

**Utility Advisory Committee
City Council Chambers
Port Angeles, WA 98362
October 9, 2018
3:00 p.m.**

AGENDA

- I. Call To Order**
- II. Roll Call**
- III. Approval Of Minutes for September 11, 2018**
- IV. Late Items**
- V. Public Comment** – *The Utility Advisory Committee desires to allow the opportunity for Public Comment. However, the business of the City must proceed in an orderly, timely manner. At its most restrictive, Public Comment shall be limited to a total of 15 minutes. Individuals may speak for three (3) minutes or less, depending on the number of people wishing to speak. If more than 20 people are signed up to speak, each speaker may be allocated two (2) minutes. (Taken from Council Rules of Procedure Section 12).*
- VI. Discussion Items:**
 - A. Francis Street Pigging Bypass, Project WW-01-17 – Design Briefing
 - B. Revised Net Metering and Customer Generation Policy – Design Briefing
 - C. 2019 Utility Rates
- VII. Information Only Items:**
 - A. Landfill Sand Ballast Placement, CON-2018-53
- VIII. Next Meeting Date:** November 13, 2018
- IX. Adjournment**

UTILITY ADVISORY COMMITTEE

City Council Chambers
Port Angeles, WA 98362

September 11, 2018

3:00p.m

I. Call To Order

Councilmember and Chair Cherie Kidd called the meeting to order at 3:00 pm.

II. Roll Call

UAC Assigned

Councilmembers Present: Deputy Mayor Kate Dexter, Councilmember Cherie Kidd and Councilmember Lindsey Schromen-Wawrin

Councilmembers Absent: None

UAC Members Present: Paul Collins

UAC Members Absent: Vice Chair William Atkinson, Mattias Järvegren, Rob Feller, and Laura Dodd

Staff Present: Gregg King, Steve Clark, Nathan West, Bill Bloor, Teresa Reed-Jennings, Jonathan Boehme, Jeff Bender, Lucio Baack, Vincent McIntyre, Glen Goodworth, Mary Sue French, Marian Bodart, Yvette Nichols, and Michelle Hale

Others Present: One Citizen

III. Approval Of Minutes

Lindsey Schromen-Wawrin requested a motion for approval of the August 14, 2018 minutes. Paul Collins seconded the motion. Motion carried 4-0.

IV. Late Items: None

V. Public Comment: None

VI. Discussion Items:

A. Design Briefing for Pump Station 3 Replacement, Project WW0308

Jeff Bender, Civil Engineer II, provided a design briefing for the Pump Station 3 replacement project. Jeff distributed photos to explain the specifics for the project. Originally scheduled as a multi-year project that would install additional gravity mains and force mains, and replace a small pump station with a significantly larger pumping facility, this project is now being scheduled as a simple upgrade to the existing pump station.

This project was originally estimated to exceed \$3 million dollars. The revised Engineer's Estimate for this project ranges between \$400,000 and \$600,000. Funds are available in the approved 2018 budget for the Wastewater Utility Capital projects in the amount of \$159,000. An additional \$900,000 is scheduled for 2019 in the approved CFP. Discussion was held.

Kate Dexter made a motion endorse the design strategy for Pump Station No. 3 Replacement, Project WW03-08, and provide a favorable recommendation that City Council award a construction contract in 2018 that is within the approved project budget. Paul Collins seconded the motion. The motion carried 3-1.

Councilmember Lindsey Schromen-Wawrin wish to be noted that the UAC meeting contained only four UAC members (quorum) of which three were councilmembers and only one volunteer committee member.

VII. Information Only Items:

A. Pre-Design Briefing for H St. Stormwater Outfall, Project DR0213

Vincent McIntyre, Civil Engineer I, distributed a packet to explain the stormwater outfall project. Vince stated the existing conveyance system is too small to accommodate the runoff generated by the built-out residential area. A 12" stormwater pipe was installed in 2014 over the bluff at H St. to divert 25% of the entire sub-basin to a new outfall. The current project will complete the diversion effort by connecting the 12" pipe to a new outfall to be located at the southwest corner of the Boat Haven (near the entrance of Castaways). The proposed design will utilize the vacant 48" Industrial Water Line as a casing pipe to house the new storm pipe which will minimize land disturbance in an archeologically sensitive area. This project is currently in the pre-design phase and is expected to go out to bid in early spring with construction anticipated in summer 2019.

B. Pre-Design Briefing for Decant Facility at Transfer Station, project SW0112

Lucio Baack, Civil Engineer I, provided an informational update to the Department of Ecology's Water Quality Combined Financial Assistance Grant to design and construct a Decant Facility at the Port Angeles Regional Transfer Station. A packet was distributed and Lucio provided details on the decant facility. The funding was delayed in 2016 due to a State budget shortfall. This has since been resolved and City staff are currently in contact with the Department of Ecology to finalize the grant agreement. Once the grant agreement has been negotiated and signed, the City will issue a Request for Qualifications seeking professional services to design a new decant facility on the preferred site.

VIII. Next Meeting Date: October 9, 2018

IX. Adjournment: 3:33 p.m.

Chair Cherie Kidd

Michelle Hale, Administrative Specialist II



Date: October 9, 2018
To: Utility Advisory Committee
From: Jeffrey S. Bender, P.E., *Civil Engineer II*,
Subject: Francis Street Pigging Bypass, Project WW-01-17 – Design Briefing

Summary: This project will install a 16-inch bypass pipeline around the pigging port located in Francis Street Park parking lot.

Funding: Funds are available in the approved 2018 budget for the Wastewater Utility Capital projects in the amount of \$10,000. An additional \$190,000 is scheduled for 2019 in the approved CFP.

Recommendation: It is requested that the UAC endorse the design strategy for Francis Street Pigging Bypass, Project WW-01-17, and provide a favorable recommendation that City Council award a construction contract in 2018 that fits within the approved project budget.

Background / Analysis: In 2013 IMCO Construction installed a new 36-inch syphon/gravity line with a pigging launch station from CSO 10 in Francis Street Park to the Wastewater Treatment Plant influent diversion structure. During the design phase of CSO Phase 1 it was anticipated that the bypass line would be installed during CSO Phase 2 after the old force main from the old Pump Station 4 was abandoned.

The existing 16-inch gravity main in Francis Street was required to remain in service until the new pump station was constructed, tested, and put into service. Once the new pump station was online, the 16-inch gravity main was going to be disconnected from the abandoned force main and connected to the new force main installed during CSO Phase 1. This 16-inch main was intended to act as a bypass line around the 36-inch pigging port to facilitate the launching of a pig.

During CSO Phase 2 construction, City crews were not able to locate the 16-inch gravity main on the beach in front of Francis Street Park where it was supposed to connect to the new force main. After several days of attempting to locate the line, it was determined that this scope of work would be removed from the CSO Phase 2 contract and added as a separate CFP. A deductive change order was issued and the funds were removed from the CSO Phase 2 contract.

Pigging, in the context of pipelines, is the practice of using a device known as a "pig" to clean sediment that has built up in a pipe and has been used for many years to successfully clean large diameter pipelines. This procedure can be done without stopping the flow in the pipeline, as long as a bypass pipe is available to convey the flows around the "launching station". A pig is then inserted in the launching station, the launching station is closed, and flow is redirected through the main. The pressure-driven flow of the fluid in the pipeline is used to push the pig along the pipe until it reaches the "receiving station" (in this case the influent diversion structure) where the pig is then retrieved.

Funding Overview: Funds are available in the approved 2018 budget for the Wastewater Utility Capitol projects in the amount of \$10,000. These funds are for potential design investigations, survey, etc.

This project was scheduled for design in 2018 and construction in 2019; therefore, an additional \$190,000 is scheduled for 2019 in the approved CFP for construction.



Date: October 9, 2018
To: Utility Advisory Committee
From: Gregg King, Power Resource Manager
Subject: Revised Net Metering and Customer Generation Policy – Design Briefing

Summary: Staff estimates that the City will reach the state mandated cumulative limit for net metering systems within the next year. Staff recommends the utility adopt an alternative net metering policy for future renewable energy system installations prior to reaching the state limit that have minimal impact on the City’s electric distribution system, ensures that all rate payers are treated fairly, and aligns with policies of other regional electric utilities.

Funding: No additional funds required.

Recommendation: It is requested that the UAC endorse the design strategy for a revised net metering and customer generation policy.

Background / Analysis: In June 1998, the Washington State Legislature enacted Substitute House Bill 2773: Net Metering for Certain Renewable Energy Systems. Net metering legislation requires electric utilities to offer net metering to customers and allows interconnection of eligible renewable energy systems to the electric grid.

The City’s present Net Metering policy mirrors the state legislation allowing for; interconnection of qualified renewable energy systems with generating capacity less than 100 kW; providing a bi-directional electric meter connection capable of measuring the difference between energy delivered by the utility and energy delivered to the city by the customer-generator; providing a credit to the customer generator for any net energy delivered to the utility in a normal billing period; and providing the net metering to city utility customers on a “first-come, first served basis” limited at 0.5 percent of the City’s 1996 peak demand (595 kW).

