Utility Committee Members Rob Putaansuu, John Clauson and Cindy Lucarelli met on October 8, 2014 at 7:30 a.m. at the Family Pancake House. Also present: Public Works Director Mark Dorsey, City Treasurer Allan Martin, Consultant Katy Isaksen and Citizen Elissa Whittleton.

**2014 Water/Sewer Gap Analysis – Committee Presentation:** Katy Isaksen of Katy Isaksen & Associates presented the ‘draft’ 2014 Gap Analysis for Water/Sewer to Committee members. The gap analysis looks at the current water and sanitary sewer system program funding compared to the program costs to identify the funding gap between the two categories and therefore establish the rate increase needed to meet the funding shortfall for these proprietary utility funds. A major component of the gap analysis is the identification of all operational costs, the 10-year capital improvement needs for the two utility systems and all revenue sources available to the utility (rates, grants, low-interest loans, connection fees.) *Isaksen/Dorsey to rework the gap analysis (focusing on the Capital Improvement Program for each utility), prior to a second Committee presentation scheduled for November 11, 2014. The November Work Study presentation of the gap analysis is not confirmed at this time.*

**Bay Street Drainage - Discussion:** Pursuant to an email request by Public Market operator Don Ryan, PWD Dorsey described for Committee members a developing sidewalk/marquee storm water drainage issue along the north side of Bay Street between Fredrick and Sidney. The situation involved several factors; a high intensity rainfall event coupled with high winds in early Fall (leaves), recent re-construction to the old Slip 45 building, marquee construction relative to adjacent buildings, marquee downspout capacity and freeboard, limited drainage collection system within Bay Street and sidewalk/building settling on the north side of Bay Street. Although no guarantee can be made against future flooding potentials, particularly due to the historical settling of the buildings located on the north side of Bay Street, the option requested by Don Ryan to have the marquee drainage modified to discharge directly through the sidewalk and into the tidally regulated void under the buildings and water ward of the seawall may help mitigate future flooding events. Committee members OK’d the alternative as long as the City receives a ‘hold harmless statement” by the property owner against any future building settlement. *City public works to core sidewalks and modify downspouts once hold harmless is received.*

**Well #10 Project Status – Update:** PWD Dorsey once again updated Committee members on the current Well #10 DWSRF funded project status as follows:
**Kick off Meeting:** The design team met with City staff on September 22, 2014 to coordinate the start-up of initial design efforts, which include Cultural Resources review/explorations (Section 106), topographic mapping of the project area within the APE (Area of Potential Effect) and geotechnical explorations for soil structural considerations. See September 29, 2014 BHC Meeting Minutes. *To be continued.*

**Department of Commerce – Budget Allocation Update:** The City submitted to the DWSRF loan contract manager (DoC) an updated Project Cost by Cost Category pursuant to the approved scope of work and cost proposal by BHC. *To be continued.*

**Well #9 Project Closeout – Update:** PWD Dorsey again updated Committee members on the current Well #9 project closeout status, being that the City is currently working through the transition between McGavick Graves and Morris Law P.C. *PWD Dorsey to meet with Morris Law and Pierre Kwan of HDR in the immediate future to sort out the HDR contract and to determine ‘next steps’ with PACE.*

**Wholesale Water Purchase – Update:** PWD Dorsey again updated Committee members on the current status of establishing wholesale water purchase Agreements with the City of Bremerton and/or West Sound Utility District. Given the recent City of Bremerton ILA submittal for 58 MG/year on a firm basis through 2018 at 110% of the Outside City Limits Residential Commodity Water Charge ($3.19/HCF) and a $25,000 annual minimum purchase amount versus a restructured West Sound Utility District offering of 5-years minimum at $2.02/HCF ($2.70/1000 gal), but still with an annual $150,000 minimum purchase amount, it appears that the possibility to work with BOTH COB and WSUD is not viable and more than likely only COB. *PWD Dorsey to continue conversations with both agencies.*

**Ray Petty Retirement – Discussion:** PWD Dorsey advised Committee members that Ray Petty has announced his retirement, effective November 17, 2014. Given Ray’s long term expertise in the operation and maintenance of the City’s two water system(s), it is imperative that his replacement not be an entry level employee, thus PWD Dorsey’s request to change the title of the upcoming position vacancy to be Public Works Employee – Water System Coordinator and a commensurate pay scale. *PWD Dorsey directed to take the issue to the November Finance Committee meeting.*

Next Meeting(s): November 14, 2014 - 7:30 AM at the Family Pancake House  
Next SAC Meeting(s): October 22, 2014 - 6:30 PM at WSUD

Meeting adjourned at 9:08 a.m.

cc: Council, City Attorney, Mayor and Department Heads