



AGENDA
May 28, 2019
VIDEO

PUBLIC UTILITIES COMMISSION MEETING
7:00 PM
City Council Chambers
311 Vernon Street
Roseville, CA
roseville.ca.us

THE CITY OF ROSEVILLE WELCOMES YOUR PARTICIPATION

If an agenda item is open to public comment, such public comment shall be addressed to the chair of the meeting.

Public Comment - Speakers have three minutes under Public Comment to speak on issues that are not listed on the agenda and are within the City's jurisdiction. The Brown Act does not permit any action or discussion on items not listed on the agenda.

Consent Calendar - If applicable, the Consent Calendar consists of routine items that may be approved by one motion. Any person can remove an item from the Consent Calendar to be discussed separately.

Agenda Items - Speakers have five minutes to address items that are listed on the agenda.

Americans with Disabilities Act - Notify the City Clerk or Secretary at least 72 hours in advance if special assistance is required to participate in a meeting including the need of auxiliary aids or services.

Audio/Visual Presentations - If making a presentation regarding an agenda item, audio/visual materials must be submitted to the City Clerk or Secretary at least 72 hours in advance.

Roseville City Clerk 311 Vernon Street, Roseville, CA 916-774-5200 TDD 916-774-5220

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PLEDGE OF ALLEGIANCE**
4. **PUBLIC COMMENTS**
5. **MINUTES**
 - 5.1. Approval of April 23, 2019 Minutes

6. REQUESTS/PRESENTATIONS

6.1. Environmental Utilities Monthly Update

Report by Environmental Utilities Assistant Director Dale Olson summarizing monthly status of Environmental Utilities activities, for information.

6.2. FY 19-20 Environmental Utilities Budget Overview

Report by Environmental Utilities Business Services Administrator Janet Vargas summarizing the FY19-20 Budget, for information.

6.3. Environmental Utilities Legislative/Regulatory Update

Presentation by Government Relations Supervisors Noelle Mattock and Marisa Tricas summarizing priority Environmental Utilities-related legislation, for information.

6.4. Roseville Electric Utility Update

Report by Electric Utility Director Michelle Bertolino summarizing monthly status of Electric Utility issues, for information.

6.5. FY19-20 Electric Budget Overview

Report by Electric Utility Assistant Director Philip McAvoy summarizing the FY19-20 Budget, for information.

6.6. Roseville Electric Legislative/Regulatory Update

Presentation by Government Relations Supervisor Amber Blixt summarizing key energy-related legislation, for information.

6.7. Public Utilities Commission Proposed Meeting Time Change to 6:00 p.m.

Memo from Electric Utility Director Michelle Bertolino recommending the Public Utilities Commissioners discuss and act on a proposal to change the regular Public Utilities Commission meeting time from 7:00 p.m. to 6:00 p.m. on the fourth Tuesday of each month, for recommendation to City Council.

7. BOARD MEMBER / COMMISSIONER / STAFF REPORT

8. ADJOURNMENT



PUBLIC UTILITIES COMMISSION COMMUNICATION

Title: Approval of April 23, 2019 Minutes

Contact:

Meeting Date: 5/28/2019

Item #: 5.1.

ATTACHMENTS:

Description

PUC April 23, 2019 Draft Minutes



MINUTES

April 23, 2019

PUBLIC UTILITIES COMMISSION MEETING

7:00 p.m.

City Council Chambers
311 Vernon Street
Roseville, California
roseville.ca.us

1. CALL TO ORDER

2. ROLL CALL

Present: Granger, Speight, Vertido, Viele, Cannon

Absent: Hildebrand, Sedwick

3. PLEDGE OF ALLEGIANCE

Commissioner Cannon led the Pledge of Allegiance.

4. PUBLIC COMMENTS

5. MINUTES

5.1. Approval of March 26, 2019 Minutes

Motion by John Speight, seconded by Samuel Cannon, Approve Motion. The Motion Passed.

Roll call vote: Ayes: Cannon, Granger, Speight, Vertido, Viele

Absent: Hildebrand, Sedwick

6. REQUESTS/PRESENTATIONS

6.1. Roseville Electric Utility Update

Report by Electric Utility Director Michelle Bertolino summarizing monthly status of Electric Utility issues, for information.