Federal and state tax incentives and declining renewable energy system costs have driven a steep increase in program participation over the last several years. The City has experienced a 20% increase in net-metering applications since the beginning of 2018 and is now at 83.4% (495.9 kW) of the legislated minimal limits for net metering. At the present growth rate, the City will reach the legislated limits within approximately one year.

Staff recommends an alternate policy be approved before the legislated limit is reached. Staff recommends a policy that will continue to provide net-metering for qualified renewable energy systems that; (a) have minimal impact on the City’s electric distribution system, (b) ensures that ratepayers are treated fairly, and, (c) aligns with policies of regional electric utilities.

Funding Overview: No additional funding required.



Date: October 9, 2018
To: Utility Advisory Committee
From: Glen Goodworth, Senior Accountant
Subject: Proposed Adjustments to 2019 Utility Rates

Summary: As part of the 2018 Budget preparation, one year rates were approved for Electric, Water, Wastewater, Stormwater, Solid Waste Transfer Station and Solid Waste Collections utilities. On December 31, 2018 these rates will expire. Revised rates for all of these utilities are being presented for review and recommendation for adoption by the City Council. The recommendation is for approval of just a one year rate revision (2019).

Funding: The approval of the proposal presented will not increase expenditures, but will require some rate increases in 2019 that will generate the required revenue to meet budgeted expenditures. The need for rate increases differs by utility, but includes labor and benefit cost increases, changes in allocations, capital needs, etc.

Recommendation: Forward a favorable recommendation to the City Council to adopt the 2019 utility rates upon completion of the mandatory public hears, which will be scheduled at a later date.

Background / Analysis: Rates for Electric, Water, Wastewater, Stormwater and Solid Waste Collections utilities were adopted on December 19, 2017 (Ord. No 3601) to set rates through 2018. Solid Waste Transfer Station rates for 2018 were adopted on October 17, 2017 (Ord. No 3590). All utility rates, with the exception of Medic 1, are to expire on December 31, 2018.

As part of the Budget and COSA process, revenue and expenditure analysis was completed to determine the rate requirements for 2019 based on the 2019 Budget expenditures and non-rate revenue. Some rates were determined to already meet expenditure requirements, thus no change in rates are recommended. Other rates will require differing levels of rate increases to achieve the required revenue levels. In some cases the information presented by the COSA process has identified areas suggesting potential adjustments between and within rate classes to achieve greater customer rate equity.

As with the 2018 Budget, the recommendation for 2019 is one-year rate options for all affected utilities. The proposal of single year rate setting will allow Staff and Council the opportunity to fully understand the implications that the operational reviews (COSAs) are sending, evaluate rate structure preferences, pursue potential rate changes including phase-in options, and recommend future rate options that can be used for multiple years. In 2019, the recommendation is for rate increases for the Water and Wastewater Utilities only. These changes are reflected in attachments A and B. Existing 2018 rates provide sufficient revenues for all other utilities.

After presentation of the proposed rate changes, the request of the Utility Advisory Committee is to recommend the adoption of the rate revisions to the City Council.

Funding Overview: The approval of the proposal presented will not increase expenditures, but will require some rate increases in 2019 that will generate the required revenue to meet budgeted expenditures. The need for rate increases differs by utility, but includes labor and benefit cost increases, changes in allocations, capital needs, etc.

