



UTILITY ADVISORY COMMITTEE
REGULAR MEETING
WEDNESDAY, SEPTEMBER 13, 2017
4:00 PM – 6:00 PM
CITY HALL
COUNCIL CONFERENCE ROOM
280 MADISON AVENUE NORTH
BAINBRIDGE ISLAND, WA 98110

AGENDA

1. CALL TO ORDER / ROLL CALL / ACCEPT OR MODIFY AGENDA / CONFLICT OF INTEREST DISCLOSURE
4:00 PM

CHAIR: ANDY MARON

VICE CHAIR: JEFF KANTER

MEMBERS: STEVE JOHNSON EMILY SATO
 TED JONES JIM THRASH
 NANCY NOLAN

2. ACCEPTANCE OF MEETING NOTES – AUGUST 23, 2017
3. PUBLIC COMMENT – 5 MIN.
4. CASEY STREET WATER COMPANY: DISCUSS SERVICE – 30 MIN.
5. WATER/SEWER RATE STUDY: REVISE DRAFT MEMO – 20 MIN.
6. FIRE CODE IMPACT: DISCUSS – 5 MIN.
7. PROPOSED SSWM RATE INCREASE FOR 2018: DISCUSS – 50 MIN.
8. ELECTION OF OFFICERS 2017-18 – 5 MIN.
9. COMMENTS FOR THE GOOD OF THE ORDER – 5 MIN.
10. ADJOURNMENT
6:00 PM

Minutes

I. Call to Order / Roll Call / Accept or Modify Agenda / Conflict of Interest Disclosure

Present:

Chair: Andy Maron
Vice Chair: Jeff Kant
Members: Emily Sato Ted Jones Jim Thrash Nancy Nolan
Council Rep: Roger Townsend (phone)
Staff Rep: Barry Loveless

Concurred to add to items to Agenda:

- 4a. Update on utility issues from prior Council Meeting
- 4b. Status of SWMM Operating Study

2. Acceptance of Minutes: Unanimously Approved.

3. Public Comment: Mr. Robert Dashiell requested to provide his comment when committee addressed item 8, SWMM water rate increase for 2018. Approved.

4. Mr. Shawn O'Dell of Washington Water.

- Company established in 1999 and now in 8 counties in WA around the Sound.
- Largest investor-owned water utility in the state. Subsidiary of CA Water Group
- Own 195 regulated systems (16,000 connections) and manage additional 73 systems (4-5000 connections). Because company has over 100 customers, they must be regulated by Washington Utility and Transportation Commission for all systems they operate.
- On BI they own two systems; Phelps Road and Bucklin. They operate four systems; Bill Point, Place 18, Raven's Reach and Rose Ave.
- All rate payers pay the same rate.
- WUTC approves all of their acquisitions. Washington rate cases are based on historical costs. CA cases are forward looking.
- They cannot surcharge users of a system they acquire unless the system comes with debt.
- Often system owners contact them asking to be managed or bought. Washington Water makes the determination if they want to do it. They are listed by DoH as a satellite system manager available for hire. Long range pattern is to own more and manage fewer systems.
- Base rate is around \$20/mo. with tiered pricing above that.
- Kitsap fire flow requirement is about half of that on BI.

4a. Council report on CIP

- Wardwell Road and culvert construction awarded. Culvert is a SWMM cost because it was undersized.
- New Brooklyn project approved. Includes extending gravity sewer around fire station and Three Trees Lane area.

4b. SWMM Memo (previously submitted by UAC)

- Jeff and Andy went to Council session for discussion of the UAC recommendation.

- In conversation, council began discussing a “performance” audit of the SSWM utility, though some councilmembers did not like that characterization. Barry Loveless will forward previous studies to Council for future discussion of this issue.
5. Water/Sewer Rate Study Discussion
- UAC reviewed Andy’s latest markup and Jeff’s proposed alternate paragraphs. Plan to finalize the memo at the next meeting. UAC members to think about items they do and don’t want in Scope of Work.
6. Water System Plan Amendment (report by Barry Loveless)
- DoH said COBI could modify the plan a bit and have a 10-year plan vice the 6-year plan we presented.
 - DoH also wants an updated well-head protection plan. Aspect Consulting did current one for City.
 - So, the Water System Plan was amended, and is on the City’s portal. It will be approved at the next city council meeting.
7. Fire Code
- Jim and Jeff met with County Fire Marshall. They now have a good database of all local fire codes.
 - Draft recommendation for UAC is almost ready.
8. SWMM rate increase
- Barry and Ellen (Finance Director) refined the financial model.
 - Barry will brief Council on 5 September.
 - Brief summary of public comment by Mr. Dashiell;
 - i. Personnel costs are too high
 - ii. Cost allocation is not properly done with 46 employees totaling 10 FTEs
 - iii. Water flow monitoring program is expensive and provides data we don’t need or use.
 - iv. Contractor weather station is a luxury.
9. Wrap up
- Current meetings schedule is 4-6:00 on 2nd and 4th Wednesdays.
 - Andy will send email asking our opinion on meeting at other times
 - i. 4-6 on Tuesdays
 - ii. 4-6 on Thursdays
 - iii. 5-7 on Wednesdays
 - NEXT Meetings are still on Sept 13 and 27 from 4-6:00.
 - Adjourned 6:05 PM

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August 15, 2017

Re: Casey Street Water Company

Dear Mr. Schulze,

I am writing on behalf of my client, Ms. Jane Brunton, who is the owner of the Casey Street Water Company, LLC. She is interested in transferring the ownership of her water system to the City.

Given the City's adoption of the 2016 Comprehensive Plan, specifically the water element, Policy WR 2.3, *To promote efficient use of groundwater resources, encourage the expansion of existing water systems rather than encouraging shallow or individual residential wells*, it seems the City may have an interest to acquire a system such as the Casey Street Water Company.

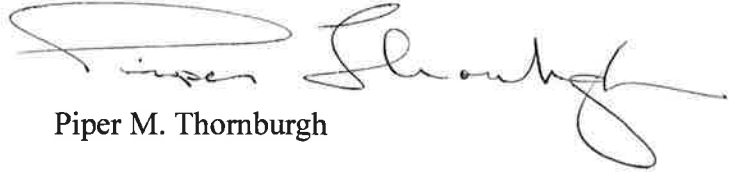
By way of background, Ms. Brunton formed the Casey Street Water Company in 2002 and took over management at that time. The system presently serves eight homes, six on Casey Street and two on Ferncliff Avenue. Ms. Brunton has maintained the system using Gresham Pump & Drilling and has kept careful records. Overall, the system and the company are in good condition. At this point, she has some health issues that has led to her interest to transfer the ownership of the water system to the City.

For this reason, she is formally offering the system to the City at no cost with the following two provisions: that the City cover the costs, legal and otherwise, associated with the transfer, and no charge for water for her residence served by the system for 60 months following the conclusion of the transfer. She would like to discuss this opportunity with the City in more detail and arrange a meeting as soon as possible. She

has been in contact with the City's Development Engineer, Peter Corelis, and has spoken with Public Works Manager, Charles Krumheuer, about her water system, so the City should have information in its possession already, but Ms. Brunton would like to provide additional information to the City to better evaluate this offer.

Thank you for your consideration of this proposal, I will follow up with you soon.

Very truly yours,

A handwritten signature in black ink, appearing to read "Piper M. Thornburgh". The signature is fluid and cursive, with a large loop at the end.

Piper M. Thornburgh

cc: client