Electric Utility Director Michelle Bertolino made the presentation.

No public comment received

Absent: Hildebrand, Sedwick

6.2. Roseville Electric Utility Development Fee Reduction Proposal

Presentation by Assistant Electric Utility Director Philip McAvoy on the Electric Backbone Mitigation Fee Reduction Proposal, for recommendation.

Assistant Electric Utility Director Philip McAvoy made the presentation for recommendation.

No public comment received.

Motion by Blandon Granger, seconded by Samuel Cannon, Approve Motion. The Motion Passed.

Roll call vote: Ayes: Cannon, Granger, Speight, Vertido, Viele

Absent: Hildebrand, Sedwick

6.3. Roseville Electric Utility Greenhouse Gas Proceeds Spending Plan

Report by Electric Resource Analyst David Siao summarizing allocation of proceeds to programs benefiting ratepayers, for recommendation.

Electric Resource Analyst David Siao made the presentation for recommendation.

No public comment received.

Motion by James Viele, seconded by John Speight, Approve Motion. The Motion Passed.

Roll call vote: Ayes: Cannon, Granger, Speight, Vertido, Viele

Absent: Hildebrand, Sedwick

6.4. Environmental Utilities Monthly Update

Report by Acting Water Utility Manager Sean Bigley summarizing monthly status of Environmental Utilities activities, for information.

Acting Water Utility Manager Sean Bigley made the presentation.

No public comment received.

Absent: Hildebrand, Sedwick

6.5. Environmental Utilities Water Division Update

Report by Acting Water Utility Director Sean Bigley summarizing status of

Environmental Utilities Water Division, for information.

Acting Water Utility Manager Sean Bigley made the presentation.

No public comment received.

Absent: Hildebrand, Sedwick

6.6. Environmental Utilities Proposed Rate Overview

Presentation by Business Services Administrator Janet Vargas on proposed Environmental Utilities Rate Analysis, for information.

Business Services Administrator Janet Vargas made the presentation.

No public comment received.

Absent: Hildebrand, Sedwick

7. BOARD MEMBER / COMMISSIONER / STAFF REPORT

The Public Utilities Commissioners congratulated Secretary Cheryl Hammond and wished her a happy retirement.

Absent: Hildebrand, Sedwick

8. ADJOURNMENT

Motion by Samuel Cannon, seconded by James Viele, Approve Motion. The Motion Passed.

Roll call vote: Ayes: Cannon, Granger, Speight, Vertido, Viele

Absent: Hildebrand, Sedwick

John Vertido
Chair

Cheryl Hammond
Recording Secretary



PUBLIC UTILITIES COMMISSION COMMUNICATION

Title: FY 19-20 Environmental Utilities Budget Overview

Contact:

Meeting Date: 5/28/2019

Item #: 6.2.

ATTACHMENTS:

