



## **MEMORANDUM**

DATE: August 10, 2018

TO: Dan Duchniak

FROM: Kelly Zylstra

RE: Street Opening Fees for 2018 Exceed Current Budget

The approved 2018 budget contains \$150,000 for street opening fees to the City; as of the last invoice from the City we have nearly reached that amount.

As requested at the last commission meeting, Chris and I met with the City to determine if there was a change in policy regarding street opening sizes or if there was simply a staff change that resulted in the higher fees. The simple answer is both.

The permit for the City says that the size of the patch is “at the sole discretion of the City” so at the direction of the Director of Public Works. The interpretation of the policy has changed to where the street repairs are now meant to “not compromise the integrity of the right of way.” To meet that, staff has been directed to repair from curb to centerline, curb to curb, curb to joint, or joint to joint, depending on the roadway material type. They have also been directed to have a minimum width of 6 feet to minimize any ‘mirror cracking’ that may follow behind an excavation. There does seem to be some minor consideration of the road condition when the patch sizes are being determined by City staff, but the overall directive is mostly followed.

By reviewing the attached graph showing the size of the patch suggested by WWU (based on past experience) versus the size of the patch required by the City, you can see based on the ratio increase a change in policy took effect in 2016. The change in staff followed, which accounts for the additional uptick in the patch sizes seen in 2017.

We have confirmed that City staff does treat all entities equally; as they recently made AT&T and WE repair entire intersections rather than simply patching them. They also stated that the size of the street repairs associated with their own manholes have become larger. While consistency is important, it doesn’t decrease the burden on the water utility for the street repairs. For 2019, as we did in 2018, we will increase the street opening budget amount to try to account for these additional costs, but much like this year we won’t know the actual size of the repairs required until the work occurs.

In the meantime, to cover the overage that we will see in 2018, I proposed the following budget reallocations or amendments.

