

City of Folsom
Utility Commission
Action Minutes
June 18, 2013 - 6:30 pm

CALL TO ORDER

Chairman Ryan called the meeting to order at 6:32 p.m.

ROLL CALL

Present: Commissioners: Ryan, Davis, Kahlon, Kozlowski

Absent: Commissioners: Gaylord, Miklos

Staff Present: Todd Eising, Utilities Section Manager; Michelle Parks, Administrative Assistant

Others Present: None

1. **MINUTES**

Ryan motioned to approve the minutes of April 16, 2013, and Davis seconded the motion.

AYES: Kahlon, Davis, Ryan, Kozlowski

NOES: None

ABSTAIN: None

ABSENT: Gaylord, Miklos

2. **BUSINESS FROM THE FLOOR**

None

3. **NEW BUSINESS**

a. Water Allocation status

Eising discussed the status of our water allocation with the Commission and advised them that the Bureau passed some initial cutbacks of CDP water due to the lack of rainfall. He stated that staff is monitoring how overall usage is with the new metered rates. It didn't rain in January, February and March so there was an increase rather than a decrease in water usage, due to the residents using their sprinklers. However, the last two months' usage in April and May was lower than what had been anticipated last year. At the beginning of the year, we were estimating a 20% reduction and that would be our conservation, which we didn't see in the first few months. There has been a

reduction in total usage but it will take a couple of years before staff is able to verify if it is actually a 20% reduction.

4. **OLD BUSINESS**

a. Water/Sewer/Solid Waste Rate Update

Eising advised the Commission that the City Council has approved the Operational and CIPs (Capital Improvement Projects) at the April 13th City Council meeting. He stated the budget year will begin on July 1st and his intent is to go through in detail the overall budget and the CIPs. He further explained that the last time the Commission met, the discussion was primarily the detail of the operations, as well as the schedule worked. He reminded the Commission that he had committed to bringing information to them regarding CIPs. Also, staff will be working with the City Manager on the budget sub-committee that was discussed at the last meeting. By the end of next year, it will be worked into a schedule so the Commission has sub-committee options.

Eising gave a brief update regarding the 13/14 budget, stating the main focus was not so much on the operational side, but more on the CIPs. He stated that our fund balances are healthy and we are going to be reinvesting in our infrastructure, which was one of the directives from the City Manager. Currently, there are about \$2 million in rates that are earmarked for CIPs for Water and about \$1.5 million for Wastewater. Anything above that would be a draw on the fund balance or it would be coming from other funds, such as grants or developer fees, all of which are involved with this year's CIPs.

Eising informed the Commission that there are about \$11 million in water projects that are planned to be done this year. A significant amount of that is developer-related. Only about \$1.6 million is related to renewal/replacement projects. He further stated that we are using nearly all that fund balance for CIPs, keeping our expenditures around \$2 million for CIP for water.

Back in 2009, our water fund balance was dangerously low, it was at \$8.5 million; the City looked into getting a line of credit at that time and were told there must be a minimum of \$5 million in the bank. We'll be spending \$4.5 million this fiscal year our goal is to maintain a balance of \$5 million. In order to get water from the Water Treatment Plant to the Folsom Plan Area there are two phases. The first phase is initial development of about 20% of their total development. There is enough capacity at the Water Treatment Plant and enough pipes in the distribution to get water to the pocket along Scott Road, which would provide 20% of their usage. There will need to be a pipeline under the freeway and a pump station modification with a booster pump there. With very minor modifications, the City will be able to deliver the first 20% of the necessary water to the Folsom Plan Area.

Davis requested clarification regarding whether supplemental water will be coming in for the Folsom Plan Area or will it all being taken care of by conservation? Eising replied that it will all be taken care of by conservation. The three existing water rights we have, whether by contract or water rights are as follows: we have 22,000 acre feet of pre-1914 water; 5,000 acre feet of contract water through Golden State (which is also pre-1914), also 7,000 acre feet with the Federal

Government. The conservation is actually allowing the City to shift the expensive contract water (Golden State) down to the Folsom Plan Area and allow that that water to be shifted. That's all through conservation measures and projects that save water.

Davis informed the Commission that Folsom is in a unique position with its water rights. No other city with the exception of Sacramento has Pre-1914 water rights. That is a very important benefit because after 1914 can be very expensive and they are not dependable. The City is in a unique position by having these water rights. Even the Southern California water that's pre-1914 is special. Water in California is an important asset; Folsom has an abundance of guaranteed water.

Eising stated that other water districts have more rights, but they are not pre-1914. Those rights are susceptible to cutbacks and they are not guaranteed. The highest tier of water rights is pre-1914. The lion's shares of our rights are pre-1914.

