



SPECIAL MEETING AGENDA

Utilities Advisory Committee

May 16, 2019 at 5:00 p.m.

Civic Center
Municipal Utilities and Engineering Conference Room
35 Cajon Street, Suite 15A
Redlands, CA 92373

I. Introduction

II. UAC Roles & Responsibilities

III. Tentative Meetings Schedule 3

IV. Water/wastewater Operations

- Report on Redlands Water System (Supply, Treatment, and Distribution)
- Report on Wastewater System (Collection and Treatment Plant)

V. Rate Study Overview – Brief Synopsis of Utility Rates and Rate Study Process

V. Committee Member Comments

VI. Public Comment - *(for items not listed on this agenda, but within the jurisdiction of the Committee. Note that no general discussion of such items, or action on such items, may be taken by the Committee. At this time, the Committee will provide an opportunity for the public to address them on any subject which is not scheduled on this Agenda but is within the jurisdiction of the Committee. Comments are limited to three (3) minutes).*

VII. Adjourn

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I. Introduction

The first 2019 Utilities Advisory Committee (UAC) meeting was called to order at 5:01 pm on Thursday, May 16, 2019, with a full quorum of committee members consisting of Jonathon Corbridge, Richard Corneille, John James, Ernest Marquez, Jr., Michael Ten Eyck, Christine Roque, and Richard Smith. City of Redlands staff present consisted of Municipal Utilities and Engineering Director Paul Toor, Utilities Operations Manager Kevin Watson, Senior Project Manager Ross Wittman, Water Resources Specialist Cecilia Griego, and Assistant Finance Director Farrah Jenner. Guests present were Dennis Bell, Carol James, Andy Hoder, and Louisa Amis.

Mr. Toor introduced himself and provided an overview of the City's organization and briefly described City departments and functions. He provided an overview of the City's water and wastewater systems, water distribution and treatment operations, and water supply sources. A synopsis was provided of the UAC's inception, and its continued need to review and recommend to City Council water and wastewater service rates. Mr. Toor introduced the rate study consultant, Sudhir Pardiwala with Raftelis Financial, who will attend the next UAC meeting. Mr. Pardiwala has conducted the City's water/wastewater rate studies for the past 20 years.

A few housekeeping items and a roundtable introduction followed with a request for members to schedule a tour of the wastewater treatment plant to help gain an understanding of the wastewater processes.

II. UAC Roles & Responsibilities

Mr. Toor reiterated the responsibility of the UAC is to review the City's water and wastewater rates, water and wastewater budgets, and to provide a recommendation of rates to City Council. UAC membership is for two years, and although the rate study is not anticipated to last for that duration, the UAC would reconvene should City Council desire additional review.

The committee was asked to nominate one of the members to be chairperson and vice chairperson for the committee.

A motion to approve Mr. James as the Chairperson for the Utilities Advisory Committee was made by Committee Member Corneille, seconded by Committee Member Ten Eyck, and approved unanimously.

A motion to approve Mr. Ten Eyck as Vice Chairperson for the Utilities Advisory Committee was made by Committee Member Corneille, seconded by Chairperson James, and approved unanimously.

Utilities Advisory Committee

SPECIAL MEETING MINUTES (Meeting #1 on May 16, 2019)

III. Tentative Meetings Schedule

The group discussed the best meeting day and time that worked for most was 6:00 pm on Thursdays. The following meetings were agreed upon and a quorum established, and therefore considered regular meetings:

1. **Thursday, May 30 at 6:00 pm**
2. **Thursday, June 13 at 6:00 pm**

The above meetings would only be considered special should either need to be canceled and rescheduled. Additional meeting dates will be proposed to the group following the meeting and further coordination with the consultant. Concerning individual WWTP tours for members, all were invited to coordinate through Ms. Weathers, but that no more than three members would be allowed per tour to remain in compliance with the Brown Act.

IV. Water/Wastewater Operations

- Report on Redlands Water System (Supply, Treatment, and Distribution)

Mr. Toor outlined the City's water distribution system noting a good portion of the water main were installed between 1900 and 1969, and the majority of the water main made of asbestos concrete pipe. Since 2014, water pipeline replacement projects have occurred about every other year and coincided with the Pavement Accelerated Rehabilitation Implementation Strategy (PARIS) program. Regarding non-potable water main, a map was shown that identified non-potable pipe installations throughout the City from 1956 to present, and a separate map was shown with installations since 2014.

- Report on Wastewater System (Collection and Treatment Plant)

A map was shown that identified sewer main installed 1910 to present, and a separate map was shown with the sewer main installed since 2014.

