

WATER/WASTEWATER TASK FORCE MEETING

MINUTES

November 20, 2003
11:30 a.m. - 1:30 p.m.
Room 325 - Civic Center

1) **CALL TO ORDER**

The meeting was called to order by Councilor Wes Bennett, Task Force Chair.

2) **INTRODUCTIONS**

Introductions were made. Members, staff, and citizens were in attendance as noted below.

Members Present

Councilor Wes Bennett, Chair
Councilor Bruce Rogers
Jacque Moir, Keizer Councilor
Patti Milne, Marion County Commissioner
Steve Travis
Charley Waters
JB Summers
Eleanor Miller
Jack Lowery

Members Absent

Mayor Janet Taylor
Councilor Dan Clem
Wendy Kroger - resigned
Vacant, Polk County Commissioner
General Public Representative
Steven Anderson

Food Processor Representatives Present

Leonard McMichael, Yamasa Corporation
Terry Hansen, Truitt Brothers
Vance Covington, Truitt Brothers

Mike Harcourt, Rainsweet
Bill Herring, Truitt Brothers
Bob House, Retired (Truitt Brothers)

Others Present

Craig Smith, CL Smith Associates
Larry Glasswork, SEDCOR
Mark Fields, SESWD
Rob Kissler, City of Keizer
Debbie Galardi, Galardi Consulting

Staff present included Tim Gerling (Public Works Director), Peter Fernandez (Assistant Public Works Director), Mike Gotterba (Emergency Management/Communications Coordinator), Paul Eckley (Operations Services Manager), Steve Downs (Chief Utilities Engineer), Ryuji Torihara (Management Analyst), Jon Ellis (Assistant Finance Director).

3) **CITIZEN INPUT**

No citizen input.

4) **MINUTES**

Minutes of October 16, 2003, meeting, were approved and adopted as written.

5) **COSA UPDATE** (Wet Weather Charges)

Paul Eckley was introduced and gave an overview of the full presentation to be given, including that of Debbie Galardi of Galardi Consultants, the firm working with City of Salem on the COSA.

The Agenda included: Wet Weather Sources/Issues; Cost of Service Rate Development; Wet Weather-Related Costs; Cost Allocation Approaches (existing and alternatives); Wrap-up (policy questions and recommendations).

Questions addressed during the presentation included: What is the nature of the wet weather "problem" in Salem; How much does it cost to handle wet weather flows; What are the options for allocating wet weather costs; How are wet weather costs currently shared among system users; what are the impacts of alternative approaches.

The nature of the wet weather problem relates to Inflow and Infiltration Sources and it is a community issue. Paul's presentation included the sources of sanitary sewer overflows (SSOs), SSO peak characteristics, and reasons to solve SSOs (attached handout included all information in the presentation). Salem's response has been to prepare the 1996 Wastewater Management Plan, to enter into the MAO in January 1998, and to eliminate a majority of SSOs to tributary streams by January 2000.

Debbie Galardi was introduced to discuss costs. Data available today was used in her presentation (information contained in the attached handout). She spoke about the wastewater system revenue requirements which includes both operations and maintenance (O&M). There are options for allocating wet weather costs. Cost of Service principles include determining system costs factors, grouping customers with similar usage, and allocating costs to customer classes proportionate to system demands. Debbie gave an overview of the rate development process, Salem service characteristic allocations, and allocation to service characteristics. She also included details of the existing wet weather cost allocation approach and information on standard industry allocation approaches. Within this, infiltration and stormwater issues were discussed; stormwater costs could be allocated by impervious area and land area. The basis for the current approach to cost allocation is a 75/25 split. This reflects the miles of pipe-related collection (75%) and interceptors (25%). This is consistent with EPA guidelines, based on readily available data.

Currently, wet weather costs are shared among customers by customer service characteristics by class. Debbie reviewed a pie chart showing the split and she talked about wet weather costs in relationship to total cost of service. She also showed an example of bi-monthly bills by class and usage.

Steve Travis asked how peak wet weather flow is determined. The explanation is shown on page 6 of the material. It is based on the O&M budget.