Davis concurred and stated that it is important because if they start cutting back on water anywhere in the state, the pre-1914 rights are the last to be cut.

Ravi inquired if the pre-1914 water rights provide enough water to serve the City and Eising answered that if there was a critical year, the City would be able to serve the entire city with pre-1914 water alone. Ravi inquired if that would include the FPA. Eising stated that it would because if the City were to implement extreme cut backs, the entire City would be cutting back 20, 30, or 40 percent and if you look at our water supply up to 34,000 acre feet, 27,000 of it is Pre-1914. So 80% of our water rights are Pre-1914.

Ryan asked Eising if this is a discussion that we could expand on at our next meeting or in a few cycles. The Commission has spent considerable time looking at the budget over the years and the amount of water and the capacity that we have for our community becomes more and more important as the City grows, along with the dry years. He recommended that it would be helpful for the Commission to know what has been the historical water usage and what is projected for the new community. It would be especially helpful to have more information on water issues as the Commissioners get more questions from our neighbors.

Eising further explained that the developers will handle any improvements and whatever is necessary to ensure a sufficient water supply. One of the projects I'm going to talk about later is the Willow Hill Pipeline, which there is water loss in the pipeline. This is the #1 project that was identified in our Water System Optimization. This will be a \$4 to \$7 million project, we have \$2 million in grants and the rest will be funded by the developers.

Eising stated that Phase 1 and 2 improvements will get water to the Folsom Plan Area. There will also be projects that will be called Backbone. This will be the groundwork that the water systems will be built upon. The initial thought is that the area along Scott Road will be the first to be developed. Phase 1 will address getting the water across the freeway, but whatever needs to be installed down in the FPA such as pipelines, tanks and pump stations will have to be handled by the developers. The projects that were put in the budget relate to tanks and pump stations. Staff will select the consultant and make sure it is done correctly the first time, due to the technical nature of the project. The pipelines are generally being done by the developers as they do the

roads. There will be projects in the FPA as things move forward. The City services Aerojet with raw water already, but they are beginning to convert the mounds of dredger tailings into homes. There are upcoming projects to work with Aerojet to ensure that there will be sufficient water to service the new residential areas. What is being designed right now is a 16" pipeline running parallel to Folsom Blvd. that will tie into the Aerojet property. It will tie into a pump station that we are designing right now with the firm, Peterson & Brustad. They are designing it to be able to handle the peak and maximum demands. We are moving forward with that project right now. It is in the budget now and the design has already been paid for by the developer. Construction costs will be put into the next budget.

Invest in our infrastructure is the directive from the City Manager; and as such, staff is starting the design for a pipeline project in the Historic District. We have been working with Water and Wastewater field crews to find out where our trouble lines are. We are currently working with a client to get a scope to design two projects.

The areas we will be working on are Figueroa/Orange Grove for Water; Coloma/Bridge Street area for Wastewater. Staff will handle the design this year and replace the two pipelines. There is a plan in place to get through the Historic District within the next ten to twenty years and along Wales Drive, replacing the water and sewer lines. Those are the oldest pipes in the City.

Ryan inquired as to the cost of the Historic District project and Eising replied it will be about \$1 million in the next fiscal year.

Water Treatment Plant Solids Handling Project

Eising gave a brief presentation regarding the Water Treatment Plant Solids Handling project and explained the current process to the Commission members. He explained that the byproducts that come out of the water after treatment are referred to as solids. The solids currently end up in a pond where they are covered with water until such time as the water is removed and they are dried out and hauled away by a company every three years or so. Staff began looking at options utilizing existing staff, as opposed to contracting out services. One of the options was to do solar drying, where the water is taken off and the solids are laid out to dry in the sun. This was attempted but the smell was so great that there were a multitude of calls from residents in complaint. Recently, staff did a tour of other plants, along with a consultant to help assist. The two options that were considered viable are the bell and screw press.

San Juan Water District has a bell press. It is very large, has lots of moving parts and therefore, lots of maintenance. It is a very quiet operation. A pilot test was brought in so staff could see the operation of the screw press. This is also a very quiet operation; however, placement would be crucial regarding the impact on neighboring residents, specifically noise and smell issues. Costs will be reduced significantly when the City adopts the new method of drying the solids.

Willow Hill Pipeline

Eising addressed the Commission regarding the City's Water system optimization, where staff looked at the water system and identified areas that were experiencing water loss. The Willow Hill

line used to be a ditch that took water from near the Water Treatment Plant all the way down to Willow Hill Reservoir, which is a water control facility for Aerojet. They get raw water from the City through this pipeline. We had a large difference between one meter at the beginning of the line and the end of the line, clearly demonstrating a loss of water. To eliminate the losses, staff asked for a grant from the State. They awarded the City \$2 million in grant funds to create a project to eliminate the losses. This project will be funded through developer and grant funds. Phase 1 design will be this fall; construction will start next year. With the exception of the Sludge solids handling project and the Water pipeline design, the majority of the projects are developer funded.