Attachment A
City of Port Angeles
Water Utility
Rate Summary
2019 Budget

Customer Class	Accounts/ Consumption	Percent of category	2018 Budget	% change	2019 Recommended Budget (1)
Overall rate change requirement				3.8%	
Residential					
5/8"	6,727	95.0%	31.07	5.4%	32.75
3/4"	310	4.4%	33.75	5.4%	35.58
1"	42	0.6%	37.64	5.4%	39.68
1.5"	4	0.1%	69.70	5.4%	73.48
Consumption					
Block 1 (0-1,000 cf)	42,716,632	93.2%	0.02410	5.4%	0.02541
Block 2 (1,001-1,500 cf)	1,939,373	4.2%	0.03048	5.4%	0.03213
Block 3 (1,501+ cf)	1,192,049	2.6%	0.03674	5.4%	0.03873
Commercial					
5/8"	550	53.9%	50.05	0.0%	50.05
3/4"	101	9.9%	53.36	0.0%	53.36
1"	147	14.4%	58.90	0.0%	58.90
1.5"	85	8.3%	103.76	0.0%	103.76
2"	90	8.8%	157.91	0.0%	157.91
3"	26	2.5%	283.33	0.0%	283.33
4"	11	1.1%	463.08	0.0%	463.08
6"	8	0.8%	912.19	0.0%	912.19
8"	2	0.2%	1,450.91	0.0%	1,450.91
Consumption	28,470,734		0.02298	0.0%	0.02298
Municipal					
5/8"	16	39.0%	50.05	0.0%	50.05
3/4"	3	7.3%	53.36	0.0%	53.36
1"	9	22.0%	58.90	0.0%	58.90
1.5"	1	2.4%	103.76	0.0%	103.76
2"	9	22.0%	157.91	0.0%	157.91
3"	2	4.9%	283.33	0.0%	283.33
4"	1	2.4%	463.08	0.0%	463.08
Consumption	1,398,973		0.02298	0.0%	0.02298
Irrigation					
5/8"	31	34.8%	41.55	0.0%	41.55
3/4"	7	7.9%	45.17	0.0%	45.17
1"	20	22.5%	48.93	0.0%	48.93
1.5"	8	9.0%	86.15	0.0%	86.15
2"	18	20.2%	131.29	0.0%	131.29
3"	3	3.4%	235.45	0.0%	235.45
4"	2	2.2%	384.74	0.0%	384.74
Consumption	5,757,331		0.02364	0.0%	0.02364
PUD					
Gales Addition	1		0.02145	5.4%	0.02261
Baker Street	1		0.02049	5.4%	0.02160

(1) The COSA model confirms inequity in rates between Residential and others. The 2019 rate proposal is to reflect the required 3.8% increase in rates in the Residential category only. Although future rate decisions will need to correct the overall inequity, this is a first step.

Attachment B
City of Port Angeles
Wastewater Utility
Rate Summary
2019 Budget

	2018 Budgeted Rates	% change	2019 Escalated 2018 Budget Rates
Base Rate-per month below 430 cf		0.50% (1)	
Residential-430 & above	82.97	0.37%	83.28
Residential-below 430	77.04	0.36%	77.32
Commercial	24.02	0.37%	24.11
Municipal	24.02	0.37%	24.11
Consumption Rate-per cf			
Residential			
Commercial	0.0754	0.40%	0.0757
Municipal	0.0754	0.40%	0.0757

(1) The required percentage increase in Wastewater operational rates for 2019 (.5%).

Note - The attached rates reflect the combined rates for the operation of the Wastewater Utility and the debt service on the completed CSO project. Although the overall operational rate increase requirement for 2019 is only .5%, when included with a 0% requirement on the CSO rate portion of the total, the taxpayers rate is approximately .36% to .40%.



Date: October 9, 2018
To: Utility Advisory Committee
From: Lucio Baack, Civil Engineer I
Subject: **Landfill Sand Ballast Placement, CON-2018-53**

Summary The purpose of the 2018 Landfill Sand Ballast Placement project is to place approximately 250 cubic yards of ballast sand over the 351 landfill cell closure turf to prevent uplift and protect the cell. The project will be advertised for bids in November, and after bids are opened, staff will seek approval from City Council for award of a construction contract.

Funding: Funds are available in the approved 2018 budget in the amount of \$50,000 from the post closure contract services (account 404-7585-537-4150) and the post closure repair and maintenance budgets (account 404-7585-537-4810).

Recommendation: Informational purposes only.

Background / Analysis: AGRU Synthetic Closure Turf was selected as the final cover system for the 351 landfill cell for a several reasons. Synthetic Closure Turf reduces upfront capital construction and long-term maintenance costs. The cover also provides improved stormwater quality and improves short term and long term slope stability. The post-closure landfill project requires a ballast sand cover to prevent uplift and protect the cell.

Periodic sand lose and replacement was anticipated as a recurring maintenance activity for the post-closure landfill project. As part of that routine maintenance activity the City has elected to hire a contractor to deliver and install additional ballast sand over the 351 landfill cell turf cover. A conveyer system, blower equipment, or similar apparatus will be employed to spread the sand to a manufacturer recommended ½ inch. Prior to sand installation the contractor will submit a plan detailing the method of sand placement for review by City staff.

Funding Overview: Funds in the amount of \$50,000 are available in the approved 2018 budget in the post closure professional / contract services budget (account 404-7585-537-4150) and the post closer repair & maintenance budget (account 404-7585-537-4810).