

POULSBO CITY COUNCIL MEETING OF April 27, 2016

MINUTES

PRESENT: Mayor Erickson; Councilmembers Henry, Lord, McGinty, Musgrove, Nystul, Stern, Thomas.

Staff: Finance Director Booher, City Clerk Fernandez, Director of Engineering Kasiniak, City Engineer Lenius, and Senior Technician Williamson.

MAJOR BUSINESS ITEMS

- * * * Resolution for Grant Funding Authorization for Waterfront Park
- * * * Sanitary Sewer System Plan Review

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Erickson called the meeting to order in the Council Chambers at 7:00 PM and led the Pledge of Allegiance.

2. AGENDA APPROVAL

Mayor Erickson announced that there will be an executive session at the end of the meeting that the Council will adjourn out of. No action will be taken; it will be a briefing regarding potential litigation. She also noted that Councilmember Stern requested Items 7-10 of the agenda be removed, since this is a special council meeting for the sewer comprehensive plan update.

Motion: Move to approve the agenda as amended.

Action: Approve, **Moved by** Stern, **Seconded by** Nystul.

Motion carried.

3. COMMENTS FROM CITIZENS

Mayor Erickson asked for citizen comments; no comments were received.

4. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Musgrove reminded citizens of the prescription drug take back being done by the Kitsap County Sheriffs, Bainbridge Island, and Suquamish Police Departments. He also announced that Girls Night Out is next Wednesday, 5-8 PM.

Councilmember Lord reported the Lion's Club Fishing Derby was a success, and 19 inch fish was caught.

5. CONSENT AGENDA

No consent agenda items.

6. BUSINESS AGENDA

a. Resolution for Grant Funding Authorization for Waterfront Park

Director of Engineering Kasiniak presented the agenda summary, noting the grant application is due on Friday, and it requires a resolution from Council as part of the package. The grant funds would purchase the property on Viking Avenue. The City's match requirement is 50 percent.

Motion: Move to approve Resolution No. 2016-010, a resolution that authorizes submitting application(s) for grant funding assistance for Washington Wildlife and Recreation Program (WWRP) Project(s) to the Recreation and Conservation Funding Board as provided in Chapter 79A.15 and 79A.25 RCW, WAC 286, and other applicable authorities.

Action: Approve, **Moved by** Lord, **Seconded by** McGinty.
Motion carried.

b. Sanitary Sewer System Plan Review

Director of Engineering Kasiniak introduced Chris Kelsey, BHC Consultants, and Chris Gonzalez, FCS Group, who presented the Sanitary Sewer Comprehensive Plan Update. Presentation highlights included:

- 2008 plan summary - catalysts
 - 2009 City Comp Plan/land use update for GMA compliance
 - 6th Ave basin infiltration and inflow (I/I) reduction project successful, I/I still high
 - Pre-recession growth ongoing
 - Separately analyzed/observed collection system segments with capacity concerns
 - Kitsap County facility capacity and cost concerns
- 2008 plan summary - findings
 - Pump station improvements (Bond Road, Lindvig, Marine Science Center, 6th, 9th, Village, Liberty Road
 - Central Poulsbo basin I/I reduction
 - Lemolo siphon capacity of 3.2 mgd
 - Annual growth rate of 2.7 percent

