

CITY OF REDLANDS

MUNICIPAL UTILITIES/PUBLIC WORKS COMMISSION AGENDA

ADEKUNLE OJO, CHAIRPERSON
R. BRAD THOMS, COMMISSIONER
THOMAS BREITKREUZ, COMMISSIONER
CHANDRASEKAR 'CV' VENKATRAMAN, COMMISSIONER

STEVE STOCKTON, VICE CHAIRPERSON
ZACHARY TRAVIS, COMMISSIONER
DAVID GARCIA, COMMISSIONER

This will be a teleconference special meeting of the Municipal Utilities/Public Works Commission via Zoom.

Following public health recommendations to limit public gatherings during the COVID-19 pandemic, City Manager Charles M. Duggan, Jr., acting as the City of Redlands Emergency Services Director has directed that Commission/Board meetings be closed to the public until further notice or until the current local State of Emergency has been lifted.

All votes during the teleconferencing meeting via Zoom will be conducted by roll call.

HOW TO SUBMIT COMMENTS: In order to have your public comment read into the public record at the meeting, members of the public are asked to submit comments (250 words or less) by 12:00 p.m. (noon) on Monday, February 22nd, by email at jweathers@cityofredlands.org, or by telephone at 909-798-7527 x6.

Individuals with a disability, consistent with the Americans with Disabilities Act, who need assistance with public comment, may contact Goutam Dobey by telephone at 909-798-7584 x2 or by email at gdobey@cityofredlands.org at least two hours before the meeting to make alternate arrangements.

The following information comprises the agenda for a meeting of the Municipal Utilities/Public Works Commission of the City of Redlands at the date and time noted below.

MONDAY, FEBRUARY 22, 2021
4:00 P.M.

ZOOM MEETING INFORMATION:

Please click the link below to join the webinar or call the numbers listed:

<https://cityofredlands.zoom.us/j/96573790383?pwd=MGJGd2hIUtmvN2EzWGMwT2N0RzFWUT09>

Webinar ID: 965 7379 0383
Passcode: 372237

Or you may call any of the following numbers to join the meeting:

Toll-Free: (877) 853-5247 or (888) 788-0099

US locations: (669) 900-6833 | (253) 215-8782 | (346) 248-7799 | (301) 715-8592 | (312) 626-6799 | (929) 205-6099

CITY OF REDLANDS

MUNICIPAL UTILITIES/PUBLIC WORKS COMMISSION AGENDA

SPECIAL MEETING
(VIRTUAL VIA ZOOM)
MONDAY, FEBRUARY 22, 2021
4:00 P.M.

1. ATTENDANCE

2. CALL TO ORDER

3. PUBLIC COMMENT

Commission Liaison Jane Weathers will read all public comments, up to 250 words, into record if they are received in accordance with the submittal timeframe stated on the previous page.

The Commission may not discuss or take any action on any public comment made, except that the Commission Members or staff may briefly respond to statements made or questions posed by members of the public. However, any matter that requires action will be referred to staff for a report and possible action at a subsequent meeting.

4. PRESENTATION

- A. Update on the 2019 Utilities Advisory Committee's (UAC) Water and Wastewater Rate Study and Proposed Recommendations to City Council (UAC Chairperson John James)**

5. NEW BUSINESS

- A. Discussion of the Presentation of the 2019 UAC's Water and Wastewater Rate Study and Possible Recommendation of the UAC's Proposed Recommended Rates to City Council**

6. ADJOURNMENT

ATTACHMENTS:

Copy of 2019 UAC PowerPoint Presentation



UTILITIES ADVISORY COMMITTEE (UAC)

WASTEWATER, POTABLE WATER
& NON-POTABLE WATER
RATE RECOMMENDATIONS

UTILITIES ADVISORY COMMITTEE MEETING SESSIONS

- Met in two separate sessions
- First stage interrupted by critical failure of wastewater treatment plant (WWTP) components
- First stage recommendations formally withdrawn prior to submittal to City Council
- Second stage commenced after WWTP emergency repairs

COMMITTEE MEMBERS

- Richard Corneille - Vice Chair
 - Monty Dill
 - John E. James - Chair
 - Ernest P. Marquez Jr.
 - Christine Roque
 - Richard Smith
 - Vacancy
-
- Michael Ten Eyck - 1st Session
 - Jonathon Corbridge – 1st & 2nd Sessions

MISSION STATEMENT/GOALS

- The Utilities Advisory Committee will assist the City Council in undertaking a potable water, wastewater and non-potable water utilities rate study
- The Committee will:
 - Examine different approaches to establishing potable water, wastewater and non-potable water rates
 - Promote understanding and appreciation for **different points of view**, and
 - Build consensus that will ensure a balanced approach to **divergent interests** in the community concerning utility rates.