Mr. Toor provided a brief overview and history of the construction of the City's WWTP, collection system, capacity, treatment, equipment and regulatory updates, renovations over the last six decades, discharge requirements and the plant's present-day status. The plant is faced with challenges of maintaining outdated equipment that have exceeded their life expectancy and lack redundancies while remaining in compliance. Through a parallel effort, staff is working with a consultant for the design and preparation of the environmental documents associated with potential plant upgrades. Staff is also identifying potential funding sources for the potential project. Before the City can award a contract to perform any necessary plant upgrades, financing must be in place.

V. Rate Study Overview – Brief Synopsis of Utility Rates and Rate Study Process

Utilities Advisory Committee

SPECIAL MEETING MINUTES (Meeting #1 on May 16, 2019)

A synopsis of the utility rates and rate study process was provided by Mr. Toor. It is expected the committee will provide a recommendation of the water and wastewater rates following an in-depth review of the rates. Per the City's municipal code, rates are to be equitable and easily understood. Upon recommendation of rates to City Council, staff will request authorization to proceed with notifications in accordance with Proposition 218 requirements. If City Council approves the recommended rates, the public notice process/period will begin and be finalized with City Council conducting a public hearing for adoption of the recommended rates.

Questions from the members or the general public regarding the rate study may be coordinated and directed through Mr. Wittman and Ms. Weathers.

V. Committee Member Comments

Members of the committee expressed a desire to have Proposition 218 information placed on the city's website, have a link from the city's main webpage to the UAC's page, to add additional information related to prior water and sewer rate studies, provide agendas and related information earlier, and utilize the local papers and social media to inform the public of the rate study meetings.

VI. Public Comment

Concerns raised from the public were: clarify for the public/city customers the city's utilities are not subject to any requirement or coordination with the state's public utilities commission (CPUC), unlike the Gas Company and Southern California Edison; respond to the public perception of a need to slow development/growth to minimize impact to the wastewater treatment plant; educate the public on the urgency of the plant's needs and address the public's perception that the plant may be failing; close the gap on the estimated cost for the plant's upgrades to ensure rates recommended are not over-estimated.

VII. Adjourn

The meeting was adjourned at 5:53 pm.

Jane Weathers, Senior Administrative Technician



REGULAR MEETING AGENDA

Utilities Advisory Committee

May 30, 2019 at 6:00 p.m.

Civic Center
Municipal Utilities and Engineering Conference Room
35 Cajon Street, Suite 15A
Redlands, CA 92373

I. Call to Order, Roll Call, and Approval of Special Meeting Minutes of May 16, 2019, and Introduction of Raftelis Financial Consultant Team to Utilities Advisory Committee

II. Current Fixed and Variable Revenue & Expenses

- Water
 - Sewer
-

III. Current Rates

- Water
 - Sewer
-

IV. Current Consumption Patterns

- Water Consumption by Tier and by Customer Class
 - Sewer Use by Strength/Class
-

V. Policy Issues

- Reserves
 - Debt
-

VI. Financial Plan

- Operations & Maintenance Expense Projections
 - Capital Improvement Plan
 - Debt and Debt Service
 - Reserves
 - Revenue Adjustments
-

VII. Committee Member Comments

VIII. Public Comment - *(for items not listed on this agenda, but within the jurisdiction of the Committee. Note that no general discussion of such items, or action on such items, may be taken by the Committee. At this time, the Committee will provide an opportunity for the public to address them on any subject which is not scheduled on this Agenda but is within the jurisdiction of the Committee. Comments are limited to three (3) minutes).*

IX. Adjourn

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I. Call to Order, Roll Call, and Approval of Special Meeting Minutes of May 16, 2019, and Introduction of Raftelis Financial Consultant Team to Utilities Advisory Committee

Chairperson James called the second 2019 Utilities Advisory Committee (UAC) regular meeting to order at 6:02 pm. Following a roll call the following UAC members were present: Richard Corneille, John James, Michael Ten Eyck, Christine Roque, and Richard Smith. Jonathon Corbridge and Ernest Marquez, Jr. were excused from the meeting. Raftelis Financial consultants Sudhir Pardiwala and Nancy Phan introduced themselves and requested a roundtable introduction of UAC members and staff. City of Redlands staff present consisted of Municipal Utilities and Engineering Director Paul Toor, Utilities Operations Manager Kevin Watson, Senior Project Manager Ross Wittman, Water Resources Specialist Cecilia Griego, Water Distribution Superintendent David Newland, Assistant Finance Director Farrah Jenner, and Senior Administrative Technician Jane Weathers. One guest, Dennis Bell, signed in, however, three other guests attended.

The meeting minutes from the UAC's first meeting on May 16 were not available and would be provided at the next UAC meeting.

Chairperson James requested to establish a few points of order for the duration of the meeting. Following concurrence from staff, consultants, fellow committee members, and guests, it was determined UAC members would be allowed to comment and ask questions throughout the presentation and within each agenda item, and guests would be given an opportunity to ask questions before and after each agenda item.

