

**TUMWATER CITY COUNCIL MEETING**

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**CONVENE:** 7:14 p.m.

**PRESENT:** Mayor Pro Tem Pete Kmet, Councilmembers Neil McClanahan, Judith Hoefling, Ed Stanley, Ed Hildreth, Joan Cathey, and Bruce Zeller.

Excused absence: Mayor Ralph Osgood.

Staff: City Administrator Doug Baker, Finance Director Jim Hendrickson, City Attorney Karen Kirkpatrick, Planning and Facilities Director Michael Matlock, Public Works Director Jay Eaton, Fire Chief John Carpenter, and Recording Secretary Valerie Gow.

**APPROVAL OF  
AGENDA:**

**MOTION :** **Councilmember Stanley moved, seconded by Councilmember Zeller, to approve the agenda. Motion carried.**

**SPECIAL ITEMS:**

**PROCLAMATION –  
BICYCLE COMMUTER  
MONTH, MAY 2009:**

A proclamation was read into the record proclaiming May 2009 as Bicycle Commuter Month in the City of Tumwater

Duncan Green, Coordinator of Intercity Transit's Bicycle Commuter Contest, described the Bicycle Commuter contest, which is in the twenty-second year and Intercity Transit's fourth year as host of the contest. Participants register, ride, and record bicycle miles during May. Last year, records were set with nearly 1,500 participants who collectively bicycled over 104,000 miles, or four trips around the world. Bicyclists made more than 11,000 commute trips by bike and reduced carbon dioxide emission by 92,000 pounds. The City of Tumwater has long encouraged its employees and citizens to use alternative forms of transportation. With last year's increase in participation in the contest, rising concerns with climate change, and increased interest in personal health, this year's participation has already exceeded last year's registrations. Citizens can participate by obtaining registration forms at the Olympia Transit Center until May 8, 2009.

Mayor Pro Tem Kmet presented the proclamation to Mr. Green.

**PROCLAMATION –  
NATIONAL TRAIN DAY,  
MAY 9, 2009:**

A proclamation was read into the record proclaiming May 9, 2009 as National Train Day in the City of Tumwater.

Richard DeGarmo, President, Amtrak Depot Committee, introduced several members of the Amtrak Depot Committee, a volunteer committee of approximately 40 to 50 volunteers, who staff the station during three shifts a day. He shared the story of rail passenger service in the county and the efforts of volunteers through the years. He reviewed the history in the

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development and funding of the station through fundraising efforts and volunteerism. He urged citizens to volunteer at the Amtrak Depot Station.

Mayor Pro Tem Kmet presented the proclamation to Mr. DeGarmo.

Mr. DeGarmo shared additional information on rail passenger service in the county.

**CONSENT CALENDAR:**

- a. Approval of Minutes: Regular Meeting: April 21, 2009; Worksession: April 20, 2009
- b. The City Council authorizes for payment checks #113902 through #114031 in the amount of \$713,293.57
- c. 2009 Water System Plan Update
- d. First Amendment to Professional Services Agreement for Legal Services of Foster Pepper, PLLC
- e. Ordinance No. O2009-004 – Sign Code Amendments; Set Public Hearing, May 19, 2009

**MOTION:**

**Councilmember Zeller moved, seconded by Councilmember Hoefling, to approve the consent calendar as presented. Motion carried.**

**COUNCIL**

**CONSIDERATIONS:**

**LOTT ALLIANCE  
STATE OF THE  
UTILITY  
PRESENTATION:**

Michael Strub, Executive Director, LOTT Alliance, presented the annual State of the Utility Report for the LOTT Alliance. The report summarizes numerous actions, projects, and initiatives undertaken by the utility.

The report is comprised of eight chapters. The Board of Directors spent a year developing a strategic business plan in 2007/2008. As part of that, the organization developed a report card for the utility. The document is the first containing a completed report card. In all areas, the Alliance was very successful. The report is easy to follow and measures the success of the utility. Included in the report is the budget and Capital Improvement Plan (CIP).

Mr. Strub referred to three major strategy areas involving flexibility, sustainability, and visibility. Last year was a banner year for the LOTT Alliance. The Alliance completed its design on its new building, which will enable, for the first time, locating all staff in one building that will be certified as a Leadership in Energy and Environmental Design (LEED) Platinum building. The building will include educational and interpretative components to fully engage the community in education. There is a definitive relationship between education in schools and conservation efforts affecting the long-term operation of the treatment plant as well as achieving cost savings.

