

**PAVE COMMITTEE**  
**Water/Wastewater Performance Audit & Strategic Plan**  
**Meeting Minutes – May 21, 2015 at 2:00 PM**  
**Parkway Public Safety Station Training Room**

**Member Attendance:**

Lily Morgan - absent  
Rick Riker  
Roy Lindsay (Chair)  
Ken Hannum (Vice Chair)  
Jim Williams  
John Rall  
Layne Lange - absent  
Paul Mitchell

**Staff/Liaison/Other:**

Jay Meredith (City of GP Finance Director)  
  
Terry Haugen (City of GP Public Works Director)  
Bob Hamblin (City of GP Water Distribution/Wastewater Collection Superintendent)  
Jason Canady (City of GP Water Treatment Plant Superintendent)  
Gary Breliniski (City of GP Wastewater Plant Superintendent)  
  
Paul Eisenhardt, Ed Means, Jim Bewley, and Brian Hemphill  
(Eisenhardt Group, Inc.)

**1. Presentation from the Eisenhardt Group**

**A. Overview to summarize scope of work (Paul Eisenhardt)**

- Paul introduced his team and gave overview
- Reviewed the City's requests for scope of work
- Eisenhardt will be looking at the following topics:
  - 1) organizational structure
  - 2) best practices
  - 3) goals and strategies
  - 4) timeline for next 5 years
  - 5) 8-10 benchmarks to measure how utilities are doing
  - 6) pros/cons of different partnerships
  - 7) compare public/private partnership models
  - 8) financing options for new plant expansion
  - 9) high-level monitoring of systems and equipment
- Explained importance of setting appropriate benchmarks

**B. Information gathering (Ed Means)**

- Shared what they've been working on - site visits, interviews, SWOT analysis, and evaluation checklist
- City of GP staff has been remarkably responsive in providing information and making themselves available
- Have already gone through the majority of reports to get the history and a feel for the utility departments
- Site visits took place Tuesday (water treatment plant, wastewater plant, and distribution/collections systems)
- The path the City is on to replace the water treatment plant is a good thing
- After the site visits they conducted a series of more focused interviews with top management team and superintendents (SWOT analysis – strengths, weaknesses, opportunities, and threats).

- Will take information from interviews and develop some goals and strategies
- Follow-up meetings scheduled for June and July
- Assessment Checklist – represents the key elements of excellence. It is a process that uses the experience of the team to compare what is best in class and how Grants Pass ranks against that on a scale of 1-5.
- Next Steps – they've compiled all this information, seen the systems, developed some preliminary observations, and now they will populate all that in the Assessment Checklist in more detail and will give the City written qualitative feedback on issues.

**C. Delivery Models (Paul Eisenhardt)**

- Shared differences between various methods of building/operating utilities:
  - 1) Traditional method
  - 2) Design/Build method
  - 3) Design/Build/Operate method
  - 4) Concession method
- Also brief discussions about risk assignment, staff retention, start-up and operating cost estimates, benefits of competition, rates locally and in other areas of country, treatment regulations, wells vs. ground water, etc.

**D. Preliminary Observations (Jim Bewley)**

- City has the type of utility staff, managers, and superintendents that if given the right tools would lead the City toward more cost savings
- Won't get cost savings from cutting staff moving to a contract operation
- Given the condition of the systems the regulatory compliance is exemplary
- It was agreed there are serious problems (seismically and otherwise) at the water treatment plant
- Asset Management – City needs an asset management system, they are extremely valuable
- Knowledge Management – important to document staff experiences, different or new procedures, information in staff members' heads, what works and what doesn't, etc.
- Maintenance Management – records, industry standards, etc. (City is very close in this area)
- Succession Planning – difficult with such a small staff
- Security – most focus should be at water treatment plant, important to do one NOW, and then do another for the new treatment plant
- SCADA System – (at both water and wastewater plants) it looks good and functions well, but its technology is very out of date, won't get supported, 12 years old, technology has grown, 5-7 years is typical life of a system
- Many opportunities to leverage technology
- Master plan is current and reporting is good
- Could utilize a water supply risk plan (water conservation, community water-saving expectations, etc.) and an IT plan
- During transition of old plant to new plant there will need to be additional resources and additional staff in place to make for a smooth transition
- Staff needs to be given permission to be very involved (operator input) in new plant design/construction process

### **E. Alternatives for evaluation**

- Discussion about possibility of instituting strict water conservation efforts in order to reduce size of new water treatment plant (Eisenhardt can give an overview and some guidance on this issue, but it is more of a policy choice of what is appropriate for the community)
- Possibilities discussed of replacing systems in old plant instead of building a completely new plant

## **2. Review Water & Wastewater Strategic Plan Project Schedule and Q&A Session with the Eisenhardt Group**

### **A. Next Steps (Paul Eisenhardt)**

- Will take all information gathered and initial assessments and produce mini-reports by early June
- Area 1 – additional site visits, meetings with staff (June/July?)
- September – will have partnership evaluations ready
- Most of their recommendations will be very straightforward (except for Area 1)
- October – final report draft particularly on Area 1

### **B. Q & A**

- Will they be providing cost comparisons – no, unable to provide this info as City is too far out from preliminary design phase. They will provide more long-term perspectives on different options.
- Will they be evaluating causes of peak flows times in conjunction with option of larger reservoir? Will look at data and give assessment and overview.
- Will they look at general things that can go wrong with operating a plant? Yes, they have the utility's Emergency Response Plan and the Risk Mitigation and Loss Report.
- Is there enough/correct data being gathered to effectively manage the operation of the plant? Yes, they will be looking at the Regulatory Compliance Profile which addresses that and continue to discuss diagnostic related activities. An area for improvement could be to systematize and organize the data better and also document the data more efficiently (get it out of people's heads).
- Will they do an overview of the possibility of looking at drilling a high-volume well or other alternative water sources? No, not in-depth in this study, but they would make a comment on the topic.

## **3. Approve Meeting Minutes – (February 20 & 23, 2015)**

### Corrections to Minutes:

- Feb 20 minutes (pages 1, 2) – four references to what should be “Novato”

### **MOTION/VOTE**

**Council Member Hannum moved and Committee Member Rall seconded the motion to approve the minutes from the February 20, 2015 and February 23, 2015 meetings as corrected. The vote resulted as follows: “AYES”: Committee Members Riker, Lindsay, Hannum, Williams, Rall, and Mitchell. “NAYS”: None. Abstain: None. Absent: Committee Members Morgan and Lange. The motion passed.**

4. **New Business – n/a**
  
5. **Set next meeting date/agenda – June 25, 2015 (time and place TBD)**
  - Will find a time and location that works for everyone
  - Jay will email reminders to the Committee members

These minutes were prepared by contract minute taker, Becca Quimby.