FINANCIAL ANALYSIS

- Reviewed Overall Financial Needs to Maintain Safe, Reliable Systems and Service to Residents
- All operations were analyzed in the following financial areas:
 - Operation and Maintenance (O&M) costs
 - Capital Improvement Projects (Capital Investment)
 - Revenue Projections at Current Rates
 - Reserve Balances
 - Reserve Balance Target
 - Required Revenue Adjustments to Maintain Reserves
 - Keep Credit Rating at or Above Current AA- Level

REVENUE SOURCES*

- Grant Awards - Associated with Clean Water Act and other related regulations
- DIF (Development Impact Fee) Revenues - Assessed to new development projects
- Rate Fees - Revenues generated from customers using specific utilities

*Each utility must generate revenues to cover costs

WASTEWATER

- **Wastewater Operations and Maintenance Costs**
 - **Collection System –**
 - **Primarily Gravity Flow Pipe System**
 - **Inspection And Periodic Clean Out**
 - **Treatment Plant – Continuous Flow From the City at Large Must be Treated and Discharged on a continuous Basis**
 - **Electricity**
 - **Chemicals**
 - **Replacement Parts**
 - **Capital Improvement per Master Plan**

Existing Wastewater Treatment Plant

Inflows from
All
Residents

Recycled
Water
Increases Total
Available
Water

Sales Revenue
Offset Total
Costs

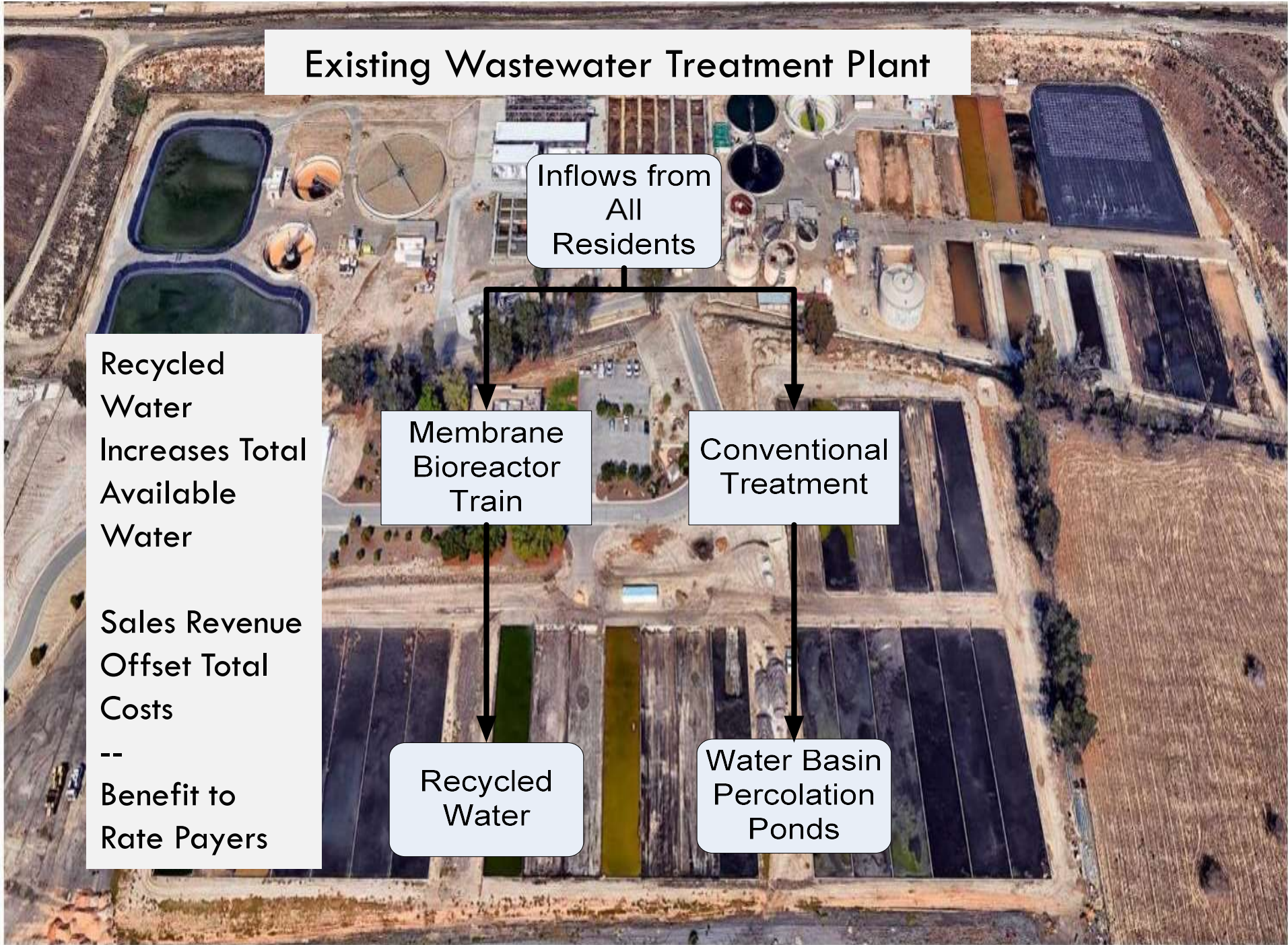
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Benefit to
Rate Payers