Following a re-cap of events, including an overview and history of the Wastewater Treatment Plant and its current status, Mr. Toor outlined the next steps in the process as the UAC begins its review of water and wastewater division budgets.

II. Current Fixed and Variable Revenue & Expenses

The city's budget for fiscal year 2019-2020, available for review on the city's website along with prior fiscal year approved budgets, includes water and wastewater division revenue and expenses. The discussion of the financial plan, included on the agenda, will be primarily focused on throughout the presentation with the goal to identify revenue deficiencies that will result without any revenue adjustments.

III. Current Rates

- Water
- Sewer

Mr. Pardiwala explained the rate study objectives ensure: sufficient revenue and financial stability, ability to fund capital project costs, compliance with Proposition 218

(Prop 218), rates are developed fair and equitably. Prop 218 requires that revenues derived from the fee must not exceed the funds required to provide the service, the amount of the fee must not exceed the cost of servicing the parcel, the fee must not be imposed unless the service is actually used by, or immediately available to, the property owner, and that agencies must develop a nexus between rates and costs of service and to document the methodology used in a report.

At the next UAC meeting, water, wastewater and non-potable water rates will be discussed.

IV. Current Consumption Patterns

- Water Consumption by Tier and by Customer Class
- Sewer Use by Strength/Class
- Report on Wastewater System (Collection and Treatment Plant)

A general overview of the tiers and customer classes was discussed and will be shown in greater detail at the next meeting when the draft rate model will be presented to the group. State requirements are considered in the review requiring inclusion and exclusions of certain classes (strength and usage), such as commercial classes which will be reviewed more thoroughly at the next meeting.

V. Policy Issues

- Reserves
- Debt

Key factors used in rate projections include average account growth at 0.5% per year based on the current Urban Water Management Plan, revenue growth, expense inflation, and the next fiscal year budgeted rate revenues used for projections. Mr. Pardiwala stated the recommended reserve policy for operations is 25% of annual operations and maintenance expenses and for capital is 100% of a 5-year average rate funded Capital Improvement Program.

VI. Financial Plan

- Operations & Maintenance Expense Projections
- Capital Improvement Plan
- Debt and Debt Service
- Reserves
- Revenue Adjustments

Mr. Pardiwala and Ms. Phan are continuing their review of the City's existing revenues received through rates, future expenses, including capital expenses, debt coverage and debt services requirements. At the next meeting, a draft model, updated financial plan, and wastewater cost of service analysis will be presented for the UAC to review.

Mr. Pardiwala presented via PowerPoint capital financing plans, revenue adjustments and debt coverage, financing plans, and ending balances for both water and wastewater divisions, which alternatively showed status quo and proposed for each.

Utilities Advisory Committee

REGULAR MEETING MINUTES (Meeting #2 on May 30, 2019)

MEETING MINUTES APPROVED AT
JUNE 13, 2019 UAC MEETING.

A discussion ensued concerning the impact to wastewater capital financing plan revenue adjustments and debt coverage, ending balances with a state revolving fund (SRF) loan of \$36 million over a 4 year timeframe or with \$22 million in bond funding in fiscal years 2020 and 2022. Additionally, non-potable budget was presented with no changes projected.

VII. Committee Member Comments

The following information was requested by committee members:

- Water and wastewater budget
- Master plans for water and sewer
- Related Utilities Advisory Committee documents
- Prop 218 information
- Increased public outreach regarding the study and UAC meetings using local newspaper, social media
- Coordinate a meeting to reconvene with the current UAC 6 months following completion of the rate study

Staff will work on providing requested information and/or link information on the city's website.

Although not on the agenda, a discussion ensued regarding the following additional meeting dates of June 20, July 11, and July 18. A meeting had been proposed via email for June 27, however, present members preferred a full quorum and posed other meeting dates. Ms. Weathers stated she would provide a confirmation email to the group once a full quorum is established for each.

VIII. Public Comment

Public comments included requests for staff to: educate the public to obtain an understanding and support of a community project that necessitates rate increases; explain where the wastewater treatment plant is, how it serves the community, the plant's typical costs for equipment replacement and maintenance, and the plant's and its equipment's life expectancy.

IX. Adjourn

The meeting was adjourned at 8:14 pm. The next meeting is scheduled for Thursday, 6:00 pm on June 13.

Jane Weathers, Senior Administrative Technician



REGULAR MEETING AGENDA

Utilities Advisory Committee

Thursday, June 13, 2019 at 6:00 p.m.

