I. Call to Order

1. Statement

Commissioner Gravatt left at 5:06 PM

PRESENT: Crowley, Quick, Reading, Robbins, Gravatt, Hilton
ABSENT: Thorne, Nink

II. Minutes Approval

1. Public Works Commission - Regular Meeting - Jan 14, 2019 4:00 PM

Commissioner Quick moved to approve minutes from the January 14, 2019 meeting. Commissioner Gravatt seconded and the motion carried unanimously.

RESULT: ACCEPTED [UNANIMOUS]

MOVER: Renee Quick, Commissioner
SECONDER: Crispin Gravatt, Commissioner
AYES: Crowley, Quick, Reading, Robbins, Gravatt, Hilton
ABSENT: Thorne, Nink

III. Agenda Items

1. FY 2020 Capital Budget

Heather Buchanan, Support Systems Senior Manager, introduced Michael Comeskey, Water Renewal CIP Manager, to explain how the utility planning process is merging into and revising the budget development process. Mr. Comeskey detailed the improvements made to the capital budgeting process including the decision to extend the capital plan to ten years. Steve Burgos, Public Works Director, commented that the cost estimates being made now are subject to change and we are working to update our business processes to account for variables.
Mr. Comeskey added that estimating nine or ten years in the future is difficult, and as projects get closer to being budgeted, the estimates will be re-evaluated.

- Commissioner Quick asked if we receive information from regulatory agencies informing us of issues that might affect our processes and budget. Mr. Burgos answered that we do receive information from Department of Environmental Quality (DEQ) and the Water Quality Group is tracking national trends on rule-making that could impact our permit.

Ms. Buchanan briefed the Commission on projects budgeted in the Water Renewal Fund. Ms. Buchanan asked Mr. Comeskey to update the Commission on the projects at the Lander Street Water Renewal Facility (LSWRF). Mr. Comeskey provided an update on LSWRF projects. He explained that to better align with the project drivers of condition, capacity, and regulatory needs, projects will be reported on individually, rather than in a multi-year Phase 1 group.

- Commissioner Crowley asked what category the Tertiary Phosphorus project is in. Mr. Comeskey answered it is a regulatory requirement.

Ms. Buchanan asked Haley Falconer, Environmental Senior Manager, to brief the Commission on the Temperature Mitigation - 316(a) project at the City’s Water Renewal Facilities. If approved to be included in our IPDES permit, the City of Boise will be the first municipal discharger with a 316(a)thermal variance.

- Commissioner Robbins asked if the project includes discharges other than the City of Boise. Ms. Falconer answered that the requirement applies only to the City of Boise.

Ms. Buchanan reviewed the budgets for Administration, Operations and Capacity, and Repair and Maintenance projects that include Twenty Mile South Farm, Dixie Drain and Utility Maintenance for the first time.


- Commissioner Crowley asked if there are any geothermal projects planned. Ms. Buchanan answered there aren’t any geothermal or solid waste projects included in the FY 2020 budget at this time.
• Commissioner Quick asked for an explanation why this budget does not address recent issues in the geothermal system. Ms. Buchanan explained a strategic plan is being formulated to address those issues.

• Commissioner Crowley asked how the funding that supports projects in the General Fund and Water Renewal Fund are incurred. Ms. Buchanan answered that Water Renewal projects in the 2020 budget are funded through the Water Renewal fund balance. We are looking at other funding options for future water renewal projects. For the General Fund, the funds are allocated from the city-wide pool of revenue from various revenue sources such as property tax, sales tax, etc.

RESULT: DISCUSSED

2. Water Renewal Utility Plan Cost of Service Study

Mr. Comeskey briefed the Commission on the Cost of Service Study (COSS) being done for the Water Renewal Utility Plan.

• Commissioner Crowley asked how much existing debt is in the fund now. Matt Millis, Public Works Enterprise Revenue Manager, answered approximately $2.9 million remains for the next 4-5 years. Commissioner Crowley asked what we look at to arrive at a cost of capital for municipal and enterprise operations. Mr. Comeskey will follow-up with that information to the Commission and it will be covered in more detail later in the budget process. Commissioner Crowley asked what portion of the costs are fixed and variable. Mr. Comeskey answered that the marginal costs associated with the variable rate are probably not a primary driver in rate settings. The COSS will address setting of fixed and variable portions of the rate as a final step in rate making recommendations.

• Commissioner Reading asked for an explanation of a “workbank”. Mr. Comeskey explained the intent of the workbank is to track identified needs and apply a business process to prioritize items and determine funding. Projects not funded in the current fiscal year or in the 10-year CIP are not discarded but rather remain in the workbank for further evaluation and consideration.

• Commissioner Robbins asked how input to the workbank is controlled and who will monitor it. Mr. Comeskey answered that we are in the initial phases of developing the workbank and will further develop the
process as we gain a better understanding of the needs. Mr. Burgos added that Mr. Comeskey’s title, CIP Manager, is a new title in the organization and it was created to prioritize and track CIP needs within the organization as our needs become more complex.

RESULT: DISCUSSED

IV. Adjournment

1. Director’s Announcements
   - Mr. Burgos informed the Commission that Public Works intervened in two items on the Public Utilities Commission’s docket related to Idaho Power:
     - Net metering and the value of exported energy
     - The fixed costs dockets
   - The energy survey sent to citizens will be included in the discussion on renewable energy goals that will be presented to the Commission in April; responses were very favorable
   - The fourth-floor remodel will start in April and will create a more open, collaborative work environment
   - Commissioner Quick expressed her appreciation for the dredging of the retaining pond on Shenandoah

2. Motion to Adjourn 5:42 PM

RESULT: APPROVED [UNANIMOUS]
MOVER: Jacob Nink, Commissioner
SECONDER: Renee Quick, Commissioner
AYES: Crowley, Nink, Quick, Reading, Robbins, Gravatt, Hilton
ABSENT: Thorne