

City of Folsom
Utility Commission
Draft Action Minutes
March 15, 2011, 6:30 pm

CALL TO ORDER

Chairman Ryan called the meeting to order at 6:30 p.m.

ROLL CALL

Present: Commissioners: Bringgold, Cook, Davis, Oosterman, Ryan, Standley

Absent: Commissioners: Kahlon

Staff Present: Richard Lorenz, Public Works/Utilities Director; Todd Eising, Utilities Department; Stormy Hinkley, Utilities Department

Others Present:

1. MINUTES

Cook motioned to approve the minutes of January 18, 2011, and Standley seconded the motion.

AYES: Bringgold, Cook, Oosterman, Ryan, Standley

NOES:

ABSTAIN: Davis

ABSENT: Kahlon

2. BUSINESS FROM THE FLOOR

No Update

3. NEW BUSINESS

a. City Attorney – Ethics Training and Brown Act

Bruce Cline, City Attorney, discussed the City policy on ethics as it pertains to the Utility Commission. He also discussed the Brown Act and how that affects the conduct of Commissioners and the Commission Meetings.

b. FY 2011/12 Budget Presentation

Eising outlined in detail the preliminary budget for the Utilities Department. He stated that through operational efficiencies the Utilities budget has gone down about a half a million dollars. All three of the divisions are also tracking less than the budget states for next year. Eising summarized each division's expenditures. When Solid Waste expenditures were presented

Standley stated that last year there was a problem in Solid Waste as far as the salaries because of the overtime, injuries and workers comp. He has concerns because salaries in this year's budget reflect the same issue. He didn't understand why this seems to be ongoing with no change, and asked for an explanation of what is being done to correct the overtime, injuries and workers comp issues. Lorenz stated that the department has the same concerns and is asking the same questions. When we look at our efficiencies levels, we know we are going down and need to find a way to turn that around. He stated that the staff is talking about some different programs in terms of how the Solid Waste division is managed within the City. The City Council has asked us to look at whether it makes sense to take certain components of our Solid Waste program and look at alternative methods of providing that service such as privatization. It will take a while to get through that analysis so we have had dialogue with the City Manager's office about the time it's going to take to consider some alternatives and it will lag behind the budget process this year. Bringgold asked how Solid Waste compared to Water and Wastewater as far as the number of incidents. Lorenz stated he believes that Solid Waste is above average in incidents compared to other divisions and other department within the City. Eising concurred, stating that Water and Wastewater have fewer workers compensation issues and the employees are usually back to work earlier.

Eising explained direct charges and the cost allocation plan in the transfers out for the department. He went through the transfers of each Utilities division. Ryan asked for further explanation on each transfers out item under the marketing column. He wanted to know how much of that amount was being driven by Utilities vs. other entities within the City. Eising explained that the Landfill Corp Yard was a dump that was backfilled years ago so last year Utilities took on the huge project of cleaning it up. There are two years of monitoring left then that amount should go to nothing. Ryan wanted to know why it was being handled through a transfer and not a contract. Lorenz said he wasn't sure, that maybe it was due to the fact that a few other divisions also paying a small percentage of the project.

Eising addressed the Safety Officer position, stating that he wasn't sure how the position was being paid for but there is an existing employee that does general safety things for all the departments. Lorene stepped in to say that the Safety Officer position is a work in progress, and that staff has submitted a proposal to finance that's not yet reflected in this draft transfers out. The proposal is a recommendation that the cost for this position be spread over a larger group. If it is approved by Finance and City Council we should see that \$107,000 cost go down. Ryan asked that the update reflect last year's contribution to this position.

Ryan questioned the Public Works Admin transfer. Lorenz stated that this number is also a placeholder number that staff is looking at. He indicated that he and Todd have been looking at that number and have ideas about refining it, which would probably result in that number going down. Ryan asked if, in the past, that cost would have been paid by Public Works but not Utilities. Given that it is not reflected in this draft, Lorenz was not sure and stated that staff would have to go back and look at the prior year. There may have been a cost recovery associated through other means than a transfer. Ryan asked if the relationship was different this year in that aren't the Departments now under one roof. Lorenz said yes. Eising stated that in previous years Utilities staff handled Utilities' items. That staff is still there handling Utilities items, but there is a slight overlap in some things since Rich's time is half Utilities half Public Works. It is a process and we are looking at a re-organization and how different elements are handled.

Eising discussed the remainder of the budget, CIP's and the five year capital improvement plan, as well as upcoming projects.

4. OLD BUSINESS

a. Water/Sewer/Solid Waste Rate Update

Eising stated that the CIP are the main issue on the five-year plan. More detailed numbers will be presented at the April meeting with a full presentation. It may be good to keep other items to a minimum for that meeting as this presentation is lengthy. Ryan agreed, but asked that the Commission still receive the follow up information regarding the transfers out.

b. Utilities Reports

Sewer Update

No updates on the SRCSD Permit. The Sanitary Sewer Management Plan is being finalized for submission to the State Board.

Water Update

The department has a \$300,000 grant to look at the overall water loss for the Water Conservation program. Staff is looking at a grant with the United States Bureau of Reclamation (USBR), Field Services Grant for a Water Conservation fixed network program.

The overall water supply projections from the USBR (Folsom Dam) are anticipated to be a full allocation of water this year.

Solid Waste Update

No update

5. DIRECTORS REPORT

No update

6. ADJOURNMENT

The meeting was adjourned at 8:30 p.m.

Submitted,

Stormy Hinkley, Administrative Assistant

Attachments: Agenda; Minutes for January 18, 2011; Budget Summary; Water and Solid Waste Revenue graphs; Handout of the Draft Budget PowerPoint Presentation