Civic Center
Municipal Utilities and Engineering Conference Room
35 Cajon Street, Suite 15A
Redlands, CA 92373

I. Call to Order, Roll Call, and Approval of Special Meeting Minutes of May 16, 2019, and Regular Meeting Minutes of May 30, 2019

II. Water

- A. Revisit Water Financial Plan
 - a. Assumptions
 - b. Projected Expenses
 - c. Capital Improvement Plan Review
 - d. Recommended Revenue Adjustments
-

III. Wastewater

- A. Revisit Wastewater Financial Plan
 - a. Assumptions
 - b. Projected Expenses
 - c. Capital Improvement Plan Review
 - d. Recommended Revenue Adjustments
 - B. Wastewater Rates
 - C. Customer Impacts
-

IV. Committee Member Comments

- V. Public Comment** - *(for items not listed on this agenda, but within the jurisdiction of the Committee. Note that no general discussion of such items, or action on such items, may be taken by the Committee. At this time, the Committee will provide an opportunity for the public to address them on any subject which is not scheduled on this Agenda but is within the jurisdiction of the Committee. Comments are limited to three (3) minutes).*
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VI. Adjourn

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Utilities Advisory Committee

REGULAR MEETING MINUTES (Meeting #3 on June 13, 2019)

Civic Center
Municipal Utilities and Engineering Conference Room
35 Cajon Street, Suite 15A
Redlands, CA 92373

I. Call to Order, Roll Call, and Approval of Special Meeting Minutes of May 16, 2019, and Regular Meeting Minutes of May 30, 2019

Chairperson James called the third 2019 Utilities Advisory Committee (UAC) meeting to order at 6:00 pm on Thursday, June 13, 2019. A roll call concluded the following committee members were present: Jonathon Corbridge, Richard 'Dick' Corneille, John James, Ernest Marquez, Jr., Christine Roque, and Richard Smith. Michael Ten Eyck was excused as he was unable to attend the meeting after all. Raftelis Financial consultants Sudhir Pardiwala and Nancy Phan re-introduced themselves to the group. City of Redlands staff present consisted of Municipal Utilities and Engineering Director Paul Toor, Utilities Operations Manager Kevin Watson, Senior Project Manager Ross Wittman, Water Resources Specialist Cecilia Griego, Water Distribution Superintendent David Newland, Assistant Finance Director Farrah Jenner, and Senior Administrative Technician Jane Weathers. Guests in attendance who signed in were Dennis Bell, Audrey Maier, and Andy Hoder.

A motion to approve the UAC's special meeting minutes from May 16, 2019 (meeting #1) was made by Committee Member Smith, seconded by Committee Member Corbridge, and approved unanimously.

A motion to approve the UAC's regular meeting minutes from May 30, 2019 (meeting #2) was made by Committee Member Corneille, seconded by Committee Member Smith, and approved unanimously.

Chairperson James suggested following the same points of order as requested and established in the previous meeting on May 30. All members of staff, UAC and guests concurred with adhering to the order of allowing UAC members to address staff/consultant during presentation and within each agenda item, and guests to address staff/consultant before and after each agenda item.

Mr. Toor briefly restated the evaluation process as it related to the assessment of the Wastewater Treatment Plant and anticipates the peer review currently being conducted to be completed by August 2019. Upon completion of the rate study and UAC's recommendation of rates, Mr. Toor presented a tentative schedule for the Prop 218 notice and public hearings.

Utilities Advisory Committee

REGULAR MEETING MINUTES (Meeting #3 on June 13, 2019)

Civic Center
Municipal Utilities and Engineering Conference Room
35 Cajon Street, Suite 15A
Redlands, CA 92373

II. Water

- A. Revisit Water Financial Plan
 - a. Assumptions
 - b. Projected Expenses
 - c. Capital Improvement Plant Review
 - d. Recommended Revenue Adjustments

A PowerPoint was presented to the group by Mr. Pardiwala in which each slide was discussed. A recap of the financial plan for the water budget was provided and additional discussion ensued which included was not limited to: proposed rates, capital improvement projects, efficiency studies, revenue adjustments, population growth, collection charges, debt coverage, and reserves.

III. Wastewater

- B. Revisit Water Financial Plan
 - a. Assumptions
 - b. Projected Expenses
 - c. Capital Improvement Plant Review
 - d. Recommended Revenue Adjustments

A PowerPoint was presented to the group by Mr. Pardiwala in which each slide was discussed. A recap of the financial plan for the wastewater budget was provided and additional discussion ensued which included was not limited to: proposed rates, capital improvement projects, efficiency studies, revenue adjustments, population growth, collection charges, debt coverage, and reserves.

IV. Committee Member Comments

Committee members requested to receive the draft minutes in a more timely fashion. A request was made and concurred by a number of committee members and guests to see Redlands water and sewer rates (bi- monthly, since that is how frequently the majority Redlands customers are billed) compared to surrounding cities. It was desired to view a current typical customer utility bill and provide examples of a typical utility bill with proposed water and sewer rates. A suggestion was made to create an online tool that customers can use to see what their rate will be should proposed rates be approved and implemented. An inquiry was made concerning the city's meter change out program, and discussion ensued regarding a process of coordinating meters to be changed out for 'smart' meters using a phased approach and within budget. It was

Utilities Advisory Committee

REGULAR MEETING MINUTES (Meeting #3 on June 13, 2019)

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recommended at a prior meeting and restated to reconvene with the UAC in six months to discuss status of recommended rates and any other related matters, such as drought, water resources, conservation, and state mandates relative to water and rates.