Debbie spoke about alternative approaches and the impacts. The alternative approach being reviewed is impervious area by customer class and Debbie reviewed the estimated impervious area by customer class, noting that the numbers used are preliminary.

JB Summers asked if the numbers will be redone based on operating businesses and shut down businesses. Debbie replied that they are looking at developed acres only.

A comparison of stormwater allocation approaches was presented as well as alternative wet weather revenue responsibility using the impervious approach, 100 percent accounts, and the existing approach.

The policy question is: Should the COSA update revise the way costs are shared by customer classes for peak wet weather flows, for stormwater? The recommendations are: continue the existing approach to allocate peak wet weather flow costs and to consider an alternative approach to allocating stormwater costs.

Bob House spoke at this time of the fairness of not charging residents and basing charges on January water usage. With canneries, the summer usage is huge and winter is zero. He feels if the industrial class charge is based on flow during January, it would be more fair. Truitt Brothers does not use the stormwater system, they have their own stormwater discharge program.

Councilor Bennett stated that when this program first started, the rate district issue was not there. The residential property owners were being hit hard, so part of the reason for this is that we want it to be a fair program and when we reach the end, hopefully that is what it will be-something that is fair and equitable for everyone.

At this point, Steve Travis stated that the food processors have hired Craig Smith (in attendance today) to help them understand the COSA and to help them support the City. Thanks City staff for being open and working with him - it really appreciated. For the food processors, the biggest issue is that the rate increases go up every year about 11 percent - about 10 percent is flow and BOD and TSS are the other 90 percent. The BOD and TSS go up also at 11 percent per year. It should be the flow part that increases, not the BOD and TSS.

JB Summers stated that the City is doing a great job of engineering the elements of the COSA. But we are not doing what we should be doing. In the year 2020 we are going to be redoing exactly the same thing because I&I will be at the level that we need to expand the treatment plant again. Until the City addresses I&I, we are engineering, we are spending money, we are going down a course that is going to repeat itself and repeat itself.

At this time, Tim provided an overview of inflow/infiltration and a detailed discussion of the issue followed. Charley Waters reminded the Task Force that with the positive protection program and the mainline replacements, this problem is not being ignored. We are eliminating the inflow as it is being encountered. Tim stated that an average of about 320-330 house laterals are replaced each year. JB stated that this is not quick enough and he feels the wrong people are paying for it. He feels the City should not be funding this.

Leonard McMichael of Yamasa Corporation asked how the east area of Salem is tied in to the stormwater and sewer programs. Tim stated that most of East Salem is in the Little Pudding Basin. Marion County and Salem partner in addressing these issues by over sizing pipes in the area. Tim stated that he is not sure how equal this is, but that it is a watershed issue. Peter stated that Marion County, Keizer, unincorporated Polk County, and Turner do not have a stormwater permit from the State, whereas the City of Salem does and that stormwater piece pays for a lot of the requirements we have from that permit. But that permit requirement is coming for unincorporated Polk County, Turner, Marion County, and Keizer.

At this time, Tim spoke to the reason all of this information was presented at this meeting. He stated that the wet weather is really the combination of the peak wet weather sewage problem and also the stormwater problem. Five years ago we did a study and the only way we get money for our stormwater program is to tack on to the sewer bill. Sewer users are, in one way or another, subsidizing storm drainage. Five or six years ago, that was about three or four percent. It is now closer to 12 percent and it is going to get worse. That total bill and total bite of the sewer bill is getting bigger and bigger and we are moving absolutely toward a separate stormwater utility at some point. It is going to become a bigger issue and we want to make sure everyone knows what we are doing.

Eleanor Miller spoke briefly about a presentation at Mission Mill regarding the history of canneries in Salem.

6) **ADJOURN**

Meeting adjourned at 12:50 p.m. Next meeting will be December 18 unless otherwise notified.

These minutes are transcribed from notes and the tape recording of the Task Force meeting on November 20, 2003, as an overview of the meeting. They are not verbatim. Any attachments are to the file copy only.

Linda Nelson, Staff Assistant II
November 25, 2003

Attachments (file only):
Attendance Sheet
COSA Update (Wet Weather Charges)