Wastewater CIP's

We are spending about \$5 million this year in rate-based projects, specifically renewal/replacement projects and investing in our infrastructure. Half a million dollars are earmarked for developer projects on the Folsom Plan Area. Nothing has been specifically identified yet, but the funds will be ready, should they need it.

The fund balance has grown to about \$8 million. We have only \$1.5 million worth of CIP projects and rates, we have \$5 million budgeted and that will draw down our fund balance. Our intent is for the cycle to go up and down; we accrue funds, we spend and the cycle continues.

Fund balance is healthy and where we want to be. Right now we are in the development phase of master planning. What's needed; do we want pump stations, gravity, deep sewers, shallow sewers, things like that? There is a joint effort with developers and the City to figure out what's best for the area. Generally, as an overview of the backbone, Regional Sanitation District has built into their pump station and their force main the capacity for potential growth. The next stage will be to figure out phasing; what is a good transition period? That's the next level of complexity.

Renewal/Replacement Projects – Basin 6 Design – three years ago or so, one of the major capacity projects was to transfer flow from one of our over-capacity lines on Folsom Blvd. and get it over to Blue Ravine. We dug a pipeline through the intersection and down Blue Ravine and tied it all in. When we did the project, it was a \$2-\$4 million project. We didn't realize there were two service laterals, one coming in from Save Mart and another from Med 7 that had sags and issues with backing up. It was 20 foot deep sewer in cobbles in the middle of Blue Ravine near East Bidwell. There is no way to dig that up; you have to put shoring in 20 feet deep without starting to dig. There are only two ways to do that; by either using slide rails or pile drive. Either way, you are pounding these metal plates through the dirt. The work cannot be done during the day, so the work had to be done at night. We are coming back to do the laterals, as we didn't do them then.

Hinkle Creek Sewer Rehabilitation Project

In the Ashland area, we have an older pipe which follows the creek line. We have done a preliminary design to design a way to get it away from the creek. It's about a \$1.6 million project and will begin in the spring of 2014.

Oak Avenue Pump Station

This will be a complete pump station redesign; the wet well is too small, upgrades are needed, etc. The pump station is about 15 to 20 years old. It will all be contained on City property. The construction noise should be at a minimum and there are no nearby residences.

There is a sewer line in front of City Hall that goes along the alleyway, underneath some buildings, squeezes its way down to Coloma Street. We will be pulling it out into Natoma Street and addressing some maintenance issues with it, access issues. It's about a \$1 million dollar project and will be open trench construction.

Lastly, there are odor issues around the City. Per our WDR (Waste Discharge Requirements), we need to address odor issues as they arise. Out of Oak Ave Pump station, the line goes all the way down Oak Avenue, turns at East Bidwell and discharges via gravity. We have some odor complaints down in this area, where there are a large number of restaurants who could potentially be discharging grease, which is one cause of odor. We are doing a study now to identify the source of the odor and are working with HDR Engineering on this project. We have about \$200,000 budgeted for next year to address that.

Ryan said he just wanted to focus on the budget and our conservation efforts; this is a great example of what we've been waiting to do and why we were fiscally conservative. He expressed his thanks to the City Manager and his team for their efforts. He shared a personal experience he had when he had forgotten to put out his trash. He had called up the line and City staff responded immediately and picked it up.

b. Utilities Reports

i. Sewer Update

Eising reminded the Commission that the City had an audit with Regional Water Quality Control Board last year; the State and the Regional Board both felt the City was doing a great job maintaining its sewer collection system. Eising presented in January to the Regional Board and since then he has been asked by the State Board Chief Regulator to accompany him to conferences to present the City's perspective on what an audit is like and what to expect. Eising offered kudos to the crews that take the collection operations system seriously and are doing such a great job.

Russ stated he could remember how bad things used to be and complimented staff on their dedication to the task of keeping our water and sewer systems running efficiently and safely.

ii. Water Update

One of the things we are currently taking a look at is leakage. We are trying to find a way to identify leaks before the resident gets their bill. We hadn't anticipated doing this right away, but we are receiving calls regarding high bills, which is often the precursor to

identifying leaks. We have the technology now and we are working towards a process where we are able to identify leaks and offer the residents a program to assist in identifying and repairing leaks.

Chair Ryan asked if there were any questions or comments from the Commission and Davis extended an invitation for all to attend the Chamber mixer at Toby Keith's, which was in progress.

5. ADJOURNMENT

The meeting was adjourned at 7:39 p.m.

Submitted,

Michelle Parks, Administrative Assistant

Attachments: