



Minutes City of Sacramento Utilities Rate Advisory Commission

COMMISSION MEMBERS:

Karen McBride	Steven Archibald, Chair	Ernest Lehr
Douglas Brown	Tess Kretschmann, Vice Chair	Melvin Johnson
	*****	Carolyn Veal-Hunter

CITY STAFF:

*Jessica Hess, Media and Communication Specialist
Holly Lera, Senior Staff Assistant
Joe Robinson, Senior Deputy City Attorney*

*Historic City Hall
915 I Street, Hearing Room, 2nd Floor*

February 3, 2010 – 5:00 P.M.

The Utility Rate Advisory Commission is a commission of the City Council with review and recommendation authority. Its purpose is to review utility service rate proposals, develop recommendations on relevant issues regarding the setting of rates, hold rate hearings, and act as a liaison to the community to encourage understanding and participation.

NOTICE TO THE PUBLIC

You are welcomed and encouraged to participate in this meeting. Public comment is taken (3 minutes maximum) on items listed on the agenda when they are called. Public Comment on items not listed on the agenda will be heard at the end of the meeting as noted on the agenda. Comments on controversial items may be limited and large groups are encouraged to select 3-5 speakers to represent the opinion of the group.

Notice to Lobbyists: When addressing the Committee you must identify yourself as a lobbyist and announce the client/business/organization you are representing (City Code 2.15.160).

Speaker slips are located at the back of the room and should be completed and submitted to the Commission Clerk.

Government Code 54950 (The Brown Act) requires that a brief description of each item to be transacted or discussed be posted at least 72 hours prior to a regular meeting. The City posts Agendas at City Hall as well as offsite meeting locations.

The order of Agenda items are listed for reference and may be taken in any order deemed appropriate by the Committee. The Agenda provides a general description and staff recommendations; however, the Committee may take action other than what is recommended. The Agenda is available for public review on January 29, 2010. Hard copies are available from the Utilities Department. (10 cents per page)

Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify the Utilities Department at (916) 808-8260 at least 48 hours prior to the meeting.

MINUTES

February 3, 2010

*Historic City Hall
Hearing Room, 2nd Floor
915 I Street*

All items listed are heard and acted upon by the Utilities Rate Advisory Commission unless otherwise noted.

Call to Order – 5:06 p.m.

Roll Call: **Present:** Steven Archibald, Tess Kretschmann, Douglas Brown, Dr. Ernest Lehr, Melvin Johnson and Carolyn Veal-Hunter (arrived at 5:26p.m., left at 7:30p.m.).
Absent: Karen McBride

Consent Calendar

All items listed under the Consent Calendar are considered and acted upon by one motion. Anyone may request an item be removed for separate consideration.

1. **Approval of Minutes for January 20, 2009.**

Location: (Citywide)

Recommendation: Approve Commission minutes for January 20, 2009.

Contact: Jessica Hess, Media and Communications Specialist, (916) 808-8260
Department of Utilities

Summary: Motion to approve by Dr. Ernest Lehr, second by Melvin Johnson. All present in favor, none opposed.

Action: Minutes Approved.

Discussion / Action Reports

Discussion or action reports include oral presentations including those recommending receive and file.

2. **RAC Work Plan Update**

Location: (Citywide)

Recommendation: Review and file. Staff to review updates to the commission's work plan for FY2009/10 – FY2011/12.

Contact: Jessica Hess, Media and Communications Specialist, (916) 808-8260,
Department of Utilities

Summary: Updates since last email sent to commissioners. Clarification by staff that the commission can meet only 12 times in a calendar year, not including special meetings.

Action: Received and filed.

3. **Proposition 218 and Utilities Update**

Location: (Citywide)

Recommendation: Review and file. Staff to provide an update on the Department's review of potential 218 violations, the 218 Grand Jury report, and next steps.

Contact: Marty Hanneman, Director, (916) 808-7508, Department of Utilities.

Summary: Presentation of 218 updated given to council at 1/26/10 meeting. Staff provided background of Proposition 218, how rates have been set historically, and timeline to return in March to council with a report back regarding the Grand Jury Report. History of 218 and the department reviewed, including 2007 requested opinion from City Attorney, 2008 City Attorney confidential memo released and consultant hired. 2009 rate increases approved, followed by a complaint filed with the Grand Jury and the subsequent report released in 2010.

