



UTILITY ADVISORY COMMITTEE
REGULAR MEETING
WEDNESDAY, JUNE 13, 2018
5:00 PM – 7:00 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
5:00 PM

CO- CHAIR: ANDY MARON

CO- CHAIR: JEFF KANTER

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

LIAISON: RASHAM NASSAR

2. ACCEPTANCE OF MEETING NOTES – MAY 23, 2018
3. PUBLIC COMMENT – 5 MIN.
4. PUBLIC WORKS UPDATE: RATE STUDY AND CIP UPDATE (BARRY) – 20 MIN.
5. BROADBAND EXPANSION PRESENTATION (DOUG) – 45 MIN.
6. DISCUSS TEMPLATE FOR UAC UTILITY REVIEW (TED) – 50 MIN.
7. COMMENTS FOR THE GOOD OF THE ORDER
8. ADJOURNMENT
7:00 PM

Minutes

Committee members present:

Members: Andy Maron, Jeff Kanter, Co-chairs
Ted Jones, Nancy Nolan, Emily Sato, Steve Johnson, and Jim Thrash
Council Liaison: Rasham Nassar
Also present: Barry Loveless, COBI Director of Public Works, Don Breiner, citizen, and
Doug Schulze, City Manager

1. The meeting was called to order at 5:00 PM by Jeff Kanter, Co-chair.
2. The meeting minutes of May 9, 2018 were approved (Steve Johnson moved, Ted Jones seconded).
3. There was no public comment.
4. Barry updated the UAC on developments in the Public Works department. He stated that work is progressing on the rate study, but that there will nothing to report until late June or July. The draft sewer CIP for 2019-2024 is scheduled to be presented to city council on June 19th. Barry then gave a quick overview of the current draft CIPs for the City's sewer, water and SSWM utilities.
5. City Manager Doug Schulze arrived at 6:15 and proceeded to brief the Committee on his research into broadband internet service. Doug has been meeting with concerned community members and exploring options for improving internet service on the island. KPUD's new ability to sell services to retail customers was discussed, but he thought that KPUD is more focused on rural areas of Kitsap County with underserved users (<25mbps) and said that they are using an active ethernet model, which is very expensive. Doug posited the possibility of using the existing institutional network to provide service branching off from it, or by entering into a public/private partnership. It was decided that Doug will return to the next UAC meeting to discuss how the UAC can work with him during his investigatory work.
6. Ted Jones presented his proposed "Heightened Utility Review Process" of the City's three utilities, and "Periodic Review Process" of non-City owned utilities. Goal U9 of the COBI Comprehensive Plan was discussed, as was the distinction between City-owned and non-City owned utilities.
7. Andy Maron reported that four people have applied to the open seats on the UAC, including Nancy, who applied for her current seat. Jim Thrash was begged to stay, to no avail.
8. The meeting was adjourned at 6:52 pm.



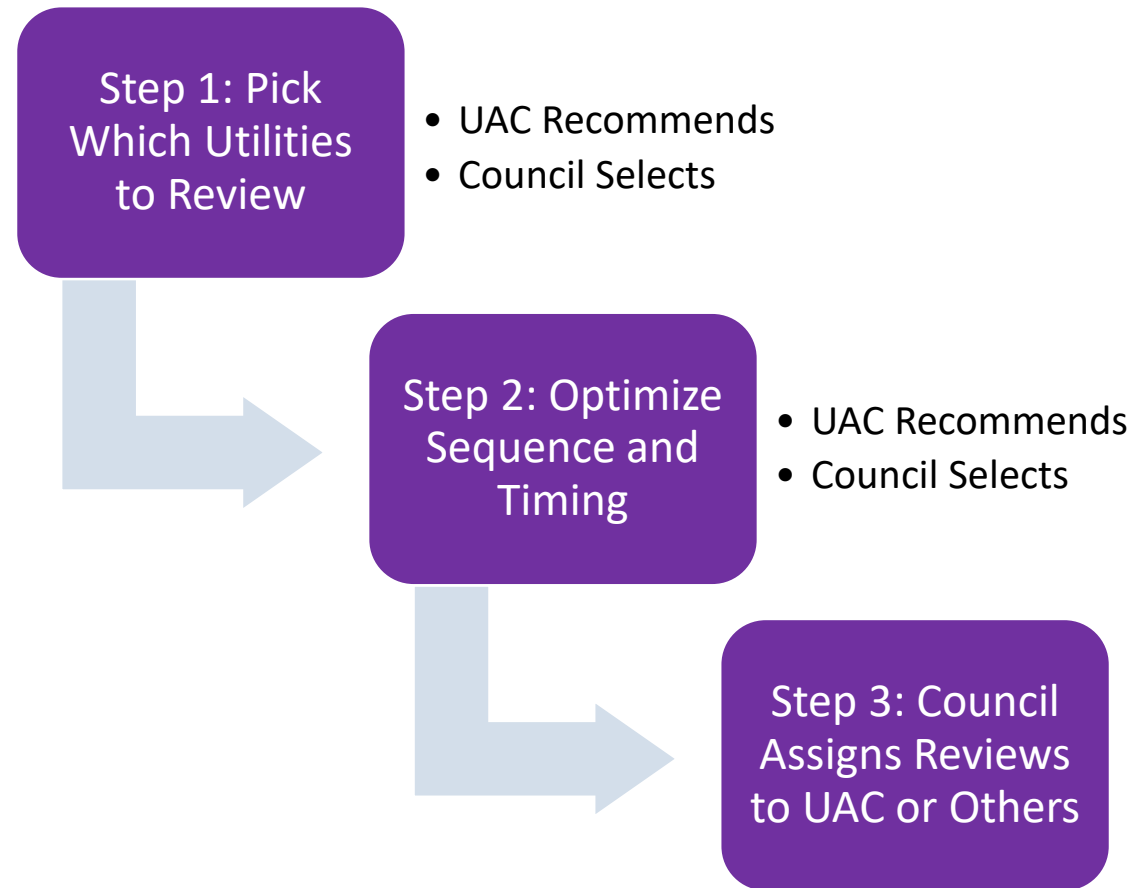
UAC Recommendation to COBI Council for a “Periodic Utility Review” Process

