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City of Sacramento Utilities Rate Advisory Commission 2025 Annual Report and 2026 Workplan

File ID: 2026-00817

Location: Citywide

Recommendation: Receive and file.

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Presenter: None

Attachments:

1-Description/Analysis

2-2025 Annual Report and 2026 Workplan

Description/Analysis

Issue Detail: Advisory bodies of the City are required to provide an annual report and workplan for review by the Personnel and Public Employees (P&PE) Committee as outlined in the City Council Rules of Procedure, Chapter 17. The P&PE Committee shall review advisory body annual reports and give staff direction on those reports' stated projects, priorities, and recommendations. Before forwarding the report to the City Council, the Committee may request supplemental information from staff or the advisory body.

The P&PE Committee has reviewed the attached Utilities Rate Advisory Commission (URAC) Annual Report and Workplan and passed a motion forwarding it to the City Council.

Policy Considerations: Chapter 17 of the Council Rules of Procedure outlines the Advisory Body reporting process.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): This action is not a project that is subject to CEQA because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. (CEQA Guidelines §15378(b)(5)).

Sustainability: Not applicable.

Commission/Committee Action: On January 28, 2026, the URAC passed a motion forwarding their Annual Report and Workplan to the P&PE Committee for consideration. On March 24, 2026, the P&PE Committee reviewed the Annual Report and Workplan and passed a motion forwarding it to the City Council.

Rationale for Recommendation: Annual Reports by city advisory bodies ensure they effectively incorporate their important role, voice, and work to provide thoughtful community recommendations to the City Council on a consistent basis.

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): Not applicable.

Sacramento Utilities Rate Advisory Commission Annual Report

January 2025 through December 2025



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Introduction: Establishment, Commissioners, and Staff

The Sacramento Utilities Rate Advisory Commission (URAC) was established in 2008 by ordinance (Ord. 2008-001 § 1) and is codified in Sacramento City Code, Title 2 ADMINISTRATION AND PERSONNEL, Chapter 2.40 BOARDS AND COMMISSIONS GENERALLY, and Chapter 2.88 CITY OF SACRAMENTO UTILITIES RATE ADVISORY COMMISSION.

The URAC was created to provide community participation in the rate setting process. The commission consists of eleven members with one seat appointed from each Council district (8), one Mayor appointed, and the two remaining seats appointed by the Personnel and Public Employees (P&PE) Committee. Each board seat on the commission has its own appointment selection criteria, which include elements such as being a city resident, owning a utility rate paying business, owning a single-family residence that receives utility service, and expertise in a relevant discipline (e.g., engineering, law, or water quality). Commission board members serve a term of four years, and no member shall serve for more than two consecutive terms. Terms are staggered to arrange that the commission can continuously retain some experienced commissioners.

The URAC typically meets at least four times a year with meetings lasting up to two hours, unless an extension is established by majority vote. URAC workplans and agendas vary considerably depending on whether the commission is involved in an active rate adjustment cycle. During the rate setting process, the URAC may meet more frequently to engage in rate workshops and related activities. Such a series of workshops is designed to explain the purpose, requirements, and details of the rate adjustment. In a non-rate planning year, the work plan is primarily focused on educating the commission about the Department of Utilities business needs and challenges and updates from the Department of Public Works, Recycling and Solid Waste Division (RSW). The DOU Executive Team and staff from RSW prioritize policy items that will guide the work for each year. The DOU and RSW also provide the commission with an electronic binder that contains a wide variety of documents offering a comprehensive overview of each operation. The binder includes the most updated information on rate studies, budgets, audited financials, fiscal policies, debt management, capital improvement programs, Prop 218 requirements, and more. In addition to the DOU and RSW priorities, Commissioners can recommend their own agenda items.

Current Sacramento URAC Commissioners

The following commissioners are currently serving on the commission.

Seat	Name	Term Expires
Seat A	Srirama Divakar Tanikella	12/31/2026
Seat B	Paul Andre Gaspard	12/31/2028
Seat C	Jill Zito (Chair)	12/31/2026
Seat D	Anthony Burbock	12/31/2028
Seat E	Lauren Steinbaum	12/31/2026
Seat F	Ivan Rogers	12/31/2028
Seat G	<i>(Vacant)</i>	
Seat H	Babalawo Heru Oba Shambe	12/31/2028
Seat I	<i>(Vacant)</i>	
Seat J	Soren Nelson	12/31/2028
Seat K	Tim Olson	12/31/2028
Seat C – Prior to Ordinance 2024-0037	Spencer Thomas Eberle (Vice-Chair)	12/31/2026
Seat E – Prior to Ordinance 2024-0037	Lara Pucik Johnson	12/31/2026
Seat F – Prior to Ordinance 2024-0037	Tiffany Tran	12/31/2027

Previous Commissioners

No commissioners resigned or reached term expiration during 2025.

