

City of Olympia
Utility Advisory Committee Summary Meeting Minutes
Thursday, July 2, 2009
5:30 p.m. to 8:00 p.m.

A. Meeting began at 5:51 p.m.

1. *Roll Call*

Members Present: Emily Lardner, Mary Groebner, Karen Rogers, Dick Allen, Dean Mason, Deborah Pinsonneault, Carol Law, and Lana Hamilton

Members Absent: Tim Rogers and Michael Young,

Staff Present: Ursula Euler, Dan Daniels, Vince McGowan, Rich Hoey, and Jay Burney

2. *Approval of Meeting Minutes*

- Approved the June 4, 2009, summary meeting minutes.

3. *Acceptance of Agenda*

- Approved the July 2, 2009, agenda.

B. Comments from the Public in Attendance

No public in attendance.

C. Information Sharing

1. *Announcements from Members and Staff*

- Jay provided an update on the Capital Facilities Plan (CFP) review process coming up this month. A preliminary packet will come out no later than Monday, July 13, which will include all the CFP information. UAC members will have one week to review the information and develop any questions they may have concerning the CFP. Questions need to be submitted to Andrea/Jay no later than Friday, July 17. Fran Eide, City Engineer, Public Works Technical Services, and Kin Tam, Project Engineer II, Public Works Technical Services, will address the questions in the regular packet sent out at the end of June. Please contact Jay/Andrea with questions.
- There is a free workshop on comprehensive planning given by CTED on Tuesday night at the Olympia Center.

2. *Planning Commission Update*

- The Planning Commission took time to break into small groups to review sections and goals from the Comprehensive Plan and decide whether they were still pertinent for the revised edition.

D. Business of the Evening

1. *Drop Box Service*

- There are different collection methods in Waste ReSources. The main one is curbside collection.
- Drop Box is a collection method available to customers with large volumes. This could be a one-time collection or repetitive collection. The size of the containers range from 10-40 cubic yards.

- Once the container is filled with garbage, called Municipal Solid Waste (MSW), it is transferred to the Thurston County Waste and Recovery Center (WARC). If the container is recyclables, it is transferred to Jones Quarry, Silver Springs Organics, etc.
- In 2008, the program hauled 12, 169 tons of MSW.
- Drop Box is a good collection method for large volume producers because of efficiencies. We can collect the total and only haul away once.
- In 1999 Drop Box did really well. Losses started in 2004. This trend continued for the next few years, however, the “haul and delivery” numbers have gone down, which is what drives our business.
- In 2006, the program started work on restructuring rates; however, this didn’t kick in until 2007 and 2008.
- Staff wants to continue with the Drop Box Program and developed a “break even” model that involves haul and delivery. Staff believes that with between 3,800 to 4,000 hauls and deliveries the program can break even. With some changes and adjustments like collector staffing (floating one person between Drop Box and other services) and equipment changes (putting one truck up for auction), staff is confident they can do this.
- For 2010, Waste ReSources is reducing its collection staff by one (through attrition), which is coming out of Drop Box.
- Through waste assessments done by staff commercial customers get personalized service on how to better equip them to recycle and to ensure they have the right sized container. Drop Box is essential for this. Success stories:
 - Top Foods on the west side had two compactors for just garbage with 3-4 hauls each week, depending on how full they were. Now, they have two compactors, one for waste, and one for organics with two hauls in one week (one- haul per compactor). They now pay \$32 in tipping fees rather than \$80. We are recouping approximately 200 tons of organics from them.
 - The Olympia School District had a 20 yard garbage drop box hauled two times a week (104 times a year). They moved to an organics collection using 3-1 ½ yard containers (not drop boxes). Now the hauling is 35 times a year. This caused a savings of approximately \$8,300/year for them.
 - Ralph’s Thriftway had 20 yard garbage drop boxes. They were on a regular pick up schedule with nine hauls of garbage in a month now they have three hauls of garbage in a month. They have two 1 ½ yard containers for organics and one 10 yard box for recyclables. They are saving approximately \$1000/month.
- Some reasons to keep Drop Box are that the program meets the City’s goal of Zero Waste and it is good for our customers.
- UAC thinks the program should continue. Staff will come back to UAC sometime in 2010 (possibly February) for review of this program after the adjustments.
- Mary will compose a letter with UAC recommendations by the end of July. Dan will let Mary know if it should be addressed to the Finance Committee or City Council.

2. *Asset Management*

- There is a technology project that may be in the CFP. This presentation will help UAC understand where it is coming from.
- The definition in use for Asset Management is: A process used to provide agreed upon customer and environmental services at the lowest life-cycle cost.

- Vince shared two videos concerning asset management.
- The timeline for asset management:
 - 2005 – The development of an asset management process was identified in the Public Works Business Plan.
 - 2006 – Peer review.
 - 2007 – Focused on existing technology - H.T.E. system, found system is not meeting our needs.
 - 2008 – Formed Asset Management Support Team. Worked with IT to put out a Request for Qualifications (RFQ).
 - 2009 – Produced *Public Works Asset Management Implementation Plan*. This will guide what we do for the next five years in implementing asset management in Public Works.
- Expenses are going up a little bit more than funding. This creates risk. We're trying to manage that risk. The exposing limits to our approach are:
 - We benefit from longevity and expertise in our staff. We've been able to prioritize our work and provide service through that, but there is a funding gap
 - Increasing complexity of the system. The system grows every year with new development and people are using technology more with this development. This results in more sophisticated water treatment, more sophisticated sewer distribution pumping, etc.
 - Staff turnover.
- EPA estimates that the gap between the amount of funding available and the investment needed over the next 20 years will be \$540 billion. This study is for water infrastructure.
- What are the benefits of doing asset management differently:
 - Prioritized spending of limited funds.
 - Full-cost accounting – Having an inventory that closely matches what is on the books will help set the rates correctly.
 - Improved capital planning – Having better information to make better decisions.
 - Efficient maintenance – Provide crews better information on equipment.
 - Improved transparency – Will be able to report better on what we are doing. How we are making decisions. Why we are making decisions.
- Some of the things being worked on in asset management are:
 - Maintenance Management Plans - We're working on making sure all of our Public Works operations programs have them and they are all consistent. The goal is to have them all complete by the end of the year.
 - Condition Assessment - We have this for wastewater, stormwater, and our water facilities.
 - Risk Assessment.
 - Business Case Evaluation – We are currently defining what should be in this. This would be after CFP, but before construction.
 - Service Agreement.
- Technology is where the most investment and change needs to happen.
- We have a complete GIS inventory for our utilities. We do not have the tools to deliver it over the web. Our IT Department is working on this.

- During the RFQ process there were seven proposals that met our requirements. We had demonstrations from three. We've narrowed it down to two that will meet our needs.
- LOTT uses an asset management system. It works well for wastewater pipes.
- Implementation:
 - Workflow – Analyzed existing workflow.
 - Technology – Hoping to fund acquisition for next year.
 - Documentation – Maintenance Management Plans/Business Case Evaluations.
 - Capital planning – Use the information accordingly.
 - Financial reporting – Focusing on getting the financial information from the developers when they put it in the ground. We don't do a great job of doing this now. Setting up a process for this.

4. *Revised Capital Improvement Plan for Water System Plan – UAC Recommendations*

- UAC reviewed the letter to City Council.
- Clarification of UAC letter writing process. If the word “draft” is on it, it is not subject to public disclosure.
- Change the word “proves” to “suggests” and remove the word “enthusiastically” in paragraph concerning Automated Meter Reading (AMR).
- Rich discussed the point in the letter concerning the compliance timeline for the water treatment at McAllister Springs. Staff met with the Department of Health and they continue to be supportive. They continue to promote it with the Department of Ecology. They also said they are willing to give the City a two year extension.

Meeting adjourned at 8:00 p.m.