V. Public Comment

A discussion ensued regarding the number of meter readers staffed to read all the water meters which segued into an interest of what is best for Redlands – automated meter reading or advanced metering infrastructure.

VI. Adjourn

The meeting was adjourned at 8:56 pm. The next meeting was anticipated for Thursday, June 20 at 6:00 PM.

Jane Weathers, Senior Administrative Technician



SPECIAL MEETING AGENDA

Utilities Advisory Committee

Thursday, June 20, 2019 at 6:00 p.m.

Civic Center
Municipal Utilities and Engineering Conference Room
35 Cajon Street, Suite 15A
Redlands, CA 92373

I. Call to Order, Roll Call, and Approval of Regular Meeting Minutes of June 13, 2019

II. Water

- A. Revisit Water Financial Plan
 - a. Discussion and Possible Recommendation to City Council – Proposed Water Rate Increases
-

III. Wastewater

- A. Revisit Wastewater Financial Plan
 - a. Discussion and Possible Recommendation to City Council – Proposed Wastewater Rate Increases
-

IV. Committee Member Comments

- V. **Public Comment** - *(for items not listed on this agenda, but within the jurisdiction of the Committee. Note that no general discussion of such items, or action on such items, may be taken by the Committee. At this time, the Committee will provide an opportunity for the public to address them on any subject which is not scheduled on this Agenda but is within the jurisdiction of the Committee. Comments are limited to three (3) minutes).*
-

VI. Adjourn

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I. Call to Order, Roll Call, and Approval of Special Meeting Minutes of June 13, 2019

Chairperson James called the fifth 2019 Utilities Advisory Committee (UAC) special meeting to order at 6:04 pm. Following a roll call, the following UAC members were present: Richard Corneille, John James, Christine Roque, Richard Smith, Jonathon Corbridge, and Ernest Marquez Jr. Michael Ten Eyck was excused from the meeting.

A motion was made by Committee Member Corbridge, seconded by Committee Member Roque to approve the UAC's meeting minutes meeting from June 13, and approved unanimously 6 – 0.

Chairperson James reiterated the protocol that had been established at each of the previous UAC meetings to allow UAC members and staff to provide comments and ask questions throughout the presentation and within each agenda item, and guests would be given an opportunity to do the same before and after each agenda item.

Raftelis Financial consultant Sudhir Pardiwala, City staff Facilities and Community Services Director Chris Boatman (acting in the capacity of Municipal Utilities and Engineering Director), Assistant Finance Director Farrah Jenner, Utilities Operations Manager Kevin Watson, Senior Project Manager Ross Wittman, Water Resources Specialist Cecilia Griego, Water Distribution Superintendent David Newland, and Senior Administrative Technician Jane Weathers. Guests in attendance were Dennis Bell, Andy Hoder, and another member of the public who did not sign in.

II. Water

A. Revisit Water Financial Plan

a. Recommendation to City Council – Water Revenue Adjustments

Based on discussions at the last UAC meeting, Mr. Pardiwala revised the rate model to show various tables representing different water revenue scenarios. Each scenario included various customer usage and meter sizes, 75% vs. 100% capital improvement assumptions, 25% target reserves and a corresponding rate increase needed.

Following discussion between UAC members and Mr. Pardiwala to clarify calculations and understand fund balances in response to capital improvement project needs and target reserves. Additional questions posed were discussed and answered by consultant and staff related to: including ¾" meter size in model, what happens to the 25% capital improvement projects if 75% of those projects is included in the budget (prioritized), what are the recommended month and year of the rate increases being proposed, and how water project costs are determined and coincide with projected paving projects. Estimated costs provided are provided in-house and based on the most current information available, which may change depending on the market.

Utilities Advisory Committee

REGULAR MEETING MINUTES (Meeting #4 on June 20, 2019)

Following presentation of variations in the water rate model shown open discussion and, response to public comments concerning impacts of drought to the budget, costs of notifying the public of proposed rate increases, water conservation, non-potable system expansion needs, a vote was taken which received concurrence among all committee members present.

A motion was made by Committee Member Corneille to recommend to City Council a 3.5% water rate increase, based on 75% of the CIP, for 5 years beginning in January 2020 and for the UAC to review the rates in 2 years. Committee Member Corbridge seconded the motion which carried unanimously. 6-0 (1 member absent)

III. Wastewater

A. Revisit Water Financial Plan

a. Recommendation to City Council – Wastewater Revenue Adjustments

Mr. Pardiwala presented the wastewater rate model to show how adjusted rates, specifically 9% versus 11% rate increases to wastewater, are impacted with and without a state revolving fund (SRF) loan, and the impact to reserves, revenue, debt coverage, and funding balances. A discussion ensued regarding the proposed rate increase with and without the use of SRF funding versus a bond, the uncertainty of receiving SRF funding, and the desire to move forward conservatively. Further discussion leading up to a motion determined only one rate can be recommended, however, caveats may be inclusive. It was noted that the WWTP assessment was pending yet imperative to make a recommendation based on information provided to date.

A motion was made by Committee Member Corneille to recommend to City Council an 11% wastewater rate increase for 5 years beginning in January 2020 and for the UAC to review rates again pending a state revolving fund loan status. Committee Member Smith seconded the motion which carried unanimously. 6-0 (1 member absent)

The non-potable water budget, which had been discussed at the prior UAC meeting initially with no changes projected, was presented for the Committee to make a recommendation.

A motion was made by Committee Member Smith to recommend to City Council a 3.5% non-potable rate increase for 5 years beginning in January 2020. Committee Member Corbridge seconded the motion which was approved with one member abstaining (Christine Roque). 5-0 (1 member absent, 1 abstain)

Utilities Advisory Committee

REGULAR MEETING MINUTES (Meeting #4 on June 20, 2019)

IV. Committee Member Comments

Comments provided by members were incorporated into the minutes within each topic discussed.

V. Public Comment

Comments provided by the public were incorporated into the minutes within each topic discussed.

IX. Adjourn

The meeting was adjourned at 8:19 pm.

Jane Weathers, Senior Administrative Technician



SPECIAL MEETING AGENDA

Utilities Advisory Committee

Thursday, July 11, 2019 at 6:00 p.m.

Civic Center
Municipal Utilities and Engineering Conference Room
35 Cajon Street, Suite 15A
Redlands, CA 92373

I. Call to Order, Roll Call, and Approval of Special Meeting Minutes of June 20, 2019

II. Non-potable Water

- A. Revisit Non-Potable Financial Plan
- a. Discussion and Possible Recommendation to City Council – Proposed Non-potable Water Rate Increases

III. Miscellaneous Fees

- A. Review, Discussion and Possible Recommendation to City Council – Proposed Increases and Changes to Miscellaneous Fees Related to Service Requests and Billing Charges

IV. National Pollutant Discharge Elimination System Fees

- A. Review, Discussion and Possible Recommendation to City Council – Proposed Changes in Fees for the National Pollutant Discharge Elimination System

V. Discussion regarding draft City Council Presentation of the Utilities Advisory Committee's Recommendations for Water, Wastewater, and Non-Potable Rates presented by Chairperson John James

VI. Committee Member Comments

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- VII. Public Comment -** *(for items not listed on this agenda, but within the jurisdiction of the Committee. Note that no general discussion of such items, or action on such items, may be taken by the Committee. At this time, the Committee will provide an opportunity for the public to address them on any subject which is not scheduled on this Agenda but is within the jurisdiction of the Committee. Comments are limited to three (3) minutes).*

VIII. Adjourn

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I. Call to Order, Roll Call, and Approval of Special Meeting Minutes of June 20, 2019

Chairperson James called the sixth 2019 Utilities Advisory Committee (UAC) special meeting to order at 6:01 pm. Following a roll call the following UAC members were present: John James, Christine Roque, Richard Smith, Jonathon Corbridge and Ernest Marquez, Jr. Richard Corneille and Michael Ten Eyck were excused from the meeting. Raftelis Financial consultants Sudhir Pardiwala, City of Redlands staff Assistant Facilities and Community Services Director Tim Sullivan, Utilities Operations Manager Kevin Watson, Senior Project Manager Ross Wittman, and Senior Administrative Technician Jane Weathers.

The meeting minutes from the UAC's fifth meeting on June 20 were not available.

II. Non-potable Water

A. Revisit Non-Potable Financial Plan

Discussion and Possible Recommendation to City Council – Proposed Non-potable Water Rate Increases

Because the non-potable water financial plan was not on the agenda for the previous meeting where the Committee to make a recommendation, this item was added for staff to officially present the item to the UAC for their recommendation.

A motion was made by Committee Member Corbridge to recommend to City Council a 3.5% non-potable rate increase for 5 years beginning in January 2020. Committee Member Marquez seconded the motion which was approved 5-0 (2 members absent).

III. Miscellaneous Fees

A. Review, Discussion and Possible Recommendation to City Council – Proposed Increases and Changes to Miscellaneous Fees Related to Service Requests and Billing Charges

Following discussion with Mr. Pardiwala and staff, the UAC requested to file and report this item to City Council.

IV. National Pollutant Discharge Elimination System Fees

A. Review, Discussion and Possible Recommendation to City Council – Proposed Changes in Fees for the National Pollutant Discharge Elimination System

Following discussion with Mr. Pardiwala and staff, the UAC requested to file and report this item to City Council.

Utilities Advisory Committee

SPECIAL MEETING MINUTES (Meeting #5 on July 11, 2019)

**FINALIZED MEETING MINUTES
APPROVED ON JANUARY 23,
2020.**

V. Discussion regarding draft City Council Presentation of the Utilities Advisory Committee's Recommendations for Water, Wastewater, and Non-Potable Rates presented by Chairperson John James

Chairperson James presented his draft presentation to the UAC and to staff with the anticipation to present to City Council on August 6, 2019. Discussion on the draft presentation and input was invited and was planned to be incorporated into the overall presentation to the City Council.

VI. Committee Member Comments

Comments provided by members were incorporated into the minutes within each topic discussed.

VII. Public Comment

Comments provided by the public were incorporated into the minutes within each topic discussed.

VIII. Adjourn

The meeting was adjourned at 7:35 pm.

Jane Weathers, Senior Administrative Technician



SPECIAL MEETING AGENDA

Utilities Advisory Committee

Thursday, January 23, 2020 at 6:00 p.m.

Civic Center
Municipal Utilities and Engineering Department
Municipal Utilities and Engineering Conference Room
35 Cajon Street, Suite 15A
Redlands, CA 92373

I. Call to Order, Roll Call, and Approval of Minutes from June 20 and July 11, 2019 Meetings

II. Public Comment - *(for items not listed on this agenda, but within the jurisdiction of the Committee. Note that no general discussion of such items, or action on such items, may be taken by the Committee. At this time, the Committee will provide an opportunity for the public to address them on any subject which is not scheduled on this Agenda but is within the jurisdiction of the Committee. Comments are limited to three (3) minutes).*

III. Update on Wastewater Treatment Plant

IV. Discussion and possible recommendation to withdraw pending recommendations to City Council for an 11% wastewater rate increase, a 3.5% water rate increase, and a 3.5% non-potable water rate increase, with each for 5 years beginning in January 2020

V. Committee Member Comments

VI. Public Comment - *(for items not listed on this agenda, but within the jurisdiction of the Committee. Note that no general discussion of such items, or action on such items, may be taken by the Committee. At this time, the Committee will provide an opportunity for the public to address them on any subject which is not scheduled on this Agenda but is within the jurisdiction of the Committee. Comments are limited to three (3) minutes).*

VII. Adjourn

NOTE: Any writings or documents distributed to a majority of the Utilities Advisory Committee regarding an open session agenda item less than 72 hours before this meeting are available for public inspection at the Municipal Utilities & Engineering Department

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Goutam Dobey, of Municipal Utilities/Engineering Department at (909) 798-7584 ext. 2. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II)

Utilities Advisory Committee

SPECIAL MEETING MINUTES (Meeting #6 on January 23, 2020)

MEETING MINUTES APPROVED
BY UAC AT THEIR FEBRUARY 20,
2020 MEETING.

I. Call to Order, Roll Call, and Approval of Meeting Minutes from June 20 and July 11, 2019

Chairperson James called the sixth 2019 Utilities Advisory Committee (UAC) special meeting to order at 6:05 pm. Following a roll call the following UAC members were present: John James, Christine Roque, Richard Smith, and Ernest Marquez, Jr. Jonathon Corbridge arrived prior to the meeting and was excused due to illness. Richard Corneille had indicated he had a prior commitment and was therefore excused. Michael Ten Eyck would be marked unexcused as he indicated he would be attending the meeting. Staff in attendance were: Assistant Facilities and Community Services Director Tim Sullivan, Utilities Operations Manager Kevin Watson, Engineering Manager Goutam Dobey, Senior Project Manager Ross Wittman, Construction Manager Kyle Wagner and Senior Administrative Assistant Jane Weathers. Guests were: Stephen Rogers and Dennis Bell.

The meeting minutes from the UAC's fourth and fifth meeting of June 20 and July 11 were provided to the committee for review. Ms. Roque requested Ms. Weathers to confirm her vote for the recommended non-potable water rate increase as she did not recall abstaining. No other corrections were requested.

A motion was made by Committee Member Smith to recommend approval of both UAC meeting minutes from their June 20 and July 11, 2019 fourth and fifth meetings. Committee Member Marquez seconded the motion which was approved by all 4 present members. (4-0, 3 members absent)

II. Public Comment

There were no public comments at this time.

III. Update on Wastewater Treatment Plant

Mr. Wittman apologized on behalf of Interim Municipal Utilities and Engineering Department Director Chris Boatman as he was unable to attend the meeting. The ~20 minute video presentation from Director Boatman regarding the City's Wastewater Treatment Plant (WWTP) membrane bioreactor purchase provided to City Council at their January 21 meeting was shown to the committee. The video included questions from City Council, public comment, and City Council's unanimous approval of the purchase. Mr. Wittman explained the Municipal Utilities/Public Works Commission received the same update earlier at their special meeting.

