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.
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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)
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