- 2025 planning horizon population projection of 14,808
 - West Poulsbo conveyance cost prohibitive
- 2016 plan objectives
 - Consistency w/ 2016 City Comp Plan update
 - Capital facilities plan element to reflect current sewer needs
 - Establish updated SR 305 interceptor and Lemolo siphon capacities
 - Again evaluate west Poulsbo alternative
 - Evaluate winter storm surcharge events
 - Add condition/reliability assessments to capacity evaluation in formulating capital improvements
 - Develop and analyze funding program alternatives
- Draft CSP update – chapter outline
- Historical population 2005-2015
- Population forecast
 - 2015, 9,950; 2021, 11,336; 2036, 14,808
 - 2036 planning horizon projection of 14,808 matches the 2008 plan projection for 2025
- Per capita flows
 - Average annual dry weather flow is 0.46 mgd
 - Average annual we weather flow is 0.67 mgd
- Future flow projections
 - Existing flows establish through Johnson Road metering station records
- Existing sewer system maps
- System capacity analysis
 - Village basin
 - 305 interceptor
 - Lemolo siphon
- Village analysis
 - Projected 2036 peak hour flow is 0.72 mgd
 - 2016 village pump station firm capacity is 0.72 mgd
 - No recommended capacity improvements, but continued monitoring
- 305 interceptor
 - Projected 2036 peak hour flow is 3.55 mgd
 - 2015 peak hour flow is 2.67 mgd
 - 18-inch gravity, 0.12 percent slope is 2.35 mgd
 - Minimally sloped portion of interceptor currently deficient
 - Increase capacity of 4,315 lf of 18-inch pipe
 - New parallel interceptor
 - Upsize existing pipe (bursting, reaming)
 - Extend Bond Road PS force main.
- Lemolo siphon analysis
 - Current project under construction
 - New gravity sewer to PS 67

- Abandon PS 16
 - Manhole sealing upstream of Lemolo siphon
 - Existing siphon capacity is 3.54 mgd
 - Projected 2036 peak hour flow is 3.86 mgd
 - Unless significant continued I/I reduction can be achieved, plan to install new siphon pipe/enhanced capacity
- System capacity analysis – Sanitary Sewer Overflow (SSO) events
 - SR 305 interceptor surcharge
 - January 21, 2016
 - March 13, 2016
- Reviewed local rainfall gauges
- Estimated system flows
- SSO events – suspected factors
 - Particularly wet winter > high groundwater
 - Recently bolted manhole lids downstream on the SR 305 interceptor
 - Pump station reconfigurations/capacity increases
 - Continuing high levels of I/I might be originating from the Marine Science, Village, Sixth Ave, and East Poulsbo gravity basins.
- SR 305 capacity recommendations
 - Pipeline/manhole inspection and cleaning
 - Coordinated pump station control could be considered
 - Continuation of annual I/I reduction program
 - Capacity enhancing capital improvements
 - Construction of parallel interceptor, or
 - Extension of the Bond Road PS force main
 - Peak flow mitigation capital improvement
 - Construct off line storage for storm events
- Condition/reliability improvements
 - Wet well corrosion (pipes, anchors, supports)
 - Inadequate Equipment (pumps, elect)
 - No fall projection
 - Safety grate/net fall protection
- West Poulsbo pumping alternative
 - Revised analysis
 - Alternative 1, all flow pumped
 - \$36,080,000
 - 3 new pump stations (Lemolo, Johnson Creek, Scandia)
 - Modifications to 4 pump stations (Bond, MSC, Village, PS 24)
 - 27,400 lf of pipe
- Capital improvement program
- Financial plan overview
 - Verifies that the city can fund the CIP and maintain affordable rates
 - Elements of financial plan analysis:

- Review of historical financial performance
 - Forecast of operating revenues and expenses
 - Capital needs forecast/funding strategy
 - Revenue sufficiency evaluation
 - Affordability evaluation
- Reviewed key assumptions: annual cost escalation, general facilities charge, debt financing terms, operating forecast, financial policies
- Capital needs forecast
 - \$33,013,000 in capital projects from 2016-2021
 - \$8,576,000 city projects
 - \$24,437,000 county projects
 - City would be able to cash fund approximately 53 percent of the planned projects, the remaining 47 percent is expected to be bond funded.
- Revenue requirement analysis, three scenarios
 - Recommending 2.5 percent increases above CPI per year
 - Alt 1: no GFC increase above CPI
 - Alt 2: max GFC increase
- Findings of financial analysis

In response to Councilmember Musgrove, Mr. Kelsey said they are using the book numbers of 70 gallons per capita for the growth component.

