

City of Port Orchard

Utility Committee
Meeting Minutes
October 17, 2016

Utility Committee Members Cindy Lucarelli, Fred Chang and Scott Diener met on October 17, 2016 at 9:30 a.m. at the Port Orchard City Hall – Room #306. Also present: Mayor Rob Putaansuu, Public Works Director/City Engineer Mark Dorsey, Foreman/Water System Manager Thomas Hunter and Katy Isaksen of Katy Isaksen & Associates.

Water/Sewer Capital Facilities Charge Calculation – Discussion Cont'd.:

The final task associated with the Water/Sewer Gap Analysis (first initiated in 2014) is the Water/Sewer Capital Facilities Charge Calculation (W/S CFC's), with the final draft Memorandum being presented to the Committee members by Ms. Katy Isaksen. In summary, Ms. Isaksen reminded Committee members that the W/S CFC's are specific to 'new' residential and commercial customers, not existing customers and that the W/S CFC calculations could not be finalized until after the 2016 Comprehensive Plan was adopted (the values from the Utility Element of the Comprehensive Plan are the basis for the CFC calculations.) The previous W/S Gap analysis evaluated the costs to run the utility operations & maintenance and to fund Capital Improvements. The W/S CFC calculations determine the 'fair share' to be paid by new customers. In general, the Water CFC basis is the ¾-inch meter and the Sewer CFC basis is 1-ERU. The W/S CFC analysis looked at both water and sewer for a) CFC with existing facilities, b) CFC with existing facilities & future facilities, c) CFC with existing, future & 50% interest allowance and d) CFC with existing, future and 100% interest allowance. Assuming a decision to move forward with alternative c, the current water CFC would increase from \$5,012 to \$5,945 and the sewer CFC would increase from \$6,682 to \$8,754. Please note, the sewer CFC includes a constant \$3,597 wastewater treatment facility fee. Finally, the proposed W/S CFC update does recommend adding back, the automatic annual CPI value (as supported by the current City Attorney.) To be continued for further discussion (after Katy Isaksen presentation) at the November 15, 2016 Work Study Session.

Waste Management Contract Update – Discussion: PWD Dorsey advised Committee members, that given management level staff changes over the years at Waste Management (WM), the City intends to clarify services provided by WM by updating Exhibit A of Contract No. 024-15. Services such as providing no-fee tip during the annual Spring/Fall cleanup needs to be included within an amended Exhibit A. To be continued.

Chromium Response – Discussion: PWD Dorsey added the September 26, 2016 Chromium response letter by Foreman/Water System Manager Hunter to the Utility Committee Record. No further action required.

Well No. 9 Update – Discussion Cont’d.: PWD Dorsey and Foreman/WSM Hunter again updated Committee members on the 2016 Redesign effort by HDR Engineering for the addition of a Manganese Treatment System to Well No. 9 in 2017. In general, HDR appears to have the bulk of their design criteria alternatives vetted and the project is now ready to move from the current 30% retrofit design effort to the 100% Ad Ready PS&E with the 2016 Contract period. *To be continued.*

Next Meeting(s): November 21, 2016 - 9:30 a.m. at the City Hall (Room #306)

Next SAC Meeting(s): November October 19, 2016 - 6:30 p.m. at WSUD
Conference Room

Meeting adjourned at 10:17 a.m.

cc: Council, City Attorney, Mayor and Department Heads