Description

FY19-20 Environmental Utilities Budget Overview



FY20 Budget Overview

Dale Olson, Environmental Utilities Assistant Director

Janet Vargas, EU Business Services Administrator

Sound and Stable Utilities

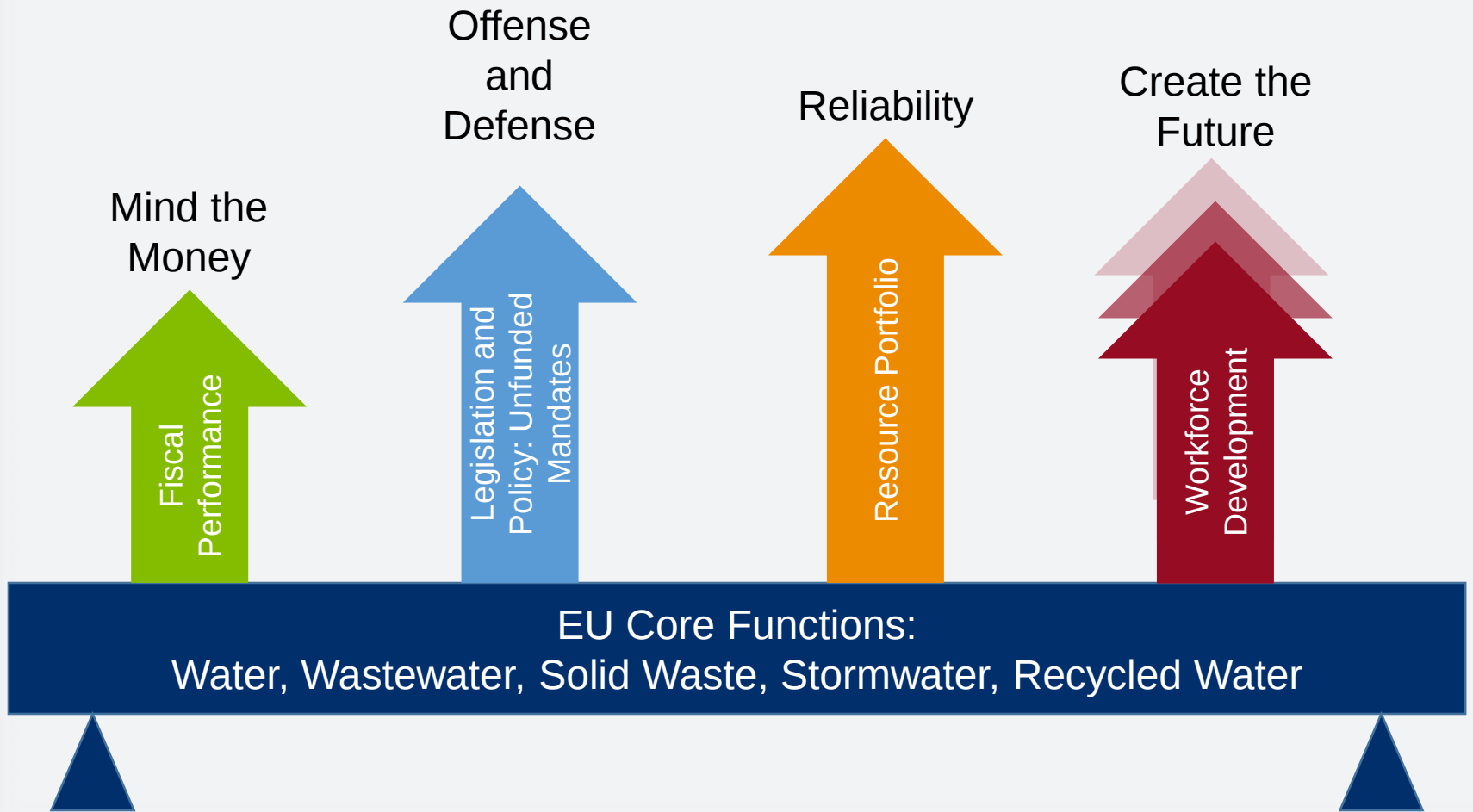
- Growing, progressive and customer focused
 - 10 year financial planning and forecasting
 - Highest value, not necessarily lowest cost
 - 98% customer satisfaction level
- Funded by user fees - not taxes
 - Runs more like a business
 - Rate adjustments smaller/ more frequent
 - Significant contributor to general fund
- Focused on continued service, reliability and rehabilitation

FY20 Expense Forecast

Comparison of budgeted operational expenses:

	<u>FY20</u>	<u>FY19</u>
Solid Waste	\$27,578,803	\$25,706,810
Wastewater	\$42,620,217	\$39,484,623
Water	\$30,336,580	\$28,093,324

EU Focus Areas into FY20



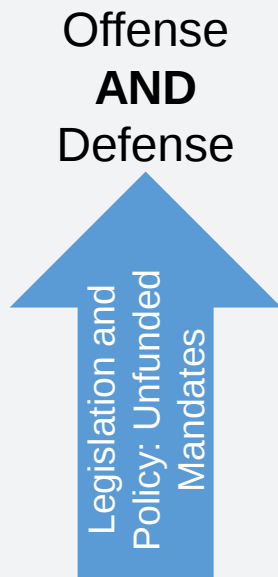
Fiscal Performance

Mind the
Money



- Revenues and expenses on target with FY19 budget
- Rate case approved for FY20&21:
 - Water 3%, Wastewater 4%, Solid Waste 5%.
 - Net 3.9% overall each year
 - At or below prevailing economic inflation rate

Unfunded Mandates Since 2014:



- SB1383: Organics Diversion by 2022 (\$7M+\$2M/yr)
- Landfill Improvements (\$?M+ \$1M/yr)
- ELAP Accreditation (\$300K+\$250K/yr)
- NPDES: Nitrate Reduction (\$15M+ \$1M/yr)
- Water Efficiency Standards (\$500K+\$500K/yr)
- Water Shut-Offs (\$0+\$200K/yr)

258 of 2768 Bills introduced in 2019 will directly impact EU costs

Resource Portfolio



- Securing long-term water service contract(s)
- Groundwater and infrastructure planning and development
- Managing resource portfolio
- Roseville's key role in regional water industry

Workforce Development



- Organization and structure evolving:
 - Growing workload & mission
 - Recruiting and retaining key people and capabilities
 - Creating career pathways
 - Succession planning and knowledge transfer
- Use values and culture to drive positive change

Questions?



PUBLIC UTILITIES COMMISSION COMMUNICATION

Title: Environmental Utilities Legislative/Regulatory Update

Contact:

Meeting Date: 5/28/2019

Item #: 6.3.

ATTACHMENTS:

Description

EU Legislative and Regulatory Update May 2019



Environmental Utilities – May 2019

Noelle Mattock, Department Government Relations Supervisor

Marisa Tricas, Department Government Relations Supervisor

Water and Solid Waste Legislation

Water

- **AB 60 (Laura Friedman)** – Water Meter Accuracy Standards (Amend)
- **AB 533 (Chris Holden)** – Income tax exclusion, water conservation and efficiency programs (Support)

Solid Waste

- **AB 1509 (Kevin Mullin)** – Solid waste: lithium-ion batteries (Support)
- **SB 667 (Ben Hueso)** – Recycling Infrastructure and Facilities (Support)

Timeline of Implementing the "Human Right to Water"

"Every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes"

Legislative Actions	Human Right to Water AB 685			AB 401 SB 88	SB 1263 SB 552	SB 778 SB 623	AB 2050 AB 2501 SB 623 SB 844 SB 845 SB 862 SB 998 Budget Trailer Bill	AB 134 AB 217 AB 508 AB 1381 SB 200 SB 414 SB 669 Budget Trailer Bill
	2012	2013	2014	2015	2016	2017	2018	2019
Regulatory Actions					State Water Resources Control Board (SWRCB) Resolution 2016-10 "Adopting the Human Right to Water as a Core Value Directing its Implementation in Water Board Programs and Activities	AB 401 Process Continued	AB 401 Process Continued	AB 401 Process Continues
					OEHHA Human Right to Water Portal			
					Drinking Water Needs Assessment			
					Access to Sanitation for People Experiencing Homelessness			
					SWRCB AB 401 Process – Statewide LIRA			

Other Updates

Federal Updates

- **HR 2473 (Josh Harder)** – Securing Access for the Central Valley and Enhancing (SAVE) Water Resources Act (Support)

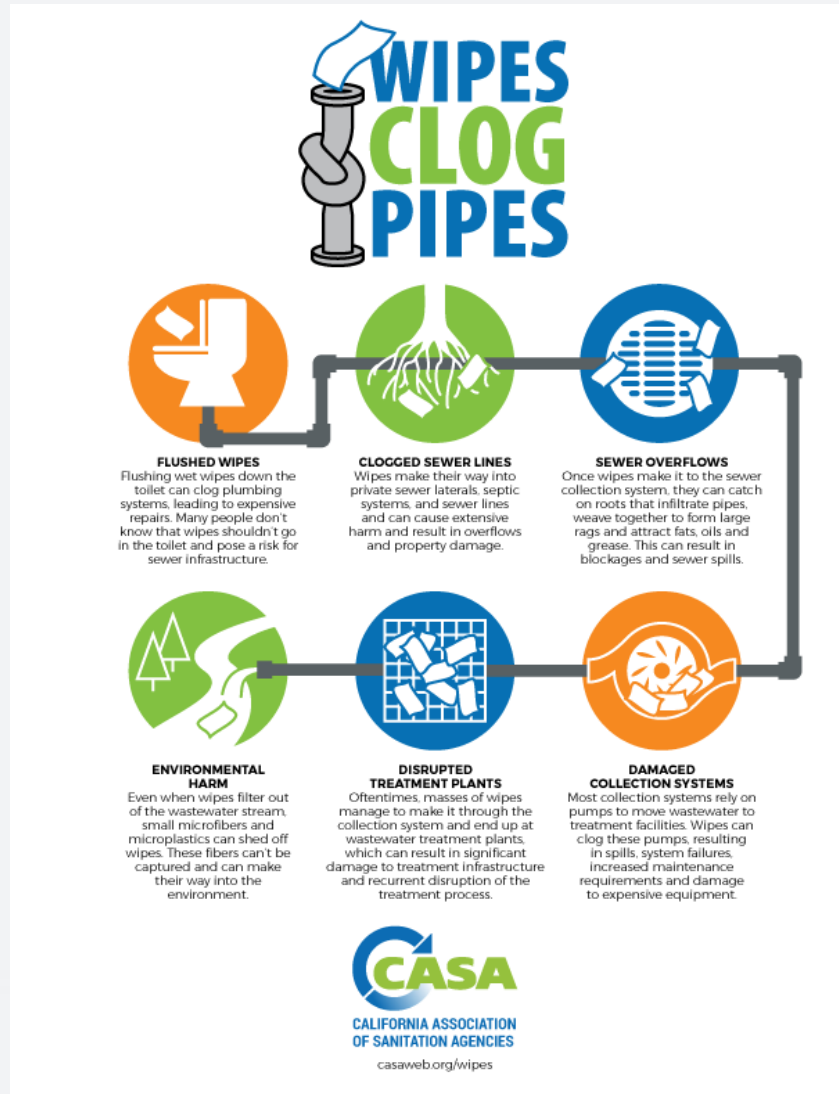
Regulatory Updates

- **Environmental Laboratory Accreditation Program (ELAP)** – Toxicity draft provisions (Oppose)

State Updates

- **AB 756 (Cristina Garcia)** – Public water systems: perfluoroalkyl substances and polyfluoroalkyl substances. (Watch)
- **AB 1672 (Richard Bloom)** – Solid waste: flushable products (Support)

A Wipe's Impact



A Wipe's Impact

- Recent class action lawsuits
- Costs U.S. WWTP's 1 billion annually
- 90% of flushed materials are not meant for WWTPs
- Case Study: Charleston, SC



Photo c/o Charleston Water: Divers preparing to go 90 feet into raw sewage to search in complete darkness with their hands to find and identify obstruction



Photo c/o Charleston Water: Fatberg extracted from collection system

Other Advocacy Activities

- Organized and led regional trip to Washington, D.C.
- Annual Mayors Trip to Washington, D.C.
- Central Valley Clean Water Association Annual Conference
- California Association of Sanitation Agencies Legislative and Regulatory Monthly Board Meeting

Questions?

Noelle Mattock

Department Government Relations Supervisor

(916) 774-5504

ncmattock@Roseville.ca.us

Marisa Tricas

Department Government Relations Supervisor

(916) 774-5553

mtricas@Roseville.ca.us



PUBLIC UTILITIES COMMISSION COMMUNICATION

Title: Roseville Electric Utility Update
Contact:

Meeting Date: 5/28/2019
Item #: 6.4.



PUBLIC UTILITIES COMMISSION COMMUNICATION

Title: FY19-20 Electric Budget Overview

Contact:

Meeting Date: 5/28/2019

Item #: 6.5.

ATTACHMENTS:

Description

FY19-20 Electric Budget Overview



Proposed FY20 Budget Overview Roseville Electric Utility

May 28, 2019

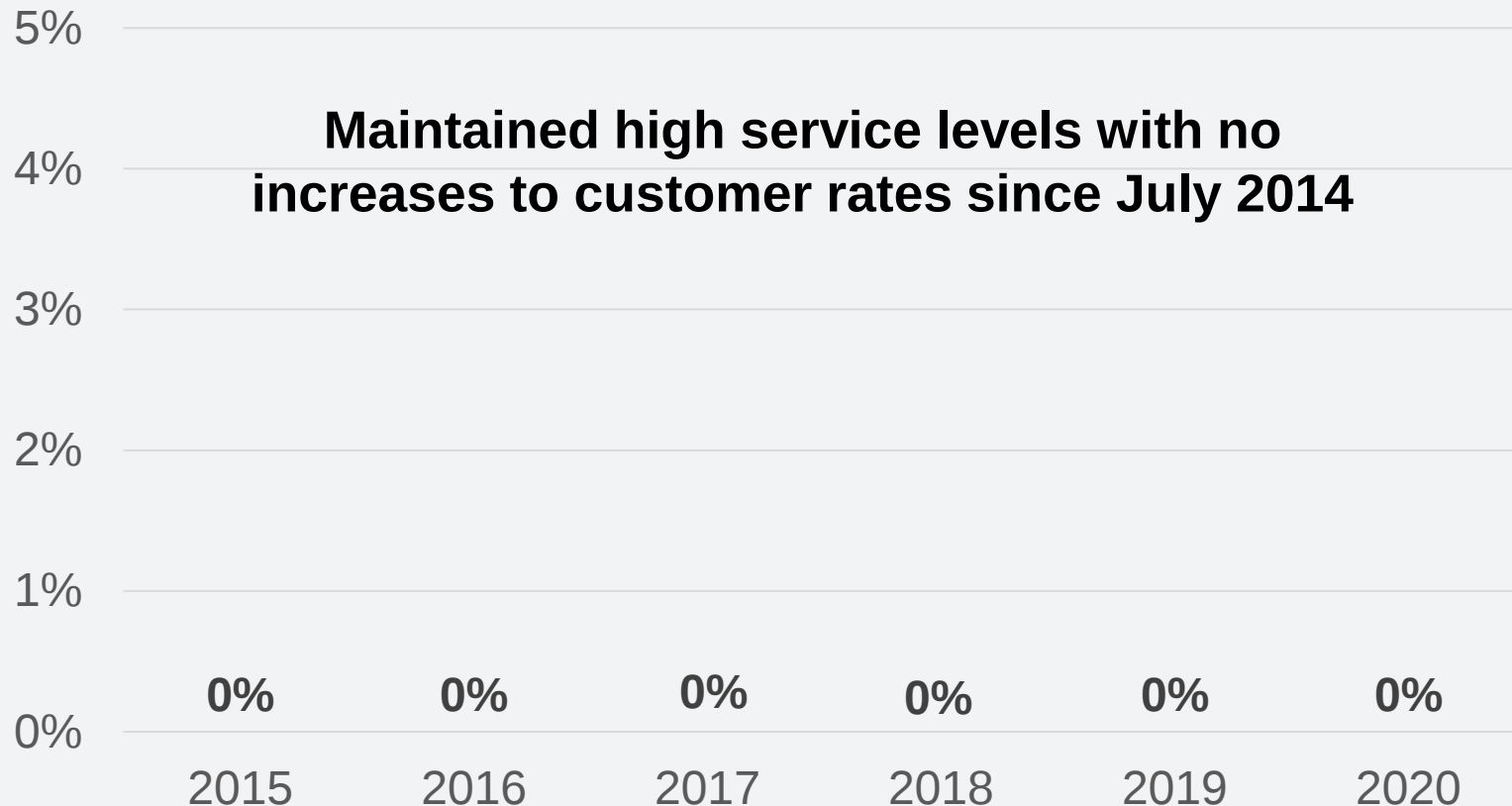
Budget overview

- Revenue cover expenses
- Power supply costs are down
 - Favorable market conditions
- Continued investment in infrastructure and technology
 - Utility of the future

Electric Utility Budget includes

- Electricity and Gas
- Power plant and distribution system operations
- Capital investments
- Debt
- City Services:
 - Franchise fee
 - Streetlights
 - Traffic signals
 - Utility billing
 - Shared services such as IT, human resources, finance, vehicle maintenance

Sixth year with no Rate Increases



Financial Policies met in FY20

Metric	Adopted Policy	FY20 Proposed
Days Cash On Hand	>250	545
Debt Service Coverage Ratio	>2.00	3.04
Rate Stabilization Fund	40%-90%	45%

Electric Revenues

(\$ millions)

	Actual FY2018	Forecast FY2019	Proposed FY2020
Energy Sales	\$163	\$163	\$160
Capital	\$5	\$5	\$5
Other	\$9	\$8	\$9
Total	\$177	\$176	\$174

Electric Expenditures

(\$ millions)

	Actual FY2018	Forecast FY2019	Proposed FY2020
Operating	\$126	\$125	\$126
Capital	\$15	\$19	\$21
Debt	\$16	\$16	\$16
Total	\$157	\$160	\$163

FY20 CIP Budget

Distribution	\$9.3M
Meter upgrades (AMI)	\$4.6M
New services	\$4.0M
Generation	\$2.2M
Total	\$20.1M

Hydroelectric surcharge

- The hydroelectric surcharge offsets reduced hydroelectric output in dry years
- Northern Sierra 8 Station Index precipitation is **125%** of normal from July 2018 - June 2019
- **No surcharge in FY20**

Key Trends and Issues

- Recruitment and retention
- Legislative and regulatory uncertainty
- Rapidly changing utility business
- New and evolving energy markets
- Pay down debt, PERS liability
- Wildfires, PG&E bankruptcy, natural gas costs, credit rating downgrades of other utilities

Questions?



PUBLIC UTILITIES COMMISSION COMMUNICATION

Title: Roseville Electric Legislative/Regulatory Update

Contact:

Meeting Date: 5/28/2019

Item #: 6.6.

ATTACHMENTS:

Description

Electric Legislative/Regulatory Update



ROSEVILLE ELECTRIC
Legislative/Regulatory Update

AMBER BLIXT
May 2019

Legislative Landscape

- May 31: Last day for bills to pass house of origin.
- June 15: Budget bill must be passed by midnight.

- State Priority Issues:
 - Self-Generation
 - Transportation Electrification
 - Wildfires and Climate Change

- Federal Priority Issues:
 - Wireless Equipment on Public Infrastructure
 - Privatization of Power Marketing Administrations (PMA) Transmission Assets

Self-Generation

- SB 288 (Wiener) Self-Generation and Storage – Oppose
 - Local governing boards to consider creating tariffs for customer-sited renewable energy and energy storage systems that have certain characteristics.
 - May conflict with Roseville Solar 2.0 Program.
 - Cost shifts are a concern.
 - Additional workload on staff to document processes without commensurate funding.

Transportation Electrification

- SB 676 (Bradford) Electric Vehicle (EV) Grid Integration
 - Oppose Unless Amended
- California Energy Commission (CEC) to establish EV grid integration strategies for Publicly Owned Utilities (POUs).
- Strategies contemplated may include shifting 25% of the electrical demand for EV charging from peak-demand periods to other periods.
- Seeking amendments to consider EV grid integration as part of our Integrated Resource Plans.

Wildfire – Climate Change Fund

- AB 740 (Burke) Climate Change Catastrophe Compensation Fund - Watch
 - Creates Climate Change Catastrophe Compensation Fund to ensure wildfire victims are compensated in a timely manner.
 - Electrical corporations to annually set aside money and will reimburse the fund if responsible for wildfire.
 - Roseville monitoring for any implications on POU's, which are currently not contemplated in the bill.

Wildfire - Governor's Report

- Governor's Strike Force Releases Wildfire Report focused on:
 - Catastrophic Wildfire Prevention & Emergency Response
 - Mitigating Climate Change Through Clean Energy Policies
 - Fair Allocation of Catastrophic Wildfire Damages
 - More effective CPUC with the Tools to Manage a Changing Utility Market
 - Holding PG&E Accountable and Building a Utility that Prioritizes Safety
- Urges Legislature to act by July 12, 2019

Wireless Communications

- FCC Order authorizes communications attachments on publicly owned infrastructure.
- FCC Order sets new precedent; conflicts with exemptions granted to public power providers; diminishes local input.
- H.R. 530 (Eshoo) - FCC Order has no effect.
 - APPA coalition letter in support; Joint Mayors letter in support.

Privatization of PMAs

- President's Fiscal Year 2020 budget proposes to privatize Power Marketing Administrations (PMA) transmission assets including the Western Area Power Administration (WAPA).
- WAPA delivers services “at cost”
- Sale likely to increase costs to customers.
- Department continues to voice concerns.

Questions?

Amber Blixt

916-774-5693

aablixt@roseville.ca.us



PUBLIC UTILITIES COMMISSION COMMUNICATION

Title: Public Utilities Commission Proposed Meeting Time Change to 6:00 p.m.

Contact:

Meeting Date: 5/28/2019

Item #: 6.7.

ATTACHMENTS:

Description

Proposed PUC Meeting Time Change



COMMISSION COMMUNICATION

DATE: May 15, 2019

TITLE: Roseville Public Utilities Commission Meeting – Proposed
Time Change to 6:00 p.m.

CONTACT: Michelle Bertolino, Electric Utility Director, 916-774-5603

Meeting Date: May 15, 2019

RECOMMENDATION

Recommend the Commission discuss and act on a proposed recommendation to change the time regular Roseville Public Utilities Commission meetings will be held from 7:00 p.m. to 6:00p.m. on the fourth Tuesday of every month.

BACKGROUND

The Roseville Public Utilities Commission currently holds its regular meetings on the fourth Tuesday of every month at 7:00 p.m. In February 2019, the City Council directed staff to bring forth information regarding a proposal to change the City Council's regular meeting time to 6:00 p.m. At the April 17, 2019 Council discussed and approved the change. In an effort to set a standard meeting time for board and commission meetings throughout the city, staff is recommending the Roseville Public Utilities Commission change the regular scheduled meeting time to 6:00 p.m.

The Roseville City Council can provide for the time and place for regular meetings by resolution pursuant to California Government Code § 54954(a)). Additionally, the Ralph M. Brown Act calls for agencies to provide the time and place for the conduct of business. If a body calls a meeting at a time or place other than the time or place specified for regular meetings, it is either a special or emergency meeting. Regular Roseville Public Utilities Commission meetings follow a schedule established in advance and require the posting of an agenda at least 72 hours prior to the meeting time.

While very few cities have Public Utilities Commissions similar to Roseville, staff obtained information for start times from Northern California Power Agency members and a few other northern California cities that have utilities commissions. The results are below:

City or Agency	Start time
BART	9:00 a.m.
Plumas Sierra	10:00 a.m.
San Francisco	1:30 p.m.
Lompoc	5:00 p.m.
Sacramento (rates advisory only)	5:30 p.m.
Folsom	6:30 p.m.
Palo Alto	7:00 p.m.
Alameda	7:00 p.m.

The proposed time change for the Roseville Public Utilities Commission will allow for an earlier start time for public comment and/or recognition of local community members, groups or businesses for their achievements and accomplishments. This would also bring the more substantive items to an earlier time to accommodate those who wish to attend and speak during public comment or speak to an item on the agenda. Currently the Commission holds public comment for items not on the agenda at the start of the meeting. If Commission desires or if staff determines a need for a second public comment session, two public comment periods could be accommodated to anyone who cannot make it to the meeting by 6:00 p.m.

FISCAL IMPACT

There is no fiscal impact as a result of these changes.

ENVIRONMENTAL REVIEW

Not applicable.

SUMMARY RECOMMENDATION

Recommend the Roseville Public Utilities Commission act on a proposal to change the regular time for the regular meetings to start at 6:00 p.m. on the fourth Tuesday of every month.

A handwritten signature in black ink, appearing to read "Michelle Bertolino", followed by the word "for:" written in a smaller, less legible script.

Michelle Bertolino, Electric Utility Director