City of Bainbridge Island | Utility Advisory Committee
June 2018

Periodic Utility Review Process Goals

- Council Request to UAC: Establish a process to review island utility services on a three-year cycle. Specifically from the 2018 UAC Work Plan
 - d) Sewer System Review. The UAC will consider conducting a “heightened review” of the sewer system, which has been described as a review of “performance, reliability and cost of service.”
 - g) Review of Utilities. Develop a process for periodic review of island utility services. (This is a High Priority Action in the Utilities Element of the 2017 Comprehensive Plan.)
- Each review would:
 1. Review current operation; performance and cost
 2. Assess risks and opportunities
 3. Take citizens’ perspective (both taxpayers and ratepayers)
 4. Provide facts and insight to Council
 5. Potentially recommend actions

Steps in Getting Organized



Step 1: Pick Which Utilities to Review

City Owned Utilities

- Sewer (first year)
- Water
- Storm water

Non-Owned Utilities

- Electricity
- Telecom
 - Phone
 - Cellular
 - Cable
 - Internet
- Solid waste

Considerations

- City Owned or Not?
- Is there a Franchise the City approves?
- Current Citizen Concern
- Perceived Risk or Opportunity

Step 2: Optimize Sequence and Schedule

City Owned Utilities

- Sewer
- Water
- Storm water

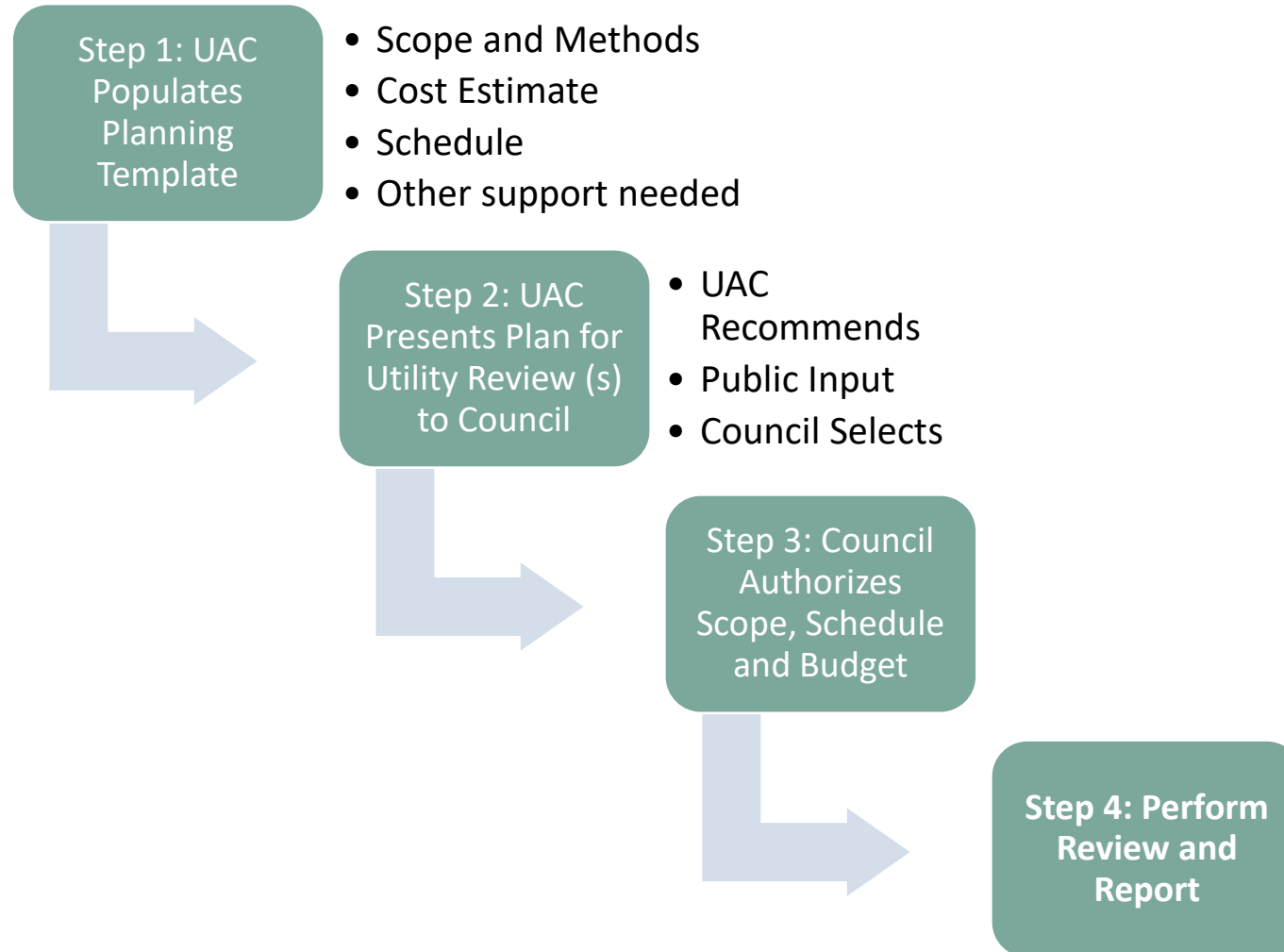
Non-Owned Utilities

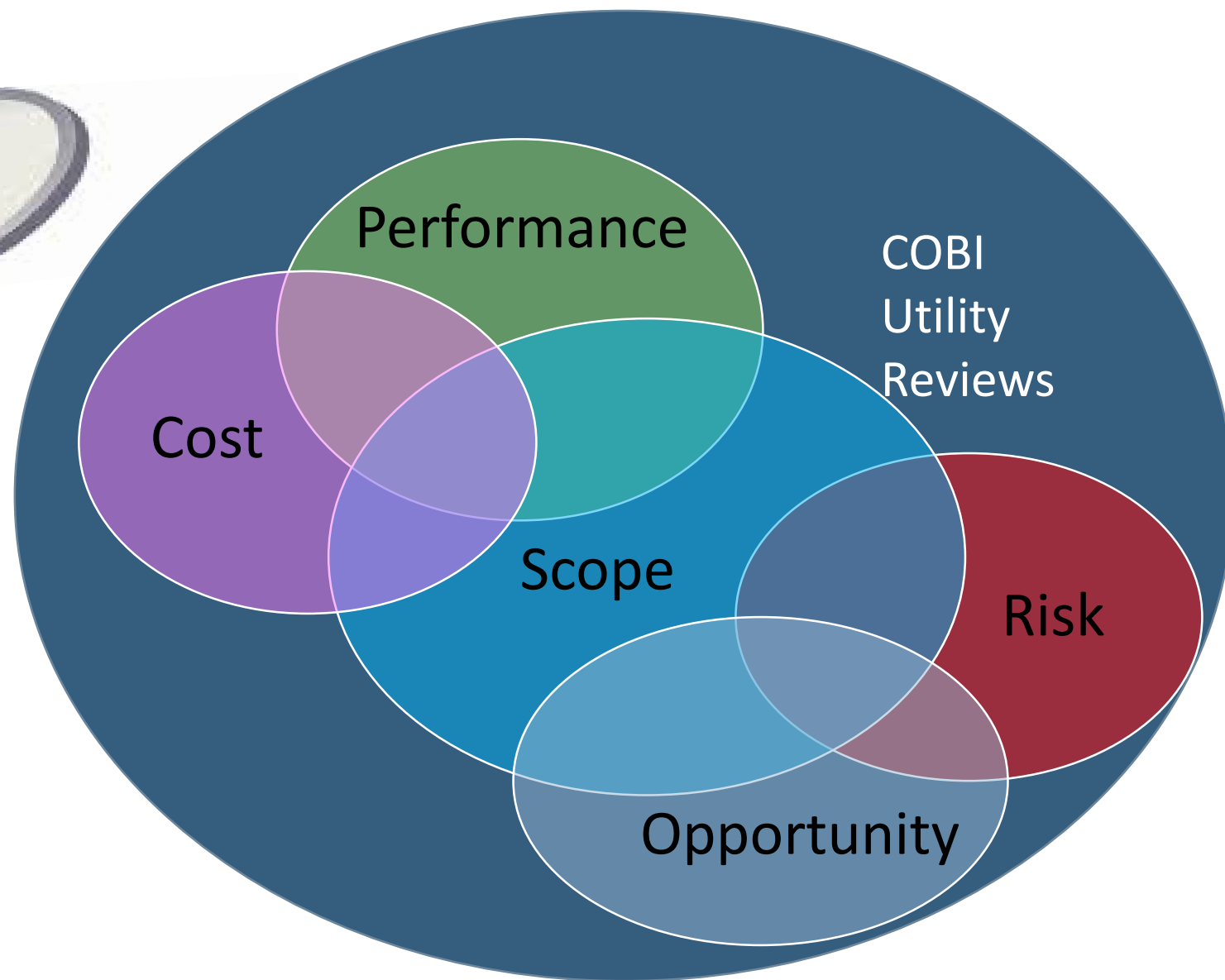
- Electricity
- Telecom
 - Phone
 - Cellular
 - Cable
 - Internet
- Solid waste

Considerations

- Time since prior review (s)
- Regulators' Requirements
- Franchise Renewal Deadlines
- Urgency of Risk or Opportunity
- Capacity of UAC and Staff

Steps in Planning Each Utility Review





Scalable, Tailorable Process Template

- Establish general template that can be used for each utility review
- At highest level major element of every review is the same. Template ensures scope is comprehensive.
- Many measures are common to all of our utilities
 - Some may be omitted if not germane
 - Some may need significant expansion for a particular utility
- Excel worksheets to help UAC define, structure and execute the reviews

Step 1: Populate Scoping Template for Each Utility

Review Topics (1-12 elements)

- Performance (effectiveness)
- Cost (efficiency)
- Vulnerability (risk)
- Opportunity
- Scope

Columns (Data Elements)

- Data to Review
- How to obtain / analyze
- Approximate cost
- Schedule
- Importance / priority

Potential Elements for Any Utility Review

A. **Utility Performance (*Effectiveness*)**

- Is it doing what it is established to do?
- Reliability and Quality
- Is COBI community satisfied?
- Are regulators satisfied?

B. **Utility Cost (*Efficiency*)**

- Are rates competitive against benchmarks?
- Are rates fair to all rate classes?
- Are rate payers satisfied?

Potential Elements for Any Utility Review

c. **Vulnerabilities (*Risks*)**

- Financial Risk: Is there a surprise bill looming?
 - Decaying Infrastructure [Example: collapsing culverts]
 - Mandatory additional expenses [Example: fish passages]
- Performance Risk: What could compromise service?
 - Ordinary redundancy and disaster survivability/recovery
- Safety Risk: Explosion, flood...
- Health Risk: Toxic cloud, EM radiation, pathogens, chemicals...
- Environmental Risk: water, air, soil pollution, habitat
- Technological Risks: Obsolescence, cyber security...

Potential Elements for Any Utility Review

D. Opportunities

- Technology advances
- Funding / financing opportunities
- Collaboration and Partnership Opportunities
- Disaster preparedness: Survival, restoration and recovery

E. Scope

- Consistency with Comprehensive Plan
- Compliant with applicable laws, policies, and best practices
- Service Area
- Service Levels

Finite UAC Capability to Conduct Reviews

- For each utility review, UAC (with Council validation) must decide which elements are most important and which ones may be responsibly omitted
- For each review, UAC will need to chose how to do perform each element
 - Some may be a natural fit for COBI staff
 - Some study can be performed by UAC members themselves
 - Some may need to be contracted (requires Council action)
 - Some may involve public participation including workshops or polls

UAC Engagement with Council

1. Advise on selection of utilities to review
2. Advise on selecting elements to be in or out of scope
3. Request any significant staff support beyond routine PW support
4. Request and justify use of consultants if needed
5. Obtain community outreach is needed (workshops, polls, etc.)
6. Inform Council of Status
7. Make interim and final recommendations, reports and presentations

Next Step

- UAC to recommend review sequence
- If approved, will proceed with developing scope, cost and schedule