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Regular meeting of the City of Redlands Municipal Utilities/Public Works Commission on February 5, 2024 at 4:00 PM in the Council Chambers at the Civic Center, 35 Cajon Street. The meeting was an in-person meeting.

A. ATTENDANCE & CALL TO ORDER

Present: Adekunle Ojo, Chairperson
Steve Stockton, Vice Chairperson
David Garcia, Commissioner
Chandrasekar 'CV' Venkatraman, Commissioner
Paul Norwood, Commissioner

Absent: Thomas Breitzkreuz, Commissioner
Robert Meals, Commissioner

City Council
Liaison: Mario Saucedo, City Council Member

Staff: John Harris, Municipal Utilities & Engineering Director; Goutam Dobey, City Engineer; Johana Silva, Commission Liaison/Associate Engineer; Joshua Monzon, Commission Liaison/Senior Administrative Assistant; Fernando Mata, Wastewater Utility Manager; Paul Mariscal, Water Utility Manager

Guest

Speakers: Nehal Thumar, Steve Runk and Andrea Ross with DTA

Chairman Ojo called the meeting to order at 4:00 PM.

B. PUBLIC COMMENT

None.

C. APPROVAL OF MINUTES

Commissioner CV excused himself from making a motion on approving the minutes since he was not present at the last meeting. Vice Chair Stockton moved for approval of the minutes. Vice Chair Stockton asked if a roll call vote was needed. Mr. Harris said a second was needed before an approval of the minutes. No second was made. Mr. Harris suggested the approval of the December 4, 2023 minutes be moved to the next meeting.

Vote: None taken

D. COMMUNICATIONS

Before proceeding with Item D., Vice Chair Stockton asked if Item B. was missed. Chairman Ojo asked for Public Comment. No comments were made.

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a. Director's Report

Director Harris said he would be brief and that there is not a lot to add to the report but there are a few things he wants to call out.

Water Meter Replacement Project: Consolidated the last 3 years of the water replacement project into a single year. The City received a 2.7 million Bureau of Reclamation (BOR) grant. There is trouble getting federal funding due to the Build America, Buy America clause. There are no water meters manufactured in the country that are fully compliant. A project waiver was submitted that was similar to a request the City of Rialto made. The waiver has been on hold since August. The contractor, Ferguson Waterworks, was going to ship the items. Mr. Harris has asked them to hold off on sending the items until the waiver gets approved. It is possible that the grant may go away. Mr. Harris has reached out to Congressman Aguilar's Office for assistance on this matter.

Mr. Harris reminded everyone that the annual report to City Council is scheduled for March 5th. A written report or a presentation can be given to council. Staff has assisted with a PowerPoint presentation in the past.

Commissioner CV had questions with the funding and contractor of the Water Meter Replacement Project. Mr. Harris discussed the future of the project with regards to funding. They continued to discuss the specifications of what is needed for a water meter to be compliant.

Chairman Ojo talked about the difficulties of securing a water meter waiver at his occupation. Mr. Harris explained this is only the second time in his career that he has needed to reach out to the federal government for assistance but is hopeful the waiver will be secured.

Commissioner Garcia had a question on the Wastewater Treatment Project. He asked if the delay in the \$45 million State Revolving Fund (SRF) grant would negatively affect operations of the plant. Mr. Harris responded that it should not be a problem due to a great Wastewater Team and the loan being restarted due to staff's efforts.

Commissioner Garcia asked about the PMP update for Via Vista Drive's street paving. He noted only a small section is planned for repaving and questioned why the entire street won't be done simultaneously. City Engineer Goutam Dobe explained that other parts will be repaved in the future due to funding constraints, as clarified by Mr. Harris.

b. Development Impact Fee Study Presentation

With no further questions or comments, Chairman Ojo proceeded to Item D.b.

Nahal Thumar of DTA, the City's consultant, presented on their Development Impact Fee. He introduced two of his team members, Steve Runk and Andrea Ross.

Mr. Thumar explained that impact fees are one-time fees to cover infrastructure costs of the City that are charged on any new developments. This is governed by AB 1600, the State's impact fee code. DTA calculates what these costs would be. These fees cannot cover the cost of existing deficiencies but only cover new development. It is not a consistent stream of income since it is a one-time fee. DTA is tasked with the legal justification, reasonable

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relationship between the fees and the new developments. The development must create a need for the facilities to be funded by the fees and must be proportional to the impact of development.

AB 602 is new State legislation that was passed in 2021 that requires new considerations: Needs to be based on existing service level of the city; Requires residential property fees to be proportionate by square footage; Large jurisdictions must adopt a CIP as part of the impact fee study. The CIP was provided by MUED. Lastly, there is a requirement of online posting of this information.

Mr. Thumar explained that the draft report explains the fee study process but that the current report is just a draft but the final draft report will be provided in a few days. Commissioner Garcia asked how we would know the difference and edits made between the draft report and the final report. The DTA representative explained that the next report will be redlined outlining all the different changes. DTA has worked with Mrs. Medina to develop the Study process for Development Impact Fees and he explained the work that has been done on this with regards to the different types of fees.

A list of the types of fees to be updated was presented which included police fire parks library and more. Some of the fees were updated in 2017. Some of the public works fees were last updated in 2014. These fees as they are do not provide adequate funding for the City now.