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Over the last year, LOTT engaged with the Environmental Protection Agency (EPA) and Department of Ecology (DOE) on Total Daily Maximum Load (TMDL) study efforts in Budd Inlet as well as community partnerships on Budd Inlet recovery. LOTT is a leader in the state for its work in reclaimed water and it's the only plant in Puget Sound employing biological nutrient removal. The utility was featured on the cover of two national magazines recognizing its work in reclaimed water. LOTT was visited by a group representing mayors and tribal leaders from Vancouver Island to learn how LOTT manages its treatment plant and LOTT's governance. Representatives spent a day with LOTT staff and Boardmembers. Another group of individuals is scheduled to visit LOTT from Vancouver, Washington to review LOTT's reclaimed water operation as well as LOTT's governance. LOTT has become a leader in a number of areas both in technology and in governance. LOTT achieved much visibility in the community by becoming the first utility to run 100% green power with Puget Sound Energy and through efforts to develop a cogeneration project from one of the largest grants awarded by Puget Sound Energy of \$1.3 million to power the plant by using methane gas for the new building and the new Hands On Children's Museum.

Flexibility has had a direct impact on Tumwater. The Board elected to review the strategy that the agency was employing under the Highly Managed Plan and decided to change strategy in adding capacity by adding capacity at the two smaller plants instead of constructing other smaller plants. The utility is focusing its efforts on distribution lines and extending reclaimed water to communities. Consequently, the utility and Tumwater have worked to provide reclaimed water to the Tumwater Valley Golf Course by converting an old brewery wastewater transmission line to serve as a reclaimed water line.

LOTT has been impacted by the economy in terms of the Capacity Development charges decreasing with the decline in new home construction. The Board made some modifications to the CIP to accommodate the reduction. However, there are no changes anticipated to projects scheduled at this time.

In term of sustainability, LOTT has been working on asset management over the last several years. The work entailed taking the Australian model and expending approximately half a billion dollars to create subsystems of LOTT's assets. LOTT has worked over the last five years developing an asset management system. LOTT published a book on how the utility adapted the principles of asset management for the utility. The book is a user-friendly version of how to develop an asset management plan. The plan will enable the utility to ascertain how it will sustain infrastructure through a lifecycle. Most capital improvement plans include a list of projects only as far as can be logically projected in the horizon. LOTT's plan is a fully systemized facility system plan projecting to 2053.

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Mr. Strub introduced several members of staff. He displayed and described a series of photos depicting the utility's new East Bay development site consisting of LOTT's new administration building and the Hands On Children's Museum, and photos of work on Tumwater's pipeline.

Mr. Strub described how reclaimed water will be conveyed to Tumwater Valley Golf Course. LOTT's current capacity at its reclaimed water plant is 1.5 million gallons with one million used and half a million in reserve. The capacity can be expanded to five million gallons. Plans are included in future facility planning to expand the plant's capacity to 16 more million gallons of reclaimed water a day. Actual construction of the pipeline begins at the pedestrian bridge in Marathon Park requiring an upsizing of the existing line to 12 inches. The line will travel to the Capitol Lake Pump Station where it will be connected to a line that will feed both Tumwater and Olympia. At that point, a new reclaimed line will be installed to the golf course pump house. The next leg of the project will include installation of pipe to a site owned by LOTT on Henderson Boulevard where 3 million gallons of reclaimed water will be recharged. In approximately five years, Tumwater will have a spine system of reclaimed water along Henderson Boulevard and the golf course.

LOTT is working with the Squaxin Island Tribe, Olympia, and Lacey on other projects for mitigation for Deschutes watershed augmentation.

Mr. Strub responded to questions on the potential for rate reductions through the use of reclaimed water and how the costs for reclaimed water are funded. It's not likely consumers will experience a rate reduction through the use of reclaimed water. As part of LOTT's planning in capacity charges for future capacity, the utility in the late 1990s planned expenditures into the future as part of the Highly Managed Plan. The Capacity Development Fee currently in place increases each year based on a formula for incremental increases. That rate was established in the late 1990s prior to the establishment of the utility as an independent agency. LOTT continues to check the rate and has found the projection was remarkably accurate in projecting future capacity costs. The idea is for growth to pay for growth. The Capacity Development Fee is assessed on each building permit issued within LOTT's service jurisdiction. Reclaimed water expenses are funded from those funds. As the service area expands, LOTT accounts for the expansion by converting more wastewater to reclaimed water rather than discharging to Budd Inlet.

Councilmember Zeller outlined some of the benefits of using reclaimed water. LOTT is limited in its discharge of nutrient to Budd Bay. Water diverted for infiltration increases capacity at the Budd Inlet Treatment Plant. Secondly, providing reclaimed water to the golf course in the summer will result in saving the City an equal amount of freshwater that was used for

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irrigating the golf course. The ability to provide freshwater for its intended use improves the City's capacity.