Membrane
Bioreactor
Train

Conventional
Treatment

Recycled
Water

Water Basin
Percolation
Ponds



Wastewater Treatment Plant (WWTP)

- **WWTP Assessed by Multiple Firms**
- **Capital Improvement Projects**
 - **Major Upgrade Needed -- Partial List**
 - **Infrastructure Piping**
 - **Electrical Panel Updates**
 - **SCADA Implementation**
 - **Membrane Bioreactor Train**

Wastewater Treatment Plant (WWTP)

- **Critical Failure of MBR filters**
- **Consultant recommended a 2 phase approach**
 - **1st Phase to replace MBR train**
 - **2nd Phase to rehabilitate remaining WWTP**
- **Costs/Funding**
 - **MBR from existing reserves - \$7.8MM**
 - **Phase 2 from rate adjustments and issuance of debt**
- **Total Costs - \$53MM**

Membrane Bioreactor Train Replacement



Old



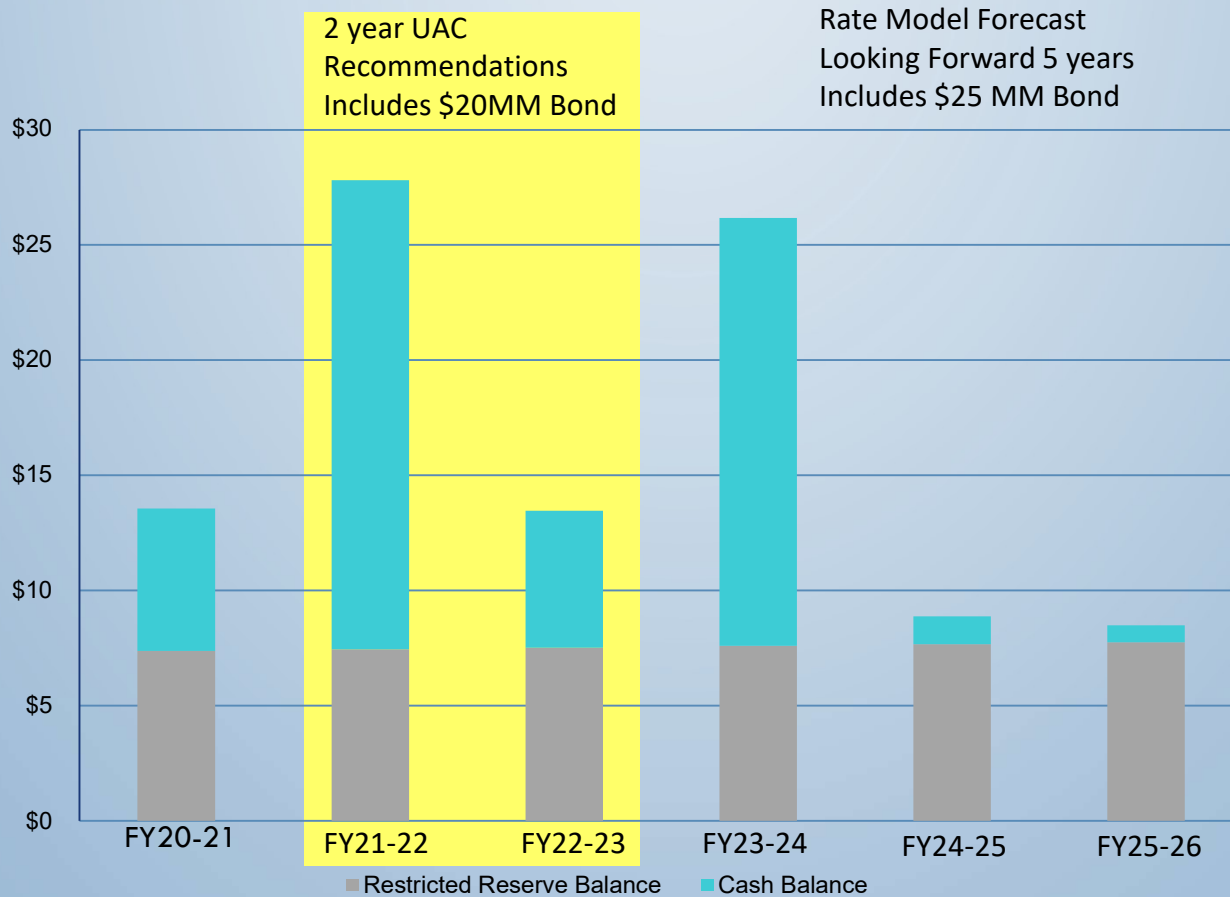
New

RECOMMENDED WASTEWATER RATES

