



CITY OF REDLANDS
MUNICIPAL UTILITIES/PUBLIC WORKS COMMISSION

MINUTES
Special Meeting
Monday, March 6, 2017, at 4:00 P.M.
City of Redlands
City Council Chambers
35 Cajon Street

APPROVED
For MUPWC review
at 4-17-17 meeting

I. Municipal Utilities/Public Works Commission - Call to Order, Roll Call and Approval of Minutes of Special Meeting on February 22, 2017

The special meeting of the Municipal Utilities/Public Works Commission (Commission) was called to order at 4:02 pm by Chairperson Stockton with a roll call of four commissioners present and the following two commissioners excused and one unexcused: Mark Stanson and Shane Wellborn, and Bill Bayne, respectively. Below is the list of those present.

Commissioners Stephen Stockton, Tim Landis, Norman Miner, and Richard Hernandez. Commission liaison Council Member Jon Harrison, Quality of Life Director Chris Boatman, Municipal Utilities and Engineering Director Chris Diggs, Assistant Quality of Life Director Tim Sullivan, Senior Administrative Technician Jane Weathers, one guest speaker R3 Consulting William Schoen, and three guests Sandra Emerson, Carol James, and Dennis Bell.

A motion was made by Commissioner Landis and seconded by Commissioner Miner to approve February 22, 2017, special commission meeting minutes and was unanimously approved.

II. Continued Business

a. Solid Waste Rates Update (Directors Boatman/Diggs)

Director Boatman welcomed everyone and provided a synopsis and timeline regarding the proposed solid waste rates, and introduced the consultant working with the City who would be presenting their findings and recommendations concerning the proposed rates.

b. Presentation of Findings and Recommendations (R3 Consulting)

R3 Consulting Group Inc. (R3) Project Manager William Schoen presented a PowerPoint of the rate model peer review and rate increase justifications, and staff provided clarity to additional updates made. Mr. Schoen provided an overview of R3, its areas of specialty and experience with Redlands, and City's history of solid waste rates. The City projected a major shortfall of solid waste revenues not meeting expenses, and Mr. Schoen presented R3's findings and recommendations concerning the City's proposed solid waste rate

increases. R3 fully supports the recommendation and determined the rate model, based on the City's fiscal year 2016-17 budget and projected through fiscal year 2024-25, is mathematically accurate, logically consistent, and will effectively manage future solid waste capital and operational costs. A recommendation was made of a twelve percent increase in years one (FY 2018) and two (FY 2019) and a five percent increase in year three (FY 2020), which would be effective in August 2017, August 2018, and August 2019, respectively, if approved. Additionally, staff would seek Council's approval and authorization to begin the Proposition 218 rate hearing process should the above recommendation be presented to Council for their approval.

Chairperson Stockton entertained a motion for a tentative recommendation of a rate adjustment as presented by the Consultant. Commissioner Miner made a motion which was seconded by Commissioner Landis to tentatively recommend the rate adjustment of twelve percent the first year, twelve percent the second year, and five percent the third year, as presented by the Consultant. Following Chairperson Stockton seeking any further discussion on the motion, the motion carried with only Commissioner Hernandez opposed.

c. Updates on Solid Waste Rate Study (City Staff)

Director Boatman explained that staff continues to respond to comments and questions received concerning the proposed solid waste rates and study. Before the Commission has an opportunity to provide a final review and recommendation, staff will continue to present this information in public forum meetings and meet with any groups upon request. Following additional discussion concerning the rates, Chairperson Stockton asked staff to state the proposed average dollar increase per month anticipated should the solid waste rate increase be approved. In response, Director Diggs referenced the last page of R3's presentation as follows: \$3.42 a month starting in August 2017, \$3.85 a month starting in August 2018, and \$1.79 a month starting in August 2019. Commissioner Miner indicated concern of the timing of the proposed solid waste rate increase with the Commission recommended and Council approved water rate increase slated for July this year.

IV. Public Comment - (for items not listed on this agenda, but within the jurisdiction of the Commission. Note that no general discussion of such items, or action on such items, may be taken by the Commission. At this time, the Commission will provide an opportunity for the public to address them on the subject which is scheduled on this notice. Please limit your comments to three (3) minutes).

Mr. Bell inquired and hoped the coordinating and timing of the public forum meetings would be scheduled to allow majority of residents and customers to attend.

V. Schedule of Commission Meetings (Chairperson Stockton)

Director Boatman advised the Commission that staff would coordinate with the Commission on their availability to establish a quorum for additional meetings to discuss the solid waste rates proposed and following further Council direction.

VI. Public Comment – *(for items not listed on this agenda, but within the jurisdiction of the Commission. Note that no general discussion of such items, or action on such items, may be taken by the Commission. At this time, the Commission will provide an opportunity for the public to address them on the subject which is scheduled on this notice. Please limit your comments to three (3) minutes).*

No additional public comments were received.

VII. Adjournment

a. The meeting was adjourned at 4:58 PM.

Jane Weathers

Jane Weathers, Senior Administrative Technician