A discussion followed regarding the initial draft assessment from Parsons, the consultant hired last year to assess the WWTP and provide staff guidance and recommendations following their evaluation of the WWTP conditions and operational

Utilities Advisory Committee

SPECIAL MEETING MINUTES (Meeting #6 on January 23, 2020)

processes. Further discussion related to costs for equipment, operation and maintenance, remaining funds, funding reserves, warranty and compliance, overall wastewater budget, and continued maintenance and assessment through the installation of the membranes.

The committee was informed they were being updated on the status of the WWTP because there was a pending wastewater rate recommendation that had been made at their June 20 meeting. Since that time frequent challenges occurred at the WWTP, and Parsons recommended staff pursue a two-phase approach. Replacing the membrane bioreactors immediately would extend the plant's life, thus allowing the continuation of Parsons' assessment and staff to monitor/adjust accordingly. Understanding the evolving changes at the plant, Chairperson James expressed to staff he wished to propose to the entire committee to withdraw all the pending recommendation made. This discussion segued to the next item on the agenda.

IV. Discussion and possible recommendation to withdraw pending recommendations to City Council for an 11% wastewater rate increase, a 3.5% water rate increase, and a 3.5% non-potable water rate increase, with each for 5 years beginning in January 2020

Chairperson James reiterated that at the onset of the rate study, the wastewater rate was of utmost concern and the committee was presented with a significant amount of information concerning the status of the plant, toured the plant, and had been provided financial information to gain a full understanding of the budgetary needs of the wastewater division and the plant itself. Following his summation of the rate study and recommendations made in June and July 2019, and in consideration of the current WWTP status, Chairperson James proposed to the group withdrawing all three rate recommendations made for wastewater, water and non-potable water. A discussion ensued regarding potential impacts to the revenue budget, reserves, and the City's bond rating without proposed increases; whether inflation was included in the rate model; the pros and cons to moving forward with rate increase recommendations for water and non-potable and waiting until later in 2020 to re-evaluate wastewater rates; and costs related to notification of proposed rate increases (should City Council approve one or any proposed rate recommendations).

Recommendations from staff and the rate study consultant, a revised rate model, the draft assessment report of the WWTP, and further consideration of the proposed recommendation to withdraw were requested. Staff modified the last version of the rate model provided by the consultant last year in effort to quickly see impacts to each budget when rate increase scenarios changed or had no increases.

Of the four UAC members present, all were in agreement to withdraw the wastewater rate increase recommendation. Two members agreed and one member disagreed to

Utilities Advisory Committee

SPECIAL MEETING MINUTES (Meeting #6 on January 23, 2020)

withdraw the non-potable water rate increase recommendation. No motions were made as the majority of the present members desired to have more members present to consider the withdrawal of the recommendations.

Ms. Weathers was asked to seek members availability and to determine a date and time that the UAC may meet with staff to further discuss the proposal from Chairperson James.

V. Committee Member Comments

Committee Member Roque inquired when the UAC would receive the draft assessment which is currently being conducted by the consultant, Parsons.

VI. Public Comment

Questions asked from the public concerned revenue and expenditures in the current approved FY 19-20 budget, whether we are going to be receiving the best technology for the plant, if there are additional alternatives with regard to any potential environmental concerns.

VII. Adjourn

The meeting was adjourned at 7:59 pm.

Jane Weathers, Senior Administrative Assistant



SPECIAL MEETING AGENDA

Utilities Advisory Committee

Thursday, February 20, 2020 at 5:30 p.m.

Civic Center
Municipal Utilities and Engineering Department
Municipal Utilities and Engineering Conference Room
35 Cajon Street, Suite 15A
Redlands, CA 92373

I. Call to Order, Roll Call, and Approval of Minutes from January 23, 2020 Meeting

II. Public Comment - *(for items not listed on this agenda, but within the jurisdiction of the Committee. Note that no general discussion of such items, or action on such items, may be taken by the Committee. At this time, the Committee will provide an opportunity for the public to address them on any subject which is not scheduled on this Agenda but is within the jurisdiction of the Committee. Comments are limited to three (3) minutes).*

III. (Continued) Discussion and possible recommendation concerning pending recommendations to City Council for an 11% wastewater rate increase, a 3.5% water rate increase, and a 3.5% non-potable water rate increase, with each for 5 years beginning in January 2020

IV. Committee Member Comments

V. Public Comment - *(for items not listed on this agenda, but within the jurisdiction of the Committee. Note that no general discussion of such items, or action on such items, may be taken by the Committee. At this time, the Committee will provide an opportunity for the public to address them on any subject which is not scheduled on this Agenda but is within the jurisdiction of the Committee. Comments are limited to three (3) minutes).*

VI. Adjourn

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