



UTILITY ADVISORY COMMITTEE
REGULAR MEETING
WEDNESDAY, SEPTEMBER 12, 2018
5:00 PM – 7:00 PM
CITY HALL
PLANNING 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: CHARLES AVERILL NANCY NOLAN
 STEVE JOHNSON EMILY SATO
 TED JONES

LIAISON: RASHAM NASSAR

2. ACCEPTANCE OF MEETING NOTES – AUGUST 22, 2018
3. PUBLIC COMMENT – 5 MIN.
4. INTERNET/CELL STUDY DISCUSSION (DOUG SCHULZE) – 15 MIN.
5. ANNUAL ELECTION OF COMMITTEE CHAIR – 5 MIN.
6. PUBLIC WORKS UPDATE – 5 MIN.
7. ETHICS PROGRAM PRESENTATION (SCOTT WILDER) – 15 MIN.
8. RATE STRUCTURE (BARRY LOVELESS) – 75 MIN.
9. COMMENTS FOR THE GOOD OF THE ORDER
10. ADJOURNMENT
7:00 PM

Minutes

Committee members present: Jeff Kanter, Co-chair, Andy Maron, Co-chair, Charles Averill, Steve Johnson, Ted Jones, Nancy Nolan

Committee Members absent: Emily Sato

Council Liaison present: Rasham Nassar

Also Present: Barry Loveless, COBI Director of Public Works, Doug Schulze, City Manager, Chris Gonzalez, FCS Group

The meeting was called to order at 5 p.m. by Co-Chair Jeff Kanter

The meeting notes for 7/11/18 and 8/8/18 were unanimously approved.

Public Comment: None

Internet/Cell Study Discussion:

City Manager Doug Schulze briefed the committee on the possibility of taking over KPUD's community WIFI. Discussions between the City and KPUD are underway. A draft of an Interlocal agreement is currently under review by the City Attorney. After his review, the KPUD board and the City Council will review the draft.

Taking over the WIFI network will not require additional staff and should be self-supporting. The WIFI network will provide a resource for connecting to the community, but is not a huge revenue opportunity.

Mr. Schulze also discussed the possibility of setting up a demo broadband community in the vicinity of City Hall. The community may include the cohousing community, the mobile home park, various office complexes in the area near Madison and Wyatt and possibly the Grow community.

The demo requires the City to obtain four strands of fiber located near the City Hall driveway from KPUD. KPUD's network currently employs an active ethernet system. Schulze says his research shows that active ethernet costs about 4x the cost of a GPON system, so the City wants to try running a GPON system on these 4 existent strands as part of the demo to determine whether it is feasible to run a GPON system on a system previously working as an active ethernet system. The demo should establish whether this methodology is a cost-effective way to move toward Bainbridge establishing its own broadband infrastructure. The estimated cost is about \$10,000 to \$20,000. The City would provide the broadband infrastructure for the demo and Steve Hellriegel of Net 253 has agreed to provide the actual connections from the home and businesses to the infrastructure. However, the goal is to ultimately have an open source network where the user can select their own ISP provider. This would require the user to pay for the connection from the end point to a node.

Once the demo is run, the City will need to hire a consultant to create a business plan and a strategic plan for how to roll out a city owned broadband infrastructure. After Doug's departure, Steve Miller will be the point person for the City for this project. Mr. Schulze has used the Fort Collins, Co. business plan as a possible business plan model.

The advantage for City residents of having a City owned broadband network is better service at a lower price.

Comcast has a franchise agreement for its cable services, but the City cannot require Comcast to have a franchise agreement for broadband services.

Doug is preparing a package that will further explain the demonstration project, its costs and a funding proposal.

Ted Jones and Steve Johnson volunteered to be a UAC subcommittee to look at this proposal before the next UAC meeting on September 12th.

Public Works Update: Barry Loveless updated the committee about some public works projects including noting delays on the Miller Road project due to a strike among crane operators in Seattle.

Rate Structure: Chris Gonzalez of FCS Consulting updated the committee with a revised power point presentation that updated and added some information requested by the committee and narrowed down the remaining questions to be answered before a proposal can be presented to the Council.

Committee members and the Council liaison noted the importance of connecting the approval of the Water and Sewer CIP with the review of increased water and sewer rates as the projects presented in the CIP drive many of the assumptions behind the need to increase rates. The water CIP has gone from \$4 million last year to \$11.6 million in the current plan but has yet to be reviewed and acknowledged by Council. Mr. Loveless will present his latest CIP numbers again at the next meeting.

The committee agreed to take another closer look at the Water and sewer CIP in tandem with moving forward with recommendations concerning the water and sewer rate study.

The committee was in agreement that system participation fees for new connections will need to be increased to reflect their related costs. The Committee favored the consultant's recommendation to use the "Average Cost" method. It was pointed out that this fee increase is not reflected in the current analysis. Mr. Gonzales agreed to include these increased fees as revenue in his new calculations and rate proposals. This update will also be presented at the next meeting.



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Annual Election of Committee Chair: This item has been postponed until the next meeting.

The meeting was adjourned at 7p.m.

The next regular meeting is scheduled for September 12.

9/12/18