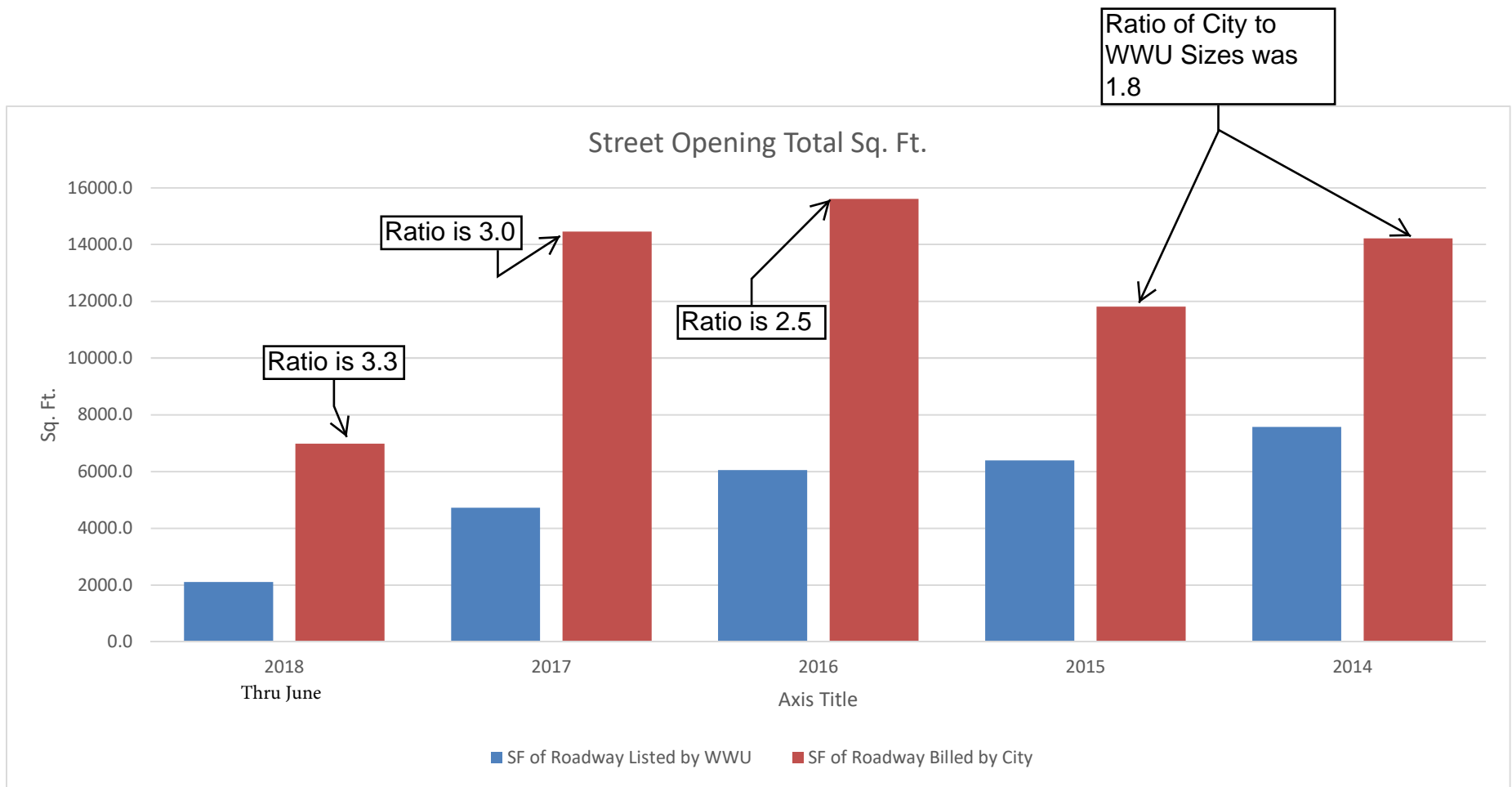
To cover the street opening fees that will be associated with the operation budget, we will defer the abandonment of Newhall well until 2019; this will make an additional \$65,000 available from account 6145. This work will still need to be done, but given the length of current DNR review times and the need to publically bid the work, pushing this work to early 2019 will not be an issue. In addition, we should be under budget for pumping power, account 6230, by approximately \$70,000. This account is more “risky” to move money out of as the majority of the saving thus far this year relates to ‘normal operations’ being maintained. For example, we did not need to demand a non-compliant well during the work on Well 13 due to the speed at which the project was completed. Also, with pumpage being down, we are able to maximize our off peak pumping which allows us to use a much lower rate from WE Energies.

To cover the street opening fees that will be associated with the capital budget, we were able to do the work needed at River Valley Booster Station using a spare pump and some creative thinking of staff; this results in \$23,000 available from account 3250. In addition, after review of the operation of the Pebble Valley pressure zone, replacing the generator at Woodridge Booster Station is less critical than that water main that Chris is working on with the City that would provide for a connection between the Oakmont pressure zone and the Pebble Valley pressure zone. Once this main is in place, within the next year, we will have redundant booster stations in those zones making the replacement of this generator less critical; this would provide an additional \$16,000 from account 3250. This year, we also opted to replace the pump and motor in Well 13 rather than complete an intensive well rehabilitation. This resulted in a lower project costs resulting in another \$50,000 available in account 3250.

While, I am proposing to defer two items to future years, those items are far less critical than the work requiring the street opening fees; removing the cast iron services, lead goosenecks and repair/replace the valves in the system that are leaking or in need of maintenance. As you can see from the second attached graph showing the number of jobs performed within the City right of way for the last several years, we continue to stress and focus on the maintenance of our system and this year is no exception.

Let me know if you have any questions or would like any further information.

**Recommended Motion:** Move to amend the 2018 budget and move \$65,000 from account 6145 and \$10,000 from account 6230 to account 6730 to cover street opening permits and fees associated with operating expenses and move \$75,000 from account 3250 to account 3431 to cover the street opening permits and fees associated with capital expenses for the remainder of 2018.



Confirms Change in City Policy to Increase Patch Size to Curb to Curb or Curb to Paving Joint

# of Jobs in the Right of Way Vs Total Cost

