



AGENDA
May 24, 2022
VIDEO

PUBLIC UTILITIES COMMISSION
6:00 P.M.
Council Chambers
311 Vernon Street
Roseville, CA
www.roseville.ca.us/CORTV

The meeting may be viewed on Comcast channel 14, Consolidated Communications channel 73, and AT&T U-Verse. Public Utilities Commission meetings are also video streamed live on the City's website at Roseville.ca.us/watch and Roseville.ca.us/agenda, and the City's

You Tube channel at youtube.com/CityofRosevilleCa.

If you need a disability-related modification or accommodation to participate in this meeting, please contact

Voice: 916-774-5200, TDD: 916-774-5220.

Requests must be made as early as possible.

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.

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENTS

5. MINUTES

5.1. Approval of April 26, 2022 Minutes

6. REQUESTS/PRESENTATIONS

6.1. Roseville Electric Utility Monthly Update

Report by Assistant Electric Utility Director, Shawn Matchim, summarizing the monthly status of Electric Utility issues, for information.

6.2. Roseville Electric Legislative/Regulatory Update

Presentation by Roseville Government Relations Analyst, Chris Romero, summarizing key energy-related legislation and regulations, for information.

6.3. Roseville Electric Budget Overview

Report by Electric Utility Finance Administrator, Eric Campbell and Senior Electric Business Analyst, Joanna Cucchi, summarizing the Electric Utility budget, for information.

6.4. Environmental Utilities Monthly Update

Report by Environmental Utilities Assistant Director Devin Whittington, summarizing the monthly status of Environmental Utilities activities, for information.

6.5. Environmental Utilities Legislative/Regulatory Update

Presentation by Government Relations Administrator Noelle Mattock, summarizing priority Environmental Utilities-related legislation and regulations, for information.

6.6. Environmental Utilities Budget Overview

Report by Environmental Utilities Business Services Administrator Janet Vargas, summarizing the Environmental Utilities budget, for information.

6.7. Environmental Utilities Materials Recovery Facility Update

Report by Environmental Utilities Assistant Director Devin Whittington, with an update on the Environmental Utilities Materials Recovery Facility, for information.

7. BOARD MEMBER / COMMISSIONER / STAFF REPORT

8. ADJOURNMENT



PUBLIC UTILITIES COMMISSION COMMUNICATION

Title: Public Utilities Commission
Contact:

Meeting Date: 5/24/2022
Item #: 01.



PUBLIC UTILITIES COMMISSION COMMUNICATION

Title: Approval of April 26, 2022 Minutes

Contact:

Meeting Date: 5/24/2022

Item #: 5.1.

ATTACHMENTS:

Description

Approval of April 26, 2022 Minutes



MINUTES

April 26, 2022

PUBLIC UTILITIES COMMISSION

6:00 p.m.

Council Chambers

311 Vernon Street

Roseville, California

www.roseville.ca.us/CORTV

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1. CALL TO ORDER

Vice Chair Knox called the meeting to order at 6:00 p.m.

2. ROLL CALL

Present: Commissioners Bielski, De Lacy, DeMarchi, Granger, Knox, and Maisch

Absent: Chair Webb

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Commissioner DeMarchi.

4. PUBLIC COMMENTS

No public comment received.

5. MINUTES

5.1. Approval of the March 22, 2022 Minutes

Motion by Commissioner DeLacy, seconded by Commissioner Granger, Approve Motion. The Motion Passed.

Roll call vote: Ayes: Commissioners Bielski, DeLacy, De Marchi, Granger, Knox, and Maisch

Absent: Chair Webb

6. REQUESTS/PRESENTATIONS

6.1. Roseville Electric Utility Monthly Update

Report by Electric Utility Director, Dan Beans, summarizing the monthly status of Electric Utility issues, for information.

No public comment received.

6.2. Roseville Electric Reliability Overview

Presentation on Roseville Electric Reliability Overview, by Electric Power Engineering Manager, Chris Porter, for information.

No public comment received.

6.3. Environmental Utilities Monthly Update

Report by Principal Engineer, Bryan Buchanan, summarizing the monthly status of Environmental Utilities activities, for information.

No public comment received.

6.4. Environmental Utilities Monthly Update

Report by Principal Engineer, Bryan Buchanan, with an overview of Wastewater Utility operations, for information.

No public comment received.

7. BOARD MEMBER / COMMISSIONER / STAFF REPORT

Commissioner Maisch requested a report on the Western Placer Waste Management System.

8. ADJOURNMENT

The Public Utilities Commission meeting was adjourned at 7:07 p.m.

Motion to adjourn by Commissioner Maisch, seconded by Commissioner Granger, approve the Motion. The Motion Passed.

Roll call vote: Ayes: Commissioners Bielski, DeLacy, De Marchi, Granger, Knox and Maisch

Absent: Chair Webb



PUBLIC UTILITIES COMMISSION COMMUNICATION

Title: Roseville Electric Utility Monthly Update
Contact:

Meeting Date: 5/24/2022
Item #: 6.1.



PUBLIC UTILITIES COMMISSION COMMUNICATION

Title: Roseville Electric Legislative/Regulatory Update

Contact:

Meeting Date: 5/24/2022

Item #: 6.2.

ATTACHMENTS:

Description

Roseville Electric Legislative/Regulatory Update



Electric Legislative/Regulatory Update

Chris Romero, Government Relations Analyst

May 24, 2022

Legislative/Regulatory Overview

- Overview of Legislative/Regulatory Advocacy Efforts
- State Legislation: Key Bills
- State Zero-Emission Vehicle Infrastructure Plan
- Federal Hydropower Licensing Process

Legislative/Regulatory Advocacy Efforts

- Legislative/Regulatory advocacy is a priority for the Department/City
- Over 140 State and Federal bills tracked by the Electric Department in 2022
- Legislative Platform developed annually to guide advocacy efforts
- Dedicated resources, staff, and lobbyists to ensure business interests are covered in state and federal venues
- Work closely with our trade associations to shape legislation:
 - California Municipal Utilities Association (CMUA)
 - Northern California Power Agency (NCPA)
 - American Public Power Association (APPA)

State Legislation:

SB 1393 (Archuleta) Energy: appliances: local requirements. (Watch)

- Submit application to CEC, approval for natural gas replacement
- No CEC approval needed under certain conditions
- The author is concerned forced natural gas replacements could negatively impact low income customers
- Monitoring impact to electric's building electrification programs

State Legislation:

AB 2793 (Muratsuchi) Greenhouse gases: market-based compliance mechanism. (Watch)

- Cap and Trade program to help meet emission reduction goals
- Independent Emissions Market Advisory Committee to analyze program effectiveness
- CARB to adopt public banking metrics
- Staff monitoring to see direction CARB may take with Cap and Trade

State Legislation:

AB 2703 (Muratsuchi) Electric vehicle charging stations: reliability standards: low income financial assistance. (Watch)

- CEC to develop new program to provide financial assistance low income for charging stations
- Recipient of state funds must operate station and comply with CEC reliability standards
- Supports meeting goal of 5 Million ZEV's by 2030
- Watching to see new reliability standards do not expand

State Legislation:

AB 2061 (Ting): Electric Vehicle Charging Infrastructure. (Watch)

- On 7/1/23 - Begin reporting charging station “uptime” to CEC
 - If receive incentive funding by state agency to own/operate
- “Uptime” is charging station online and available, or in use
- CEC may adopt requirements, incentives to increase uptime
- Does not apply to residential property, four or fewer units

State Legislation:

SB 1020 (Laird) Clean Energy, Jobs, and Affordability Act of 2022.
(Watch)

- Jointly authored by Senate pro Tem and leader of the Senate Climate Working Group
- Establish interim targets to reach clean energy goals:
 - 90% renewable energy & zero-carbon resources by 12/31/2035
 - 95% renewable energy & zero-carbon resources by 12/31/2040
- Require all state agencies to purchase 100% zero-carbon by 2030
- Establish the Climate and Equity Trust Fund

State Legislation:

AB 2696 (E. Garcia) Renewable Energy, Zero-Carbon Resources: Transmission Planning. (Watch)

- CEC to review financing alternatives for new transmission facilities
- New transmission to support 2045 clean energy goals
- Transmission continues to be a hot topic in 2022
- Watching to ensure no adverse impacts/cost implications for City

State Legislation:

SB 1075 (Skinner) Hydrogen: green hydrogen: emissions of greenhouse gases. (Watch)

- Creates a State Clean Hydrogen Hub Fund
- Consider potential uses of hydrogen in decarbonization & greenhouse gas reduction strategies
- I-Bank to provide grants for eligible hydrogen projects
- Governor to appoint Clean Hydrogen Hub Director

State ZEV Infrastructure Plan

- Zero-emission vehicle (ZEV) charging and fueling infrastructure crucial to meeting State's clean transportation goals.
- Interagency collaboration with Caltrans, CARB, CEC, the CPUC and the Governor's Office of Business and Economic Development.
- Workshops to develop a *Zero-Emission Vehicle Infrastructure Plan*
 - Needs and challenges
 - Funding efforts
 - Deployment plan
- Workshops over the next several months.
- Infrastructure Plan expected to be finalized in Summer 2022.

Federal Hydropower Licensing Process

- Hydropower remains a vital power resource for utilities
- Supreme Court reinstated section 401
- Rule limits State's authority to certify energy projects
- Hydropower relicensing projects to benefit
- Roseville/NCPA support NHA Involvement

Questions?

Chris Romero

Government Relations Analyst

Roseville Electric Utility

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cromero@roseville.ca.us



PUBLIC UTILITIES COMMISSION COMMUNICATION

Title: Roseville Electric Budget Overview

Contact:

Meeting Date: 5/24/2022

Item #: 6.3.

ATTACHMENTS:

Description

Roseville Electric Budget Overview



Proposed FY23 Budget Overview Roseville Electric Utility

May 24, 2022

Budget Overview

- Developed in alignment with the City Council Strategic Plan

“Remain fiscally responsible in a changing world”

- Positions the Electric Department to deliver on its mission

“Deliver safe, reliable electricity at competitive rates with exceptional service”

- Maintains compliance with financial policies and metrics

“Debt service coverage ratio and days cash on hand to remain above target”

- Power Supply Costs and Rate Stabilization Fund

“Proposes \$4 million transfer from RSF to balance the budget”

Electric Utility Budget Includes

- Electric operations
- Capital investments
- Franchise fee
- City streetlights
- City traffic signals
- 50% of Utility Billing costs
- 50% of the Utility Exploration Center
- Share of City IT, Central Services, other internal support services

Current Year Budget Status – FY2021/22

(\$ millions)	Budget FY2022	Forecast FY2022	Proposed FY2023
Energy Sales	\$156	\$167	\$171
Other Revenue	2	4	2
Operating Expenses	128	134	148
Net Operating	\$30	\$37	\$25
Non-Operating Revenue	2	6	7
Non-Operating Expenses	21	21	21
Net Non-Operating	(\$19)	(\$15)	(\$14)
Capital Revenue	9	7	7
Capital Expenses	19	23	22
Net Capital	(\$10)	(\$16)	(\$15)
RSF Transfer	\$0	\$0	\$4
Net annual cash flow	\$1	\$7	\$0

Financial Policies

Metric	Adopted Policy	FY23 Proposed
Days Cash On Hand	>250	416
Debt Service Coverage Ratio	>2.00	2.17
Rate Stabilization Fund	40%-90%	42%

Strong Financial Foundation

- Financially centered cost based and competitive rates
- Additional revenue may needed in volatile energy markets
- Continued emphasis on liquidity and cost discipline
 - Built strong cash balances
 - Assessed and deferred capital projects
- S&P Global and Fitch Ratings rate Roseville Electric AA
 - Mid-high grade debt/quality of bond range

Key Trends and Issues

- Economic Uncertainty / Power Supply Costs
- Recruitment and retention
- Legislative and regulatory uncertainty
- Extreme weather events
- PERS/OPEB liability
- CDWR Generation Unit(s) Purchase Evaluation
- Direct Placement Expiration

Questions?



PUBLIC UTILITIES COMMISSION COMMUNICATION

Title: Environmental Utilities Monthly Update

Contact:

Meeting Date: 5/24/2022

Item #: 6.4.



PUBLIC UTILITIES COMMISSION COMMUNICATION

Title: Environmental Utilities Legislative/Regulatory Update

Contact:

Meeting Date: 5/24/2022

Item #: 6.5.

ATTACHMENTS:

Description

Environmental Utilities Legislative/Regulatory Update



Public Utilities Commission

Environmental Utilities Department
May 24, 2022

Support Bills

- AB 2142 (Gabriel) Income Taxes: Exclusion: Turf Replacement Water Conservation Program
- AB 2247 (Bloom) Perfluoroalkyl and polyfluoroalkyl substances (PFAS) and PFAS products and product components: publicly accessible reporting platform
- AB 2440 (Irwin) Responsible Battery Recycling Act of 2022
- SB 1215 (Newman) Responsible Battery Recycling Act of 2022

Oppose Bills

- AB 1931 (Rivas, L) Community water systems: Lead pipes
- SB 1124 (Archuleta) Public Health Goal: Primary Drinking Water Standard: Manganese (Oppose Unless Amended)
- SB 1157 (Hertzberg) Urban Water Use Objectives: Indoor Residential Water Use (Oppose Unless Amended)

Regulations

- Low-Income Household Water Assistance Program
- Hexavalent Chromium Maximum Contaminant Level

Federal

- S. 3956 Wastewater Infrastructure Pollution Prevention and Environmental Safety Act (WIPPES) (Support)
- Member Directed Funding Request

Questions

Noelle Mattock, Utility Government Relations Administrator

Email: ncmattock@Roseville.ca.us



PUBLIC UTILITIES COMMISSION COMMUNICATION

Title: Environmental Utilities Budget Overview

Contact:

Meeting Date: 5/24/2022

Item #: 6.6.

ATTACHMENTS:

Description

Environmental Utilities Budget Overview



FY22 & FY23 Budget Update

Rich Plecker, Environmental Utilities Director

Janet Vargas, EU Business Administrator

Remain Fiscally Responsible in a Changing World

- Growing, progressive, and customer-focused
 - 10-year financial planning and forecasting
 - Highest value, not necessarily lowest cost
 - Maintain 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

FY23 Expense Forecast

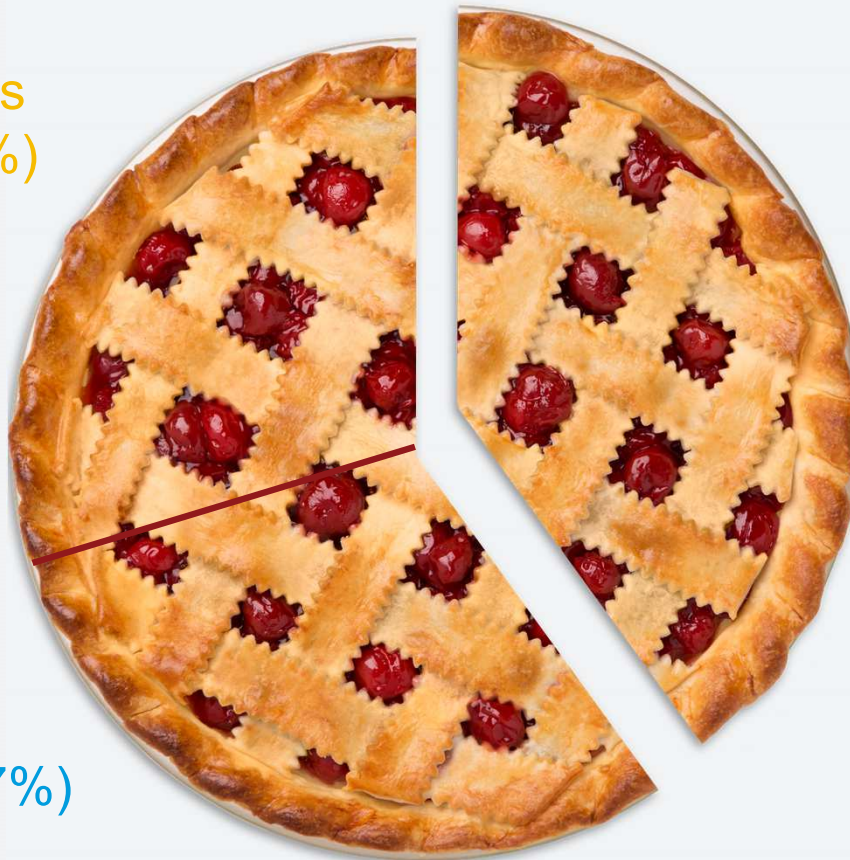
Comparison of budgeted operational expenses:

	<i>\$ Millions</i>	
	FY22	FY23
Water	\$36.0	\$37.5
Wastewater	\$47.0	\$46.8 *
Waste Services	\$34.0	\$37.7

* Lower due to additional money set aside in FY22 for Regional Rehabilitation

FY23 Expense Forecast

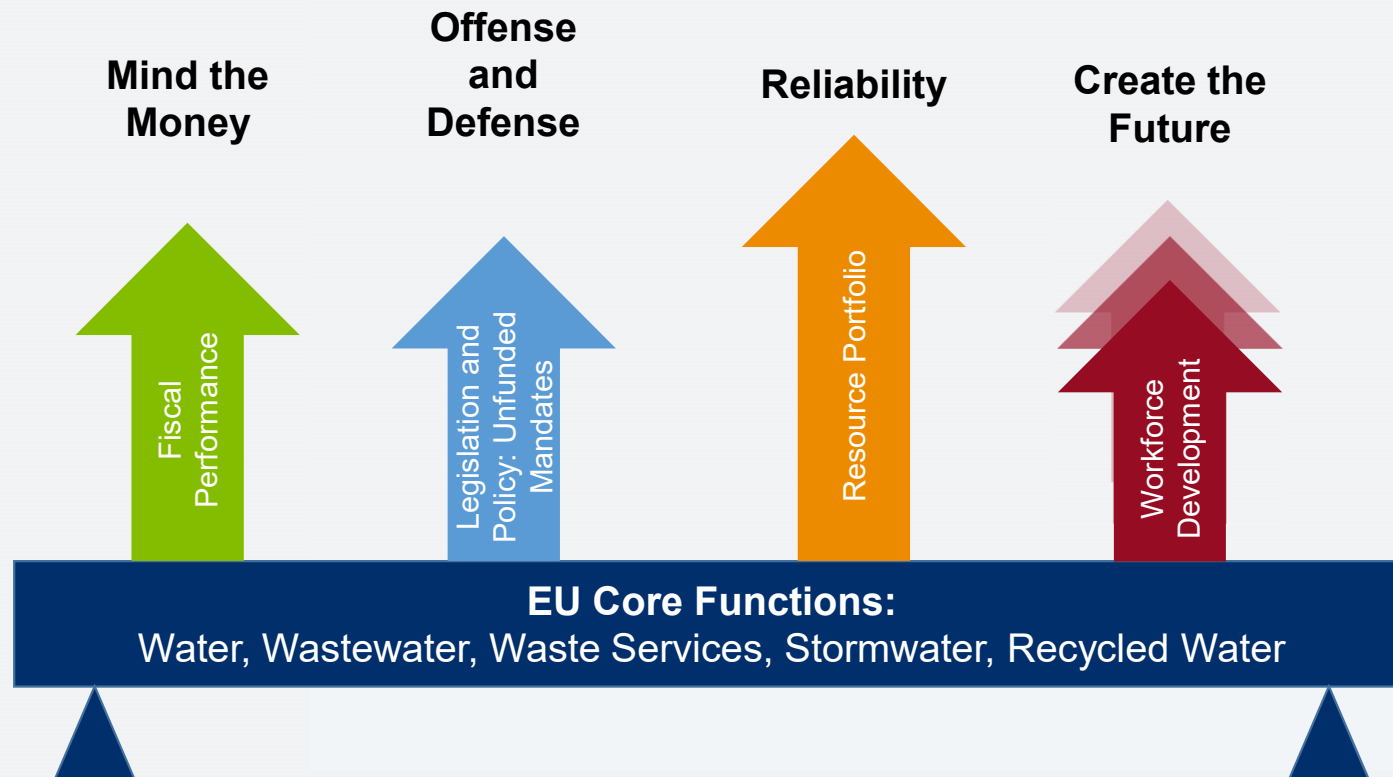
Waste Services
\$37.7M (30.9%)



Wastewater
\$46.8M (38.4%)

Water
\$37.5M (30.7%)

EU Focus Areas into FY23



Fiscal Performance

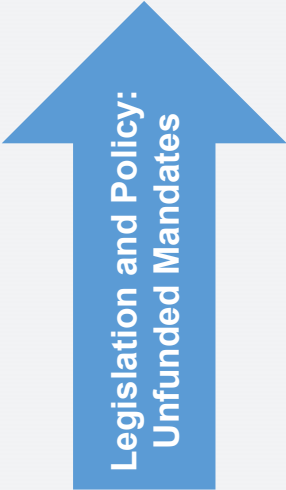
Mind the
Money



- Second year of two-year rate case, with inflation eroding rate gains
- Rate adjustments scheduled for FY23:
 - Water \$1.56
 - Wastewater \$2.70
 - Waste Services \$4.99
- In conjunction with audit, looking at enhanced internal controls/structures

Helping others help us less

Offense
AND
Defense



Legislation and Policy:
Unfunded Mandates

- Organics diversion (SB1383) by 2025 – \$10M/year
- ELAP accreditation – \$300K/year
- NPDES nitrate reduction – \$1M/year
- Water efficiency standards – \$500K/year
- Water loss performance standards (SB555) – \$500K/year
- Clean fleet standards by 2035 – \$10M+/year

Resource Portfolio

Reliability



- Third consecutive drought year—continue expansion of ASR program and drought actions
- Updating water supply contracts and interconnection agreements with PCWA
- Exploring solid waste handling and disposal options
- PGWWTP expansion in final lap
- Ongoing rehabilitation of assets

Workforce Development

**Create the
Future**



- Organization and structure evolving:
 - Growing workload and mission
 - Recruiting and retaining key people and capabilities remain a challenge
 - Succession planning and knowledge transfer
- Use values and culture to drive positive change

Questions?



PUBLIC UTILITIES COMMISSION COMMUNICATION

Title: Environmental Utilities Materials Recovery Facility Update

Contact:

Meeting Date: 5/24/2022

Item #: 6.7.

ATTACHMENTS:

Description

Environmental Utilities Materials Recovery Facility Update



WPWMA- Flow Control Commitment

Devin Whittington, Assistant EU Director

Background

- Roseville has been a member of the Western Placer Waste Management Authority (WPWMA) Joint Powers Authority since the late 1970's
- The partnership was in response to the closure(s) of a number of smaller landfills at various locations throughout Placer County
- In the early-mid 1990's the Material Recovery Facility (MRF) was constructed in response to AB939
- The MRF equipment was last rehabilitated and expanded in 2005 and is now at the end of its useful life.

Discussion

- To upgrade and expand the MRF will cost ~\$120M
 - \$25M in cash from reserves
 - Balance from bond sale proceeds
- Future rates will be set to recover costs and maintain expected 1.25X bond coverage requirements
- Flow Control Agreements from member agencies secure revenues to repay bond holders

Discussion, continued

- Compromise reached after considerable input:
 - Last minute deal
 - Roseville not being a good partner
 - Regulatory compliance debate: 3-cart vs. 2-cart
- Developed based on equity and fairness
 - Committed tonnage cap based on median tonnages from Placer County, Rocklin and Lincoln
 - Provides sufficient security for issuing debt
- The proposed Flow Control Agreement balances regional participation and risk protection

Questions?