DTA has been working with MUED on data collection efforts such as: identify demographics through 2035; needs lists; identify existing standards; obtained the City's building permit information; have identified the areas that are subject to the fees going forward such as: city-wide fees; the "donut-hole area;" spheres of influence, and more. Land uses subject to the impact fee have also been analyzed.

A chart with a brief summary of the CIP List/Needs list was shown. The locations and costs were shown and briefly explained. Another chart was shown with the preliminary development impact fees. Commissioner Garcia noticed an error in the chart where it says "Fee per Unit" it should say (Fee per square feet). Mr. Thumar agreed. A bar graph was shown comparing the current City fees with the proposed fees. Commissioner Garcia pointed out a typo on the graph that should have 2,500 as opposed to 2,000 and that this and other things will be updated when the revised report is created and sent out in a few days.

As Chairman Ojo opened the floor for any questions, Mr. Harris expressed that this is the best time to question DTA to make any revisions to the report and that the revised portion will be going to the City Council for approval. Also, that the revised reports will be making their way into the commissioners' hands in a few days.

Commissioner Garcia asked whether it is City staff's responsibility or the commissioners' responsibility to look at the report and provide updates. Mr. Harris welcomes the any updates or comments from the commissioners.

Vice Chair Stockton asked about page 3 of DTA's report and discussed with DTA the costs on this report. A discussion ensued on how the prices were created and how they compared relative to one another. For

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example, how a single-family unit compares to the fire department. Chairman Ojo joined the discussion and offered suggestions as the conversation continued.

Commissioner Garcia asked DTA about page 86 of the report and if there was a discrepancy in the prices listed between what was listed on this page and others. Mr. Harris suggested said he can follow up with the data-related questions in an email. Commissioner Garcia continued explaining why he has a disagreement with the numbers being used in the report and gave his reasoning on this. Mr. Runk of DTA explained that the numbers used were historical numbers but projected numbers can be added to the report. DTA will work with City staff to get projected numbers instead.

Commissioner Garcia explained that impact fees are a very small percentage of what houses are sold for. He continued with concerns on page 90 of the report that points out the sewer system is using 3-inch pipes. Mr. Dunk explained that this is what was shown in the master plan provided by City Staff. Mr. Harris pointed out that the Wastewater Manager, Mr. Mata can help with that question and he explained from the audience that there are in fact 3-inch pipelines in the City but not throughout the whole City.

Commissioner CV asked how the funds are tracked. Mr. Harris explained in detail the Finance Department's involvement with funds used and applied between City Departments and the City Council. An example provided by Mr. Harris was the Finance Department's interaction with MUED and City council using DIFF Funds for a previous project. Vice Chair Stockton asked if the Finance Department should be asked questions on the funds. Mr. Harris explained that he could foster more interaction between the Finance Department.

Commissioner Norwood had no questions or comments.

Chairman Ojo, Vice Chair Stockton, Commissioner Garcia and Mr. Harris and all the DTA representatives had a discussion on DIFF Fees and storage capacity needs.

Chairman Ojo thanked everyone for their questions and feedback and is looking forward to the revised report. Mr. Harris said City Staff will get the committee the revised document as soon as possible.

Chairman Ojo orchestrated introductions of all the commission members starting with the new commissioner, Commissioner Norwood.

E. NEW BUSINESS

a. MUPWC Chairperson Nominations & Election

Chairman Ojo moved onto Item E. and entertained one of the commissioners to make a motion to have another member be voted as the Chair. A discussion continued on this and who should give the upcoming annual report to City Council. A motion was made by Chairman Ojo and seconded by Commissioner Garcia to nominate Vice

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Chair Stockton as the Chair. The commission, with a unanimous vote of 5-0, decided to nominate Vice Chair Stockton as Chair.

b. MUPWC Vice-Chairperson Nominations & Election

A motion was made by Chairman Stockton and seconded by Commissioner Garcia to nominate Commissioner CV as the Vice Chair. The commission, with a unanimous vote of 5-0, decided to nominate Commissioner CV as Vice Chair.

c. Reschedule April MUPWC Meeting – April 1, 2024 (City Holiday)

A discussion was had by Mr. Harris and the commission on when the date for the next meeting should be since the regularly scheduled meeting lands on a City Holiday. A consensus was agreed upon for April 15th to be the date of the next meeting.

F. COMMISSIONER ANNOUNCEMENTS, REPORTS ON ACTIVITIES, AND/OR REQUESTS FOR FUTURE AGENDA ITEMS

Commissioner Norwood offered to help with the Annual Presentation by putting it together. Mr. Harris was happy to have the commissioners assist with the presentation. Commissioner Ojo commented that staff is well equipped to handle putting together the presentation. Mr. Harris said a PowerPoint presentation can be given by the end of the week. Mr. Harris said the presentation would need to be reviewed and approved quickly by the commission so it can make it onto the March 5th City Council Agenda.

G. ADJOURNMENT – Next regular meeting is March 18, 2024 at 4:00 PM

There being no further business the meeting adjourned at 5:11 PM. The next meeting of the City of Redlands Municipal Utilities/Public Works Commission is scheduled for March 18, 2024.