Staff reviewed actions already taken, including charging other departments fees for service, MOU created to bring Parks and Recreation rates to standard fee, and no longer contributing to the Economic development CIP. Issues still outstanding reviewed, including storm drain billing for parks, subsidized rates, and illegal dumping. Next steps, include recommendations being presented through the budget process and reporting back to the Grand Jury by April 2010. Staff currently looking into other possible 218 violations.

(Commissioner Veal-Hunter arrived)

Commission clarification and discussion regarding the consultant report, illegal dumping and downtown green waste removal. Attorney briefly reviewed past litigation regarding 218 and that most cases have been in favor of the taxpayer. Also shared that most lawsuits regarding 218 have requested changing practices forward, not requesting refunds and correction back to implementation. Commission shared concerns with staff that no pending violations being reviewed were mentioned during the process of recommendations for rate increases.

Commission discussion regarding the confidential memo released by the City Attorney's office. The commission asked that the Attorney request the memo be released to the Commission for review. Motion by commissioner Lehr, seconded by Veal-Hunter to go before council and request the confidential memo from the Attorney's office be released to the commission for review IF the Attorney's office cannot release the document without council approval. All those present in favor, none opposed. Motion passed. Attorney to report back at the February 17th meeting whether it will be necessary to go to council for the request.

Action: Motion passed to go before council and request the confidential memo from the Attorney's office be released to the commission for review IF the Attorney's office cannot release the document without council approval.

4. **Lawn and Garden Rate Workshop**

Location: (Citywide)

Recommendation: Review and file. Staff to provide an overview of the Lawn and Garden proposed rates. Commission will take up the decision regarding proposed rates at following meeting.

Contact: Edison Hicks, Integrated Waste General Manager, (916) 808-4949, Department of Utilities.

Summary: David Levine, Support Services Manager. Overview of historical perspective of loose in the street solid waste services, including current operation and rates. Currently an estimated 85,000 containerized, 31,000 loose in the streets with 25,000 not yet offered the containerized program. Solid Waste is looking to roll out the rest of the city by the end of the current fiscal year. Benefits to the program overviewed including reduction of the carbon footprint from 31,000 to 12,000 pounds of carbon. Rate increase requested because 218 mandates charging full cost of service. As there is an increase in containerized and a decrease in loose in the street, the cost to provide loose in the street service increases.

Wally Cole, Senior management analyst. Review of assumptions including maintaining current level of service, estimation of opt-outs after the remaining rollout, and department costs to provide the service. Staff proposed \$48.47 rate for loose in the street 218 notification for one year with plans to review annually. Next steps include RAC recommendation on 218 notification rate at February 17th meeting, public rate hearing scheduled for May 5th, and planning for a recommendation to council by June for a July 1st rate adjustment.

Commission request for a comparison of rate if contingency reduced to \$100,000 as well as looking into if the cost of LITS goes up, would cost for containerized decrease? Concern that public will not attend the rate hearing and interest in the department doing more on public outreach. Clarification by staff that 218 notification will go to all parcel owners and not be restricted to loose in the street customers, as the service is available to all customers. Commission request for a full breakdown of costs from staff. Staff reminded commission that current discussions are for the adoption of a rate to put on the 218 notification, not a rate to recommend to council.

(Commissioner Veal-Hunter left)

Action: Received and filed.

Public Comments- Matters Not on the Agenda

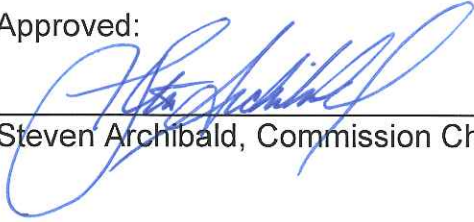
5. No Public Comments

Commission Ideas, Questions and Announcements

6. Chair Archibald announced his availability and attendance may be affected with his recent diagnosis.

Adjournment: 7:50 p.m.

Approved:



Steven Archibald, Commission Chair

Attest:



Holly Lera, Commission Secretary