

City of Folsom
Utility Commission
Action Minutes
February 21, 2012, 6:30 pm

CALL TO ORDER

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

ROLL CALL

Present: Commissioners: Bringgold, Davis, Kahlon, Oosterman, Ryan

Absent: Commissioners: Cook, Standley

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

Others Present:

1. MINUTES

a. No minutes for approval.

2. BUSINESS FROM THE FLOOR

No business from the floor.

3. NEW BUSINESS

a. Chair/Vice-Chair Nominations

Eising stated that the Chair and Vice Chair are a two year appointment and that Commissioner Ryan has only served one of the two years. Given that, there is no need to vote on a new Chair, per the Folsom Municipal Code. Ryan stated he would be happy to continue as Chair but offered the position to anyone of the other commissioners that may be interested. No other commissioner requested to be considered for Chair, so it was decided that Commissioner Ryan would finish out his term and there would be no vote for the Chair position.

Eising stated the he received word from Commissioner Standley that he would be stepping down as Vice-Chair due to his work schedule.

Commissioner Oosterman was nominated for Vice-Chair with no other nominations.

AYES: Bringgold, Davis, Kahlon, Oosterman, Ryan

NOES:

ABSTAIN:

ABSENT: Cook, Standley

b. Schedule – Topics for upcoming year

Eising provided a preliminary 2012 schedule and asked that the commission let him know if there are topics they would like to be placed on the agenda. No additional topics were added.

Ryan asked what would be the best form of communicating with him would be and Eising said to email him directly is the best way.

Davis stated that it was his understanding that in the past the Commission had been given information on accountability reports, cost allocation reports, and direct and indirect money transfer reports. Davis stated that he had not seen any of these reports since he has been on the commission. Eising stated that the commission received information on transfers in the Summer of 2011, but some of the other items we might be able to get you more information. Davis asked if that would include overtime budgets as well. Eising - ok.

Ryan stated that those topics were typically covered in the budget discussions and in more detail in our subcommittees. That time of year is approaching when we need to have those discussions. He suggested it would be good to have a draft budget discussion on April 17, 2012. In the past years it has taken several meetings to discuss budgets and address all the questions.

Lorenz felt that it is good to educate the commission on some of those items that Commissioner Davis brought up. Some of the topics were components of the expenditures and the revenue estimates and were built into the rate study so they did not get the same amount of attention that they might have in other years where there were no rate adjustments. He did feel that it would be good to come back and recap that information.

Eising asked for clarification from Davis that the topics to be covered would be; cost allocation, transfers, overtime budgets, and direct charges, and stated that he would put the information together and email it prior to the next meeting. Davis and commissioners agreed that would be acceptable.

Ryan suggested that some of the dates in the schedule could be used for site visits and education of small groups of commission members. Eising stated that he had taken commissioner Kahlon to various tank sites and a tour of the treatment plant and if other commissioner were interested he would be happy to do the same.

4. OLD BUSINESS

a. Water/Sewer/Solid Waste Budget Update

Eising and commissioners discussed the handouts which explained the preliminary budget that had been submitted to Finance.

Regarding the sewer fund, Ryan stated that in other years the commission has talked about this fund utilizing some of the City services like accounting, IT, and legal. With this fund using other City services, there is a cost allocation that takes place. We have had conversations regarding the amount charge is appropriate and can it be justified. Eising stated that every year staff goes through that exercise with the commission as far as what is the true cost allocation plan, which is

different than transfers or direct changes. Eising stated that he would get all that information to the committee.

Eising discussed the Solid Waste fund balance which was at about 1million a year ago and now the balance is at approximately \$3 million. It looks as though the expenses are below and the projections of revenue are above. Eising stated that he would be providing the commission an update on this information each month.

Eising asked if a budget subcommittee is something the commission would be interested in doing again. Ryan stated that he felt it had been worth it the past two years and the commission agreed. Ryan, Davis and Kahlon agreed to be the subcommittee. Eising stated that he would set up a meeting for preliminary data next week.

b. Utilities Reports

Sewer Update

Eising and commission discussed updates on the proposed SRCSD Rate increase. Eising distributed a summary of the preliminary recommendations contained in the "*SRCSD Staff Preliminary Recommendations for Rates, Fees and Special Financial Programs*" memo. The memo summarized the topics that the Board will be deliberating next month. Eising stated that the main item that will affect Folsom customers would be the Industrial Rate Changes. The rates are proposed to be revised to re-align the rates to ensure the rates are balance with Cost of Service.

Water Update

Eising and commission discussed the format of the comparative billing that will be mailed to the customers at the beginning of March. Ryan suggested that there be given some thought on how to draw the customers attention to the back of the bill where they would find the explanation given as to why the rate. The commissioners will review the provided sample bill and the bill that arrives in the mail and comment.

Eising and commission discussed the fact that Folsom Lake is low. He stated that he would speak to dry year at the May or June meeting. Ryan asked that at some point the commission be given an update on the spillway and the work that is being done and how that is going to impact the community.

Solid Waste Update

Lorenz addressed the question from last meeting regarding transfer stations. It has been a while since staff has looked at the viability of developing a transfer station. At that time there were no opportunities for building a facility. Staff will revisit that that possibility given that other opportunities may be available now that were not back then. The vision would be, if we collect all the refuse in the City, we would not have to dispose of it every single day therefore we wouldn't have our trucks driving each day to the various dump sites. Operational, if we could store enough material for a long enough period of time, we could be more efficient. There is potential savings

and operational benefits while providing a place where our customers could come dispose of their material.

Things to consider would be our ability to secure a site large enough that would be palatable to the community and would we have the financial resources to do it. We would have to go through a complete environmental analysis. Davis asked how much area is needed. Lorenz state that he did not have specific information on that yet. Davis suggested that in the area south of Hwy 50 would be a good location for both a transfer station and a new Corp Yard. Lorenz stated that is something that staff has thought about and it will continue to be on the list to look at. Staff is looking to see if it would make sense to do something on a short term basis while waiting on the development of the area south of Hwy 50. Staff wanted to give the commission feedback on that idea over the next year or so. Davis stated that, his personal opinion, there isn't a better time than now to tie up a piece of property at a decent price, even if it is just to enter into a lease option agreement. Lorenz stated that he agreed. Lorenz also commented that staff has been looking at cardboard recycling and considering the ability of put in a small facility for compacting. The other possibility would be through the prison.

Ryan asked that staff bring back to the commission what might be considered a short term and a long term strategy. Could staff provide a roadmap of things that need to be considered and what the ultimate goal might be? Lorenz stated that they could start with a list of needs.

Oosterman asked would there be any consideration for the household hazardous waste that is now being picked up. Specifically in terms of a location, somewhere it can be brought to instead of someone coming and picking it up. He stated that for himself, it just sits in his garage until he gets around to calling the City and it's not a big volume and it just seems like a waste of effort for them to come out, especially if he could just drop it off on his way to the grocery store. Lorenz stated yes absolutely, and you make a good point.

5. ADJOURNMENT

The meeting was adjourned at 8:05 p.m.

Submitted,

Stormy Hinkley, Administrative Assistant

Attachments: Agenda

2012 Utility Commission Schedule

Water/Wastewater/Solid Waste Budget Graph

Sample Comparative Bill

Folsom Lake Water Level Report

"SRCSD Staff Preliminary Recommendations for Rates, Fees and Special Financial Programs" memo