
Public Works Department

November 8, 2019

Memorandum for Public Works Committee

From: Jeffrey A. Lincoln, Public Works Director

Subject: Minutes of meeting of October 28, 2019

1. Meeting Convened at 5:00 PM, due to the 6 PM start time of the Council. Council members Wright and LaFleur present. Mr. Chevassus absent. Staff Lincoln present. Ed Hawthorne and Jason Williams from IGI Resources attending. Mr. Searcy joined at 5:30 PM.
2. Minutes for October 14, 2019 were approved.
3. Old Business :
 - a. None
4. New Business:
 - a. a. Agenda for tonight:
 - Consent – Amendment to EN Engineering Consulting Contract for Archeology, Compliance and Safety inspection services. Committee recommended approval.
 - b. Preview Stormwater Utility Budget and Rate Analysis. Lincoln provided a handout that indicated that the current \$5.24 rate would not fully fund the anticipated budget of \$650,212 for 2010. A review of growth and potential rated indicated that the total number of ESU would require a rate of \$6.46 per ESU per month to break even. The alternative would be transfer of funds from the General Fund. A minimum of \$25,000 per year is necessary for major repairs, and the debt service for the \$200,000 Interfund loan will be \$75,000 (plus interest) in 2020 and 2021, after which the \$75,000 would be dedicated to combined capital and reserves. A forecast of 3% expenditure growth over the next 5 years and averaging expected expenditures would require \$6.50/ESU as a new rate to sustain a break even scenario, projecting a \$21,000 fund balance at the end of 2025. The committee reluctantly agreed that the rate increase was necessary.
 - c. Change to Fund 420 Budget – add FTE for Wastewater Treatment Plant. Lincoln indicated that staff would recommend an additional manager level FTE for the Waste Water Utility to manage the plant and associated works, such as lift stations. The fund can support this position without any rate increase. The committee was supportive, given the increase in regulatory requirements and the sensitivity of the discharges of the wastewater treatment system.
 - b. d. IGI Services to Gas Utility presentation by Jason Williams. Jason presented a slide deck and commented that many of their customers would like to be in the same position Enumclaw Natural Gas Utility is in relative to our hedged position. He explained that the utility saved over \$400,000 in 2019 by converting to a fixed/large user agreement that insured our pricing based on the stable Rocky Mountain sources rather than the volatile performance of the Sumas supply.
5. Meeting adjourned at approximately 5:55 PM.