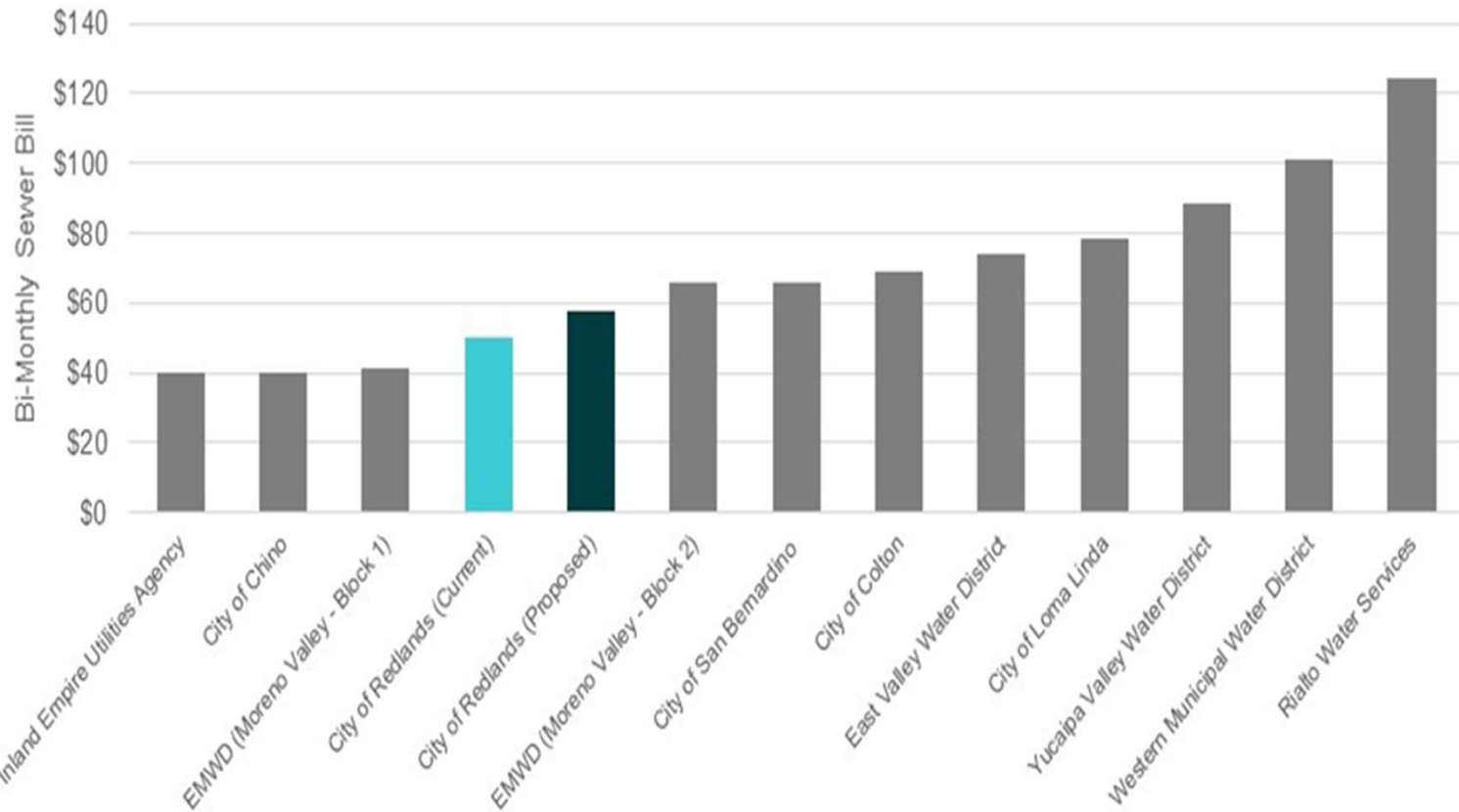
		2-year UAC recommendation		Rate Model Forecast Looking Forward 5 yrs		
Revenue Adjustments		15.0%	15.0%	15.0%	5.0%	5.0%
Bi-Monthly Rates	Current	July 2021	July 2022	July 2023	July 2024	July 2025
Residential (\$/dwelling unit)						
Single Family	\$50.05	\$57.81	\$66.49	\$76.47	\$80.30	\$84.32
Multiple Family	\$37.59	\$44.52	\$51.20	\$58.88	\$61.83	\$64.93
Non-Residential (\$/ccf)						
Low Strength I	\$2.05	\$2.24	\$2.58	\$2.97	\$3.12	\$3.28
Low Strength II	\$2.16	\$2.66	\$3.06	\$3.52	\$3.70	\$3.89
Low Strength III	\$2.64	\$3.07	\$3.54	\$4.08	\$4.29	\$4.51
Medium Strength I	\$3.17	\$3.49	\$4.02	\$4.63	\$4.87	\$5.12
Medium Strength II	\$3.64	\$3.91	\$4.50	\$5.18	\$5.44	\$5.72
Medium Strength III	\$4.11	\$4.32	\$4.97	\$5.72	\$6.01	\$6.32
High Strength I	\$4.60	\$4.74	\$5.46	\$6.28	\$6.60	\$6.93
High Strength II	\$5.00	\$5.15	\$5.93	\$6.82	\$7.17	\$7.53
Large Volume User	\$2.76	\$3.07	\$3.54	\$4.08	\$4.29	\$4.51
Minimum Charge (\$)	\$37.59	\$44.52	\$51.20	\$58.88	\$61.83	\$64.93
Schools (\$/100 ADA)						
Elementary	\$119.36	\$124.43	\$143.10	\$164.57	\$172.80	\$181.44
Secondary & High	\$198.94	\$199.09	\$228.96	\$263.31	\$276.48	\$290.31
Septage Charge (\$/gal)	\$0.11	\$0.10	\$0.12	\$0.14	\$0.15	\$0.16

WASTEWATER RESERVE BALANCES

Wastewater - Ending Balances



Regional Bi-Monthly Sewer Bill Comparison Single Family Residential



POTABLE WATER

- Water Operations and Maintenance Costs
 - Water Treatment
 - Surface Water - Chemicals
 - Water Wells
 - Electric Pumping Costs
 - Chemicals
 - Reservoirs
 - Maintenance and Chemicals
 - Pipe Delivery System
 - Leak Repair
- Capital Improvement Projects per Master Plan
 - Yearly Pipe Replacement
 - Other Infrastructure Investments and Betterments

