



SHORELINE CITY COUNCIL SPECIAL MEETING

Monday, January 23, 2017
5:45 p.m.

Conference Room 303 · Shoreline City Hall
17500 Midvale Avenue North

RONALD WASTEWATER DISTRICT BOARD

1. **CALL TO ORDER** 5:45 p.m.
2. **JOINT CITY COUNCIL/RONALD WASTEWATER DISTRICT BOARD DISCUSSION ITEMS**
 - Assumption Transition Work Plan
 - Potential 185th Street Gravity Main Project (Replacement of Lift Station 15) and Potential Debt Issuance
 - New Wastewater Treatment Contracts – King County Wastewater Treatment Division and City of Edmonds
 - **Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC) Representation**
3. **ADJOURNMENT** 6:45 p.m.

Ronald Wastewater District

Gretchen Atkinson, Board President
George Webster, Board Vice President
Chris Eggen, Board Member
Arnold Lind, Board Member
Robert Ransom, Board Member
Mark Gregg, District General Manager
George Dicks, District Maintenance Manager

City of Shoreline

Chris Roberts, Mayor
Shari Winstead, Deputy Mayor
Will Hall, Councilmember
Doris McConnell, Councilmember
Keith McGlashan, Councilmember
Jesse Salomon, Councilmember
Keith Scully, Councilmember
Debbie Tarry, City Manager
John Norris, Assistant City Manager
Randy Witt, Public Works Director
Lance Newkirk, Public Works Operations Manager

The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2231 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 801-2236 or see the web page at www.shorelinewa.gov. Council meetings are shown on Comcast Cable Services Channel 21 and Verizon Cable Services Channel 37 on Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Online Council meetings can also be viewed on the City's Web site at <http://shorelinewa.gov>.



Memorandum

DATE: January 23, 2017

TO: Shoreline City Council
Ronald Wastewater District Board of Commissioners

FROM: John Norris, Assistant City Manager
Mark Gregg, Ronald Wastewater District General Manager

CC: Debbie Tarry, City Manager
Randy Witt, Public Works Director
Lance Newkirk, Public Works Operations Manager
George Dicks, Ronald Wastewater District Operations Manager

RE: Joint City Council/Ronald Wastewater District Board Discussion Items

In 2002, the City Council and Ronald Wastewater District (RWD) Board of Commissioners entered into an Interlocal Operating Agreement to unify wastewater (sewer) services with City operations on October 23, 2017 through an assumption process. To move the assumption process forward, the Council and RWD Board agreed to form a joint Council-Board subcommittee on assumption transition. The committee, which came to be known as the Committee of Elected Officials (CEO), developed an Assumption Transition Plan, which was recommended for Council and Board approval. The Assumption Transition Plan was approved by the City Council on February 29, 2016.

Since that time, staff from both RWD and the City have been meeting on a monthly basis to implement the Assumption Transition Plan. Staff has been utilizing an Assumption Transition Work Plan (Attachment A) to monitor the implementation of the various tasks that make up the assumption process. City staff have also provided updates to the RWD Board on two occasions and to the City Council through communication through the City Manager.

At tonight's dinner meeting, the City Council will be joined by the RWD Board of Commissioners to hear a brief update on the assumption implementation and discuss a couple of other issues facing the District that the City, as the future operator of the wastewater utility, should be aware of. The following short memo outlines these issues for the Council and the RWD Board.

Assumption Transition Work Plan

As the assumption is now exactly nine months away, staff is continuing to implement the Assumption Transition Plan and provide opportunities for the cultural integration and staff to get to know one another.

- Monthly Assumption Implementation Team meeting continuing
 - Held the 2nd Thursday of every month
 - Good communication between staff and collaboration on work plan tasks
- RWD and City staff continuing to find opportunities for cultural integration
 - Public Works picnic in June
 - Employee Appreciation Picnic in September
 - All City Staff Meeting and Jingle Mingle in December
 - Continued opportunities in 2017
- Work Plan highlights –
 - **Personnel**
 - Job descriptions have been created and reviewed by RWD staff and Board
 - Compensation analysis conducted and City staff finalizing compensation and organizational placement decisions
 - Sick Leave Carryover Memorandum of Agreement executed in December
 - Classification (job description), compensation, and organizational placement will be presented to RWD staff as part of the Personalized Employee Transition Process in February
 - HR staff planning to conduct benefits workshop for RWD staff in the coming months
 - **Budget** - City will amend 2017 budget in April of 2017 to incorporate adopted RWD 2017 budget
 - **Facilities** - City Hall ready to accommodate RWD administrative, financial, customer service and permitting/development review staff; maintenance staff to remain at existing RWD facility
 - **Sewer Permitting** - City continuing to work with RWD staff to configure utility permitting for Trak-IT Permitting System; Trak-IT system scheduled to 'go live' in 1st/2nd Quarter of 2017
 - **Asset Management** - City continuing to work with RWD staff to configure utility assets for CityWorks Asset Management System
 - **Financial Policies/Wastewater Development Standards/Wastewater Municipal Code** – Staff has issued a Request for Qualifications (RFQ) to hire a vendor to help the City develop financial policies, wastewater development standards (which will be housed in the City's Engineer Development Manual), and wastewater utility code language. The vendor is scheduled to be under contract in the coming month and complete this work in the summer. New municipal code language will be brought to Council for adoption at the end of the summer.

Potential 185th Street Gravity Main Project (Replacement of Lift Station 15) and Potential Debt Issuance

Sound Transit's light link rail extension to Lynnwood will impact wastewater service in Shoreline, particularly in the areas of 145th and 185th Streets, where the stations will be placed. The future development that is anticipated from the rezone in the 185th Street area will impact the current Lift Station 15 which provides service there. CHS Engineering, RWD's long-time engineering contractor, identified a possible alternative to having to ultimately replace Lift Station 15 with a significantly larger lift station. CHS determined the possibility of building a gravity main line in conjunction with the Sound Transit project, where the new line would be routed along I-5 north to King County's trunk line. Gravity line service is generally preferred over using pumps, and the initial estimated cost savings between installing the gravity line versus upsizing the existing lift station is approximately \$2 million. There would also be additional savings to the rate payers due to the fact that there would be no future maintenance costs on a new lift station.

RWD staff and CHS Engineering staff are working through a multitude of issues to facilitate this project. There are a number of governmental entities involved, including Sound Transit, WSDOT, King County, Department of Ecology, City of Shoreline, etc. While staff is doing everything possible to make it work, there are any number of things outside of staff's control that could stop the project from taking place. However, staff is not aware of any at this time. RWD staff is confident that the project can be funded based on the initial construction cost estimates, but is awaiting further refinement of those estimates.

New Wastewater Treatment Contracts – King County Wastewater Treatment Division and City of Edmonds

The Ronald Wastewater District currently contracts with both the King County Wastewater Treatment Division and the City of Edmonds for wastewater treatment services. King County handles most of the District's effluent, while Edmonds provides direct treatment under contract for a portion of Shoreline known as ULID2, which is primarily an area around the north end of Aurora Avenue up to the County Line. The King County treatment contract will expire in 2036, and the City of Edmonds contract will expire in May 2018.

King County would like to negotiate a new 50 year contract with its member agencies, even though RWD's current contract has almost 20 years remaining. They have indicated that this allows them the best opportunity for long term financing at the lowest possible rates. The question for the wastewater utility is, does the utility want to sign a new contract in the near future, and if so, what is the length of contract that would be most beneficial, given that King County's contracts are generally the same for all affected member agencies.

The Edmonds Treatment Plant (ETP) contract expires in May 2018. Negotiations on the new contract have been ongoing, and it appeared that the parties involved (City of Edmonds, City of Mountlake Terrace, Olympic View Water and Sewer, Ronald Wastewater District) had reached agreement on final wording in the contract, but a major issue occurred at the last minute during discussions of who would ultimately be providing treatment and receiving compensation for the wastewater needs of anticipated new development in the Point Wells area. Due to current litigation concerning who will be the service provider in that area, contract negotiations are

stalled. For customers in ULID2, the lower cost of treatment at Edmonds Treatment Plant currently results in a lower wastewater bill than in the areas treated under the King County contract. If a new contract is not signed with the City of Edmonds, additional costs could be incurred by the wastewater fund for alternative treatment arrangements, and the cost advantage for treatment at ETP would most likely also be lost.

Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC)

Representation

The Metropolitan Water Pollution Abatement Advisory Committee, or MWPAAC, advises the Metropolitan King County Council and the King County Executive on matters related to water pollution abatement. MWPAAC was created by state law and consists of representatives from cities and local sewer utilities that operate sewer systems within King County's service area. Currently representing RWD at MWPAAC are Commissioner Atkinson as the primary representative, Commissioner Ransom as the first alternate, and Commissioner Webster as the second alternate.

Among other issues, there are currently two significant items of discussion that MWPAAC representative agencies are considering. One is Inflow and Infiltration (I/I). The additional water entering the treatment system from outside sources, such as leaking pipes, is a significant concern to the King County Waste Treatment Division (KCWTD) as it plans for future treatment capacity needs. KCWTD is looking into options to reduce I/I and is requesting the cooperation of member agencies. Reducing I/I can be costly, and one consideration is who will ultimately pay for the efforts to reduce I/I.

The second major issue is the discussion about a new long term treatment contract with KCWTD. As part of that discussion, there is also a proposal by KCWTD to restructure the format of MWPAAC and reduce the number of representatives.

Ronald Wastewater District Assumption Transition Work Plan - January 13, 2017

Transition Plan Task	Project Manager	Project Support	Year 2016												Year 2017												Year 2018											
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Financial Policies																																						
Management and Maintenance of RWD Cash Reserve Level	RWD General Manager																																					
Notification of Debt Issuance, if Needed	RWD General Manager	Assistant City Manager																																				
Issue RFQ for Consultant Services for Financial Policy Review and Development	ASD Director	Utility and Ops Manager	Complete																																			
Draft and Adopt City Wastewater Utility Debt and Financial Policies, Including Industry Review	ASD Director	RWD General Manager																																				
Review and Discussion of Assumption Costs, if Incurred (anticipated costs tracked in linked spreadsheet)	RWD General Manager	ASD Director																																				
Discussion of Accounting Treatment	ASD Director	RWD General Manager																																				
Personnel																																						
Provide Ongoing Communication to District and City Staff About the Assumption	Assistant City Manager and RWD General Manager	City Manager and Communication Program Manager																																				
Provide Initial Communication to District Staff at District Staff Meeting - May 11, 2016	Assistant City Manager and RWD General Manager	City Manager	Complete																																			
Provide Opportunities for Cultural Integration Between District and City Staff - PW Picnic (June 16, 2016), ASD staffing meet and greet, City Employee Picnic (Sept. 7, 2016), Holiday All City Staff Meeting (Dec. 14, 2016), City Employee Picnic (Sept. 2017), and Other Employee Activities	Assistant City Manager and RWD General Manager	City Manager																																				
Review the RWD Organizational Chart and Determine How the Wastewater Utility Will be Structured Within the City's Organization	Assistant City Manager	City Manager, HR Director, PW Director, ASD Director and RWD General Manager	Complete																																			
Conduct Job Analysis Questionnaire Process, Interview RWD Employees, Review District Job Descriptions and Create Commensurate City Job Descriptions	HR Director	Assistant City Manager and RWD General Manager	Complete																																			
Review the Differences in the Benefits Package and Employee Policies Between the District and City	HR Director	Assistant City Manager and RWD General Manager	Complete																																			
Conduct Job Evaluation on District Jobs and Determine Range Placement for District Staff Within City's Salary Structure, Including Appropriate Step Placement, and Benefits Information	HR Director	Assistant City Manager, ASD Director, Budget Supervisor, and RWD General Manager	Complete																																			
Get RWD Employee Data Files, Personnel Files, Benefit Files and Prepare for Personalized Employee Transition Process	HR Director	Assistant City Manager and RWD General Manager																																				
Conduct Personalized Employee Transition Process, Including Classification and Compensation, Benefits, Leave Disposition, Organizational Chart Structure, New Reporting Structure, Work Location, City Employment Policies, Etc.	HR Director	City Manager, Assistant City Manager, PW Director, ASD Director and RWD General Manager																																				
Conduct RWD Employee Benefit Workshop	HR Director	Assistant City Manager, RWD General Manager																																				
Onboard New RWD Employees	HR Director	PW Director, ASD Director, RWD General Manager, Fleet and Facilities Manager, Payroll Officer																																				
Budget and Capital Improvement Plan																																						
Partner to Adopt RWD 2017 Budget as an Amendment to City's 2017 Budget during Spring Amendment Process	ASD Director	RWD General Manager and Budget Supervisor																																				
Partner on City and RWD 2018 Budget Process and Budget Development Methodology and Systems, Including Citywide Overhead Allocations and Vehicle Replacement and Maintenance Charges, for the Wastewater Fund Budget	ASD Director	Budget Supervisor, Budget Analyst, Fleet and Facilities Manager, Utility and Ops Manager and RWD General Manager																																				
Provide Budget Kickoff Manuals/Information and Excel Template for RWD Staff to Use in Developing the 2018 Budget Item Detail	ASD Director	Budget Supervisor, IT Systems Analyst, and RWD General Manager																																				
Develop Accurate Revenue and Expenditure Projections (Including Salaries and Benefits) for the Full 2018 Budget (Accounting for Timing of Revenue Receipts and Expenditure Payments)	ASD Director	Budget Supervisor, Utility and Ops Manager and RWD General Manager																																				
Partner on the Development of the Ronald Wastewater Narrative and a Fund Summary Sheet for the 2018 Budget Book	ASD Director	Budget Supervisor and RWD General Manager																																				
Partner on City and District Annual and Multi-Year CIP Processes	ASD Director	City Engineer, Budget Supervisor and RWD General Manager																																				
Facilities and Information Technology (IT)																																						
Plan for and Move District Administrative Staff to Shoreline City Hall	Fleet and Facilities Manager	ASD Director, PW Director, Utility and Ops Manager and RWD General Manager																																				
Analyze Network Connectivity from City Hall to the Current RWD Office Building so that Maintenance Staff will have Access to the City's Network and Phone System, as Maintenance Staff will Continue to Operate out of RWD Offices	IT Manager	RWD General Manager, Network Administrator, Fleet and Facilities Manager																																				
Implement Network Connection to the Current RWD Building	IT Manager	RWD General Manager, Network Administrator, Fleet and Facilities Manager																																				
RWD Phone System Integration	IT Manager	RWD General Manager, Network Administrator, Fleet and Facilities Manager																																				
Transition of Technology at Ronald	IT Manager	RWD General Manager, Network Administrator and Budget Supervisor																																				