Councilmember Musgrove questioned if our actual consumption does not increase significantly by 2036 -- and more likely it will reduce, we are already facing a revenue issue because people are using less water -- then we won't exceed our capacity. How do these numbers come together? How are we jumping past our capacity in 2036 when using numbers that exceed what we are using and likely even greater than what we'll be using in 2036. Mr. Kelsey said they based their projections on industry norms. They think for the new population that comes to town, it will be in newly developed areas with new pipes. There will be less I/I, so the projections reduce greatly for the I/I. From a conservative planning standpoint, they felt it was appropriate to use 70 gallons per capita per day. That doesn't mean that ten years from now, as you look into major projects and have done more I/I improvements, that growth hasn't occurred, all these other things might be playing out and people are using less water, that doesn't mean you have to go forward with the project.

Director of Engineering Kasiniak said when we are talking about the capacity of the siphon, they are talking about both barrels. The recommendation from the Department of Ecology is to use only one siphon.

In response to Councilmember McGinty, Mr. Kelsey said they did look at the water system plan projects and correlated that to trends. It is feasible that if the City continues to work on I/I, you can see further reduction.

In response to Councilmember McGinty, Mr. Kelsey said the engineering department has flow meters that are installed in critical areas. Director of Engineering Kasiniak added they are flowing around 0.6 mgd without water. That is the baseline flow during dry weather, and flowing 2.7-2.8 mgd during wet weather. The peaking factor for the existing system is over 4 mgd, but it should be around 2.8 for a system of this size.

Mayor Erickson said the City has been searching for I/I since 2007, but cannot find any reasons to account for how high it is. Mr. Kelsey said TVing the lines will show where the problems are and how to bring it down. Director of Engineering Kasiniak added fixing I/I is expensive.

In response to Councilmember Nystul, Mr. Kelsey said there will be a rigorous permitting effort involved for new siphon, and there will be challenges.

In response to Councilmember Stern, Mr. Kelsey said if the City gets to the same endpoint for population but on a different timeline, the big impacts will be on the financial plan. Director of Engineering Kasiniak said 2026 is the end of the capacity of the sewer system. They are trying to plan to 2036. If the desire is to plan for larger populations, this planning effort would look different.

In response to Councilmember McGinty, Director of Engineering Kasiniak said the City needs to monitor more than every ten years. We should do it at least every three years to check that the assumptions and CIP are correct.

In response to Mayor Erickson, Finance Director Booher said the County is holding the City's money in a bank account to guarantee a reserve so the infrastructure that we have to share in the cost with County has some money to pay towards that. With the first bond issue that we going for in the revenue debt for the reclamation plant, we have about \$2.5MM booked with the County, so the City won't have to go to debt for the full City portion.

Staff recommended the 2.5 percent and the increase in the connection fees by \$1,750 and move the plan forward for adoption and the public process.

Mayor Erickson recommends the two percent and increase the general facility charge. Meanwhile, she wants someone to explain why the City is paying more than the County for the general facility charge.

The Council agreed to delay the decision for a couple weeks to allow more time to review all of the materials presented tonight, and to allow time for Mayor Erickson to talk with Kitsap County.

The Council agreed with having City Engineer Lenius start work with the Department of Ecology regarding the technical plan.

Councilmember Lord also noted that the numbers need to be reformatted different utility tax numbers, due to a potential decrease this year in the rate to six percent.

Staff will update the document online with the financial chapter, executive summary, and the slide presentation.

~~7. COUNCIL COMMITTEE REPORTS~~

~~8. DEPARTMENT HEAD COMMENTS~~

~~9. CONTINUED COMMENTS FROM CITIZENS~~

~~10. COUNCILMEMBER COMMENTS/BOARD/COMMISSION REPORTS~~

11. EXECUTIVE SESSION

Motion: Move to adjourn into executive session.

Action: Approve, **Moved by** Stern, **Seconded by** Nystul.

Motion carried.

At 7:50PM, Mayor Erickson recessed the meeting into a 40-minute Executive Session for the purpose of discussing potential litigation and performance of public employees pursuant to RCW 42.30.110(1)(g) and RCW 42.30.110(1)(i). No action will be taken.

12. ADJOURNMENT

The meeting adjourned at 8:30 PM.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk