.

There was full consensus on the text above.

6. Reserve Policy

Mr. Andersen explained that the goal of this agenda item is to decide if the City should have these reserve policies on the books. He explained that when the next UAC comes onboard, there will be new rates to consider. Those rates could include a built-in reserve. He explained that the group will hear a presentation at the next meeting on reserve policies.

Ms. Kloose explained that the City is looking for a number of days of reserve funds, not a specific dollar amount. Mr. Andersen added that the City has several different types of reserves and that the bond rating is tied to a reserve policy. Mr. Reker added that he joined the UAC to make sure the City adopts a reserve policy and a good formula.

7. Unfinished and new business

Ms. Rubin asked the group if this was an appropriate time to discuss water meter rate structure goals. The entire group felt that this was a moot point. Ms. Whitehouse suggested putting the goal of each agenda item on the meeting agenda itself to enhance clarity.

UAC Summer Public Outreach

Ms. Love explained that CCP had met with City staff and JSA to discuss the option of conducting UAC public outreach during the summer as a way of educating the public about the UAC, the contents of their report, and the water meter process. Some members of the group were interesting in being a part of the outreach process, some were not. CCP agreed to further develop the concept using the suggestions they received from the group members and bring a refined version back to the group at a future meeting.

Meeting Schedule

Ms. Schilling explained that she will be out of the state on May 12, and therefore unable to attend the UAC meeting on that day. She suggested meeting during the May 19th date instead. The group discussed the various options, and decided to continue to meet on May 12th, and then decide on that day whether to meet on May 19th.

CCP committed to send the UAC members draft report text on or before May 12th for their consideration.

8. Public Comments

There were no public comments.

Adjourn