Sacramento URAC Staff

The commission is supported primarily by the following staff members.

- Jordan Bird, Administrative Analyst, Department of Utilities – Long-Range Financial Planning
- David Levine, Program Manager, Department of Utilities – Long-Range Financial Planning

Sacramento URAC Staff Contact Information

City of Sacramento – Department of Utilities
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<https://www.cityofsacramento.gov/utilities>

Purpose, Powers and Duties of Sacramento Utilities Rate Advisory Commission

Purpose of the Sacramento Utilities Rate Advisory Commission

The purpose of the commission is to serve as an advisory body providing advice and recommendations to the mayor and city council on the city's utility service rates. [2.88.020 Purpose of commission \(amlegal.com\)](#).

Powers and Duties of the Sacramento Utilities Rate Advisory Commission

The powers and duties of the commission shall be as follows:
[2.88.030 Powers and duties of commission \(amlegal.com\)](#).

- A. Review and comment on proposals made by the department for changes to the utility service rates.
- B. Develop and provide recommendations to the mayor and city council on issues relevant to the setting of the utility service rates, provided that the commission shall have no authority to review or revise the utility service levels.
- C. Hold rate hearings on proposals made by the department to increase the utility service rates or establish new utility service rates for property related services furnished by the department, and, upon conclusion of the hearing, provide recommendations to the mayor and city council on such proposals. In the preceding sentence, "rate hearings" means the public hearings: (1) required when a local government agency proposes to impose or increase any user fee or charge for a property related service, pursuant to subdivision (2) of Section 6 of Article XIII D of the California Constitution; and (2) held pursuant to Section [3.44.100](#) of this code.
- D. Act as a liaison to encourage community understanding of, and participation in, the utility service rate setting process.
- E. Annually, report to the city council regarding the activities of the commission. (Ord. 2024-0037 § 1)

Message from the Sacramento Utilities Rate Advisory Commission City Staff

The past year has included the onboarding of several new commissioners and the election of a new chair for the commission. With the commission's introduction to the water and wastewater funds rate development cycle in August 2025, DOU focused most of its time and efforts on educating the commissioners about key operational and infrastructure needs that will help support future discussions about necessary rate adjustments. Topics in the later meetings of this year included planning and preparation for the upcoming rate adjustment workshops in 2026.

Key Accomplishments

This report will cover the period January 2025 through December 2025.

In 2025 the URAC reviewed, commented, and/or passed motions on the following topics:

A. At the meeting on March 26, 2025:

- City Auditor's Department of Utilities (DOU) Water and Wastewater Funds Review
 - Received fund review presentation from City Auditor's contracted consultant assessing the financial sustainability in the Water and Wastewater Funds.
 - Reviewed the expense and revenue history for each fund, the changes in fund balance, and discussed the long-term fiscal forecast in the context of DOU reserve policies and reserve fund balances. Rate adjustments beginning in Fiscal Year (FY) 2027-28 were recommended.
- Selection of new URAC chair and vice chair
 - Jill Zito was elected as chair.
 - Spencer Eberle was elected as vice chair.

B. At the meeting on June 25, 2025:

- Department of Utilities Overview Presentation
 - Provided summary overview of the entire DOU infrastructure, system, and staff divisions.
 - Reviewed the DOU's mission, vision, and values: customer service, employees, integrity, communication, innovation.
 - Considered the impact of increasing regulations and the need for diverse funding sources.
- City Treasurer's Office Overview Presentation
 - Provided a broad overview of the City Treasurer's Office and the debt management services that are provided to DOU in response to a commissioner request for a presentation in a previous meeting.
 - Discussed details of the Treasurer's Office extensive history of supporting DOU with the debt financing of critical infrastructure projects as part of the department's long-term funding plans.
- Updates on Water Planning Efforts
 - DOU staff shared key water planning efforts around RiverArc (regional project) and Water+ (City-led resiliency and expansion project).
 - Considered the purpose of these projects in the context of climate impacts on rivers, aging infrastructure, regulatory changes, and the need for resilient and adaptable water supply

C. At the meeting on July 23, 2025:

- Department of Utilities Financial Update - FY 2025-26 Budget
 - Reviewed the following financial updates: FY 2025-26 Adopted Budget Update, Five Year Forecasts by Fund, and Days of Working Capital.
- Deferred Maintenance Highlights
 - Provided summary overview of the entire DOU infrastructure, system, and deferred maintenance backlog for Water, Wastewater, and Storm Drain.

- Highlighted proposed deferred maintenance projects included in the FY 2025-26 approved Capital Improvement Program (CIP) budget that will advance DOU's efforts to replace and rehabilitate aging infrastructure.
- Combined Sewer System (CSS) Long Term Control Plan Presentation
 - Reviewed the location of the combined system throughout the City. Reviewed CSO Control Policy/CSS NPDES Permit requirements and CSS Permit Terminology.
 - Looked at the CSS Treatment stages and considered information on the progress made over the last 3 decades in treatment status data from facility improvements.

D. At the meeting on August 27, 2025:

- City Attorney's Office URAC Roles and Responsibilities Presentation
 - Reviewed the URAC origins and Council's intended purpose for the commission. This included a review of the URAC's authorizing ordinance, powers and duties, and past URAC recommendations.
- Department of Utilities Timeline and Overview of the Water and Wastewater Rate Study Stages
 - Provided an overview of the rate study stages and timeline for the planned FY 2027-28 Water and Wastewater rate adjustments.
- Department of Utilities Water and Wastewater Rate Needs Prioritization Process
 - Provided an overview of the efforts that DOU staff have undertaken to prioritize the most critical operational, capital investment, and administrative needs for the projected Water and Wastewater rate adjustments beginning in FY 2027-28.
- Department of Utilities Designated Reserve Presentation
 - In response to commissioner questions from the July meeting, a follow-up presentation on DOU designated reserve policy and historical reserve amounts was provided to give a more general overview.

E. At the meeting on October 29, 2025:

- Department of Utilities Rate Planning Update - Water Fund
 - Provided an update on rate planning efforts for the Water Fund. Examined the progress made by DOU staff to identify the necessary financial investments needed to ensure continued financial viability and address the most critical operational, administrative and capital needs over the five-year rate cycle in the Water Fund, beginning in FY 2027-28.

F. At the meeting on December 10, 2025:

- Department of Utilities Rate Planning Update - Wastewater Fund
 - Provided an update on rate planning efforts for the Wastewater Fund. Examined the progress made by DOU staff to identify the necessary financial investments needed to ensure continued financial viability and address the most critical operational, administrative and capital needs over the five-year rate cycle in the Wastewater Fund, beginning in FY 2027-28.
- Discussion of Work Plan Topics for 2026

- Provided a brief overview of the plan for upcoming topics and opened the floor to commissioners' comments, questions, and suggestions for next year's work plan.

Commission Resources Expended

In 2024 we held three meetings and in 2025 we held six meetings. Below is a breakdown of expenditures made to support the commission during this review period.

The estimated cost to support the Sacramento URAC in 2024 was \$52,926.

The estimated cost to support the Sacramento URAC in 2025 was \$95,421.

The estimated cost per meeting in 2025 is as follows:

	Meetings	Hours Per Meeting	Rate	Total
Staff report creation and review – department staff	6	121	\$94	\$68,244
Staff report review – city attorney staff	6	3	\$216	\$3,888
Agenda review, preparation, and publishing – city clerk	6	10	\$35	\$2,100
Meeting presentation preparation	6	2	\$117	\$1,404
Meeting attendance – department staff	6	17	\$117	\$11,583
Meeting attendance – city attorney staff	6	2	\$216	\$2,592
Meeting attendance – city clerk staff	6	4	\$58	\$1,392
	6			
Meeting attendance – IT staff	6	4	\$53	\$1,272
Meeting attendance – building security	6	4	\$33	\$792
Post meeting tasks: minutes, legislative document processing, attendance tracking	6	5	\$35	\$1,050
Commissioner stipend processing (quarterly)	6	12/year	\$42	\$504
Commissioner stipends (11 commissioners)	6	5	\$50	\$600
Total Meetings Cost				\$95,421

Additional Expenditures:

Besides staff time, there were no additional expenditures for the commission in 2024 or 2025.

Workplan for Upcoming Year

The goals for the URAC are outlined below, with some background details, in addition to the expected cost to achieve each goal. On the last page is a full 2026 agenda calendar for the URAC, which specifies the information and presentations that will be provided in supporting the

commission's goals in 2026. It also shows which DOU divisions, or Public Works – Recycling Solid Waste (RSW), will be preparing reports and/or presenting.

A. Goal 1: Prepare the commission to make responsible utilities rate recommendations. That includes gaining a deeper understanding of the financial, infrastructure, and regulatory factors that are affecting the DOU and RSW. The success of these efforts will be determined by the effectiveness with which the commission and the public at large have been informed about each operation's purpose, impact, and requirements at the time of a rate adjustment proceeding.

1. Details: The main action items and topics are related to the expected rate adjustment process and proposal for the Water and Wastewater funds:

- Discuss the rate adjustment communications and outreach effort.
- Overview of Proposition 218 and AB2257 procedures.
- Review financial plans and cost-of-service analysis with recommended rate adjustments.
- Hold a Proposition 218 Rate Hearing and make rate recommendations to City Council.

Besides the Water/Wastewater Rate Adjustment, the other topics for review are:

- DOU Financial and Deferred Maintenance Update
- RSW Update
- Pass Motion on URAC Workplan for 2026

2. Cost: This is estimated to account for 70% of commission staff time in the upcoming year. Based on 2025 costs, \$66,795 is projected to be expended on this goal.

B. Goal 2: Communicate the needs and plans for the upcoming rate adjustment.

1. Details: As the rate adjustment efforts shift from rate development to community outreach throughout 2026, DOU staff and the commission will prepare and implement a communication strategy to deliver to the rate payers of Sacramento. This communication effort will include all necessary procedures outlined in the California Prop 218 process for implementing a legally secure and fair rate adjustment. City staff will be utilizing experienced consultants to strategize these communications efforts to ensure that all applicable best practices are incorporated, community leaders are engaged, and that the effectiveness of public communications campaign is enhanced to the greatest extent possible within feasibility limits.

2. Cost: This is estimated to account for 30% of commission staff time in the upcoming year. Based on 2025 costs, \$28,626 is projected to be expended on this goal.

2026 Agenda Calendar for URAC Workplan [Tentative Calendar]

January - Wednesday, 28th

	ITEM NAME	DIVISION	DESCRIPTION	POC
1	Election of new of Utilities Rate Advisory Commission Chair & Vice Chair	Clerk's Office	Pass a motion to elect Utilities Rate Advisory Commission Chair & Vice Chair for 2026 calendar year	Jordan Bird, Administrative Analyst, (916) 808-1778, jbird@cityofsacramento.org , Department of Utilities
2	FY25 YE Results including Deferred Maintenance update	DOU – Business Services & Engineering	Informational / Discussion	Jordan Bird, Administrative Analyst, (916) 808-1778, jbird@cityofsacramento.org , Department of Utilities
	URAC 2025 Annual Report and 2026 Work Plan	DOU – Business Services	Pass a motion to forward Utilities Rate Advisory Commission 2025 Annual Report to the Personnel and Public Employees Committee	Dalia Fadl, Director, (916) 808-3765, dfadl@cityofsacramento.org , Department of Utilities

March - Wednesday, 25th

	ITEM NAME	DIVISION	DESCRIPTION	POC
1	Water/Wastewater (WW) Rate Process – Strategic Stakeholder Communications	DOU – Business Services	Informational / Discussion	Jordan Bird, Administrative Analyst, (916) 808-1778, jbird@cityofsacramento.org , Department of Utilities

June - Wednesday, 24th

	ITEM NAME	DIVISION	DESCRIPTION	POC
1	Water/WW Rate Process – Presentation of Financial Plans and Proposed Rates	DOU – Business Services	Informational / Discussion	Dalia Fadl, Director, (916) 808-3765, dfadl@cityofsacramento.org , Department of Utilities
2	Water/WW Rate Process – Proposition 218 and AB 2257 Overview	DOU – Engineering & Water Resources	Informational / Discussion	Jordan Bird, Administrative Analyst, (916) 808-1778, jbird@cityofsacramento.org , Department of Utilities

September - Wednesday, 23rd

	ITEM NAME	DIVISION	DESCRIPTION	POC
1	Department of Public Works, Recycling and Solid Waste Division Update Presentation	Public Works – Recycling & Solid Waste	Informational / Discussion	Tyler Stratton, Administrative Officer, (916) 808-1284, TStratton@cityofsacramento.org , Department of Public Works
2	Department of Utilities Financial Update – FY27 Budget; FY26 year-end projections	DOU – Business Services	Informational / Discussion	Kelly Sherfey, Supervising Financial Analyst, (916) 808-1466, KSherfey@cityofsacramento.org , Department of Utilities

December - Wednesday, 2nd

	ITEM NAME	DIVISION	DESCRIPTION	POC
1	Water/WW Rate Process – Proposition 218 Rate Hearing	DOU – Business Services	Proposition 218 Rate Hearing	Dalia Fadl, Director, (916) 808-3765, dfadl@cityofsacramento.org , Department of Utilities