RECOMMENDED WATER RATES

2-year UAC
recommendation

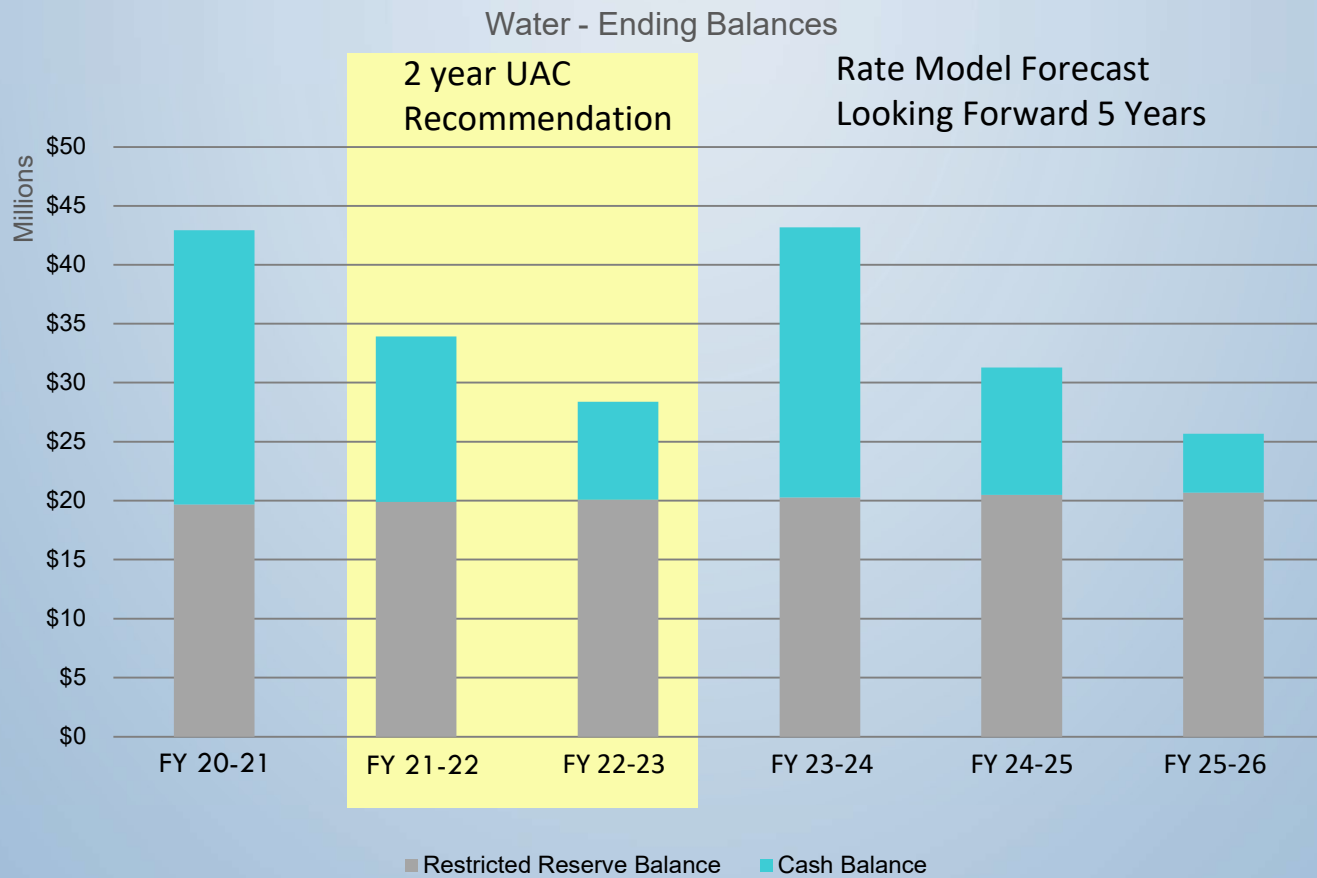
Rate Model Forecast
Looking Forward 5 yrs

Revenue Adjustments

0.0% 0.0% 4.0% 4.0% 4.0%

Bi-Monthly Rates		Tiers	Current	July 2021	July 2022	July 2023	July 2024	July 2025
Water Service Charge								
5/8"			\$32.10	\$32.10	\$32.10	\$33.39	\$34.73	\$36.12
3/4"			\$43.17	\$43.17	\$43.17	\$44.90	\$46.70	\$48.57
1"			\$64.67	\$64.67	\$64.67	\$67.26	\$69.96	\$72.76
1 1/2"			\$116.79	\$116.79	\$116.79	\$121.47	\$126.33	\$131.39
2"			\$172.83	\$172.83	\$172.83	\$179.75	\$186.94	\$194.42
3"			\$299.23	\$299.23	\$299.23	\$311.20	\$323.65	\$336.60
4"			\$462.10	\$462.10	\$462.10	\$480.59	\$499.82	\$519.82
6"			\$853.02	\$853.02	\$853.02	\$887.15	\$922.64	\$959.55
8"			\$1,256.97	\$1,256.97	\$1,256.97	\$1,307.25	\$1,359.54	\$1,413.93
10"			\$2,977.00	\$2,977.00	\$2,977.00	\$3,096.08	\$3,219.93	\$3,348.73
12"			\$3,915.20	\$3,915.20	\$3,915.20	\$4,071.81	\$4,234.69	\$4,404.08
Water Usage Rate (\$/ccf)								
Building Water Usage								
Tier 1	16		\$1.46	\$1.46	\$1.46	\$1.52	\$1.59	\$1.66
Tier 2	27		\$1.78	\$1.78	\$1.78	\$1.86	\$1.94	\$2.02
Tier 3	Over 27		\$2.69	\$2.69	\$2.69	\$2.80	\$2.92	\$3.04

WATER RESERVE BALANCES

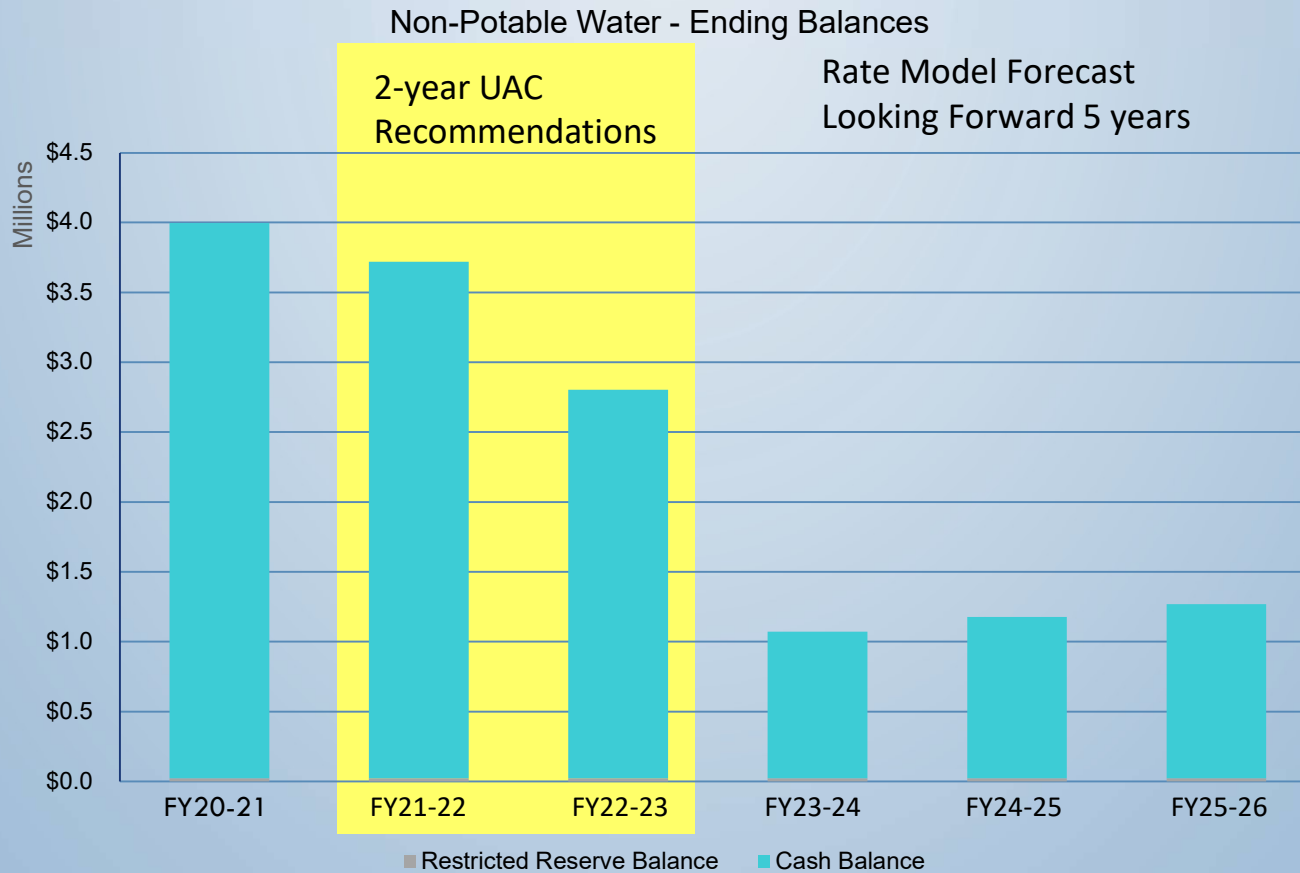


Recommended Non-Potable Water Rates*

		2-year UAC recommendation		Rate Model Forecast Looking Forward 5 yrs			
Revenue Adjustments		0.0%	0.0%	0.0%	0.0%	0.0%	
Bi-Monthly Rates		Current	July 2021	July 2022	July 2023	July 2024	July 2025
Non-Potable Water Service Charge (\$/meter size)							
3/4"		\$13.81	\$13.81	\$13.81	\$13.81	\$13.81	\$13.81
1"		\$20.65	\$20.65	\$20.65	\$20.65	\$20.65	\$20.65
1 1/2"		\$37.29	\$37.29	\$37.29	\$37.29	\$37.29	\$37.29
2"		\$55.16	\$55.16	\$55.16	\$55.16	\$55.16	\$55.16
3"		\$95.50	\$95.50	\$95.50	\$95.50	\$95.50	\$95.50
4"		\$147.45	\$147.45	\$147.45	\$147.45	\$147.45	\$147.45
6"		\$272.16	\$272.16	\$272.16	\$272.16	\$272.16	\$272.16
8"		\$401.04	\$401.04	\$401.04	\$401.04	\$401.04	\$401.04

*Only applies to non-potable
water customers

NON-POTABLE WATER



BIMONTHLY BILL IMPACTS

AVERAGE SINGLE FAMILY

Bi-Monthly Impacts	Proposed July 2021	Proposed July 2022	Proposed July 2023	Proposed July 2024	Proposed July 2025
Current Water Bill	\$121.08	\$121.08	\$121.08	\$121.08	\$121.08
Proposed Water Bill	\$121.08	\$121.08	\$126.08	\$131.44	\$136.87
Difference (\$)	\$0.00	\$0.00	\$5.00	\$10.36	\$15.79
Current Wastewater Bill	\$50.05	\$50.05	\$50.05	\$50.05	\$50.05
Proposed Wastewater Bill	\$57.81	\$66.49	\$76.47	\$80.30	\$84.32
Difference (\$)	\$7.76	\$16.44	\$26.42	\$30.25	\$34.27
Current Water and Wastewater Bill	\$171.13	\$171.13	\$171.13	\$171.13	\$171.13
Proposed Water and Wastewater Bill	\$178.89	\$187.57	\$202.55	\$211.74	\$221.19
Difference (\$)	\$7.76	\$16.44	\$31.42	\$40.61	\$50.06
<i>Customers w/Non-Potable Water</i>					
Current Non-Potable Water Bill	\$53.41	\$53.41	\$53.41	\$53.41	\$53.41
Proposed Non-Potable Water Bill	\$53.41	\$53.41	\$53.41	\$53.41	\$53.41
Difference (\$)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Current Combined Bill	\$224.54	\$224.54	\$224.54	\$224.54	\$224.54
Proposed Combined Bill	\$232.30	\$240.98	\$255.96	\$265.15	\$274.60
Difference (\$)	\$7.76	\$16.44	\$31.42	\$40.61	\$50.06

RATE ADJUSTMENT RECOMMENDATIONS SUMMARY

- Wastewater
 - 15% a year for each of next 2 years
 - Issuance of \$25MM in debt to cover initial Phase 2 costs
- Potable Water
 - 0% a year for each of next 2 years
 - Will retain Capital Investment needed for continued reliable water delivery service
 - Will retain reserve balances at recommended target level
- Non-Potable Water
 - 0% a year for each of next 2 years
 - Retains reserve balances to allow for future expansion of non-potable system

RATE ADJUSTMENT RECOMMENDATIONS SUMMARY

- Reconvene UAC end of 2021 calendar year
 - Re-evaluate level of capital expenditures and other infrastructure betterments per new master plans
 - Review cash and reserves levels of all funds
 - Recommend rate adjustments for years 3 and 4
- Recommend Staff apply for SRF loans before issuing bonds
- Recommend Staff review current status of DIF charges for all utilities

The background is a light blue gradient with several realistic water droplets of various sizes scattered across the surface. The droplets have highlights and shadows, giving them a three-dimensional appearance.

The End

Thank you

The background is a light blue gradient that transitions from a pale, almost white blue at the top to a deeper, more saturated blue at the bottom. Scattered throughout the background are several realistic water droplets of various sizes. These droplets have a glossy, reflective surface with highlights and shadows, giving them a three-dimensional appearance. They are primarily located in the corners and along the edges of the frame, with a few smaller ones in the center.

Questions ?