Councilmember Stanley commented on the good work of LOTT and the publication of the State of Utility Report.

Councilmember Hoefling complimented Mr. Strub on the publication of the report. She questioned how private development can utilize reclaimed water. Mr. Strub said the reclaimed water system operates similar to a freshwater system, which is pressurized. Separate plumbing would be required for private development for irrigation or for using reclaimed water for toilets.

Mayor Pro Tem Kmet noted that there are intergovernmental agreements laying out the framework for reclaimed water. The missing piece is adjustment of development regulations after reclaimed water lines are installed requiring larger developments to install parallel reclaimed water lines for use of reclaimed water.

Mayor Pro Tem Kmet asked about the status of LOTT's discharge permit capacity. Mr. Strub said the discharge limits have not changed for dry weather conditions, but in fact, have become more strenuous. LOTT has not additional capacity in Budd Inlet in terms of discharge. The only way to deal with that issue is through cleaner discharge of water by removing as much nutrient as possible. Mayor Pro Tem Kmet said he understood the agency was reaching treatment capacity limits to the point where more capacity had to be added at other locations. Mr. Strub said the issue is discharge capacity. LOTT has no additional discharge capacity in Budd Inlet. The utility had to find another way to discharge, which is why reclaimed water was pursued and recharge basins were created. Dry weather discharge criteria haven't changed from the old permit. However, wet weather discharge increased from 22 million gallons a day to 28 million gallons a day. In terms of the utility's ability to discharge into Budd Inlet, the utility is more restricted than ever. Any new capacity developed in the system must be developed with the capability of recharging within the system or used in some other way.

Councilmember McClanahan commented on a previous briefing to the CLAMP Steering Committee on issues associated with stormwater discharge during an extreme winter event. Mr. Strub said the problem with stormwater is complex. The treatment plant is built to handle peak flows up to 85 million gallons a day with average flows of approximately 11 gallons a day. The plant has the capability of handling enormous wintertime hydraulic loads occurring with severe storm events. For the first time in 16 years, the plant had to bypass the plant and discharge directly into Budd Inlet during the winter storm occurring several years ago. During that event, there was also a high tide creating additional problems for the plant.

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The plant ran at a sustained rate of 55 million gallons a day for 24 hours. However, most other wastewater plants along Puget Sound bypass as a regular operational event. LOTT is the only plant that has the capacity to handle the load. Additionally, LOTT is working on creating additional primary capacity so additional hydraulic flows can be accommodated without bypassing, as well as increasing the removal of nitrogen to increase summertime loading capacity into the inlet. Climate change is contributing to the events, such as the December 2007 storm, which will become more frequent. Climate change will impact the plant through a higher water level pushing back during high tides and more severe storm events.

Councilmember Zeller thanked Mr. Strub and staff for their high level of professionalism and ensuring the needs of jurisdictions and customers are met. LOTT's planning efforts are exemplary. He acknowledged the work of Director Eaton and staff from all the jurisdictions for their work and professionalism.

**COMMITTEE  
REPORTS:**

**PUBLIC SAFETY  
COMMITTEE:**  
*Neil McClanahan*

No report.

**GENERAL  
GOVERNMENT  
COMMITTEE:**  
*Bruce Zeller*

No report.

**PUBLIC WORKS  
COMMITTEE:**  
*Pete Kmet*

The next meeting is on Friday, May 8, 2009. Councilmember Hildreth is attending on behalf of Councilmember Hoefling.

**BUDGET COMMITTEE:**  
*Doug Baker*

No report.

**CITY  
ADMINISTRATOR'S  
REPORT:**

City Administrator Baker added updates on the Littlerock Road Improvement Project and the status of the Swine flu.

Director Eaton reported the contract between the City and the general contractor for the Littlerock Road Improvement Project was terminated. The contractor provided notice to the City that it would not be able to fulfill its obligations and complete the project. Staff is currently working with the bonding company (Surety) to move the project forward. At this point, the company is cooperating with the City and is working with staff through a local representative and a construction consultant. The company is listening to the City's needs in terms of short action items necessary on the project.

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The plan is to hire a small, local contractor immediately to begin some work required on a daily basis, such as maintenance of the temporary construction situation, examining conditions of the roadway for repairs, erosion control, as well as dealing with some of the private access points.

The next piece involves the bonding company reviewing its options and informing the City on how they will remedy the default from the contractor. It's likely that it will take several months before the City has a general contractor to proceed with the work. Director Eaton advised that it will take time, as it's similar to a new bidding process.

Most of the difficult issues have been handled with most of the underground work nearing completion. One of the bigger elements is dealing with private utilities and the surety company to ensure conversions continue to occur.

Director Eaton responded to questions about the responsibility for undergrounding and removal of utility poles. All of the trenching and setting the vaults is completed by the City's contractor. Puget Sound Energy completes the wiring and electrical work. The majority of the underground is ready for conversion to individual properties. However, until all conversions take place, overhead poles must remain in place. In terms of cost, it's not a major component of the project, but it involves coordination with each property along the line. The City is nearly at the point to begin individual connections.

Councilmember Cathey asked why the City couldn't complete the finish work. Director Eaton explained that the City doesn't have the resources or the equipment to complete the work. A new general contractor will be hired to complete the work. It will take some time to hire the new general contractor and negotiate the contract. A smaller scoped project to continue the conversions will be more beneficial for everyone.

Councilmember Cathey asked whether staff had any prior knowledge that the general contractor was having problems. Director Eaton said staff was aware of some non-payment issues with several subcontractors but didn't have any knowledge that the contractor would terminate the contract.

Councilmember Hildreth asked about expectations at the end of the construction season based on the delay. Director Eaton said the contract has approximately five months of work remaining. If a contractor can be secured within the next several months, it's likely a majority of the project can be completed by the end of the year.

Councilmember Hoefling asked about the impacts to Phase 2 of the project. Director Eaton reported contracts for Phase 2 work have not been secured. Phase 2 will be delayed until next year to avoid winter as well as ensuring

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Phase 1 was completed to avoid project conflicts.

Councilmember Cathey asked how the contractor's action affects the final work on North Street. Director Eaton said the contractor has indicated it will complete the North Street project. The City ordered a schedule and work plan from the contractor by close of business on May 6, 2009 on how it will complete the North Street project.

Fire Chief Carpenter provided an update on the number of outbreaks of Swine flu and preparedness actions by the City for response.

Fire Chief Carpenter reported response to the cases has occurred rapidly with most agencies enacting emergency plans. The state has worked to have National Stockpile supplies delivered to the state. Those supplies include drugs to help fight the virus, gowns, rubber gloves, and other supplies that are necessary to treat a potential epidemic of the virus.

As of today, there are 1,490 confirmed cases worldwide with 26 deaths reported worldwide. The other Mexican deaths were attributed to regular flu. The virus is not as lethal as anticipated and it may be less severe than typical flu. The county has ramped down its response. Approximately 36,000 people die from the flu each year during a flu season. The City has posted information on the City's website with a link to Thurston County's Health Department's website for accurate information updated daily. The Fire Department sent out e-mail messages to employees on ways to protect themselves and treatments. The City has replenished its stockpile of disinfectant wipes, begun work on succession planning to include reviewing critical operations, prioritizing missions absolutely critical, and identifying replacement personnel who can assume the job. The City is also revising and finalizing its Annex O as part of the City's Disaster Plan for response to a pandemic or biological event.

Councilmember Hoefling commented on the Spanish flu and how it mutated and later killed millions of people. She consulted with her Medical Director who advocated for continuing to ramp up the response because the virus can mutate.

**OTHER BUSINESS:**

Councilmember Hoefling reported on a play she recently attended at Tumwater High School and the remarkable talent of high school students participating in the play. She also attended a luncheon for the Dick Nichols Scholarship Award for outstanding scholastic students who are also outstanding athletics. Two students each from Tumwater High School and Black Hills High School were awarded scholarships of \$1,000 for the college of their choice.

Councilmember Hildreth reported the Intercity Transit Authority has been discussing a possible ballot measure for an increase in sales tax of 2/10ths

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of one percent. He asked for guidance from the Council to assist him in providing feedback to the Authority.

Mayor Pro Tem asked about the timing of the ballot measure. Councilmember Hildreth said the Authority has not established the date to place a measure on the ballot. Intercity Transit will need to act soon because in 2011, the agency would be unable to sustain the current service level and would have to decrease the service level or other measures to account for the revenue shortfall. It takes 18 months to receive a new bus after placement of the order.

Councilmember Hoefling said she understood Intercity Transit received a substantial amount of funding from the federal stimulus package. She asked whether that funding will defray any of the funding need. Councilmember Hildreth said the sales tax increase will only be used for new service, not for new buses.

Mayor Pro Tem Kmet asked the Council to e-mail comments to Councilmember Hildreth regarding the sales tax proposal.

City Administrator Baker asked the Council to submit potential names of applicants to the Mayor for possible appointment to the Economic Development Advisory Committee.

**ADJOURNMENT:**

**Councilmember Stanley moved, seconded by Councilmember Hildreth, to adjourn the meeting at 9:01 p.m. Motion carried.**